

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

FORM 10-Q

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: **July 31, 2025**

OR

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: **001-41443**

NETCAPITAL INC.

(Exact name of registrant as specified in its charter)

Utah
(State or other jurisdiction
of incorporation or organization)

87-0409951
(I.R.S. Employer
Identification No.)

**1 Lincoln Street
Boston MA 02111**
(Address of principal executive offices)

(781) 925-1700
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value \$0.001 per share	NCPL	The Nasdaq Stock Market LLC
Warrants to Purchase Common Stock	NCPLW	The Nasdaq Stock Market LLC

Indicate by check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities and 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

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

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

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

As of September 22, 2025 the registrant had 4,917,889 shares of its common stock, par value \$0.001 per share, issued and outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This Quarterly Report on Form 10-Q contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements may be identified by such forward-looking terminology as “may,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue” or the negative of these terms or other comparable terminology. Our forward-looking statements are based on a series of expectations, assumptions, estimates and projections about our company, are not guarantees of future results or performance and involve substantial risks and uncertainty. We may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in these forward-looking statements. Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties, including the risks and uncertainties inherent in our statements regarding:

- capital requirements and the availability of capital to fund our growth and to service our existing debt;
- difficulties executing our growth strategy, including attracting new issuers and investors;
- our anticipated use of the net proceeds from our recent public offering;
- all the risks of acquiring one or more complementary businesses, including identifying a suitable target, completing comprehensive due diligence uncovering all information relating to the target, the financial stability of the target, the impact on our financial condition of the debt we may incur in acquiring the target, the ability to integrate the target’s operations with our existing operations, our ability to retain management and key employees of the target, among other factors attendant to acquisitions of small, non-public operating companies;
- difficulties in increasing revenue per issuer;
- challenges related to hiring and training fintech employees at competitive wage rates;
- difficulties in increasing the average number of investments made per investor;
- shortages or interruptions in the supply of quality issuers;
- our dependence on a small number of large issuers to generate revenue;
- negative publicity relating to any one of our issuers;
- competition from other online capital portals with significantly greater resources than we have;
- changes in investor tastes and purchasing trends;
- our inability to manage our growth;
- our inability to maintain an adequate level of cash flow, or access to capital, to meet growth expectations;
- changes in senior management, loss of one or more key personnel or an inability to attract, hire, integrate and retain skilled personnel;

- labor shortages, unionization activities, labor disputes or increased labor costs, including increased labor costs resulting from the demand for qualified employees;
- our vulnerability to increased costs of running an online portal with any cloud partner;
- our vulnerability to increasing labor costs;
- the impact of governmental laws and regulation;
- failure to obtain or maintain required licenses;
- changes in economic or regulatory conditions and other unforeseen conditions that prevent or delay the development of a secondary trading market for shares of equity that are sold on our online portal; and
- inadequately protecting our intellectual property or breaches of security of confidential user information.

You are cautioned that all forward-looking statements involve risks and uncertainties. We undertake no obligation to amend this Form 10-Q or our annual report on Form 10-K or revise publicly these forward-looking statements (other than pursuant to reporting obligations imposed on registrants pursuant to applicable federal securities laws) to reflect subsequent events or circumstances.

All of our forward-looking statements are as of the date of this Quarterly Report on Form 10-Q only. In each case, actual results may differ materially from such forward-looking information. We can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of, or any material adverse change in, one or more of the risk factors or risks and uncertainties referred to in this Quarterly Report on Form 10-Q or included in our other public disclosures or our other periodic reports or other documents or filings filed with or furnished to the U.S. Securities and Exchange Commission (the “SEC”) could materially and adversely affect our business, prospects, financial condition and results of operations. Except as required by law, we do not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections or other circumstances affecting such forward-looking statements occurring after the date of this Quarterly Report on Form 10-Q, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. Any public statements or disclosures by us following this Quarterly Report on Form 10-Q that modify or impact any of the forward-looking statements contained in this Quarterly Report on Form 10-Q will be deemed to modify or supersede such statements in this Quarterly Report on Form 10-Q.

This Quarterly Report on Form 10-Q may include market data, industry statistics, and forecasts derived from internal company surveys, independent market research, publicly available information, governmental reports, and third-party industry publications. While we believe these sources to be reliable, we have not independently verified the accuracy or completeness of such data, and we cannot guarantee their accuracy. Any estimates or forecasts involve assumptions and are subject to risks and uncertainties.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**NETCAPITAL INC.
CONDENSED CONSOLIDATED BALANCE SHEETS**

	July 31, 2025 (Unaudited)	April 30, 2025 (Audited)
Assets:		
Cash and cash equivalents	\$ 4,562,491	\$ 289,428
Accounts receivable, net	20,000	78,649
Prepaid expenses	409,661	31,535
Total current assets	4,992,152	399,612
Deposits	6,300	6,300
Notes receivable - related parties	50,000	50,000
Intangible assets	17,528,660	14,697,529
Equity securities	5,855,190	5,748,050
Total assets	\$ 28,432,302	\$ 20,901,491
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,934,537	\$ 2,941,108
Accrued expenses	235,448	269,971
Short-term promissory notes	600,000	263,437
Deferred revenue	315	330
Interest payable	114,962	100,797
Current portion of SBA loans	1,885,800	1,885,800
Loan payable - bank	34,324	34,324
Total current liabilities	4,805,386	5,495,767
Long-term liabilities:		
Long-term SBA loans, less current portion	500,000	500,000
Total liabilities	5,305,386	5,995,767
Commitments and contingencies	-	-
Stockholders' equity:		
Common stock, \$.001 par value; 900,000,000 shares authorized, 4,720,066 and 2,192,226 shares issued and outstanding	4,720	2,192
Shares to be issued	-	200,000
Capital in excess of par value	54,586,010	42,525,294
Retained earnings (deficit)	(31,463,814)	(27,821,762)
Total stockholders' equity	23,126,916	14,905,724
Total liabilities and stockholders' equity	\$ 28,432,302	\$ 20,901,491

See Accompanying Notes to the Condensed Consolidated Financial Statements

NETCAPITAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended July 31, 2025	Three Months Ended July 31, 2024
Revenues	\$ 190,058	\$ 142,227
Costs of services	7,409	10,220
Gross profit	182,649	132,007
Costs and expenses:		
Consulting expense	72,051	97,381
Marketing	11,438	6,898
Rent	22,852	19,116
Payroll and payroll related expenses	1,793,450	1,136,593
General and administrative costs	1,568,506	1,380,256
Total costs and expenses	3,468,297	2,640,244
Operating loss	(3,285,648)	(2,508,237)
Other income (expense):		
Interest expense	(36,067)	(10,464)
Interest income	-	400
Amortization of intangible assets	(8,869)	(8,869)
Unrealized gain (loss) on equity securities	44,945	-
Accretion on short-term notes	(356,413)	-
Total other income (expense)	(356,404)	(18,933)
Net loss before taxes	(3,642,052)	(2,527,170)
Income tax expense	-	-
Net loss	\$ (3,642,052)	\$ (2,527,170)
Basic loss per share	\$ (1.27)	\$ (5.10)
Diluted loss per share	\$ (1.27)	\$ (5.10)
Weighted average number of common shares outstanding:		
Basic	2,873,379	495,319
Diluted	2,873,379	495,319

See Accompanying Notes to the Condensed Consolidated Financial Statements

NETCAPITAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the Three Months Ended July 31, 2025 and 2024 (Unaudited)

	Common Stock		Shares to	Capital in	Retained	Total
	Shares	Amount	Be Issued	Excess of Par Value	Earnings (Deficit)	Equity
Balance April 30, 2024	326,867	\$ 327	\$ 122,124	\$ 37,338,594	\$ 479,563	\$ 37,940,608
Vesting of stock options	-	-	-	139,371	-	139,371
Round up of fractional shares	-	-	140	(140)	-	-
Warrant exercise	252,286	252	-	1,955,392	-	1,955,644
Net loss quarter ended July 31, 2024	-	-	-	-	(2,527,170)	(2,527,170)
Balance July 31, 2024	<u>579,153</u>	<u>\$ 579</u>	<u>\$ 122,264</u>	<u>\$ 39,433,217</u>	<u>\$ (2,047,607)</u>	<u>\$ 37,508,453</u>
Balance April 30, 2025	2,192,226	\$ 2,192	\$ 200,000	\$ 42,525,294	\$ (27,821,762)	\$ 14,905,724
Sale of common stock	1,704,152	1,704	-	8,505,467	-	8,507,171
Reduction in shares to be issued	54,421	55	(200,000)	199,945	-	-
Vesting of stock options	-	-	-	516,073	-	516,073
Purchase of software license	500,000	500	-	2,839,500	-	2,840,000
Warrant Exercise	269,267	269	-	(269)	-	-
Net loss quarter ended July 31, 2025	-	-	-	-	(3,642,052)	(3,642,052)
Balance July 31, 2025	<u>4,720,066</u>	<u>\$ 4,720</u>	<u>\$ -</u>	<u>\$ 54,586,010</u>	<u>\$ (31,463,814)</u>	<u>\$ 23,126,916</u>

See Accompanying Notes to the Condensed Consolidated Financial Statements

NETCAPITAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended July 31, 2025	Three Months Ended July 31, 2024
OPERATING ACTIVITIES		
Net loss	\$ (3,642,052)	\$ (2,527,170)
Adjustment to reconcile net income (loss) to net cash used in operating activities:		
Stock-based compensation	516,073	139,371
Receipt of equity in lieu of cash	(62,195)	(10,127)
Unrealized gain on equity securities	(44,945)	-
Accretion of short-term notes	356,413	-
Amortization of intangible assets	8,869	8,869
Changes in non-cash working capital balances:		
Accounts receivable	58,649	134,849
Prepaid expenses	(378,126)	(24,856)
Other receivables	-	(400)
Accounts payable and accrued expenses	(1,041,094)	313,620
Deferred revenue	(15)	(21)
Accrued interest payable	14,165	2,220
Net cash used in operating activities	<u>(4,214,258)</u>	<u>(1,963,645)</u>
FINANCING ACTIVITIES		
Payment of short-term notes	(319,850)	-
Proceeds from short-term notes	300,000	-
Proceeds from exercise of warrants	-	1,955,644
Proceeds from sale of common stock	8,507,171	-
Net cash provided by financing activities	<u>8,487,321</u>	<u>1,955,644</u>
Net increase (decrease) in cash	4,273,063	(8,001)
Cash and cash equivalents, beginning of the period	289,428	863,182
Cash and cash equivalents, end of the period	<u>\$ 4,562,491</u>	<u>\$ 855,181</u>
Supplemental disclosure of cash flow information:		
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>
Cash paid for interest	<u>\$ 8,157</u>	<u>\$ 8,244</u>
Supplemental Non-Cash Financing Information:		
Common stock issued for perpetual Horizon software license	<u>\$ 2,840,000</u>	<u>\$ -</u>

See Accompanying Notes to the Condensed Consolidated Financial Statements

NETCAPITAL INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1– Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed financial statements of Netcapital Inc. (the “Company”) have been prepared in accordance with generally accepted accounting principles (“GAAP”) for interim financial information and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) for quarterly reports on Form 10-Q. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended July 31, 2025, are not necessarily indicative of the results that may be expected for the fiscal year ended April 30, 2026. For further information, refer to the audited financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended April 30, 2025.

Reverse Stock Split

On July 29, 2024, following shareholder approval we filed articles of amendment (the “Articles of Amendment”) to our Articles of Incorporation, as amended, with the Utah Department of Commerce, Division of Corporations and Commercial Code to effectuate a 1-for-70 reverse stock split (the “Reverse Stock Split”) of our issued and outstanding shares of common stock, which Articles of Amendment became effective on August 1, 2024. The Reverse Stock Split became effective at 4:01 pm Eastern Time on August 1, 2024, and our common stock began trading on a split-adjusted basis at the open of trading on The Nasdaq Capital Market on August 2, 2024. Upon effectiveness of the Reverse Stock Split, every seventy (70) shares of our common stock issued and outstanding were automatically reclassified and combined into one share of our common stock, without any change in the par value per share. Additionally, equitable adjustments corresponding to the Reverse Stock Split ratio were made to (i) the exercise prices of and number of shares of common stock underlying the Company’s public and private warrants in accordance with their terms, (ii) the number of shares of common stock underlying the Company’s outstanding equity awards in accordance with their terms, and (iii) the number of shares of common stock issuable under the Company’s equity incentive plan. No fractional shares were issued in connection with the Reverse Stock Split. Any stockholder who would otherwise be entitled to receive a fractional share instead became entitled to receive one whole share of Common Stock in lieu of such fractional share. Following the Reverse Stock Split, we had 718,934 shares of our common stock outstanding, which includes 139,781 shares of our common stock that were issued for rounding up fractional shares resulting from the Reverse Stock Split. All share and per share data in the accompanying financial statements have been retroactively adjusted to reflect the effect of the Reverse Stock Split.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries after the elimination of significant intercompany balances and transactions. The wholly owned subsidiaries are Netcapital Funding Portal Inc., an equity-based funding portal registered with the SEC, Netcapital Advisors Inc., which provides marketing and strategic advice to select companies, MSG Development Corp, a business valuation company, which was acquired in November 2021, and Netcapital Securities Inc., which was organized in 2024 and was approved by FINRA to operate as a broker dealer.

Use of Estimates

Preparation of condensed consolidated financial statements in conformity with GAAP requires the use of estimates and judgments that affect the reported amounts in the condensed consolidated financial statements and accompanying notes. GAAP requires us to make estimates and judgments in several areas, including, but not limited to, those related to revenue recognition, accounts receivable, valuation of equity securities, income taxes, and valuation of long-lived assets including intellectual property and purchased technology. These estimates are based on management’s knowledge of current events, interpretation of regulations, and expectations about actions we may undertake in the future. Actual results could differ materially from those estimates.

Significant Accounting Policies

There have been no material changes to our significant accounting policies from our Annual Report on Form 10-K for the fiscal year ended April 30, 2025.

Recent Accounting Pronouncements

In March 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income (Topic 220): Disaggregation of Income Statement Expenses. This ASU requires public companies to provide additional disclosures on the nature and amount of certain expense line items, such as employee compensation, depreciation, and other costs, to improve transparency of operating results. The standard is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of the standard on its future financial statement disclosures.

In January 2024, the FASB issued ASU 2024-01, Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards. This ASU includes illustrative examples to clarify when profits interest awards or similar arrangements should be accounted for under ASC 718. The standard is effective for public companies for fiscal years beginning after December 15, 2024. The Company is evaluating the applicability of this guidance to any future equity-based compensation arrangements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires expanded disclosures about a public entity’s reportable segments. The Company adopted ASU 2023-07 for its fiscal 2024 year. The adoption did not have a material impact on the Company’s consolidated financial statements.

The Company operates in a single operating segment, which is the provision of fintech services. This determination is based on the following factors:

1. **Centralized Decision-Making:** The Company’s Chief Executive Officer, who is the Chief Operating Decision Maker (CODM), makes strategic and resource allocation decisions across all subsidiaries and entities within the Company. This centralized approach ensures that the operations are managed as a single, cohesive unit.
2. **Integrated Operational Ecosystem:** The Company’s subsidiaries and entities operate within a unified fintech ecosystem, sharing resources, technology, and objectives. This integration reflects a singular operational framework focused on delivering cohesive fintech solutions.
3. **Uniform Review Process:** The performance of all entities and subsidiaries is reviewed as a whole by the CODM. This holistic review process supports the identification of the Company as a single operating segment rather than discrete financial segments.

Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances.

Note 2 – Concentrations

For the three months ended July 31, 2025, the Company had one customer that constituted 73% of revenues. For the three months ended July 31, 2024, the Company had one customer that constituted 15% of revenues.

Note 3 – Revenue Recognition

Revenue Recognition under ASC 606

The Company recognizes service revenue from its consulting contracts, funding portal and game website using the five-step model as prescribed by ASC 606:

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Company satisfies a performance obligation.

The Company identifies performance obligations in contracts with customers, which primarily are professional services, listing fees on our funding portal, and a portal fee of 4.9% of the money raised on the funding portal. The transaction price is determined based on the amount the Company expects to be entitled to receive in exchange for transferring the promised services to the customer. The transaction price in the contract is allocated to each distinct performance obligation in an amount that represents the relative amount of consideration expected to be received in exchange for satisfying each performance obligation. Revenue is recognized when performance obligations are satisfied. The Company usually bills its customers before it provides any services and begins performing services after the first payment is received. Contracts are typically one year or less. For larger contracts, in addition to the initial payment, the Company may allow for progress payments throughout the term of the contract.

Judgments and Estimates

The estimation of variable consideration for each performance obligation requires the Company to make subjective judgments. The Company enters into contracts with customers that may include promises to transfer multiple services, such as digital marketing, web-based videos, offering statements, and professional services. For arrangements with multiple services, the Company evaluates whether the individual services qualify as distinct performance obligations. In its assessment of whether a service is a distinct performance obligation, the Company determines whether the customer can benefit from the service on its own or with other readily available resources, and whether the service is separately identifiable from other services in the contract. This evaluation requires the Company to assess the nature of each individual service offering and how the services are provided in the context of the contract, including whether the services are significantly integrated, highly interrelated, or significantly modify each other, which may require judgment based on the facts and circumstances of the contract.

When agreements involve multiple distinct performance obligations, the Company allocates arrangement consideration to all performance obligations at the inception of an arrangement based on the relative standalone selling prices (SSP) of each performance obligation. Where the Company has standalone sales data for its performance obligations which are indicative of the price at which the Company sells a promised service separately to a customer, such data is used to establish SSP. In instances where standalone sales data is not available for a particular performance obligation, the Company estimates SSP by the use of observable market and cost-based inputs. The Company continues to review the factors used to establish list price and will adjust standalone selling price methodologies as necessary on a prospective basis.

Service Revenue

Service revenue from subscriptions to the Company's game website is recognized over time on a ratable basis over the contractual subscription term beginning on the date that the platform is made available to the customer. Payments received in advance of subscription services being rendered are recorded as a deferred revenue. Professional services revenue is recognized over time as the services are rendered.

When a contract with a customer is signed, the Company assesses whether collection of the fees under the arrangement is probable. The Company estimates the amount to reserve for uncollectible amounts based on the aging of the contract balance, current and historical customer trends, and communications with its customers. These reserves are recorded as operating expenses against the contract assets.

Contract Assets

Contract assets are recorded for those parts of the contract consideration not yet invoiced but for which the performance obligations are completed. The revenue is recognized when the customer receives services. Contract assets are included in other current assets in the consolidated balance sheets and will be recognized during the succeeding twelve-month period.

Deferred Revenue

Deferred revenues represent billings or payments received in advance of revenue recognition and are recognized upon transfer of control. Balances consist primarily of annual plan subscription services and professional services not yet provided as of the balance sheet date. Deferred revenues that will be recognized during the succeeding twelve-month period are recorded as current deferred revenues in the consolidated balance sheets, with the remainder recorded as other non-current liabilities in the consolidated balance sheets.

Costs to Obtain a Customer Contract

Sales commissions and related expenses are considered incremental and recoverable costs of acquiring customer contracts. These costs are capitalized as other current or non-current assets and amortized on a straight-line basis over the life of the contract, which approximates the benefit period. The benefit period was estimated by taking into consideration the length of customer contracts, technology lifecycle, and other factors. All sales commissions are recorded as consulting fees within the Company's consolidated statement of operations.

Remaining Performance Obligations

The Company's subscription terms are typically less than one year. All of the Company's revenues in the three months ended July 31, 2025 and 2024, which amounted to \$190,058 and \$142,227, respectively, are considered contract revenues. Contract revenue as of July 31, 2025 and April 30, 2025, which has not yet been recognized, amounted to \$315 and \$330, respectively, and is recorded on the balance sheet as deferred revenue. The Company expects to recognize revenue on all of its remaining performance obligations over the next 12 months.

Disaggregation of Revenue

Revenue is from U.S.-based companies with no notable geographical concentrations in any area. Revenues are disaggregated by revenue source as follows:

Revenues disaggregated by revenue source consist of the following:

	Three Months Ended July 31, 2025	Three Months Ended July 31, 2024
Portal fees	\$ 122,728	\$ 89,429
Listing fees	5,000	42,500
Portal 1% equity fee	62,195	10,127
Game website revenue	135	171
Total revenues	<u>\$ 190,058</u>	<u>\$ 142,227</u>

Note 4 – Earnings Per Common Share

Net income per common and diluted share were calculated as follows for the three-month periods ended July 31, 2025 and 2024:

	Three Months Ended July 31, 2025	Three Months Ended July 31, 2024
Net loss attributable to common stockholders – basic	\$ (3,642,052)	\$ (2,527,170)
Adjustments to net income	—	—
Net loss attributable to common stockholders – diluted	<u>\$ (3,642,052)</u>	<u>\$ (2,527,170)</u>
Weighted average common shares outstanding - basic	2,873,379	495,319
Effect of dilutive securities	—	—
Weighted average common shares outstanding – diluted	<u>2,873,379</u>	<u>495,319</u>
Loss per common share - basic	\$ (1.27)	\$ (5.10)
Loss per common share - diluted	<u>\$ (1.27)</u>	<u>\$ (5.10)</u>

Outstanding vested warrants to purchase 2,158,607 and 885,727 shares of common stock are not included in the calculation of earnings per share for the three months ended July 31, 2025 and 2024, respectively, because their effect is anti-dilutive.

Outstanding vested options to purchase 128,719 and 12,787 shares of common stock are not included in the calculation of earnings per share for the three months ended July 31, 2025 and 2024, respectively, because their effect is anti-dilutive.

Note 5 – Principal Financing Arrangements

The following table summarizes components debt as of July 31, 2025 and April 30, 2025:

	July 31, 2025	April 30, 2025	Interest Rate
Convertible promissory notes	\$ —	\$ 161,787	12.0%
Notes payable	600,000	101,650	8.0%
U.S. SBA loan	500,000	500,000	3.75%
U.S. SBA loan	1,885,800	1,885,800	1.0%
Loan payable – bank	34,324	34,324	9.75%
Total Debt	3,020,124	2,683,561	
Less: current portion of long-term debt	2,520,124	2,183,561	
Total long-term debt	\$ 500,000	\$ 500,000	

The Company owes \$34,324 as of July 31, 2025 and April 30, 2025 to Chase Bank. For the loan from Chase Bank, the Company pays interest only on a monthly basis, which represents a rate of 9.75% per annum as of July 31, 2025.

On June 17, 2020 the Company borrowed \$500,000 (the “June Loan”), and on February 2, 2021, the Company borrowed \$1,885,800 (the “February Loan”) from a U.S. Small Business Administration (“SBA”) loan program.

The June Loan required installment payments of \$2,437 monthly, beginning on June 17, 2021, over a term of thirty years. However, the SBA postponed the first installment payment for 18 months, and the first payment became due on December 17, 2022. The monthly payments of \$2,437 are first applied to accrued interest payable. The monthly payments will not be applied to any of the outstanding principal balance until August 17, 2026. Consequently, the entire loan balance of \$500,000 is classified as a long term liability. Interest accrues at a rate of 3.75% per annum. The Company agreed to grant a continuing security interest in its assets to secure payment and performance of all debts, liabilities, and obligations to the SBA. The June Loan was personally guaranteed by the Company’s Chief Financial Officer. Accrued interest payable for the June 2020 Loan as of July 31, 2025 and April 30, 2025 amounted to \$17,924 and \$20,611, respectively.

The February Loan bears interest at a rate of 1% per annum and the due date of the first payment has been postponed by the SBA because the Company has applied for forgiveness of the February Loan. Accrued interest payable for the February 2021 Loan as of July 31, 2025 and April 30, 2025 amounted to \$84,939 and \$80,186, respectively.

On March 26, 2025, the Company entered into a Securities Purchase Agreement with 1800 Diagonal Lending LLC (the “Lender”), pursuant to which the Company issued a promissory note in the principal amount of \$181,540 (the “Note”). The Note was issued with an original issue discount (“OID”) of \$25,040, and the Company received net proceeds of \$150,000 after deducting legal and due diligence fees.

As of April 30, 2025, the unamortized original issue discount was \$19,753, and the Note was recorded on the balance sheet at its net carrying amount of \$161,787.

The Note included a one-time interest charge of 12% and was scheduled to mature on January 30, 2026. The Note required repayment in five monthly installments beginning on September 30, 2025, for a total contractual repayment amount of \$203,324. Under the terms of the Note, the Company had the option to prepay the outstanding balance. On July 8, 2025, the Company exercised this option and paid the Note in full with a remittance of \$197,225.

On April 29, 2025, the Company entered into a private financing transaction with a single accredited investor and issued an unsecured, non-convertible promissory note in the principal amount of \$200,000. The note was issued at a 50% OID for gross proceeds of \$100,000. The note bears interest at 8% per annum, matures on July 31, 2025, and is prepayable at any time without penalty. In the event of default, the interest rate increases to 20% per annum. As of July 31, 2025, the note was recorded at its face value of \$200,000 and was in default. As of April 30, 2025, the unamortized OID was \$98,350, and the note was recorded on the balance sheet at a net carrying amount of \$101,650. Accrued interest payable amounted to \$4,033 as of July 31, 2025.

In May 2025, the Company completed the sale of debt pursuant to two separate securities purchase agreements with 1800 Diagonal Lending LLC, a Virginia limited liability company, under which it issued the following convertible promissory notes:

- A convertible promissory note in the principal amount of \$61,360, for a purchase price of \$52,000, reflecting an original issue discount of \$9,360. The note carried a one-time interest charge of 12% and is repayable in ten (10) monthly payments of \$6,872.30 beginning May 30, 2025. The Company prepaid the note in full on July 8, 2025, with a remittance of \$52,779 after having made two of the 10 scheduled monthly payments.
- A second convertible bridge note in the principal amount of \$64,960, for a purchase price of \$56,000, with an original issue discount of \$8,960. The note also carried a 12% one-time interest charge and is repayable in five (5) monthly payments beginning October 30, 2025. It shares the same maturity date and default-based conversion rights as the first note. The Company prepaid the note in full on July 8, 2025, with a remittance of \$69,845.

On May 1, 2025, the Company completed a private financing transaction with a single accredited investor and issued an unsecured, non-convertible promissory note in the principal amount of \$400,000. The note was issued at a 50% OID for gross proceeds of \$200,000. The note bears interest at 8% per annum, matures three months from the issuance date, or August 1, 2025, and is prepayable at any time without penalty. In the event of default, the interest rate increases to 20% per annum. It is recorded as a note payable of \$400,000 as of July 31, 2025. Accrued interest payable amounted to \$8,066 as of July 31, 2025.

Note 6 – Income Taxes

For the three months ended July 31, 2025, the Company recorded no income tax expense due to the operating loss in the three months ended July 31, 2025. For the three months ended July 31, 2024, the Company recorded no income tax expense due to the operating loss in the three months ended July 31, 2024.

Note 7 – Related Party Transactions

Netcapital Systems LLC (“Systems”), of which Jason Frishman, Founder, owns a 29% interest, owns 24,447 shares of common stock, or less than 1% of the Company’s 4,720,066 outstanding shares as of July 31, 2025. The Company owns 528 membership interest units of Systems, or approximately 1%. The Company paid Systems \$285,000 and \$95,000 in the three-month periods ended July 31, 2025 and 2024, respectively, for use of the software that runs the website www.netcapital.com. The Company owed Systems \$95,000 and \$285,000 as of July 31, 2025 and April 30, 2025, respectively.

Cecilia Lenk, the Chief Executive Officer of Netcapital Advisors Inc., (“Advisors”), our wholly owned subsidiary, is a member of the board of directors of KingsCrowd Inc. As of July 31, 2025 and April 30, 2025, the Company owned 3,209,685 shares of KingsCrowd Inc., valued at \$577,743.

Compensation to officers in the three-month periods ended July 31, 2025 and 2024 consisted of stock-based compensation valued at \$508,269 and \$93,896, respectively, and cash salaries of \$697,742 and \$340,394, respectively.

Compensation to a business development employee, John Fanning Jr., son of our CFO, in the three-month periods ended July 31, 2025 and 2024 consisted of cash wages of \$14,100 and \$12,778, respectively. This person is also the controlling shareholder of Zelgor Inc. As of July 31, 2025 and April 30, 2025, the Company owned 1,400,000 shares of Zelgor Inc., which are valued at \$1,400,000.

On June 8, 2025, the Company granted stock options to purchase an aggregate of 55,000 shares of our common stock to our Chief Executive Officer, Martin Kay, and 55,000 shares to our Chief Financial Officer, Coreen Kraysler. The options have an exercise price of \$2.68, are fully vested, and expire on June 8, 2029.

Coreen Kraysler, our Chief Financial Officer, has personally guaranteed a \$500,000 promissory note from the U.S. Small Business Administration. The note bears interest at an annual rate of 3.75%, has a 30-year term, and monthly payments of \$2,437 began on December 17, 2022.

Mr. John Fanning is an advisor to the Company and is the husband of the Company’s Chief Financial Officer. The Company does not have a formal advisory contract with Mr. Fanning. Further, from time to time, Mr. Fanning provides advice to companies in which the Company either owns an equity position, conducted offerings on the Company’s funding portal, and/or are vendors in the Company’s ecosystem. The Company is also aware of a website that states that John Fanning is working or has been involved in the past with some of the portfolio companies that conducted offerings on the Company’s funding portal, including KingsCrowd and Zelgor. See above for a discussion of the related party interests with respect to each of KingsCrowd and Zelgor.

Note 8 – Stockholders' Equity

On March 25, 2025, the Company filed articles of amendment (the "Articles of Amendment") to our Articles of Incorporation, as amended, with the Utah Department of Commerce, Division of Corporations and Commercial Code to authorize 10,000,000 shares of "blank check" preferred stock. Following the filing of the Articles of Amendment, the Company has the authority to issue 910,000,000 shares of capital stock, such total shares consisting of (i) 900,000,000 shares of common stock and (ii) 10,000,000 shares of preferred stock. There were 4,720,066 and 2,192,226 shares of the Company's common stock outstanding as of July 31, 2025 and April 30, 2025, respectively. No preferred shares have been issued.

On May 24, 2024, the Company entered into inducement offer letter agreements with certain investors that held certain outstanding Series A-2 warrants to purchase up to an aggregate of 204,572 shares of our common stock with an exercise price of \$17.50 per share, originally issued in December 2023 at a reduced exercise price of \$10.85 per share (which reduced exercise price was granted to all holders on Series A-2 warrants by the board on May 24, 2024) in partial consideration for the Company's agreement to issue in a private placement (i) new Series A-3 common stock purchase warrants to purchase up to 253,947 shares of our common stock at an exercise price of \$8.74 per share and (ii) new Series A-4 common stock purchase warrants to purchase up to 253,947 shares of our common stock at an exercise price of \$8.74 per share for aggregate gross proceeds of approximately \$2.2 million from the exercise of the existing warrants, before deducting placement agent fees and other expenses payable by the Company. The Series A-3 Warrants and Series A-4 Warrants are exercisable beginning on the effective dates of stockholder approval of the issuance with such warrants expiring on (i) the five year anniversary of the initial exercise date for the Series A-3 Warrants and (ii) the eighteen month anniversary of the initial exercise date for the Series A-4 Warrants. This transaction closed on May 29, 2024. Wainwright was the exclusive agent for the transaction for which we paid them a cash fee equal to 7.5% from the exercise of the Series A-2 warrant at the reduced exercise price and a management fee equal to 1.0% of such aggregate gross proceeds. The Company also issued warrants to designees of Wainwright to purchase up to 19,048 shares of our common stock at an exercise price of \$10.93 per share.

On August 23, 2024, we entered into an At The Market Offering Agreement (the "ATM Agreement") with Wainwright to sell shares of our common stock, par value \$0.001 per share, (the "Shares") having an aggregate sales price of up to \$2,100,000, from time to time, through an "at the market offering" program under which Wainwright acted as sales agent. The sales of the Shares made under the ATM Agreement were made by any method permitted by law deemed to be an "at the market offering" as defined in Rule 415 promulgated under the Securities Act of 1933, as amended. We paid Wainwright a commission rate equal to 3.0% of the aggregate gross proceeds from each sale of Shares. From August 23, 2024 through October 29, 2024, the Company sold 1,122,693 shares of its common stock through Wainwright pursuant to the ATM Agreement for gross proceeds of \$2,099,667 for which it paid Wainwright approximately \$70,667 in commissions and other issuance costs of \$50,000, resulting in net proceeds to the Company of approximately \$1,979,000. No additional Shares will be sold under this ATM Agreement.

On January 9, 2025, the Company entered into inducement offer letter agreements with certain investors that held certain outstanding warrants to purchase up to an aggregate of 270,861 shares of the Company's common stock, that were originally issued to the warrant holders in December 2023 and May 2024 (the "Existing Warrants"). The Existing Warrants had an exercise price of \$10.85 per share. Pursuant to the inducement letter agreements, the warrant holders agreed to exercise for cash the Existing Warrants at a reduced exercise price of \$1.80 per share in partial consideration for the Company's agreement to issue in a private placement (x) new Series A-5 Common Stock purchase warrants (the "Series A-5 Warrants") to purchase up to 361,148 shares of our common stock and (y) new Series A-6 Common Stock Purchase Warrants (the "Series A-6 Warrants" and, together with the Series A-5 Warrants, the "New Warrants") to purchase up to 180,574 shares of common stock. The New Warrants are exercisable beginning on July 13, 2025 (the "Initial Exercise Date"), with such warrants expiring on (i) the five year anniversary of the Initial Exercise Date for the Series A-5 Warrants and (ii) the eighteen month anniversary of the Initial Exercise Date for the Series A-6 Warrants.

The closing of the transactions contemplated by the inducement letters agreements occurred on January 13, 2025. The Company received aggregate gross proceeds of approximately \$487,000 from the exercise of the Existing Warrants by the warrant holders, before deducting placement agent fees and other expenses payable by the Company. The Company also issued warrants, that expire on July 15, 2030, to designees of Wainwright to purchase up to 20,315 shares of our common stock at an exercise price of \$2.25 per share.

On March 5, 2025, the Company entered into inducement offer letter agreements with certain warrant holders to exercise 79,558 outstanding warrants for cash at a reduced exercise price of \$1.80 per share (previously \$8.74 per share). In consideration, the Company issued Series A-7 and Series A-8 Common Stock Purchase Warrants to purchase an aggregate of 159,116 shares of common stock at an exercise price of \$2.03. The Series A-7 Warrants expire five years from their initial exercise date of September 5, 2025, and the Series A-8 Warrants expire eighteen months from the same date.

The transaction closed on March 6, 2025, generating gross proceeds of approximately \$143,000, before deducting fees and expenses.

As of April 30, 2025, the Company owed \$200,000 to an investor relations consulting firm for services rendered, which was payable in shares of common stock. The liability was recorded as "shares to be issued" as of April 30, 2025. The related shares were issued on July 21, 2025.

On June 8, 2025, the Company granted 55,000 stock options under the 2023 Omnibus Equity Incentive Plan to each of Martin Kay, Chief Executive Officer, and Coreen Kraysler, Chief Financial Officer. These options have an exercise price of \$2.68 per share, vest immediately and expire in 4 years.

On June 9, 2025, the Company granted 100,000 stock options under the Plan to each of Martin Kay, Chief Executive Officer, and Coreen Kraysler, Chief Financial Officer, and 80,000 options to Jason Frishman, Paul Riss, director of Netcapital Funding Portal Inc.

On June 10, 2025, the Company issued an aggregate of 118,750 shares of its common stock at a purchase price of \$4.00 per share in a private placement to ten accredited investors, resulting in gross proceeds of \$475,000.

The subscription agreements for this private placement contained a price adjustment feature which provided that if the Company issues shares of common stock below \$4.00 per share at any time prior February 19, 2026, the investors in the June 10, 2025 private placement would be entitled to receive additional shares to effectively reduce their purchase price to such lower price; provided that the effective price per share could not be adjusted below the Minimum Price, which was \$2.68 per share, as defined under Nasdaq Rule 5635(d).

Under its existing "at-the-market" program with H.C. Wainwright, the Company filed a prospectus supplement on June 23, 2025, adding \$975,000 to its capacity under the ATM program. From June 23, 2025 to June 25, 2025, we sold 229,404 shares of our common stock through Wainwright at an average price of approximately \$4.25 per share, resulting in aggregate gross proceeds of approximately \$974,747, for which it paid Wainwright approximately \$29,242 in commissions and other issuance costs of \$1,438, resulting in net proceeds to the Company of approximately \$944,067. No additional shares will be sold under this ATM Agreement unless an additional prospectus supplement is filed.

On June 26, 2025, we entered into a Horizon Software Agreement (the “Horizon Agreement”) with Horizon Globex GmbH, a company incorporated in Switzerland (“Horizon”) pursuant to which Horizon granted the Company a royalty free, paid-up, non-exclusive, perpetual, irrevocable, unrestricted license to use the Licensed Software (as defined in the Horizon Agreement) with our branding and image, in the United States to provide capital-raising and secondary trading services to its clients in consideration for the issuance of 500,000 shares (the “Horizon Shares”) of our common stock to Horizon or its affiliate. The Horizon Agreement may be terminated by either party upon a default in the performance of any material obligation under the Agreement is not cured within 30-days after receipt of such notice. In addition, the Horizon Agreement may be terminated immediately by either party in the event the other party files or has filed against it any petition for relief under any bankruptcy statute or similar statute of any jurisdiction, or an order for relief in any bankruptcy or reorganization proceeding is entered against the other party and such order remains undischarged for a period of sixty (60) days; or a receiver is appointed for the other Party; or the other party is dissolved or liquidated, or ceases to carry on its business, or makes an assignment for the benefit of its creditors.

On July 2, 2025, the Company entered into Securities Purchase Agreements with institutional investors to sell 714,286 shares of common stock at a price of \$7.00 per share under a registered direct offering. Each share was sold together with a warrant to purchase one share of common stock, with an exercise price of \$6.88 per share. The warrants are immediately exercisable upon issuance for a period of 24 months following the effective date of the resale registration statement. The transaction closed on July 7, 2025, generating gross proceeds of approximately \$5 million before placement agent fees and expenses.

On July 16, 2025, the Company entered into a Securities Purchase Agreement with institutional investors to sell 641,712 shares of common stock at a price of \$4.675 per share under a registered direct offering. Each share was sold together with a warrant to purchase one share of common stock, with an exercise price of \$4.55 per share. The warrants are exercisable immediately upon issuance for a period of 24 months following the effective date of the resale registration statement. The transaction closed on July 17, 2025, generating gross proceeds of approximately \$3 million before placement agent fees and other offering expenses.

In July 2026, the Company issued an aggregate of 269,257 shares of common stock to warrant holders that exercised warrants to purchase 418,510 shares of common stock on a net exercise basis.

Note 9 – Fair Value

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has the ability to access at the measurement date.
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

Financial assets measured at fair value on a recurring basis are summarized below as of July 31, 2024 and April 30, 2024:

	Level 1	Level 2	Level 3	Total
July 31, 2025				
Equity securities at fair value	\$ —	\$ 5,855,190	\$ —	\$ 5,855,190
April 30, 2025				
Equity securities at fair value	\$ —	\$ 5,748,050	\$ —	\$ 5,748,050

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, we base fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is our policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management’s own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used.

Note 10 – Stock-Based Compensation Plans

In addition to cash payments, the Company enters agreements to issue common stock and records the applicable non-cash expense in accordance with the authoritative guidance of the Financial Accounting Standards Board.

For the three months ended July 31, 2025 and 2024, stock-based compensation expense amounted to \$516,073 and \$139,371, respectively.

The table below presents the components of compensation expense for the issuance of shares of common stock and stock options to employees and consultants for the three-month periods ended July 31, 2025 and 2024.

	Three Months Ended July 31, 2025	Three Months Ended July 31, 2024
Stock-based compensation expense		
Chief Executive Officer	\$ 250,844	\$ 62,493
Chief Financial Officer	203,265	14,914
Chief Executive Officer, Advisors	1,575	1,575
Founder	14,914	14,914
Employee and consultant options	45,475	45,475
Total stock-based compensation expense	\$ 516,073	\$ 139,371

Note 11 – Deposits and Commitments

The Company utilizes office space at 1 Lincoln Street in Boston, Massachusetts, under an office membership agreement. The Company pays a monthly membership fee of approximately \$7,600. The agreement is cancellable by the Company with 60 days' notice. As of July 31, 2025 and April 30, 2025, the Company had a refundable security deposit of \$6,300 related to the agreement.

Note 12 – Intangible Assets

Intangible assets with defined useful lives are measured at cost less accumulated amortization. The useful life is determined based on the period of the underlying contract or the period over which the intangible asset is expected to generate economic benefits. Intangible assets with indefinite useful lives, such as trade names, trademarks, and perpetual software licenses, are recorded at cost and are not amortized but tested for impairment annually, or more frequently if events or circumstances indicate that their carrying amounts may not be recoverable. Impairments are recognized when the recoverable amount of the asset is less than its carrying amount.

On June 26, 2025, the Company entered into a Horizon Software Agreement with Horizon Globex GmbH ("Horizon"), pursuant to which Horizon granted the Company a royalty-free, paid-up, non-exclusive, perpetual, irrevocable, and unrestricted license to use Horizon's proprietary software with the Company's branding and image in the United States to provide capital-raising and secondary trading services to its clients. In consideration for this license, the Company issued 500,000 shares of its common stock to Horizon. The license was valued at \$2,840,000 and is classified as an indefinite-lived intangible asset.

The following table sets forth the major categories of the intangible assets as of July 31, 2025 and April 30, 2025:

	July 31, 2025	April 30, 2025
Acquired users	\$ 14,271,836	\$ 14,271,836
License agreement	2,840,000	-
Acquired brand	532,118	532,118
Total intangible assets	17,643,954	14,803,954
Less: accumulated amortization	115,294	106,425
Net intangible assets	\$ 17,528,660	\$ 14,697,529

As of July 31, 2025, the weighted average remaining useful life for technology, trade names, professional practice, literary works and domains is 11.75 years.

Note 13 – Investments

During the three-month period ended July 31, 2025, the Company received equity securities from 3 issuers that completed securities offerings on the Netcapital Funding Portal. As part of its compensation structure, the Company receives a fee of 1% of the equity securities sold on the funding portal in addition to cash fees. As of July 31, 2025, the Company's funding portal received equity fee payments from a total of 64 issuers, which have an aggregate value of \$276,930, as compared to 61 issuers with an aggregate value of \$169,790 as of April 30, 2025. In the three-month periods ending July 31, 2025 and 2024, the Company recorded \$62,195 and \$10,127 in revenues from the receipt of equity securities. In the three months ending July 31, 2025 the Company also recognized an unrealized gain of \$44,945 from changes in observable prices of investment securities owned by the Company, as compared to no unrealized gains or losses in the three months ended July 31, 2024.

In May 2022, the Company received 1,764,706 units of Reper LLC as a payment for services rendered in conjunction with a crowdfunding offering. The units are valued at \$0.68 per unit based on a sales price of \$0.68 per unit on an online funding portal. The receipt of the units satisfied a receivable balance of \$1,200,000. As of July 31, 2025 and April 30, 2025, the Company owned 1,764,706 units which are valued at \$1,200,000.

In April 2022, the Company received 3,000,000 units of Cust Corp. as a payment for services rendered in conjunction with a crowdfunding offering. The units are valued at \$0.40 per unit based on a sales price of \$0.40 per unit on an online funding portal. The receipt of the units satisfied a receivable balance of \$1,200,000. As of July 31, 2025 and April 30, 2025, the Company owned 3,000,000 units which are valued at \$1,200,000.

In January 2022, the Company received 1,700,000 units of ScanHash LLC as a payment for services rendered in conjunction with a crowdfunding offering. The units are valued at \$0.25 per unit based on a sales price of \$0.25 per unit on an online funding portal. The receipt of the units satisfied \$425,000 of an accounts receivable balance. As of July 31, 2025 and April 30, 2025, the Company owned 1,700,000 units which are valued at \$425,000.

In January 2022, the Company received 2,850,000 units of Hiveskill LLC as payment for services rendered in conjunction with a crowdfunding offering. The units are valued at \$0.25 per unit based on a sales price of \$0.25 per unit on an online funding portal. The receipt of the units satisfied a receivable balance of \$712,500. As of July 31, 2025 and April 30, 2024, the Company owned 2,850,000 units which are valued at \$712,500.

In August 2019, the Company entered into a consulting agreement with KingsCrowd LLC, pursuant to which it earned 300,000 membership interest units in exchange for services. These units were valued at \$1.80 per unit, totaling \$540,000. In December 2020, KingsCrowd converted to a corporation and each membership interest unit converted into 12.71915 shares of common stock, resulting in the Company holding 3,815,745 shares. In June 2022, the Company sold 606,060 shares for proceeds of \$200,000 and recognized a realized loss of \$406,060. As of July 31, 2025 and April 30, 2025, the Company held 3,209,685 shares.

During fiscal 2024, KingsCrowd disclosed in regulatory filings that it sold shares at \$0.16 per share. Based on this observable price change, the Company recorded an unrealized loss of \$2,696,135 on its investment for the year ended April 30, 2024. In fiscal 2025, KingsCrowd completed a Regulation CF offering at \$0.18 per share, resulting in an unrealized gain of \$64,193. No other price changes have been observed. Accordingly, the Company valued its investment in KingsCrowd at \$577,743 as of July 31, 2025 and April 30, 2025.

During fiscal 2019, the Company entered a consulting contract with Systems DE, which allowed the Company to receive up to 1,000 membership interest units of Systems DE in return for consulting services. The Company earned all 1,000 Systems DE units but sold 472 units in fiscal 2020. As of July 31, 2025 and April 30, 2024, the Company owned 528 Systems DE units, at a value of \$1,985.

In July 2020 the Company entered a consulting agreement with Vymedic, Inc. for a \$40,000 fee over a 5-month period. Half the fee was payable in stock and half was payable in cash. As of July 31, 2025 and April 30, 2024, the Company owned 4,000 units, at a value of \$11,032.

In August 2020 the Company entered a consulting agreement with C-Reveal Therapeutics LLC ("CRT"), for a \$120,000 fee over a 12-month period. \$50,000 of the fee was payable in CRT units. As of July 31, 2025 and April 30, 2024, the Company owned 5,000 units, at a value of \$50,000.

The following table summarizes the components of investments as of July 31, 2025 and April 30, 2025:

	July 31, 2025	April 30, 2025
Systems DE	\$ 1,985	\$ 1,985
Zelgor Inc.	1,400,000	1,400,000
Vymedic Inc.	11,032	11,032
C-Reveal Therapeutics LLC	50,000	50,000
Cust Corp.	1,200,000	1,200,000
Hiveskill LLC	712,500	712,500
ScanHash LLC	425,000	425,000
Kingscrowd Inc.	577,743	577,743
Reper LLC	1,200,000	1,200,000
Issuers that paid a 1% equity fee to the funding portal	276,930	169,790
Total	<u>\$ 5,855,190</u>	<u>\$ 5,748,050</u>

The above investments in equity securities are within the scope of ASC 321. The Company monitors the investments for any changes in observable prices from orderly transactions. All investments are initially measured at cost and evaluated for changes in estimated fair value.

Note 14 – Going Concern Matters and Realization of Assets

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. However, as of July 31, 2025, we had working capital of \$186,766 and for the three months ended July 31, 2025, we had an operating loss of \$3,285,648 and net cash used in operating activities amounted to \$4,214,258.

There can be no assurances that we will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations or additional financing through private placements, public offerings and/or bank financing necessary to support our working capital requirements. The Company has recently reduced its operating expenses and has turned its focus to its funding portal business, which generates cash revenues and has seen a growth in revenues on a year-to-year basis. The Company plans to continue operating with lower fixed overhead amounts and seeks to raise money from private placements, public offerings and/or bank financing. The Company's management has determined, based on its recent history and the negative cash flow from operations, that it is unlikely that its plan will sufficiently alleviate or mitigate, to a sufficient level, the relevant conditions or events noted above. To the extent that funds generated from any private placements, public offerings and/or bank financing, if available, are insufficient, the Company will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on acceptable terms. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Accordingly, the Company's management has concluded that there is substantial doubt about the Company's ability to continue as a going concern within one year after the issuance date of these financial statements. There can be no assurance that the Company will be able to achieve its business plan objectives or be able to achieve or maintain cash-flow-positive operating results. If the Company is unable to generate adequate funds from operations or raise sufficient additional funds, the Company may not be able to repay its existing debt, continue to operate its business network, respond to competitive pressures or fund its operations. As a result, the Company may be required to significantly reduce, reorganize, discontinue or shut down its operations. The financial statements do not include any adjustments that might result from this uncertainty.

Note 15 – Subsequent Events

On September 16, 2025, the Company entered into a settlement agreement with the noteholder of a \$200,000 note with a 50% original issue discount issued on April 29, 2025 and a maturity date of July 31, 2025 to settle the \$209,272 outstanding on the \$200,000 note on such date, which amount includes accrued interest of \$9,272. Under the terms of the settlement agreement the parties agreed that such \$200,000 note was fully paid in complete satisfaction upon the Company paying \$104,636 and issuance of \$104,636 of the Company's common stock (46,258 shares at a price equal to 2.262 per share (which price represents the "Minimum Price" as defined under Nasdaq Rule 5635(d)) in full satisfaction of the outstanding note.

On September 16, 2025, the Company entered into a settlement agreement with the noteholder of a \$400,000 note with a 50% original issue discount issued on May 1, 2025 and a maturity date of August 1, 2025 to settle the \$418,148 outstanding on the \$400,000 note on such date, which amount includes accrued interest of \$18,148. Under the terms of the settlement agreement the parties agreed that the such \$400,000 note was fully paid in complete satisfaction upon the Company paying \$209,074 and issuance of \$209,074 of the Company's common stock (92,428 shares at a price equal to 2.262 per share (which price represents the "Minimum Price" as defined under Nasdaq Rule 5635(d)) in full satisfaction of the outstanding note.

On September 16, 2025, the Company issued 59,147 shares of common stock to the investors in the June 2025 private placement in consideration of the adjustment provision contained in their subscription agreements which provided that if the Company issues shares of common stock below \$4.00 per share at any time prior February 19, 2026, the investors in the June 10, 2025 private placement would be entitled to receive additional shares to effectively reduce their purchase price to such lower price; provided that the effective price per share could not be adjusted below the Minimum Price, which was \$2.67 per share, as defined under Nasdaq Rule 5635(d).

The Company evaluated subsequent events through the date these financial statements were available to be issued.

PART I

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

This quarterly report on Form 10-Q and other reports filed by Netcapital Inc. (the "Company") from time to time with the U.S. Securities and Exchange Commission (collectively, the "Filings") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, the Company's management as well as estimates and assumptions made by Company's management. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. When used in the Filings, the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan," or the negative of these terms and similar expressions as they relate to the Company or the Company's management identify forward-looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties, assumptions, and other factors. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned. Unless the context otherwise requires, references in this prospectus to the "Company," "we," "us," and "our" refer to Netcapital Inc. and its subsidiaries.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). These accounting principles require us to make certain estimates, judgments, and assumptions. We believe that the estimates, judgments, and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Our financial statements would be affected to the extent there are material differences between these estimates and actual results. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result. The following discussion should be read in conjunction with our financial statements and notes thereto appearing elsewhere in this report.

Overview

Netcapital Inc. is a fintech company with a scalable technology platform that allows private companies to raise capital online from accredited and non-accredited investors. We give virtually all investors the opportunity to access investments in private companies. We believe our model is disruptive to traditional private equity investing and is based on Title III, Regulation Crowdfunding ("Reg CF") of the Jumpstart Our Business Startups Act ("JOBS Act"). We generate fees from listing private companies on our funding portal located at www.netcapital.com. Our consulting group, Netcapital Advisors Inc. ("Netcapital Advisors"), which is a wholly owned subsidiary, provides marketing and strategic advice to companies in exchange for cash fees and previously also received equity positions in certain select portfolio companies. The Netcapital funding portal is registered with the SEC, is a member of the Financial Industry Regulatory Authority ("FINRA"), a registered national securities association, and provides investors with opportunities to invest in private companies. In addition, we recently expanded our model to include Regulation A ("Reg A") offerings, which are conducted by our wholly owned subsidiary Netcapital Securities Inc. ("Netcapital Securities"), which is a licensed broker-dealer with FINRA. Both A and Reg CF offerings are made available to investors via the Company's website, www.netcapital.com.

We provide private company investment access to accredited and non-accredited investors through (i) our online portal (www.netcapital.com), which is operated by our wholly owned subsidiaries Netcapital Funding Portal, Inc and (ii) our broker-deal subsidiary, Netcapital Securities. The Netcapital funding portal charges a \$5,000 listing fee, a 4.9% portal fee for capital raised at closing, and beginning in fiscal year 2024, a 1% success fee paid for with equity of the funding portal customer. In addition, the portal generates fees for other ancillary services, such as rolling closes. Netcapital Advisors previously generated fees and equity stakes from consulting in select portfolio (“Portfolio Companies”) and non-portfolio clients. With respect to services for Reg A offerings, Netcapital Securities charges a listing fee of \$25,000 and a success fee of 4.9% of the capital raised by an issuer under Reg A.

We generated revenues of \$190,058, with costs of service of \$7,409, in the three months ended July 31, 2025 for a gross profit of \$182,649 (consisting of \$62,195 in equity securities for payment of services and \$127,863 in cash-based revenues, offset by \$7,409 for costs of services), as compared to revenues of \$142,227, with costs of service of \$10,220, in the three months ended July 31, 2024 for a gross profit of \$132,007 (consisting of \$10,127 in equity securities for payment of services and \$132,100 in cash-based revenues, offset by \$10,220 for costs of services). The total number of offerings on the Netcapital funding portal in the three months ended July 31, 2025 and 2024 that closed was 3 and 16, respectively, of which 0 and 4 offerings hosted on the Netcapital funding platform in the three months ended July 31, 2025 and 2024, respectively, terminated their listings without raising the required minimum amount of capital.

In fiscal 2025 and 2024, the average amount raised in an offering on the Netcapital funding portal was \$215,745 and \$280,978, respectively. The total number of offerings on the Netcapital funding portal in fiscal 2025 and 2024 that closed was 70 in each fiscal year, of which 21 and 17 offerings hosted on the Netcapital funding platform in fiscal 2025 and 2024, respectively, terminated their listings without raising the required minimum dollar amount of capital.

Netcapital.com is an SEC-registered funding portal that enables private companies to raise capital online, while investors are able to invest from almost anywhere in the world, at any time, with just a few clicks. Securities offerings on the portal are accessible through individual offering pages, where companies include product or service details, market size, competitive advantages, and financial documents. Companies can accept investments from virtually anyone, including friends, family, customers, and employees. Customer accounts on our platform are not permitted to hold or use digital securities to make an investment.

In addition to access to the funding portal, Netcapital provides the following services:

- a fully automated onboarding process;
- automated filing of required regulatory documents;
- compliance review;
- a custom-built offering page on our portal website;
- third party transfer agent and custodial services;
- email marketing to our proprietary list of investors;
- rolling closes, which provide potential access to liquidity before final close date of offering;
- assistance with annual filings; and
- direct access to our team for ongoing support.

Our consulting group, Netcapital Advisors helps companies at all stages to raise capital. Netcapital Advisors provides strategic advice, technology consulting and digital marketing services to assist with fundraising campaigns on the Netcapital platform. The company also acts as an incubator and accelerator for select disruptive start-ups.

Netcapital Advisors’ services include:

- investor introductions;
- online marketing;
- website design, software and software development;
- message crafting, including pitch decks, offering pages, and ad creation;
- strategic advice; and
- technology consulting.

Broker-Dealer Business

In November 2024, our wholly owned subsidiary, Netcapital Securities Inc. received approval from FINRA to become a FINRA-member broker dealer. We believe that by having a registered broker-dealer, it may create opportunities to expand the Company's revenue base by hosting and generating additional fees from Reg A and Reg D offerings on the Netcapital platform, earning additional fees in connection with offerings that may result from the introduction of clients to other FINRA broker-dealers and expanding our distribution capabilities by leveraging strategic partnerships with other broker-dealers to distribute offerings of issuers that utilize the Netcapital platform to a wider range of investors in order to maximize market penetration and optimize capital raising efforts. As of the date of this prospectus, Netcapital Securities has been engaged by one issuer seeking to raise capital via a Regulation A offering.

Our limited operating history and the uncertain nature of our future operations and the markets we address or intend to address make predictions of our future results of operations difficult. Our operations may never generate significant revenues, and we may not consistently achieve profitable operations.

Recent Developments

Seidenberg Settlement Agreement

On September 16, 2025, the Company entered into a settlement agreement with Ivan Seidenberg (the "Seidenberg Settlement Agreement") to settle the \$209,272 outstanding under the April 29, 2025 \$200,000 note issued to him (the "Seidenberg Note") on such date, which amount includes accrued interest of \$9,272. Under the terms of the Seidenberg Settlement Agreement the parties agreed that the Seidenberg Note was fully paid in complete satisfaction upon the Company paying \$104,636 and issuance of \$104,636 of the Company's common stock (46,258 shares at a price equal to 2.262 per share, which price represents the "Minimum Price" as defined under Nasdaq Rule 5635(d)).

Hesse Settlement Agreement

On September 16, 2025, the Company entered into a settlement agreement with Daniel R. Hesse Revocable Trust ("Hesse") dated October 12, 2006 (the "Hesse Settlement Agreement") to settle the \$418,148 outstanding under the May 1, 2025 \$400,000 note issued to Hesse (the "Hesse Note") on such date, which amount includes accrued interest of \$18,148. Under the terms of the Hesse Settlement Agreement the parties agreed that the Hesse Note was fully paid in complete satisfaction upon the Company paying \$209,074 and issuance of \$209,074 of the Company's common stock (92,428 shares at a price of equal to 2.262 per share, which price represents the "Minimum Price" as defined under Nasdaq Rule 5635(d)).

July 2025 Warrant Exercises

In July 2025, the Company issued an aggregate of 269,257 shares of its common stock to warrant holders that exercised warrants to purchase 418,510 shares of common stock on a net exercise basis.

July 2025 Registered Direct Offering and Concurrent Private Placement #2

On July 16, 2025, the Company entered into a securities purchase agreement (the "July 2025 Purchase Agreement #2") with certain institutional investors, pursuant to which the Company agreed to sell 641,712 shares (the "July 2025 Shares #2") of its common stock, at a purchase price of \$7.00 per share (the "July 2025 Offering #2") for gross proceeds of approximately \$3 million, prior to deducting placement agent's fees and other offering expenses payable by the Company. The Company intends to use approximately \$250,000 of the net proceeds from the July 2025 Offering #2 for the repayment of certain outstanding promissory notes the remainder for working capital and other general corporate purposes. The July 2025 Shares #2 were offered pursuant to the Company's shelf registration statement on Form S-3 (File No. 333-267921), which was declared effective by the Securities Exchange Commission on October 26, 2022.

Concurrently with the sale of July 2025 Shares #2 pursuant to the July 2025 Purchase Agreement #2 in a private placement, for each July 2025 Share #2 purchased by the investors, such investors received an unregistered warrant (the "July 2025 Investor Warrants #2") to purchase one share of Common Stock, or 641,712 shares in the aggregate. The July 2025 Investor Warrants #2 have an exercise price of \$4.55 per share and are exercisable immediately upon issuance for a twenty-four month period following the date of effectiveness of resale registration statement providing for a resale of the shares underlying the July 2025 Investor Warrants #2, which resale registration statement is required to be filed within 30-days of the July 2025 Purchase Agreement #2.

In connection with the July 2025 Offering #2, the Company paid H.C. Wainwright & Co. LLC, as placement agent (“Wainwright”) an aggregate cash fee equal to 7.5% of the gross proceeds from the sale of securities in the July 2025 Offering #2 and a management fee equal to 1.0% of the gross proceeds raised in the July 2025 Offering #2. The Company also issued Wainwright (or its designees) a warrant (the “Placement Agent Warrants #2”) to purchase up to 7.5% of the aggregate number of July 2025 Shares #2 sold in the offering, or warrants to purchase up to 48,128 shares of the Company’s common stock, at an exercise price equal to 125.0% of the offering price per share of the Company’s common stock, or \$5.8438 per share. In addition, upon the cash exercise of July 2025 Warrants #2, the Company also agreed to issue Wainwright (or its designees) additional Placement Agent Warrants #2 to purchase an amount of share of Common Stock equal to 7.5% of the aggregate number of July 2025 Investor Warrants Shares #2 issued upon cash exercise of the July 2025 Investor Warrants #2. The Placement Agent Warrants #2 are (or will be) exercisable immediately upon issuance for a period of five years following the commencement of the sales pursuant to the July 2025 Offering #2.

The closing of the sales of these securities under the July 2025 Purchase Agreement #2 took place on July 17, 2025.

July 2025 Registered Direct Offering and Concurrent Private Placement #1

On July 2, 2025, the Company entered into a securities purchase agreement (the “July 2025 Purchase Agreement #1”) with certain institutional investors, pursuant to which it agreed to sell 714,286 shares (the “July 2025 Shares #1”) of its common stock, at a purchase price of \$7.00 per share (the “July 2025 Offering #1”) for gross proceeds of approximately \$5 million, prior to deducting placement agent’s fees and other offering expenses payable by the Company. The Company used approximately \$320,000 of the net proceeds from the July 2025 Offering #1 for the repayment of certain outstanding promissory notes and intend to use the remainder for working capital and other general corporate purposes. The July 2025 Shares #1 were offered pursuant to the Company’s shelf registration statement on Form S-3 (File No. 333-267921), which was declared effective by the Securities Exchange Commission on October 26, 2022.

Concurrently with the sale of July 2025 Shares #1 pursuant to the July 2025 Purchase Agreement #1 in a private placement, for each July 2025 Share #1 purchased by the investors, such investors received an unregistered warrant (the “July 2025 Investor Warrants #1”) to purchase one share of the Company’s common stock, or 714,286 shares in the aggregate. The July 2025 Investor Warrants #1 have an exercise price of \$6.88 per share and are exercisable immediately upon issuance for a twenty-four month period following the date of effectiveness of resale registration statement providing for a resale of the shares underlying the July 2025 Investor Warrants #1, which resale registration statement is required to be filed within 30 days of the July 2025 Purchase Agreement #1.

In connection with the July 2025 Offering #1, the Company paid Wainwright, as placement agent an aggregate cash fee equal to 7.5% of the gross proceeds from the sale of securities in the July 2025 Offering #1 and a management fee equal to 1.0% of the gross proceeds raised in the July 2025 Offering #1. We also issued Wainwright (or its designees) a warrant (the “Placement Agent Warrants #1”) to purchase up to 7.5% of the aggregate number of July 2025 Shares #1 sold in the offering, or warrants to purchase up to 53,571 shares of Common Stock, at an exercise price equal to 125.0% of the offering price per share of the Company’s common stock, or \$8.75 per share. In addition, upon the cash exercise of July 2025 Warrants #1, the Company also agreed to issue Wainwright (or its designees) additional Placement Agent Warrants to purchase an amount of share of Common Stock equal to 7.5% of the aggregate number of July 2025 Investor Warrants Shares #2 issued upon cash exercise of the July 2025 Investor Warrants #1. The Placement Agent Warrants #1 are (or will be) exercisable immediately upon issuance for a period of five years following the commencement of the sales pursuant to the July 2025 Offering #1.

The closing of the sales of these securities under the July 2025 Purchase Agreement #1 took place on July 7, 2025.

Horizon License

On June 26, 2025, we entered into a Horizon Software Agreement (the “Horizon Agreement”) with Horizon Globex GmbH, a company incorporated in Switzerland (“Horizon”) pursuant to which Horizon granted us a royalty free, paid-up, non-exclusive, perpetual, irrevocable, unrestricted license to use the Licensed Software (as defined in the Horizon Agreement) with our branding and image, in the United States to provide capital-raising and secondary trading services to its clients in consideration for the issuance of 500,000 shares (the “Horizon Shares”) of our common stock to Horizon or its affiliate. The Horizon Agreement may be terminated by either party upon a default in the performance of any material obligation under the Agreement is not cured within 30-days after receipt of such notice. In addition, the Horizon Agreement may be terminated immediately by either party in the event the other party files or has filed against it any petition for relief under any bankruptcy statute or similar statute of any jurisdiction, or an order for relief in any bankruptcy or reorganization proceeding is entered against the other party and such order remains undischarged for a period of sixty (60) days; or a receiver is appointed for the other Party; or the other party is dissolved or liquidated, or ceases to carry on its business, or makes an assignment for the benefit of its creditors.

ATM Increase

On June 23, 2025, we filed a prospectus supplement under our At-The-Market-Offering Agreement with Wainwright for an aggregate of \$975,000 of additional shares of our common stock. From June 23, 2025 to June 25, 2025, we sold 229,404 shares of our common stock through Wainwright at an average price of approximately \$4.25 per share, resulting in aggregate gross proceeds of approximately \$974,747, for which it paid Wainwright approximately \$29,242 in commissions and other issuance costs of \$1,438, resulting in net proceeds to the Company of approximately \$944,067.

June 2025 Private Placement

On June 10, 2025, we entered into subscription agreements (the “Subscription Agreements”) with ten accredited investors to issue an aggregate of 118,750 shares (the “June 2025 Shares”) of our common stock at a purchase price of \$4.00 per share (the “Purchase Price”) in a private placement, for gross proceeds of \$475,000. We agreed to file a registration statement on providing for the resale of the Shares (the “Resale Registration Statement”) within 60 calendar days of the initial closing of the private placement (the “Filing Date”) and to use reasonable best efforts to cause the Resale Registration Statement to be declared effective by the SEC within 90 calendar days following the final closing of the private placement date of the Filing Date. Until the June 2025 shares are sold in accordance with applicable law, the Subscriber agrees to vote the shares in favor of all resolutions recommended by our Board of Directors, and to deliver any proxy or voting instruction required by us to effectuate this obligation. The Subscription Agreements include a price adjustment provision whereby if the Company issues additional shares at a price lower than the Purchase Price during the period beginning on the date of the Subscription Agreements and prior to the date that is 6-months following the Filing Date, investors will receive additional shares to reflect the lower price, subject to the minimum price as defined under Nasdaq Rule 5635(d) on the date the Subscription Agreements were signed, which was \$2.56. The Company intends to use the net proceeds from the offering for general corporate purposes.

Amendment to Netcapital 2023 Omnibus Equity Incentive Plan

On June 6, 2025, our board of directors approved an amendment (the “Plan Amendment”) to the Netcapital 2023 Omnibus Equity Incentive Plan (the “Plan”) subject to stockholder approval, to: (i) increase the number of shares authorized for issuance under the Plan to 1,547,556 shares, and (ii) crease the evergreen limit from 5% to 10% of our outstanding shares, to allow for greater flexibility in future equity awards.

Formation of Advisory Boards

On June 6, 2025, our Board of Directors approved the formation of two strategic advisory boards: the Crypto Advisory Board and the Game Advisory Board.

We entered into advisory agreements with each member of the Crypto and Game Advisory Boards. Under these advisory agreements, each advisor will provide us with sector-specific strategic guidance, marketing insight, partnership referrals, and other advisory services relevant to their industry expertise. The initial term of each advisory agreement is eighteen months and may be extended by mutual agreement of the parties. In consideration of the services rendered under these advisory agreements, we issued a total of 783,722 non-qualified stock options to the advisors of the Crypto and Game Advisory Boards under the Plan as amended by the Plan Amendment. Such options are not exercisable unless and until our stockholders approve the Plan Amendment.

May 2025 Note Financings

In May 2025, we completed the sale of debt pursuant to two separate securities purchase agreements with 1800 Diagonal Lending LLC, a Virginia limited liability company, under which it issued the following convertible promissory notes:

- A convertible promissory note in the principal amount of \$61,360, for a purchase price of \$52,000, reflecting an original issue discount of \$9,360. The note carried a one-time interest charge of 12% and is repayable in ten (10) monthly payments of \$6,872.30 beginning May 30, 2025. It matures on February 28, 2026 and is convertible into shares of common stock following an event of default, subject to a 25% discount to the then-current market price, subject to Nasdaq shareholder approval limits. We prepaid the note in full on July 8, 2025, with a remittance of \$52,779 after having made two of the 10 scheduled monthly payments.
- A second convertible bridge note in the principal amount of \$64,960, for a purchase price of \$56,000, with an original issue discount of \$8,960. The note also carried a 12% one-time interest charge and is repayable in five (5) monthly payments beginning October 30, 2025. It shares the same maturity date and default-based conversion rights as the first note. We prepaid the note in full on July 8, 2025, with a remittance of \$69,845.

On May 1, 2025, we completed a private financing transaction with a single accredited investor and issued an unsecured, non-convertible promissory note in the principal amount of \$400,000. The note was issued at a 50% OID for gross proceeds of \$200,000. The note bears interest at 8% per annum, matures three months from the issuance date, and is prepayable at any time without penalty. In the event of default, the interest rate increases to 20% per annum. The note is due on August 1, 2025

Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and related notes to the financial statements included elsewhere in this Form 10-Q. This discussion contains forward-looking statements that relate to future events or our future financial performance. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Results of Operations

Comparison of the Three Months Ended July 31, 2025 and 2024

Our revenues for the three months ended July 31, 2025, increased by \$47,831, or approximately 34%, to \$190,058 as compared to \$142,227 during the three months ended July 31, 2024. The increase in revenues was primarily attributed to an increase in portal fees and an increase in revenues for the services that we provide in exchange for equity securities during the quarter ended July 31, 2025, as compared to the quarter ended July 31, 2024. One issuer, that accounted for 73% of our revenues in the three months ended July 31, 2025, was responsible for the increase. That issuer successfully raised approximately \$5 million from March 24, 2025 to May 30, 2025.

The components of revenue were as follows:

	July 31, 2025	July 31, 2024
Portal fees	\$ 122,728	\$ 89,429
Listing fees	5,000	42,500
Game website revenue	135	171
Portal 1% equity fee	62,195	10,127
Total	\$ 190,058	\$ 142,227

Revenue from portal fees increased by \$33,299, or approximately 37%, in the three months ended July 31, 2025, to \$122,728, from \$89,429 in the three months ended July 31, 2024. Revenue from portal fees consists of a 4.9% fee of the total capital raised by an issuer plus fixed miscellaneous charges for administrative fees, such as a rolling close, or the filing of an amended offering statement. The increase in portal fees is attributable to one major customer, as noted above. Similarly, the increase in the 1% equity fee charged to issuers, from \$10,127 in fiscal 2024 to \$62,195 in fiscal 2025, is attributable to one customer. The total number of issuers on the funding portal in the three months ended July 31, 2025 and 2024 that successfully closed an offering was 3 and 11, respectively.

The number of successful closings in a quarter is defined as an issuer that raised more than the targeted amount in its offering statement and stopped selling securities on our funding portal (a “Final Closing”). This number is not necessarily an indicator of quarterly revenue because an issuer may have several rolling closes in previous quarters before the Final Closing, and the funding portal receives its 4.9% portal fee for each rolling close.

Revenue from listing fees decreased by \$37,500, or approximately 88%, to \$5,000 in the three months ended July 31, 2025 as compared to \$42,500 in the three months ended July 31, 2024. Listing fees are typically \$5,000 per issuer, and they are the first form of revenue earned by our funding portal when an issuer signs a contract with us to sell securities on the funding portal. The drop in listing fees is attributable to a decrease in new offerings launched. For the three months ended July 31, 2025, we launched 5 new offerings, as compared to 13 offerings launched in the three months ended July 31, 2024.

Costs of revenues decreased by \$2,811 to \$7,409, or approximately 28% for the three months ended July 31, 2025 from \$10,220 during the three months ended July 31, 2024. The decrease was attributed to a decrease in costs from the escrow bank that the funding portal uses.

Payroll and payroll related expenses increased by \$656,857, or approximately 58%, to \$1,793,450 for the three months ended July 31, 2025, as compared to \$1,136,593 during the three months ended July 31, 2024. The increase was attributed to the salary increases and bonuses for certain key positions, to assist with employee retention, during the quarter ended July 31, 2025.

Marketing expense increased by \$4,540, or approximately 66%, to \$11,438 for the three months ended July 31, 2025, as compared to \$6,898 during the three months ended July 31, 2024. The increase in expense was primarily attributed to new marketing efforts in the July 31, 2025 quarter to take advantage of additional cash resources.

Rent expense increased by \$3,736, or approximately 20%, to \$22,852 for the three months ended July 31, 2025, as compared to \$19,116 during the three months ended July 31, 2024. The increase was primarily attributed to a month-to-month rent agreement that we now have, as compared to an annual agreement in the prior fiscal year.

General and administrative expenses increased by \$188,250, or 14%, to \$1,568,506 for the three months ended July 31, 2025, from \$1,380,256 during the three months ended July 31, 2024. The increase was primarily attributed to increased legal costs. We incurred approximately \$1,077,587 in legal costs in the three months ended July 31, 2025, of which approximately 60% were related to legal fees responding to regulatory matters as compared to approximately \$442,288 in legal costs in the three months ended July 31, 2024 of which approximately 60% were related to legal fees responding to regulatory matters.

Consulting expense decreased by \$25,330, or 26%, to \$72,051 for the three months ended July 31, 2025 from \$97,381 during the three months ended July 31, 2024. The decrease was primarily attributed to a decrease in individual contractors used by the Company.

Amortization expense amounted to \$8,869 for each of the three months ended July 31, 2025 and 2024. There were no additions to or deletions of the intangible assets that are being amortized during these periods.

Interest expense increased by \$25,603 to \$36,067, or approximately 245%, for the three months ended July 31, 2025, as compared to \$10,464 during the three months ended July 31, 2024. The increase in interest expense was attributed to increased debt amounts from notes that were sold in March, April and May of 2025.

Accretion expense amounted to \$356,404 in the three months ended July 31, 2025. There was no accretion in the three months ended July 31, 2024. The Company sold 4 notes, and each note contained an original issuance discount that was accreted in three months ended July 31, 2025.

The Company owned 8,989 shares of a funding portal issuer at a cost of \$5.00 per share. On May 30, 2025, the issuer closed an offering at a price of \$10.00 per share. As a result, the Company marked its investment to market and recorded an unrealized gain of \$44,945 in the first quarter of fiscal 2026. No unrealized gains or losses were recorded in the first quarter of fiscal 2025.

Liquidity and Capital Resources

As of July 31, 2025, we had cash and cash equivalents of \$4,562,491 and working capital of \$186,766 as compared to cash and cash equivalents of \$289,428 and negative working capital of \$5,096,155 as of April 30, 2025.

We have been successful in raising capital by completing public offerings of our common stock.

On July 16, 2025, we entered into a securities purchase agreement with certain institutional investors, pursuant to which we agreed to sell 641,712 shares of our common stock, at a purchase price of \$4.675 per share for gross proceeds of approximately \$3 million, prior to deducting placement agent's fees and other offering expenses payable by us. Each share of common stock was also sold with a warrant to purchase one share of common stock with an exercise price of \$4.55 per share. The shares were offered pursuant to our shelf registration statement on Form S-3 (File No. 333-267921), which was declared effective by the Securities Exchange Commission on October 26, 2022. This offering closed in July 17, 2025.

On July 2, 2025, we entered into a securities purchase agreement with certain institutional investors, pursuant to which we agreed to sell 714,286 shares of our common stock, at a purchase price of \$7.00 per share for gross proceeds of approximately \$5 million, prior to deducting placement agent's fees and other offering expenses payable by us. Each share of common stock was also sold with a warrant to purchase one share of common stock with an exercise price of \$6.88 per share. We used approximately \$320,000 of the net proceeds for repayment of outstanding promissory notes and intend to use the remainder for working capital and other general corporate purposes. The shares were offered pursuant to our shelf registration statement on Form S-3 (File No. 333-267921), which was declared effective by the Securities Exchange Commission on October 26, 2022.

On June 23, 2025, the Company filed a prospectus supplement with respect to our At-The-Market-Offering Agreement with Wainwright for an aggregate of \$975,000 of additional shares of our common stock. From June 23, 2025 to June 25, 2025, we sold 229,404 shares of our common stock through Wainwright at an average price of approximately \$4.25 per share, resulting in aggregate gross proceeds of approximately \$974,747, for which it paid Wainwright approximately \$29,242 in commissions and other issuance costs of \$1,438, resulting in net proceeds to the Company of approximately \$944,067. No additional shares will be sold under this ATM Agreement unless an additional prospectus supplement is filed.

On June 10, 2025, we entered into subscription agreements with ten accredited investors to issue an aggregate of 118,750 shares of common stock at a purchase price of \$4.00 per share (the "Purchase Price") in a private placement, for gross proceeds of \$475,000. The Company has agreed to file a registration statement on providing for the resale of the Shares within 60 calendar days of the initial closing of the private placement (the "Filing Date") and to use reasonable best efforts to cause the Resale Registration Statement to be declared effective by the SEC within 90 calendar days following the final closing of the private placement date of the Filing Date. The subscription agreements include a price adjustment provision whereby if the Company issues additional shares at a price lower than the Purchase Price during the period beginning on the date of the subscription agreements and prior to April 19, 2026, investors will receive additional shares to reflect the lower price, subject to the minimum price as defined under Nasdaq Rule 5635(d) on the date the subscription agreements were signed, which was \$2.56. The Company intends to use the net proceeds from the offering for general corporate purposes.

We believe that our existing cash investment balances, our anticipated cash flows from operations and liquidity sources including offering of equity and/or debt securities and/or the sale of equity positions in certain portfolio companies for which we provide marketing and strategic advice may not be sufficient to meet our working capital and expenditure requirements for the next 12 months. Our management has determined, based on its recent history and the negative cash flow from operations, that it is unlikely that its plan will sufficiently alleviate or mitigate, to a sufficient level, the relevant conditions or events noted above. To the extent that funds generated from any private placements, public offerings and/or bank financing, if available, are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on acceptable terms. Accordingly, the Company's management has concluded that these conditions raise substantial doubt about our ability to continue as a going concern. There can be no assurance that we will be able to achieve our business plan objectives or be able to achieve or maintain cash-flow-positive operating results. If we are unable to generate adequate funds from operations or raise sufficient additional funds, we may not be able to repay our existing debt, continue to operate our business network, respond to competitive pressures or fund our operations. As a result, we may be required to significantly reduce, reorganize, discontinue or shut down our operations.

Year over Year Changes

Net cash used in operating activities amounted to \$4,214,258 and \$1,963,645 for the three months ended July 31, 2025 and 2024, respectively. The principal sources of cash from operating activities in the three months ended July 31, 2025 were an increase in accretion of short-term notes of \$356,413 and stock-based compensation of \$516,073. However, the sources of cash were offset by a net loss of \$3,642,052, a receipt of equity in lieu of cash of \$62,195, and a decrease in accounts payable and accrued expenses of \$1,041,094.

The principal sources of cash from operating activities in the three months ended July 31, 2024 were an increase in account payable and accrued expense of \$313,620, collection of accounts receivable of \$134,849, and stock-based compensation of \$139,371. However, the sources of cash were offset by a net loss of \$2,527,170, a receipt of equity in lieu of cash of \$10,127, and an increase in prepaid expenses of \$24,856.

In the three months ended July 31, 2025 and 2024, there were no investing activities.

For the three months ended July 31, 2025, net cash provided by financing activities amounted to \$8,487,321, which consisted of proceeds from the sale of common stock of \$8,507,171, proceeds from short-term notes of \$300,000, and payment of short-term notes of \$319,850. For the three months ended July 31, 2024, net cash provided by financing activities amounted to \$1,955,644, which consisted of proceeds from the exercise of warrants.

In the three months ended July 31, 2025 and 2024, there were no expenditures for capital assets. We do not anticipate any capital expenditures in fiscal 2026.

Critical Accounting Policies and Significant Judgments and Estimates

Our condensed consolidated financial statements are prepared in accordance with GAAP. These accounting principles require us to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements. We believe that the estimates, judgments and assumptions are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. To the extent there are material differences between these estimates, judgments or assumptions and actual results, our financial statements will be affected. For a discussion of our critical accounting estimates, please read Part II, Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended April 30, 2025 filed with the SEC on August 12, 2025. There have been no material changes to the critical accounting estimates previously disclosed in such report.

Recently Issued Accounting Standards Not Yet Effective or Adopted

Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material impact on the accompanying unaudited condensed consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is not required to provide the information required by this Item as it is a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As of July 31, 2025, our principal executive officer and principal financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based on that evaluation, they concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

This conclusion is consistent with the assessment included in our Annual Report on Form 10-K for the year ended April 30, 2025, which identified:

- A material weakness in internal control over financial reporting related to the over-accrual of legal expenses, and
- A significant deficiency related to the process for identifying and evaluating evidence of orderly transactions and impairment indicators for investments in equity securities without readily determinable fair values.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended July 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Remediation Efforts

Management is in the process of implementing its remediation plan, which includes:

- Enhanced period-end closing procedures for accrued expenses, including review of subsequent disbursements, vendor statements, and improved communication between management and accounting personnel regarding transaction timing; and
- Updated investment valuation policies requiring the collection and review of recent financial information from investees, enhanced documentation of efforts to obtain such information, and treating the lack of availability as a potential impairment indicator.

At this time, remediation efforts have not yet been completed, and management is continuing to evaluate the effectiveness of the updated controls and procedures. Until remediation is completed and the enhanced controls have operated for a sufficient period of time, management cannot conclude that our disclosure controls and procedures or internal control over financial reporting are effective.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may be subject to litigation and claims arising in the ordinary course of business. We are not currently a party to any material legal proceedings and we are not aware of any pending or threatened legal proceeding against us that we believe could have a material adverse effect on our business, operating results, cash flows or financial condition. Notwithstanding the foregoing, our business, including our funding portal and broker-dealer subsidiaries are subject to extensive regulations. Regulatory bodies include, but are not limited to, the SEC, FINRA, and the Nasdaq Stock Market. As a result, from time to time, we may be subject to various regulatory inquiries, governmental investigations, or other claims arising in the ordinary course of our business related to our operations and/or compliance with applicable laws and regulations. Further, while the Company fully cooperates with such matters, the cost of responding to such matters, including legal fees can be extensive, and the outcome of any of these matters is inherently uncertain. These matters may also divert financial and management resources that would otherwise be used to benefit our operations. No assurances can be given that the results of these matters will be favorable to us, and an adverse outcome in any such matter could have a material adverse effect on our business, financial position, and results of operations.

ITEM 1A. RISK FACTORS.

Risk factors that affect our business and financial results are discussed in Part I, Item 1A “Risk Factors,” in our Annual Report on Form 10-K for the year ended April 30, 2025 as filed with the SEC on August 12, 2025 (“Annual Report”). There have been no material changes in our risk factors from those previously disclosed in our Annual Report, except as discussed below. You should carefully consider the risks described in our Annual Report, which could materially affect our business, financial condition, or future results. The risks described in our Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results. If any of the risks actually occur, our business, financial condition, and/or results of operations could be negatively affected.

Our financial situation creates doubt whether we will continue as a going concern.

As of July 31, 2025, we had working capital of \$186,766 and for the three months ended July 31, 2025, we had an operating loss of \$3,285,648 and net cash used in operating activities amounted to \$4,214,258. There can be no assurances that we will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations or additional financing through private placements, public offerings and/or bank financing necessary to support our working capital requirements. Our management is focused on growing our funding portal business, which generates cash revenues and has experienced revenue growth. We also plan to expand our broker-dealer operations and are seeking clients interested in conducting Regulation D offerings through our platform at netcapital.com. In addition, we plan to seek additional financing through private placements, public offerings, and/or bank financing. However, based on our recent operating history and negative cash flows from operations, management has determined that these plans are unlikely to sufficiently alleviate or mitigate, to a necessary extent, the relevant conditions and events noted above. To the extent that funds generated from any private placements, public offerings and/or bank financing, if available, are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on acceptable terms. Accordingly, our management has concluded that these conditions raise substantial doubt about our ability to continue as a going concern. There can be no assurance that we will be able to achieve its business plan objectives or be able to achieve or maintain cash-flow-positive operating results. If we are unable to generate adequate funds from operations or raise sufficient additional funds, we may not be able to repay our existing debt, continue to operate our business network, respond to competitive pressures or fund our operations. As a result, we may be required to significantly reduce, reorganize, discontinue, or shut down our operations.

Our business and operations could be negatively affected if we become subject to any securities litigation or shareholder activism, which could cause us to incur significant expense, hinder execution of business and growth strategy and impact our stock price.

In the past, following periods of volatility in the market price of a company’s securities, securities class action litigation has often been brought against that company. Shareholder activism, which could take many forms or arise in a variety of situations, has been increasing recently. Volatility in the stock price of our Common Stock or other reasons may in the future cause us to become the target of securities litigation or shareholder activism. Securities litigation and shareholder activism, including potential proxy contests, could result in substantial costs and divert management’s attention and the attention and resources of our board of directors (our “Board”) from our business. Additionally, such securities litigation and shareholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist shareholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and shareholder activism.

Regulatory and legal uncertainties could harm our business.

From time to time, we may become involved in litigation or regulatory proceedings the ordinary course of our business, including litigation or regulatory proceedings that could be material to our business

In addition, the securities industry is highly regulated and many aspects of our business involve substantial risk of liability. In past years, there has been an increasing incidence of litigation involving the securities industry, including class action suits that generally seek substantial damages, including in some cases punitive damages. Compliance problems that are reported to federal, state and provincial regulators, exchanges or other self-regulatory organizations by dissatisfied customers are investigated by such regulatory bodies, and, if pursued by such regulatory body or such customers, may rise to the level of arbitration or disciplinary action. We are also subject to periodic regulatory audits and inspections for various federal, self-regulatory and state regulators. Any such audits and inspections could require significant amounts of management time, result in the diversion of significant operational resources, require us to change our business practices or products, result in sanctions being levied against us, including fines and censures, suspension or expulsion from a certain jurisdiction or market or the revocation or limitation of licenses, result in negative publicity, or otherwise harm our business and financial results.

Pending Regulatory Inquiries

Our businesses are heavily regulated by state and federal regulatory agencies as well as the Securities & Exchange Commission, the Nasdaq Stock Market and FINRA. In the current era of heightened regulatory scrutiny of financial institutions, we have incurred increased legal and compliance costs, along with the industry as a whole. Increased regulation also creates increased barriers to entry.

We receive many regulatory inquiries each year in addition to being subject to frequent regulatory examinations. The great majority of these inquiries do not lead to fines or any further action against us. We are routinely the subject of regulatory inquiries regarding subjects including, but not limited to: anti-money laundering, compliance, registration, record-keeping, disclosure and other topics of recent regulatory interest. We have procedures for evaluating whether potential regulatory fines are probable, estimable and material and for updating its contingency reserves and disclosures accordingly. In the current climate, we expect that we may, from time to time, be subject to regulatory fines on various topics on an ongoing basis, as other regulated financial services businesses do. The amount of any fines, and when and if they will be incurred, typically is impossible to predict given the nature of the regulatory process, and the cost of responding to such inquiries and matters can be significant.

We have substantial customer concentration, with a limited number of customers accounting for a substantial portion of our revenues.

We currently derive a significant portion of our revenues from a limited number of customers. There are inherent risks whenever a large percentage of total revenues are concentrated with a limited number of customers. For the three months ended July 31, 2025, we had one customer that constituted 73% of its revenues and for the three months ended July 31, 2024, we had one customer that constituted 15% of revenues. It is not possible for us to predict the future level of demand for our services that will be generated by these customers or new customers, or the future demand for the products and services of these customers or new customers. If any of these customers experience declining or delayed sales due to market, economic or competitive conditions, we could be pressured to reduce the prices we charge for our products which could have an adverse effect on our margins and financial position and could negatively affect our revenues and results of operations and/or trading price of our common stock.

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

On July 21, 2025, we issued 54,421 share of our common stock to an investor relations consulting firm for services rendered. We did not receive any proceeds from the issuance. The shares were issued in reliance on the exemption from registration under the Securities Act, afforded by Section 4(a)(2) and/or Rule 506 promulgated thereunder.

On September 16, 2025, the Company issued the Seidenberg Settlement Shares pursuant to the Seidenberg Settlement Agreement. Each of the Seidenberg Settlement Shares and Seidenberg Settlement Agreement are referred to under Item 5 below (which is incorporated herein by reference). The Seidenberg Settlement Shares were issued in reliance on the exemption from registration under the Securities Act, afforded by Section 4(a)(2) and/or Rule 506 promulgated thereunder.

On September 16, 2025, the Company issued the Hesse Settlement Shares pursuant to the Hesse Settlement Agreement. Each of the Hesse Settlement Shares and Hesse Settlement Agreement are referred to under Item 5 below (which is incorporated herein by reference). The Hesse Settlement Shares were issued in reliance on the exemption from registration under the Securities Act, afforded by Section 4(a)(2) and/or Rule 506 promulgated thereunder.

On September 16, 2025, the Company issued 59,147 shares of common stock (the “Adjustment Shares”) to the investors in the June 2025 private placement in consideration of the adjustment provision contained in their subscription agreements which provided that if the Company issues shares of common stock below \$4.00 per share at any time prior February 19, 2026, the investors in the June 10, 2025 private placement would be entitled to receive additional shares to effectively reduce their purchase price to such lower price; provided that the effective price per share could not be adjusted below the Minimum Price, which was \$2.67 per share, as defined under Nasdaq Rule 5635(d). The Adjustment Shares were issued in reliance on the exemption from registration under the Securities Act, afforded by Section 4(a)(2) and/or Rule 506 promulgated thereunder.

Purchases of equity securities by the issuer and affiliated purchasers.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Seidenberg Note Default and Settlement Agreement

On April 29, 2025, the Company issued a promissory note in the amount of \$200,000 with a 50% original issue discount of 50% resulting in proceeds to the Company of \$100,000, to Ivan Seidenberg (the “Seidenberg Note”) with a maturity date of July 31, 2025. This note was not paid by the maturity date and as a result interest on the outstanding amount under the Seidenberg Note increased from 8% per annum to 20% per annum. On September 16, 2025, the Company entered into a settlement agreement with Ivan Seidenberg (the “Seidenberg Settlement Agreement”) to settle the \$209,272 outstanding on the Seidenberg Note on such date, which amount includes accrued interest of \$9,272. Under the terms of the Seidenberg Settlement Agreement the parties agreed that the Seidenberg Note was fully paid in complete satisfaction upon the Company paying \$104,636 in cash and issuance of \$104,636 of the Company’s common stock (46,258 shares at a price equal to \$2.262 per share, which price represents the “Minimum Price” as defined under Nasdaq Rule 5635(d)).

Hesse Note Default and Settlement Agreement

On May 1, 2025, the Company issued a promissory note in the amount of \$400,000 with a 50% original issue discount of 50% resulting in proceeds to the Company of \$200,000 to Daniel R. Hesse Revocable Trust dated October 12, 2006 (the “Hesse Note”) with a maturity date of July 31, 2025. The Hesse Note was not paid by the maturity date and as a result interest on the outstanding amount under the Hesse Note increased from 8% per annum to 20% per annum. On September 16, 2025, the Company entered into a settlement agreement with the Daniel R. Hesse Revocable Trust dated October 12, 2006 (the “Hesse Settlement Agreement”) to settle the \$418,148 outstanding on the Hesse Note on such date, which amount includes accrued interest of \$18,148. Under the terms of the Hesse Settlement Agreement the parties agreed that the Hesse Note was fully paid in complete satisfaction upon the Company paying \$209,074 in cash and issuance of 209,074 of the Company’s common stock (92,428 shares at a price of equal to \$2.262 per share, which price represents the “Minimum Price” as defined under Nasdaq Rule 5635(d)).

Rule 10b5-1 Trading Plans

During the fiscal quarter ended July 31, 2025, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

ITEM 6. EXHIBITS.

Exhibit No.

4.1	Convertible Promissory Note dated April 29, 2025, in the principal amount of \$61,360, incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K dated April 30, 2025 and filed with the SEC on May 5, 2025
4.2	Convertible Promissory Note dated April 29, 2025, in the principal amount of \$64,960, incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K dated April 30, 2025 and filed with the SEC on May 5, 2025
4.3	Form of Promissory Note (Non-convertible), incorporated by reference to Exhibit 4.3 to our Current Report on Form 8-K dated April 30, 2025 and filed with the SEC on May 5, 2025
4.4	Form of Warrant, incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K dated July 7, 2025 and filed with the SEC on July 7, 2025
4.5	Form of Placement Agent Warrant, incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K dated July 2, 2025 and filed with the SEC on July 7, 2025
4.6	Form of Warrant, incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K dated July 16, 2025 and filed with the SEC on July 17, 2025
4.7	Form of Placement Agent Warrant, incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K dated July 16, 2025 and filed with the SEC on July 17, 2025
10.1	Securities Purchase Agreement dated April 29, 2025 in the amount of \$61,360, incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated April 30, 2025 and filed with the SEC on May 5, 2025
10.2	Securities Purchase Agreement dated April 29, 2025 in the amount of \$64,960 incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K dated April 30, 2025 and filed with the SEC on May 5, 2025
10.3	Form of Subscription Agreement, incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated June 6, 2025 and filed with the SEC on June 12, 2025
10.4	Form of Advisory Agreement, incorporated by reference to Exhibit 10.5 to our Current Report on Form 8-K dated June 6, 2025 and filed with the SEC on June 12, 2025
10.5	Horizon Software Agreement, incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated June 26, 2025 and filed with the SEC on June 30, 2025
10.6	Form of Securities Purchase Agreement dated July 2, 2025, incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated July 7, 2025 and filed with the SEC July 7, 2025
10.7	Form of Securities Purchase Agreement dated July 16, 2025, incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated July 17, 2025 and filed with the SEC July 17, 2025
10.8	Second Amendment to 2023 Omnibus Equity Incentive Plan, incorporated by reference to our Annual Report on Form 10-K filed with the SEC on August 12, 2025
10.9	Settlement Agreement and Release dated September 16, 2025, by and between Daniel R. Hesse Revocable Trust dated October 12, 2006 and Netcapital Inc.
10.10	Settlement Agreement and Release dated September 16, 2025, by and between Ivan Seidenberg and Netcapital Inc.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, 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*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File - the cover page from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 2025 is formatted in Inline XBRL

*Filed herewith

SIGNATURES

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

Date: September 22, 2025

NETCAPITAL INC.

By: /s/ Martin Kay

Martin Kay
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Coreen Kraysler

Coreen Kraysler
Chief Financial Officer
(Principal Financial and Accounting Officer)

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (this “**Agreement**”) is entered into effective as of September 16, 2025, by and between (a) Daniel R. Hesse Revocable Trust dated October 12, 2006 (“**Creditor**”) and (b) Netcapital Inc. (“**Netcapital**”). Creditor and Netcapital shall individually be referred to as a “**Party**” and collectively as, the “**Parties**”.

BACKGROUND

WHEREAS, Netcapital issued Creditor that certain Promissory Note in the amount of four hundred thousand U.S. dollars (\$400,000) dated May 1, 2025 in the amount of four hundred thousand U.S. dollars (\$400,000) and a maturity date of August 1, 2025, pursuant to which Creditor is entitled to the repayment of an aggregate amount due of four hundred eighteen thousand one hundred forty-eight U.S. dollars (\$418,148), which amount includes accrued interest of eighteen thousand one hundred forty-eight U.S. dollars (\$18,148) as of September 16, 2025 (the “**Note**”).

WHEREAS, Netcapital and Creditor desire and agree to provide for the payment of the above-stated indebtedness in accordance with terms and provisions different from, and in substitution of, the terms and obligations of the Note as described above.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Creditor and Netcapital hereby agree as follows:

AGREED TERMS AND CONDITIONS

1. Settlement of Note. The parties agree that the Note will be fully paid and in complete satisfaction upon Netcapital:

a. *Cash Payment*. Paying Creditor two hundred nine thousand seventy-four U.S. dollars (\$209,074) (the “**Cash Settlement Payment**”); and

b. *Common Stock Payment*. Issuing Creditor ninety-two thousand four hundred twenty eight (92,428) shares of its restricted common stock, par value \$0.001 per share (the “**Settlement Shares**”) as provided herein valued for the purposes of this Agreement at a price of \$2.262 per share (which price represents the “Minimum Price” under Nasdaq Rule 5635(d)) in consideration of Creditor’s agreement to cancel \$209,074 of principal and accrued interest due under the Note. Creditor’s agreement to cancel the \$209,074 of principal and interest under the Note is evidenced by Creditor’s execution of this Agreement.

2. Closing. On the closing date, Netcapital shall:

a. pay to Creditor the Cash Settlement Payment. by wire transfer to the account specified in writing by the Creditor

b. deliver to the Creditor a copy of the instructions to Equity Stock Transfer, the Company’s transfer agent (the “**Transfer Agent**”) instructing the Transfer Agent to deliver, on an expedited basis, a certificate evidencing the Settlement Shares, registered in the name of Creditor, or, at the election of such Creditor, evidence of the issuance of the Settlement Shares hereunder as held in DRS book-entry form by the Transfer Agent and registered in the name of such Creditor, which evidence shall be reasonably satisfactory to Creditor.

3. Securities Act Exemption. The Parties are executing and delivering this Agreement in reliance upon exemptions from securities registration from the rules and regulations as promulgated by the U.S. Securities and Exchange Commission (the “**Commission**”) under Section 4(a)(2) the Securities Act of 1933, as amended (the “**Securities Act**”) and/or Regulation D promulgated thereunder.

4. Investment Representations of Creditor. Creditor represent and warrant that:

a. Investment Purpose. Creditor is acquiring the Settlement Shares for their own account and not with a present view towards the public sale or distribution thereof, except pursuant to sales registered or exempted from registration under the Securities Act.

b. Accredited Investor Status. Creditor is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D of the Securities Act (an “**Accredited Investor**”).

c. Reliance on Exemptions. Creditor understands that the Settlement Shares are being offered and sold to them in reliance upon specific exemptions from the registration requirements of U.S. federal securities laws and that Netcapital is relying upon the truth and accuracy of, and Creditor compliance with, the representations, warranties, agreements, acknowledgments and understandings of Creditor set forth herein in order to determine the availability of such exemptions and the eligibility of Creditor to acquire the Settlement Shares.

d. Legal Power. Creditor has the requisite individual, corporate, partnership, limited liability company, trust, or fiduciary power, as appropriate, and is authorized, if such Creditor is a corporation, partnership, limited liability company, or trust, to enter into this Agreement, to purchase the Shares hereunder, and to carry out and perform its obligations under the terms of this Agreement.

e. Due Execution. This Agreement has been duly authorized, if such Creditor is a corporation, partnership, limited liability company, trust or fiduciary, executed and delivered by such Creditor, and, upon due execution and delivery by the Company, this Agreement will be a valid and binding agreement of Creditor.

f. Access to Information. Creditor represents that such Creditor has been given full and complete access to the Company for the purpose of obtaining such information as such Creditor or its qualified representative has reasonably requested in connection with the decision to purchase the Shares. Creditor represents that it has received and reviewed copies of each report, registration statement, and definitive proxy statement filed by the Company with the Commission since January 1, 2025. Creditor represents that it has been afforded the opportunity to ask questions of the officers of the Company regarding its business prospects and the Settlement Shares, all as Creditor or Creditor’s qualified representative have found necessary to make an informed investment decision to purchase the Settlement Shares.

g. No Material Non-Public Information. Creditor represents and warrants that he is not aware of any material, non-public information about the Company.

h. Restricted Securities.

1. Creditor has been advised that the Settlement Shares have not been registered under the Securities Act or any other applicable securities laws and that Settlement Shares are being offered and sold pursuant to Section 4(2) of the Securities Act and/or Rule 506 of Regulation D thereunder, and that the Company's reliance upon Section 4(2) and/or Rule 506 of Regulation D is predicated in part on Creditor representations as contained herein. Creditor acknowledges that the Settlement Shares will be issued as "restricted securities" as defined by Rule 144 promulgated under the Securities Act ("**Rule 144**"). The Settlement Shares may not be resold in the absence of an effective registration thereof under the Securities Act and applicable state securities laws unless, in the opinion of the Company's counsel, an applicable exemption from registration is available.

2. Creditor represents that it is acquiring the Settlement Shares for Creditor's own account, and not as nominee or agent, for investment purposes only and not with a view to, or for sale in connection with, a distribution, as that term is used in Section 2(11) of the Securities Act, in a manner which would require registration under the Securities Act or any state securities laws.

3. Creditor understands and acknowledges that the Settlement Shares, when issued, may bear the following legend:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD OR TRANSFERRED FOR VALUE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION THEREOF UNDER THE SECURITIES ACT OF 1933 AND/OR THE SECURITIES ACT OF ANY STATE HAVING JURISDICTION OR AN OPINION OF COUNSEL ACCEPTABLE TO THE CORPORATION THAT SUCH REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR ACTS.

4. Creditor acknowledges that an investment in the Settlement Shares is not liquid and the Settlement Shares are transferable only under limited conditions. Creditor acknowledges that such securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Creditor is aware of the provisions of Rule 144, which permits limited resale of restricted securities subject to the satisfaction of certain conditions and that such Rule is not now available and, in the future, may not become available for resale of the Settlement Shares.

i. Creditor Sophistication and Ability to Bear Risk of Loss. Creditor acknowledges that it is able to protect its interests in connection with the acquisition of the Settlement Shares and can bear the economic risk of investment in such securities without producing a material adverse change in such Creditor's financial condition. Creditor, either alone or with such Creditor's representative(s), otherwise has such knowledge and experience in financial or business matters that such Creditor is capable of evaluating the merits and risks of the investment in the Settlement Shares.

j. Preexisting Relationship. Creditor has a preexisting personal or business relationship with the Company, one or more of its officers, directors, or controlling persons.

k. Purchases by Groups. Creditor represents, warrants and covenants that it is not acquiring the Settlement Shares as part of a group within the meaning of Section 13(d)(3) of the Securities Act of 1934, as amended.

5. Representations and Warranties of Netcapital. Netcapital represents to Creditor, that (i) Netcapital has all requisite corporate power and authority to enter into and perform this Agreement, and to consummate the transactions contemplated hereby and thereby and, to issue the Settlement Shares, in accordance with the terms hereof; (ii) the execution and delivery of this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized by Netcapital's Board of Directors; (iii) this Agreement has been duly executed and delivered by Netcapital through its authorized representative, and such authorized representative has the authority to sign this Agreement; and (iv) this Agreement constitutes a legal, valid and binding obligation of Netcapital enforceable against Netcapital in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency or similar laws affecting Creditor's rights generally or by general principles of equity.

6. No Outstanding or Known Future Claims/Causes of Action. Each Party affirms that it has not filed with any governmental agency or court any type of action or report against the other Party, and currently knows of no existing act or omission by the other Party that may constitute a claim or liability excluded from the release in section 10 below.

7. Acknowledgment of Settlement. The Parties, as described in section 10 below, acknowledge that (i) the consideration set forth in this Agreement, which includes, but is not limited to, the Settlement Payment and the Settlement Shares, is in full settlement of all claims or losses of whatsoever kind or character that they have, or may ever have had, against the other Party, including by reason of the Note and (ii) by signing this Agreement, and accepting the consideration provided herein and the benefits of it, they are giving up forever any right to seek further monetary or other relief from the other Party, for any acts or omissions up to and including the date of this Agreement as set forth in section 10, including, without limitation, the Note.

8. Legal Fees. The Parties acknowledge and agree that they are solely responsible for paying any attorneys' fees and costs they incurred and that neither Party nor its attorney(s) will seek any award of attorneys' fees or costs from the other Party, except as provided herein.

9. Taxes. Creditor shall be solely responsible for, and is legally bound to make payment of, any taxes determined to be due and owing (including penalties and interest related thereto) by it to any federal, state, local, or regional taxing authority as a result of the Settlement Shares. Creditor understand that Netcapital has not made, and it does not rely upon, any representations regarding the tax treatment of the Settlement Shares paid pursuant to this Agreement. Moreover, Creditor agrees to indemnify and hold Netcapital harmless in the event that any governmental taxing authority asserts against Netcapital any claim for unpaid taxes, failure to withhold taxes, penalties, or interest based upon the payment of the Settlement Shares.

10. Mutual Release. The Parties, on behalf of themselves, their predecessors, successors, direct and indirect parent companies, direct and indirect subsidiary companies, companies under common control with any of the foregoing, affiliates and assigns, and its and their past, present, and future officers, directors, shareholders, interest holders, members, partners, attorneys, agents, employees, managers, representatives, assigns, and successors in interest, and all persons acting by, through, under, or in concert with them, and each of them, hereby release and discharge the other Party, together with their predecessors, successors, direct and indirect parent companies, direct and indirect subsidiary companies, companies under common control with any of the foregoing, affiliates and assigns and its and their past, present, and future officers, directors, shareholders, interest holders, members, partners, attorneys, agents, employees, managers, representatives, assigns and successors in interest, and all persons acting by, through, under or in concert with them, and each of them, from all known and unknown charges, complaints, claims, grievances, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, Notes, penalties, fees, wages, medical costs, pain and suffering, mental anguish, emotional distress, expenses (including attorneys' fees and costs actually incurred), and punitive damages, of any nature whatsoever, known or unknown, which either Party has, or may have had, against the other Party, whether or not apparent or yet to be discovered, or which may hereafter develop, for any acts or omissions related to or arising from the Note.

This Agreement resolves any claim for relief that could have been alleged, no matter how characterized, including, without limitation, compensatory damages, damages for breach of contract, bad faith damages, reliance damages, liquidated damages, damages for humiliation and embarrassment, punitive damages, costs and attorneys' fees related to or arising from the Note.

11. Entire Agreement. The recitals set forth at the beginning of this Agreement are incorporated by reference and made a part of this Agreement. This Agreement constitutes the entire agreement and understanding of the Parties and supersedes all prior negotiations and/or agreements, proposed or otherwise, written or oral, concerning the subject matter hereof. Furthermore, no modification of this Agreement shall be binding unless in writing and signed by each of the parties hereto.

12. New or Different Facts: No Effect. Except as provided herein, this Agreement shall be, and remain, in effect despite any alleged breach of this Agreement or the discovery or existence of any new or additional fact, or any fact different from that which either Party now knows or believes to be true. Notwithstanding the foregoing, nothing in this Agreement shall be construed as, or constitute, a release of any Party's rights to enforce the terms of this Agreement.

13. Interpretation. Should any provision of this Agreement be declared or be determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement. The headings within this Agreement are purely for convenience and are not to be used as an aid in interpretation. Moreover, this Agreement shall not be construed against either Party as the author or drafter of the Agreement.

14. Counterparts. This Agreement may be executed by the Parties in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth below at or prior to 5:30 p.m. (New York City time) on a day on which the Nasdaq Capital Market (or such other market on which Netcapital's Common Stock is listed or quoted ("**Trading Day**") is open for trading, (b) the next Trading Day after the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth below:

Creditor:

Daniel R. Hesse Revocable Trust dated October 12, 2006
11039 E Saguaro Canyon Trail
Scottsdale, AZ 85255
Attention: Dan Hesse
Email: dhesse53@gmail.com

Netcapital:

Netcapital, Inc.
1 Lincoln Street
Boston, MA, 02111
United States of America
Attention: Martin Kay
Email: martin@netcapital.com

16. Governing Law and Venue. This Agreement shall be deemed to be a contract made under the laws of the State of New York and for all purposes it and any related or supplemental documents and notices, shall be construed in accordance with and governed by the laws of such state. In respect of any action or claim arising out of or relating to this Agreement (x) the parties hereby irrevocably submit to the jurisdiction of the federal and state courts sitting in the City of New York and each party irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder, over any action or proceeding arising out of or related to this Agreement and the documents related hereto or executed in connection herewith, (y) the Parties hereby irrevocably agree that all claims in respect of such actions or proceedings may be heard and determined in the courts referenced in the foregoing clause (x), and (z) the Parties hereto hereby irrevocably waive, to the fullest extent they may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in New York.

17. Reliance on Own Counsel. In entering into this Agreement, the Parties acknowledge that they have relied upon the legal advice of their respective attorneys, who are the attorneys of their own choosing, that such terms are fully understood and voluntarily accepted by them, and that, other than the consideration set forth herein, no promises or representations of any kind have been made to them by the other Party. The Parties represent and acknowledge that in executing this Agreement they did not rely, and have not relied, upon any representation or statement, whether oral or written, made by the other Party or by that other Party's agents, representatives or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise.

**READ THE FOREGOING DOCUMENT CAREFULLY. IT INCLUDES A RELEASE OF
KNOWN AND UNKNOWN CLAIMS.**

IN WITNESS WHEREOF, and intending to be legally bound, each of the Parties hereto has caused this Agreement to be executed as of the date(s) set forth below.

NETCAPITAL:

Netcapital Inc.

By: /s/ Martin Kay
Name: Martin Kay
Title: Chief Executive Officer
Dated: September 16, 2025

CREDITOR:

Daniel R. Hesse Revocable Trust dated October 12, 2006

By: /s/ Daniel Hesse
Name: Daniel Hesse
Title: Trustee
Dated: September 16, 2025

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (this “**Agreement**”) is entered into effective as of September 16, 2025, by and between (a) Ivan Seidenberg (“**Creditor**”) and (b) Netcapital Inc. (“**Netcapital**”). Collectively, Creditor and Netcapital shall be referred to as a “**Party**” and collectively as, the “**Parties**”.

BACKGROUND

WHEREAS, Netcapital issued Creditor that certain Promissory Note dated April 29, 2025 and a maturity date of July 29, 2025, pursuant to which Creditor is entitled to the repayment of an aggregate amount due of two hundred nine thousand two hundred seventy two U.S. dollars (\$209,272), which amount includes accrued interest of nine thousand two hundred seventy two U.S. dollars (\$9,272) as of September 16, 2025 (the “**Note**”).

WHEREAS, Netcapital and Creditor desire and agree to provide for the payment of the above-stated indebtedness in accordance with terms and provisions different from, and in substitution of, the terms and obligations of the Note as described above.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Creditor and Netcapital hereby agree as follows:

AGREED TERMS AND CONDITIONS

1. Settlement of Note. The parties agree that the Note will be paid in full and complete satisfaction upon Netcapital:

a. *Cash Payment*. Paying Creditor one hundred four thousand six hundred thirty six U.S. dollars (\$104,636) (the “**Cash Settlement Payment**”); and

b. *Common Stock Payment*. Issuing Creditor forty-six thousand two hundred fifty-eight (46,258) shares of its restricted common stock, par value \$0.001 per share (the “**Settlement Shares**”) as provided herein valued for the purposes of this Agreement at a price of \$2.262 per share (which price represents the “Minimum Price” under Nasdaq Rule 5635(d)) in consideration of Creditor’s agreement to cancel \$104,636 of principal and accrued interest due under the Note. Creditor’s agreement to cancel the \$104,636 of principal and interest under the Note is evidenced by Creditor’s execution of this Agreement.

2. Closing. On the closing date, Netcapital shall:

a. pay to Creditor the Cash Settlement Payment. by wire transfer to the account specified in writing by the Creditor.

b. deliver to the Creditor a copy of the instructions to Equity Stock Transfer, the Company’s transfer agent (the “**Transfer Agent**”) instructing the Transfer Agent to deliver, on an expedited basis, a certificate evidencing the Settlement Shares, registered in the name of Creditor, or, at the election of such Creditor, evidence of the issuance of the Settlement Shares hereunder as held in DRS book-entry form by the Transfer Agent and registered in the name of such Creditor, which evidence shall be reasonably satisfactory to Creditor.

3. Securities Act Exemption. The Parties are executing and delivering this Agreement in reliance upon exemptions from securities registration from the rules and regulations as promulgated by the U.S. Securities and Exchange Commission (the “**Commission**”) under Section 4(a)(2) the Securities Act of 1933, as amended (the “**Securities Act**”) and/or Regulation D promulgated thereunder.

4. Investment Representations of Creditor. Creditor represent and warrant that:

a. Investment Purpose. Creditor is acquiring the Settlement Shares for their own account and not with a present view towards the public sale or distribution thereof, except pursuant to sales registered or exempted from registration under the Securities Act.

b. Accredited Investor Status. Creditor is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D of the Securities Act (an “**Accredited Investor**”).

c. Reliance on Exemptions. Creditor understands that the Settlement Shares are being offered and sold to them in reliance upon specific exemptions from the registration requirements of U.S. federal securities laws and that Netcapital is relying upon the truth and accuracy of, and Creditor compliance with, the representations, warranties, agreements, acknowledgments and understandings of Creditor set forth herein in order to determine the availability of such exemptions and the eligibility of Creditor to acquire the Settlement Shares.

d. Legal Power. Creditor has the requisite individual, corporate, partnership, limited liability company, trust, or fiduciary power, as appropriate, and is authorized, if such Creditor is a corporation, partnership, limited liability company, or trust, to enter into this Agreement, to purchase the Shares hereunder, and to carry out and perform its obligations under the terms of this Agreement.

e. Due Execution. This Agreement has been duly authorized, if such Creditor is a corporation, partnership, limited liability company, trust or fiduciary, executed and delivered by such Creditor, and, upon due execution and delivery by the Company, this Agreement will be a valid and binding agreement of Creditor.

f. Access to Information. Creditor represents that such Creditor has been given full and complete access to the Company for the purpose of obtaining such information as such Creditor or its qualified representative has reasonably requested in connection with the decision to purchase the Shares. Creditor represents that it has received and reviewed copies of each report, registration statement, and definitive proxy statement filed by the Company with the Commission since January 1, 2025. Creditor represents that it has been afforded the opportunity to ask questions of the officers of the Company regarding its business prospects and the Settlement Shares, all as Creditor or Creditor’s qualified representative have found necessary to make an informed investment decision to purchase the Settlement Shares.

g. No Material Non-Public Information. Creditor represents and warrants that he is not aware of any material, non-public information about the Company.

h. Restricted Securities.

1. Creditor has been advised that the Settlement Shares have not been registered under the Securities Act or any other applicable securities laws and that Settlement Shares are being offered and sold pursuant to Section 4(2) of the Securities Act and/or Rule 506 of Regulation D thereunder, and that the Company’s reliance upon Section 4(2) and/or Rule 506 of Regulation D is predicated in part on Creditor representations as contained herein. Creditor acknowledges that the Settlement Shares will be issued as “restricted securities” as defined by Rule 144 promulgated under the Securities Act (“**Rule 144**”). The Settlement Shares may not be resold in the absence of an effective registration thereof under the Securities Act and applicable state securities laws unless, in the opinion of the Company’s counsel, an applicable exemption from registration is available.

2. Creditor represents that it is acquiring the Settlement Shares for Creditor's own account, and not as nominee or agent, for investment purposes only and not with a view to, or for sale in connection with, a distribution, as that term is used in Section 2(11) of the Securities Act, in a manner which would require registration under the Securities Act or any state securities laws.

3. Creditor understands and acknowledges that the Settlement Shares, when issued, may bear the following legend:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD OR TRANSFERRED FOR VALUE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION THEREOF UNDER THE SECURITIES ACT OF 1933 AND/OR THE SECURITIES ACT OF ANY STATE HAVING JURISDICTION OR AN OPINION OF COUNSEL ACCEPTABLE TO THE CORPORATION THAT SUCH REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR ACTS.

4. Creditor acknowledges that an investment in the Settlement Shares is not liquid and the Settlement Shares are transferable only under limited conditions. Creditor acknowledges that such securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Creditor is aware of the provisions of Rule 144, which permits limited resale of restricted securities subject to the satisfaction of certain conditions and that such Rule is not now available and, in the future, may not become available for resale of the Settlement Shares.

i. Creditor Sophistication and Ability to Bear Risk of Loss. Creditor acknowledges that it is able to protect its interests in connection with the acquisition of the Settlement Shares and can bear the economic risk of investment in such securities without producing a material adverse change in such Creditor's financial condition. Creditor, either alone or with such Creditor's representative(s), otherwise has such knowledge and experience in financial or business matters that such Creditor is capable of evaluating the merits and risks of the investment in the Settlement Shares.

j. Preexisting Relationship. Creditor has a preexisting personal or business relationship with the Company, one or more of its officers, directors, or controlling persons.

k. Purchases by Groups. Creditor represents, warrants and covenants that it is not acquiring the Settlement Shares as part of a group within the meaning of Section 13(d)(3) of the Securities Act of 1934, as amended.

5. Representations and Warranties of Netcapital. Netcapital represents to Creditor, that (i) Netcapital has all requisite corporate power and authority to enter into and perform this Agreement, and to consummate the transactions contemplated hereby and thereby and, to issue the Settlement Shares, in accordance with the terms hereof; (ii) the execution and delivery of this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized by Netcapital's Board of Directors; (iii) this Agreement has been duly executed and delivered by Netcapital through its authorized representative, and such authorized representative has the authority to sign this Agreement; and (iv) this Agreement constitutes a legal, valid and binding obligation of Netcapital enforceable against Netcapital in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency or similar laws affecting Creditor's rights generally or by general principles of equity.

6. No Outstanding or Known Future Claims/Causes of Action. Each Party affirms that it has not filed with any governmental agency or court any type of action or report against the other Party, and currently knows of no existing act or omission by the other Party that may constitute a claim or liability excluded from the release in section 10 below.

7. Acknowledgment of Settlement. The Parties, as described in section 10 below, acknowledge that (i) the consideration set forth in this Agreement, which includes, but is not limited to, the Settlement Payment and the Settlement Shares, is in full settlement of all claims or losses of whatsoever kind or character that they have, or may ever have had, against the other Party, including by reason of the Note and (ii) by signing this Agreement, and accepting the consideration provided herein and the benefits of it, they are giving up forever any right to seek further monetary or other relief from the other Party, for any acts or omissions up to and including the date of this Agreement as set forth in section 10, including, without limitation, the Note.

8. Legal Fees. The Parties acknowledge and agree that they are solely responsible for paying any attorneys' fees and costs they incurred and that neither Party nor its attorney(s) will seek any award of attorneys' fees or costs from the other Party, except as provided herein.

9. Taxes. Creditor shall be solely responsible for, and is legally bound to make payment of, any taxes determined to be due and owing (including penalties and interest related thereto) by it to any federal, state, local, or regional taxing authority as a result of the Settlement Shares. Creditor understands that Netcapital has not made, and it does not rely upon, any representations regarding the tax treatment of the Settlement Shares paid pursuant to this Agreement. Moreover, Creditor agrees to indemnify and hold Netcapital harmless in the event that any governmental taxing authority asserts against Netcapital any claim for unpaid taxes, failure to withhold taxes, penalties, or interest based upon the payment of the Settlement Shares.

10. Mutual Release. The Parties, on behalf of themselves, their predecessors, successors, direct and indirect parent companies, direct and indirect subsidiary companies, companies under common control with any of the foregoing, affiliates and assigns, and its and their past, present, and future officers, directors, shareholders, interest holders, members, partners, attorneys, agents, employees, managers, representatives, assigns, and successors in interest, and all persons acting by, through, under, or in concert with them, and each of them, hereby release and discharge the other Party, together with their predecessors, successors, direct and indirect parent companies, direct and indirect subsidiary companies, companies under common control with any of the foregoing, affiliates and assigns and its and their past, present, and future officers, directors, shareholders, interest holders, members, partners, attorneys, agents, employees, managers, representatives, assigns and successors in interest, and all persons acting by, through, under or in concert with them, and each of them, from all known and unknown charges, complaints, claims, grievances, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, Notes, penalties, fees, wages, medical costs, pain and suffering, mental anguish, emotional distress, expenses (including attorneys' fees and costs actually incurred), and punitive damages, of any nature whatsoever, known or unknown, which either Party has, or may have had, against the other Party, whether or not apparent or yet to be discovered, or which may hereafter develop, for any acts or omissions related to or arising from the Note.

This Agreement resolves any claim for relief that could have been alleged, no matter how characterized, including, without limitation, compensatory damages, damages for breach of contract, bad faith damages, reliance damages, liquidated damages, damages for humiliation and embarrassment, punitive damages, costs and attorneys' fees related to or arising from the Note.

11. Entire Agreement. The recitals set forth at the beginning of this Agreement are incorporated by reference and made a part of this Agreement. This Agreement constitutes the entire agreement and understanding of the Parties and supersedes all prior negotiations and/or agreements, proposed or otherwise, written or oral, concerning the subject matter hereof. Furthermore, no modification of this Agreement shall be binding unless in writing and signed by each of the parties hereto.

12. New or Different Facts: No Effect. Except as provided herein, this Agreement shall be, and remain, in effect despite any alleged breach of this Agreement or the discovery or existence of any new or additional fact, or any fact different from that which either Party now knows or believes to be true. Notwithstanding the foregoing, nothing in this Agreement shall be construed as, or constitute, a release of any Party's rights to enforce the terms of this Agreement.

13. Interpretation. Should any provision of this Agreement be declared or be determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement. The headings within this Agreement are purely for convenience and are not to be used as an aid in interpretation. Moreover, this Agreement shall not be construed against either Party as the author or drafter of the Agreement.

14. Counterparts. This Agreement may be executed by the Parties in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth below at or prior to 5:30 p.m. (New York City time) on a day on which the Nasdaq Capital Market (or such other market on which Netcapital's Common Stock is listed or quoted ("**Trading Day**") is open for trading, (b) the next Trading Day after the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth below:.

Creditor:

Ivan Seidenberg
5 Quail Hollow Lane
West Nyack, NY 10994
Email: iseidenberg@verizon.net

Netcapital:

Netcapital, Inc.
1 Lincoln Street
Boston, MA, 02111
United States of America
Attention: Martin Kay
Email: martin@netcapital.com

16. Governing Law and Venue. This Agreement shall be deemed to be a contract made under the laws of the State of New York and for all purposes it and any related or supplemental documents and notices, shall be construed in accordance with and governed by the laws of such state. In respect of any action or claim arising out of or relating to this Agreement (x) the parties hereby irrevocably submit to the jurisdiction of the federal and state courts sitting in the City of New York and each party irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder, over any action or proceeding arising out of or related to this Agreement and the documents related hereto or executed in connection herewith, (y) the Parties hereby irrevocably agree that all claims in respect of such actions or proceedings may be heard and determined in the courts referenced in the foregoing clause (x), and (z) the Parties hereto hereby irrevocably waive, to the fullest extent they may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in New York.

17. Reliance on Own Counsel. In entering into this Agreement, the Parties acknowledge that they have relied upon the legal advice of their respective attorneys, who are the attorneys of their own choosing, that such terms are fully understood and voluntarily accepted by them, and that, other than the consideration set forth herein, no promises or representations of any kind have been made to them by the other Party. The Parties represent and acknowledge that in executing this Agreement they did not rely, and have not relied, upon any representation or statement, whether oral or written, made by the other Party or by that other Party's agents, representatives or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise.

READ THE FOREGOING DOCUMENT CAREFULLY. IT INCLUDES A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, and intending to be legally bound, each of the Parties hereto has caused this Agreement to be executed as of the date(s) set forth below.

NETCAPITAL:

Netcapital Inc.

By: /s/ Martin Kay
Name: Martin Kay
Title: Chief Executive Officer
Dated: September 16, 2025

CREDITOR:

By: /s/ Ivan Seidenberg
Ivan Seidenberg
Dated: September 16, 2025

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Martin Kay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Netcapital Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. 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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 22, 2025

By: /s/ Martin Kay

Martin Kay
Principal Executive Officer Netcapital Inc.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Coreen Kraysler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Netcapital Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. 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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 22, 2025

By: /s/ Coreen Kraysler

Coreen Kraysler
Principal Financial and Accounting Officer Netcapital Inc.

**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 this Quarterly Report of Netcapital Inc. (the "Company"), on Form 10-Q for the quarter ended July 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Martin Kay, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the quarter ended July 31, 2025, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Quarterly Report on Form 10-Q for the quarter ended July 31, 2025, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 22, 2025

By: /s/ Martin Kay

Martin Kay

Principal Executive Officer Netcapital Inc.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**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 this Quarterly Report of Netcapital Inc. (the "Company"), on Form 10-Q for the quarter ended July 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Coreen Kraysler, Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (3) Such Quarterly Report on Form 10-Q for the quarter ended July 31, 2025, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (4) The information contained in such Quarterly Report on Form 10-Q for the quarter ended July 31, 2025, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 22, 2025

By: /s/ Coreen Kraysler

Coreen Kraysler

Principal Financial and Accounting Officer Netcapital Inc.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
