
**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: **January 31, 2026**

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 March 19, 2026 the registrant had 7,847,899 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 regulations;
- 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;
- inadequately protecting our intellectual property or breaches of security of confidential user information. and
- The impact on our business or any of our current or former executive officers, directors and associated persons resulting from the Wells Notices received from the SEC staff.

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**

	January 31, 2026 (Unaudited)	April 30, 2025 (Audited)
Assets:		
Cash and cash equivalents	\$ 715,443	\$ 289,428
Accounts receivable, net	1,231	78,649
Other receivables	11,671	-
Prepaid expenses	313,576	31,535
Total current assets	<u>1,041,921</u>	<u>399,612</u>
Deposits	6,300	6,300
Notes receivable - related parties	50,000	50,000
Purchased technology, net	19,151,139	14,697,529
Equity securities at fair value	5,810,495	5,748,050
Total assets	<u>\$ 26,059,855</u>	<u>\$ 20,901,491</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,667,240	\$ 2,941,108
Accrued expenses	262,271	269,971
Deferred revenue	270	330
Interest payable	107,302	100,797
Short-term promissory notes	-	263,437
Current portion of SBA loans	1,893,357	1,885,800
Loan payable - bank	34,324	34,324
Total current liabilities	<u>3,964,764</u>	<u>5,495,767</u>
Long-term liabilities:		
Long-term SBA loans, less current portion	492,443	500,000
Total liabilities	<u>4,457,207</u>	<u>5,995,767</u>
Commitments and contingencies	-	-
Stockholders' equity:		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized, 0 shares outstanding	-	-
Common stock, \$.001 par value; 900,000,000 shares authorized, 6,847,899 and 2,192,226 shares issued and outstanding	6,848	2,192
Shares to be issued	-	200,000
Capital in excess of par value	57,001,947	42,525,294
Retained earnings (deficit)	(35,406,147)	(27,821,762)
Total stockholders' equity	<u>21,602,648</u>	<u>14,905,724</u>
Total liabilities and stockholders' equity	<u>\$ 26,059,855</u>	<u>\$ 20,901,491</u>

See Accompanying Notes to the Condensed Consolidated Financial Statements

NETCAPITAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended January 31, 2026	Three Months Ended January 31, 2025	Nine Months Ended January 31, 2026	Nine Months Ended January 31, 2025
Revenue	\$ 94,347	\$ 152,682	\$ 335,481	\$ 465,437
Cost of revenue	1,823	7,155	11,109	37,156
Gross profit	<u>92,524</u>	<u>145,527</u>	<u>324,372</u>	<u>428,281</u>
Costs and expenses:				
Consulting expense	268,032	63,555	428,718	240,581
Marketing	4,984	12,887	14,839	31,993
Rent	21,300	20,178	65,452	58,736
Payroll and payroll related expenses	1,097,998	815,024	3,747,881	2,701,318
General and administrative costs	874,545	921,575	3,646,922	3,794,013
Total costs and expenses	<u>2,266,859</u>	<u>1,833,219</u>	<u>7,903,812</u>	<u>6,826,641</u>
Operating loss	<u>(2,174,335)</u>	<u>(1,687,692)</u>	<u>(7,579,440)</u>	<u>(6,398,360)</u>
Other income (expense):				
Interest expense	(24,076)	(10,376)	(72,347)	(30,441)
Interest income	630	400	11,671	1,200
Impairment expense	-	(1,300,000)	-	(1,300,000)
Loss on debt conversion	(10,815)	-	(10,815)	-
Amortization of intangible assets	(54,298)	(8,869)	(72,036)	(26,607)
Unrealized loss on equity securities, net	(49,950)	-	(5,005)	-
Insurance recovery	500,000	-	500,000	-
Accretion of short-term notes	-	-	(356,413)	-
Total other income (expense)	<u>361,491</u>	<u>(1,318,845)</u>	<u>(4,945)</u>	<u>(1,355,848)</u>
Net loss before taxes	(1,812,844)	(3,006,537)	(7,584,385)	(7,754,208)
Income tax expense (benefit)	-	-	-	-
Net loss	<u>\$ (1,812,844)</u>	<u>\$ (3,006,537)</u>	<u>\$ (7,584,385)</u>	<u>\$ (7,754,208)</u>
Basic loss per share	\$ (0.32)	\$ (1.57)	\$ (1.71)	\$ (6.93)
Diluted loss per share	\$ (0.32)	\$ (1.57)	\$ (1.71)	\$ (6.93)
Weighted average number of common shares outstanding:				
Basic	<u>5,612,356</u>	<u>1,915,367</u>	<u>4,432,039</u>	<u>1,119,479</u>
Diluted	<u>5,612,356</u>	<u>1,915,367</u>	<u>4,432,039</u>	<u>1,119,479</u>

See Accompanying Notes to the Condensed Consolidated Financial Statements

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

For the Three and Nine Months Ended January 31, 2026 and 2025 (Unaudited)

	Common Stock		Shares to Be Issued	Capital in Excess of Par Value	Retained Earnings (Deficit)	Total Equity
	Shares	Amount				
Balance October 31, 2024	1,841,335	\$ 1,842	\$ 122,124	\$ 41,550,465	\$ (4,268,108)	\$ 37,406,323
Vesting of stock options	-	-	-	139,371	-	139,371
Warrant exercise	270,906	271	-	430,837	-	431,108
Net loss three months ended January 31, 2025	-	-	-	-	(3,006,537)	(3,006,537)
Balance January 31, 2025	<u>2,112,488</u>	<u>\$ 2,113</u>	<u>\$ 122,124</u>	<u>\$ 42,120,673</u>	<u>\$ (7,274,645)</u>	<u>\$ 34,970,265</u>
Balance October 31, 2025	4,917,899	\$ 4,918	\$ -	\$ 55,025,183	\$ (33,593,303)	\$ 21,436,798
Vesting of stock options	-	-	-	368,523	-	368,523
Purchase of Rivetz technology	950,000	950	-	939,170	-	940,120
Purchase of Iverson technology	980,000	980	-	644,546	-	645,526
Debt conversion	-	-	-	24,545	-	24,525
Net loss three months ended January 31, 2026	-	-	-	-	(1,812,844)	(1,812,844)
Balance January 31, 2026	<u>6,847,899</u>	<u>\$ 6,848</u>	<u>\$ -</u>	<u>\$ 57,001,947</u>	<u>\$ (35,406,147)</u>	<u>\$ 21,602,648</u>
Balance April 30, 2024	326,867	\$ 327	\$ 122,124	\$ 37,338,594	\$ 479,563	\$ 37,940,608
Vesting of stock options	-	-	-	418,113	-	418,113
Round up of fractional shares	-	-	140	(140)	-	-
Warrant exercise	523,147	523	-	2,386,229	-	2,386,752
Reduction in shares to be issued	139,781	140	(140)	-	-	-
Sale of common stock	1,122,693	1,123	-	1,977,877	-	1,979,000
Net loss nine months ended January 31, 2025	-	-	-	-	(7,754,208)	(7,754,208)
Balance January 31, 2025	<u>2,112,488</u>	<u>\$ 2,113</u>	<u>\$ 122,124</u>	<u>\$ 42,120,673</u>	<u>\$ (7,274,645)</u>	<u>\$ 34,970,265</u>
Balance April 30, 2025	2,192,226	\$ 2,192	\$ 200,000	\$ 42,525,294	\$ (27,821,762)	\$ 14,905,724
Vesting of stock options	-	-	-	1,023,967	-	1,023,967
Reduction in shares to be issued	54,421	55	(200,000)	199,945	-	-
Debt conversion	138,686	139	-	324,386	-	324,525
Purchase of software license	500,000	500	-	2,839,500	-	2,840,000
Purchase of Rivetz technology	950,000	950	-	939,170	-	940,120
Purchase of Iverson technology	980,000	980	-	644,546	-	645,526
Warrant exercise	269,267	269	-	(269)	-	-
Sale of common stock	1,763,299	1,763	-	8,505,408	-	8,507,171
Net loss nine months ended January 31, 2026	-	-	-	-	(7,584,385)	(7,584,385)
Balance January 31, 2026	<u>6,847,899</u>	<u>\$ 6,848</u>	<u>\$ -</u>	<u>\$ 57,001,947</u>	<u>\$ (35,406,147)</u>	<u>\$ 21,602,648</u>

See Accompanying Notes to the Condensed Consolidated Financial Statements

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

	Nine Months Ended January 31, 2026	Nine Months Ended January 31, 2025
OPERATING ACTIVITIES		
Net loss	\$ (7,584,385)	\$ (7,754,208)
Adjustment to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	1,023,967	418,113
Receipt of equity in lieu of cash	(67,450)	(39,694)
Unrealized loss on equity securities	5,005	-
Accretion of short-term notes	356,413	-
Impairment of assets	-	1,300,000
Amortization of intangible assets	72,036	26,607
Changes in non-cash working capital balances:		
Accounts receivable	77,418	134,849
Other receivables	(11,671)	(1,200)
Prepaid expenses	(282,041)	(12,811)
Accounts payable and accrued expenses	(1,281,568)	1,308,085
Deferred revenue	(60)	(106)
Accrued interest payable	31,030	5,735
Net cash used in operating activities	<u>(7,661,306)</u>	<u>(4,614,630)</u>
INVESTING ACTIVITIES		
Purchase of intangible assets – Rivetz acquisition	(100,000)	-
Net cash used in investing activities	<u>(100,000)</u>	<u>-</u>
FINANCING ACTIVITIES		
Payment of short-term notes	(619,850)	-
Proceeds from short-term notes	300,000	-
Proceeds from exercise of warrants	-	2,386,752
Proceeds from sale of common stock	8,507,171	1,979,000
Net cash provided by financing activities	<u>8,187,321</u>	<u>4,365,752</u>
Net increase (decrease) in cash	426,015	(248,878)
Cash and cash equivalents, beginning of the period	289,428	863,182
Cash and cash equivalents, end of the period	<u>\$ 715,443</u>	<u>\$ 614,304</u>
Supplemental disclosure of cash flow information:		
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>
Cash paid for interest	<u>\$ 38,168</u>	<u>\$ 24,703</u>
Supplemental Non-Cash Financing Information:		
Common stock issued for the perpetual Horizon software license	<u>\$ 2,840,000</u>	<u>\$ -</u>
Common stock issued for the Rivetz technology	<u>\$ 940,120</u>	<u>\$ -</u>
Common stock issued for the Iverson technology	<u>\$ 645,526</u>	<u>\$ -</u>
Stock issued for debt conversion	<u>\$ 300,000</u>	<u>\$ -</u>

See Accompanying Notes to the Condensed Consolidated Financial Statements

NETCAPITAL INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended January 31, 2026 and 2025 (Unaudited)

Note 1– Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated 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- and nine-month periods ended January 31, 2026, 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.

Business segments

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.

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 January 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-01, Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards. The amendments clarify the scope of ASC 718 by providing additional illustrative guidance to help entities determine whether profits interest awards or similar arrangements should be accounted for under Topic 718 or other applicable guidance. The Company adopted this guidance on May 1, 2025. Adoption of the standard did not have a material impact on the Company's financial statements or disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income (Topic 220): Expense Disaggregation Disclosures. The standard requires public business entities to provide additional disclosures in the notes to the financial statements that disaggregate certain income statement expense captions into specified natural expense categories, including purchases of inventory, employee compensation, depreciation, and amortization. The amendments are intended to improve transparency regarding the nature of expenses included in commonly presented income statement captions. The amendments in ASU 2024-03 are effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact that adoption of this guidance will have on its financial statement disclosures.

In January 2025, the FASB issued ASU 2025-01, Income Statement—Reporting Comprehensive Income (Topic 220): Expense Disaggregation Disclosures—Clarifying the Effective Date. This update clarifies the effective date guidance in ASU 2024-03 to ensure that entities with non-calendar fiscal year ends are not required to initially adopt the disclosure requirements in an interim reporting period. The amendments do not change the underlying disclosure requirements of ASU 2024-03. The Company is currently evaluating the impact of this guidance on its financial statement disclosures.

Management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the accompanying financial statements.

Note 2 – Concentrations

For the three months ended January 31, 2026, the Company had one customer that constituted 22% of revenue, a second customer that constituted 15% of revenue and a third customer that accounted for 14% of revenue. For the nine months ended January 31, 2026, the Company had one customer that constituted 43% of revenue. For the three months ended January 31, 2025, the Company had one customer that constituted 17% of its revenue, and for the nine months ended January 31, 2025, the Company had one customer that constituted 16% of its revenue.

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 regularly 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 revenue represents 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 revenue that will be recognized during the succeeding twelve-month period is recorded as current deferred revenue 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 revenue in the three and nine months ended January 31, 2026, which amounted to \$94,347 and \$335,481, respectively, are considered contract revenue. Contract revenue as of January 31, 2026 and April 30, 2025, which has not yet been recognized, amounted to \$270 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 derived from fees earned from the Company's online platform services. These services include fees earned from facilitating capital raises for issuers through the Company's online platform, including offerings conducted pursuant to Regulation CF, Regulation A, and Rule 506(c). The Company's customers are primarily U.S.-based companies and there are no significant geographic concentrations of revenue.

Revenue by source consist of the following:

	Three Months Ended Jan. 31, 2026	Three Months Ended Jan. 31, 2025	Nine Months Ended Jan. 31, 2026	Nine Months Ended Jan. 31, 2025
Fees from online services	\$ 94,347	\$ 152,682	\$ 335,481	\$ 465,437
Total revenue	\$ 94,347	\$ 152,682	\$ 335,481	\$ 465,437

Note 4 – Earnings Per Common Share

Net income per common and diluted share were calculated as follows for the three- and nine-month periods ended January 31, 2026 and 2025:

	Three Months Ended January 31, 2026	Three Months Ended January 31, 2025	Nine Months Ended January 31, 2026	Nine Months Ended January 31, 2025
Net income (loss) attributable to common stockholders – basic	\$ (1,812,844)	\$ (3,006,537)	\$ (7,584,385)	\$ (7,754,208)
Adjustments to net income	—	—	—	—
Net income (loss) attributable to common stockholders – diluted	\$ (1,812,844)	\$ (3,006,537)	\$ (7,584,385)	\$ (7,754,208)
Weighted average common shares outstanding - basic	5,612,356	1,915,367	4,432,039	1,119,479
Effect of dilutive securities	—	—	—	—
Weighted average common shares outstanding – diluted	5,612,356	1,915,367	4,432,039	1,119,479
Earnings (loss) per common share - basic	\$ (0.32)	\$ (1.57)	\$ (1.71)	\$ (6.93)
Earnings (loss) per common share - diluted	\$ (0.32)	\$ (1.57)	\$ (1.71)	\$ (6.93)

Outstanding vested warrants to purchase 2,317,723 shares of common stock are not included in the calculation of earnings per share for the three- and nine-month periods ended January 31, 2026, because their effect is anti-dilutive. Outstanding vested warrants to purchase 614,866 shares of common stock are not included in the calculation of earnings per share for the three- and nine-month periods ended January 31, 2025 because their effect is anti-dilutive.

Outstanding vested options to purchase 132,269 shares of common stock are not included in the calculation of earnings per share for the three- and nine-month periods ended January 31, 2026 because their effect is anti-dilutive.

Outstanding vested options to purchase 15,252 shares of common stock are not included in the calculation of earnings per share for the three- and nine-month periods ended January 31, 2025 because their effect is anti-dilutive.

Note 5 – Principal Financing Arrangements

The following table summarizes components of debt as of January 31, 2026 and April 30, 2025:

	January 31, 2026	April 30, 2025	Interest Rate
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%
Convertible promissory notes	—	161,787	12.0%
Notes payable	—	101,650	8.0%
Total Debt	2,420,124	2,683,561	
Less: current portion of long-term debt	1,927,681	2,183,561	
Total long-term debt	\$ 492,443	\$ 500,000	

The Company owes \$34,324 as of January 31, 2026 and April 30, 2025 to Chase Bank. For the loan from Chase Bank, the Company pays interest only on a monthly basis, which is calculated at a rate of 9.75% per annum as of January 31, 2026.

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, for the June Loan, \$495,840 is classified as a long-term liability and \$4,160 is classified as a current 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 on the June Loan amounted to \$12,856 and \$20,611 as of January 31, 2026 and April 30, 2025, 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 on the February Loan amounted to \$94,446 and \$80,186 as of January 31, 2026 and April 30, 2025, 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 contained interest at 8% per annum, matured on July 31, 2025, and was prepayable at any time without penalty. In the event of default, the interest rate increased to 20% per annum. As of January 31, 2026, the note and accrued interest was paid in full. 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.

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 contained interest at 8% per annum, matured three months from the issuance date, or August 1, 2025, and was prepayable at any time without penalty. In the event of default, the interest rate increased to 20% per annum. As of January 31, 2026, the note and accrued interest were paid in full.

Note 6 – Income Taxes

For the three and nine months ended January 31, 2026 and 2025, the Company recorded no income tax expense due to the net loss recorded in each period.

Note 7 – Related Party Transactions

Netcapital Systems LLC, a Delaware limited liability company (“Systems DE”), of which Jason Frishman, Founder, owns a 29% interest, owns 24,447 shares of common stock, or 0.4% of the Company’s 6,847,899 outstanding shares as of January 31, 2026. The Company paid Systems DE \$0 and \$285,000 in the three- and nine-month periods ended January 31, 2026, respectively, and \$95,000 in the three- and nine-month periods ended January 31, 2025, for use of the software that runs the website www.netcapital.com. As of January 31, 2026 and April 30, 2025, the Company has accounts payable to Systems DE of \$285,000.

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 January 31, 2026 and April 30, 2025, the Company owned 3,209,685 shares of KingsCrowd Inc., valued at \$577,743.

Cecilia Lenk, the Chief Executive Officer of Advisors is a member of the board of directors of Deuce Drone LLC. As of January 31, 2026 and April 30, 2025, the Company owns 2,350,000 membership interest units of Deuce Drone LLC, valued at \$0.

Compensation to officers in the three- and nine-month periods ended January 31, 2026 consisted of stock-based compensation valued at \$323,048 and \$887,543, respectively, and cash salary of \$220,031 and \$1,210,130, respectively.

Compensation to officers in the three- and nine-month periods ended January 31, 2025 consisted of stock-based compensation valued at \$93,896 and \$281,689, respectively, and cash salary of \$216,294 and \$741,311, respectively.

Compensation to a related party employee, John Fanning Jr., son of our CFO, for the three- and nine-month periods ended January 31, 2026 consisted of cash wages of \$16,668 and \$42,367, respectively and in the three- and nine-month periods ended January 31, 2025 consisted of cash wages of \$13,461 and \$35,478, respectively. This employee is also the controlling shareholder of Zelgor Inc. (“Zelgor”). As of January 31, 2026 and April 30, 2025, the Company has a note receivable of \$50,000 from Zelgor and the Company owned 1,400,000 shares of Zelgor, which are valued at \$1,400,000. Accrued interest receivable, at a rate of 5% per annum on the Zelgor note, amounted to \$11,041 as of January 31, 2026.

On June 8, 2025, the Company granted stock options to purchase an aggregate of 55,000 shares of our common stock to our former 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. Mr. Kay resigned as an officer and director on December 3, 2025.

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 6,847,899 and 2,192,226 shares of the Company's common stock outstanding as of January 31, 2026 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 to each of Martin Kay, Chief Executive Officer, and Coreen Kraysler, Chief Financial Officer, under the 2023 Omnibus Equity Incentive Plan. These options have an exercise price of \$2.68 per share, vest immediately and expire four years from the grant date.

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). On September 16, 2025, the Company issued a total of 59,147 shares of common stock to the investors in the June 10, 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 \$2.68 per share.

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 December 3, 2025, the Company entered into an Asset Purchase Agreement with Rivetz Corp. pursuant to which the Company acquired substantially all intellectual property assets associated with the Rivetz Network, including software, technology, and related intellectual property rights. The purchase price consisted of the issuance of 950,000 shares of the Company’s common stock and a cash payment of \$100,000. The equity consideration was valued using the Company’s closing stock price of \$0.9896 per share on the acquisition date. The total purchase price allocated to the acquired technology and intellectual property was \$1,040,120.

On December 7, 2025, the Board appointed Kevin Kilduff, as its General Counsel. In addition, on December 7, 2025, the Company granted Mr. Kilduff 1,000,000 shares of its common stock (“Restricted Stock”) as a Restricted Stock Award under the Company’s 2023 Omnibus Equity Incentive Plan in accordance with NASDAQ Listing Rule 5635(c)(4) to Mr. Kilduff to induce him to accept employment with the Company as its General Counsel. The shares are subject to forfeiture based on the Company achieving specified gross revenue thresholds during a one-year measurement period. If gross revenue during the measurement period is less than \$900,000, none of the shares vest and all shares are forfeited. If gross revenue equals or exceeds \$1,500,000, all shares vest. If gross revenue is between these amounts, the shares vest on a straight-line interpolated basis.

The award contains a performance condition as defined in ASC 718. In accordance with ASC 718-10-25-20, compensation cost for an award with a performance condition is recognized only when it is probable that the performance condition will be satisfied. As of January 31, 2026, management concluded that achievement of the performance condition was not yet probable. Accordingly, no stock-based compensation expense related to this award has been recognized in the accompanying financial statements.

Although the shares were legally issued and are currently votable, because the shares are subject to forfeiture based on the achievement of a performance condition and the condition was not considered probable as of January 31, 2026, the shares are not considered outstanding for accounting purposes until the performance condition becomes probable or the shares vest. If the performance condition is achieved, compensation expense will be recognized based on the grant-date fair value of the shares over the requisite service period.

On January 2, 2026, the Company entered into an Asset Purchase Agreement with Iverson Design, LLC (“Iverson Design”) pursuant to which the Company acquired substantially all of the intellectual property and digital design assets of Iverson Design, including software, digital content, websites, domain names, and related intellectual property. The purchase price consisted of the issuance of 980,000 shares of the Company’s common stock. The shares were valued using the Company’s closing stock price of \$0.6587 per share on the acquisition date, resulting in a total acquisition value of \$645,526.

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 January 31, 2026 and April 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
January 31, 2026				
Equity securities at fair value	\$ —	\$ 5,810,495	\$ —	\$ 5,810,495
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, the Company bases 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 and nine months ended January 31, 2026, stock-based compensation expense amounted to \$368,523 and \$1,023,967, respectively. For the three and nine months ended January 31, 2025, stock-based compensation expense amounted to \$139,371 and \$418,113, 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- and nine-month periods ended January 31, 2026 and 2025.

	Three Months Ended Jan. 31, 2026	Three Months Ended Jan. 31, 2025	Nine Months Ended Jan. 31, 2026	Nine Months Ended Jan. 31, 2025
Stock-based compensation expense				
Former Chief Executive Officer ⁽¹⁾	\$ 291,645	\$ 62,493	\$ 604,982	\$ 187,479
Chief Financial Officer	14,914	14,914	233,093	44,742
Chief Executive Officer, Advisors	1,575	1,575	4,726	4,726
Founder	14,914	14,914	44,742	44,742
Employee and consultant options	45,475	45,475	136,424	136,424
Total stock-based compensation expense	<u>\$ 368,523</u>	<u>\$ 139,371</u>	<u>\$ 1,023,967</u>	<u>\$ 418,113</u>

(1) Mr. Kay resigned as an officer and director on December 3, 2025.

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 \$7,300. The agreement is cancellable by the Company with 60 days' notice. As of January 31, 2026 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 finite useful lives are recorded at cost and amortized on a straight-line basis over the period in which the assets are expected to contribute to future cash flows. The estimated useful lives are based on the period of the underlying contractual rights or the period over which the assets are expected to generate economic benefits. Intangible assets with indefinite useful lives are recorded at cost and are not amortized but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. An impairment loss is recognized when the carrying value of an asset exceeds its estimated recoverable 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 the 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.

On December 3, 2025, the Company entered into an Asset Purchase Agreement with Rivetz Corp. pursuant to which the Company acquired substantially all intellectual property assets associated with the Rivetz Network, including software, technology, and related intellectual property rights. The purchase price consisted of the issuance of 950,000 shares of the Company’s common stock and a cash payment of \$100,000. The equity consideration was valued using the Company’s closing stock price of \$0.9896 per share on the acquisition date. The total purchase price allocated to the acquired technology and intellectual property was \$1,040,120. The acquired technology is being amortized over its estimated useful life of five years.

On January 2, 2026, the Company entered into an Asset Purchase Agreement with Iverson Design pursuant to which the Company acquired substantially all of the intellectual property and digital design assets of Iverson Design, including software, digital content, websites, domain names, and related intellectual property. The purchase price consisted of the issuance of 980,000 shares of the Company’s common stock. The shares were valued using the Company’s closing stock price of \$0.6587 per share on the acquisition date, resulting in a total acquisition value of \$645,526. The acquired technology and intellectual property are being amortized over their estimated useful life of five years.

The following table sets forth the major categories of the intangible assets as of January 31, 2026 and April 30, 2025:

	January 31, 2026	April 30, 2025
Acquired users	\$ 14,271,836	\$ 14,271,836
License agreement	2,840,000	-
Acquired brand	532,118	532,118
Rivetz technology	1,040,120	-
Iverson technology	645,526	-
Total intangible assets	19,329,600	14,803,954
Less: accumulated amortization	178,461	106,425
Net intangible assets	\$ 19,151,139	\$ 14,697,529

As of January 31, 2026, the weighted average remaining useful life of the Company’s amortizable intangible assets, including technology, software platforms, trade names, professional practice assets, literary works, and domain names, was approximately 9.3 years.

Note 13 – Investments

During the three- and nine-month periods ended January 31, 2026, the Company received equity securities from 4 and 9 issuers, respectively, 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 January 31, 2026, the Company's funding portal received equity fee payments from a total of 70 issuers, which have an aggregate value of \$282,185, as compared to 61 issuers with an aggregate value of \$169,790 as of April 30, 2025. In the three- and nine-month periods ended January 31, 2026, the Company recorded \$3,745 and \$67,451 in revenue from the receipt of equity securities. In the three- and nine-month periods ended January 31, 2025, the Company recorded \$7,012 and \$35,946 in revenue from the receipt of equity securities. In the nine months ended January 31, 2026 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 nine months ended January 31, 2025. The unrealized gain of \$44,945 was offset by an unrealized loss in the value of an investment in C-Reveal Therapeutics, LLC, of \$49,950, resulting in a net unrealized loss on equity securities of \$5,005 for the 9 months ended January 31, 2026.

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 an accounts receivable balance of \$1,200,000. As of January 31, 2026 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 an accounts receivable balance of \$1,200,000. As of January 31, 2026 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 January 31, 2026 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 an accounts receivable balance of \$712,500. As of January 31, 2026 and April 30, 2025, the Company owned 2,850,000 units which are valued at \$712,500.

In May 2020, the Company entered a consulting contract with a related party, Zelgor Inc. ("Zelgor"), which allowed the Company to receive 1,400,000 shares of common stock of Zelgor in return for consulting services. The Zelgor shares are valued at \$1.00 per share based on a sales price of \$1.00 per share on an online funding portal. As of January 31, 2026 and April 30, 2025, the Company owned 1,400,000 shares which are valued at \$1,400,000.

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 January 31, 2026 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 January 31, 2026 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 January 31, 2026 and April 30, 2025, 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 January 31, 2026 and April 30, 2025, 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 January 31, 2026 and April 30, 2025, the Company owned 5,000 units, at a value of \$50 and \$50,000, respectively. Due to an observable price change during the quarter ended January 31, 2026, the Company recorded an unrealized loss of \$49,950 in the three months ended January 31, 2026.

The following table summarizes the components of investments as of January 31, 2026 and April 30, 2025:

	January 31, 2026	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	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	282,185	169,790
Total	\$ 5,810,495	\$ 5,748,050

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, at January 31, 2026, the Company had negative working capital of \$2,922,843 and for the nine months ended January 31, 2026, the Company had an operating loss of \$7,579,440 and net cash used in operating activities amounted to \$7,661,306.

There can be no assurances that we will be able to achieve a level of revenue 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 turned its focus to its funding portal business, which saw a growth in revenue on a quarter-to-quarter basis in fiscal 2025, but a decline in revenue during fiscal 2026. The Company 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 – Insurance Recovery

During the three and nine months ended January 31, 2026, the Company recognized an insurance recovery of \$500,000 related to reimbursement of legal defense costs incurred in connection with ongoing investigations by the U.S. Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"). These matters relate to subpoenas and testimony requests issued to the Company and certain current and former officers and employees.

The reimbursement was received under the Company's management liability insurance policy covering the policy period June 23, 2023 through June 23, 2024. Under the terms of the policy, the Company is responsible for a retention of \$150,000, after which the insurer agreed to reimburse certain defense costs, subject to a \$500,000 aggregate sublimit applicable to these matters. During the nine months ended January 31, 2026, the insurer approved payment of the \$500,000 aggregate sublimit for allowable defense costs incurred.

The Company recorded the \$500,000 reimbursement as insurance recovery within other income in the condensed consolidated statements of operations for the three and nine months ended January 31, 2026. The SEC and FINRA investigations remain ongoing, and the Company continues to cooperate with the respective authorities.

Note 16 – Subsequent Events

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

On March 4, 2026, the Company received a Wells Notice from the staff of the U.S. Securities and Exchange Commission (the "SEC Staff"). In addition, certain current and former officers, directors, and employees of the Company received Wells Notices relating to the same matter.

The Wells Notices state that the SEC Staff has made a preliminary determination to recommend that the SEC bring an enforcement action against the Company and certain individuals. In the case of the Company, the SEC Staff indicated that it is considering recommending claims alleging violations of Section 17(a) of the Securities Act of 1933, as amended, Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(3)(B) of the Securities Exchange Act of 1934, as amended, and Rules 10b-5, 12b-20, 12a-1, 13a-11, and 13a-13 thereunder. In the case of the individuals, the SEC Staff indicated that it is considering recommending claims alleging violations of Section 17(a) of the Securities Act, Sections 10(b) and 13(b)(5) of the Exchange Act, and Rules 10b-5 and 13b2-1 thereunder, as well as aiding and abetting certain alleged violations by the Company.

A Wells Notice is not a formal allegation or a finding of wrongdoing. Rather, it is a notice that the SEC Staff has made a preliminary determination to recommend that the SEC authorize the filing of an enforcement action or administrative proceeding. Under SEC procedures, recipients of Wells Notices have the opportunity to respond to the SEC Staff before any decision is made by the SEC.

The Company intends to respond to the SEC Staff regarding the matters raised in the Wells Notices. The Company cannot predict the outcome of the Wells Notice process, any action that may be taken by the SEC, or the timing, costs, or other consequences of these matters. The Company is incurring, and expects to continue to incur, significant legal and other professional fees in connection with this matter. The Company is obligated, subject to the terms of indemnification agreements and

applicable law, to indemnify each of the five individuals who received a Wells Notice for costs incurred in connection with the investigation, the Wells Notices, and any related proceedings. An unfavorable outcome could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows, reputation, ability to obtain financing, and the market price or listing of its securities.

There were no other material subsequent events that required recognition or additional disclosure in these financial statements.

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 Quarterly Report 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 revenue 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

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-dealer 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 2025, 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. Given our limited staff, we did not seek consulting engagements in fiscal 2025 and we do not plan to seek them in fiscal 2026. 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. Both Reg A and Reg CF offerings are made available to investors via the Company's website, www.netcapital.com.

In addition, in November 2025, we announced plans to expand its platform to include support for compliant blockchain-based digital assets, amid accelerating interest in tokenized securities and tokenized real-world assets (RWAs) like real estate.

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 typically 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 generated fees and equity stakes from consulting in select portfolio companies (“Portfolio Companies”) and non-portfolio clients. Given our limited staff, we did not seek consulting engagements in fiscal 2025 and we do not plan to seek them in fiscal 2026. With respect to services for Reg A offerings, Netcapital Securities charges a listing fee of up to \$25,000 and a success fee of 4.9% of the capital raised by an issuer under Reg A.

We generated revenue of \$335,481, with costs of service of \$11,109, in the nine months ended January 31, 2026, for a gross profit of \$324,372 as compared to revenue of \$465,437, with costs of service of \$37,156, in the nine months ended January 31, 2025, for a gross profit of \$428,281.

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. For the three- and nine-month periods ended January 31, 2026, 8 and 18 issuers have launched an offering on the portal, respectively, as compared to 27 and 64 issuers that launched an offering in the three- and nine-month periods ended January 31, 2025, respectively. As of the date of this report, we have minority equity positions in 19 Portfolio Companies that have utilized the funding portal to facilitate their offerings, which equity was received as payment for services.

For the three months ended January 31, 2026, the Company had one customer that constituted 22% of revenue, a second customer that constituted 15% of revenue and a third customer that accounted for 14% of revenue. For the nine months ended January 31, 2026, the Company had one customer that constituted 43% of revenue. For the three months ended January 31, 2025, the Company had one customer that constituted 17% of its revenue, and for the nine months ended January 31, 2025, the Company had one customer that constituted 16% of its revenue.

Netcapital funding portal 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 investment from virtually anyone, including friends, family, customers, employees, etc.

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 the final close date of an offering;
- assistance with annual filings; and
- direct access to our team for ongoing support.

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 report, Netcapital Securities has been engaged by five issuers seeking to raise capital via a Regulation D offering and 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 revenue, and we may not consistently achieve profitable operations.

Recent Developments

Rivetz Asset Purchase

On December 3, 2025, we purchased substantially all of Rivetz Corp.'s ("Rivetz") assets related to its "Rivet Network" which develops technology combining hardware-based cybersecurity with blockchain services for mobile and other computing devices pursuant to an asset purchase agreement for 950,000 shares of our common stock, par value \$0.001 per share.

While we believe the Rivetz Network assets and related technology may enhance our ability to support offerings of tokenized securities under existing registration exemptions, we expect that generating revenue from these capabilities will require additional development, integration, compliance and commercialization efforts. These efforts may require additional financial resources, including funding for personnel, technology development, third-party service providers, and legal and regulatory compliance. We may seek additional capital to fund these efforts and there can be no assurance that such financing will be available on acceptable terms, or at all, or that we will generate revenue from these capabilities.

Kay Resignation and Separation Agreement

On December 3, 2025, Martin Kay resigned as our Chief Executive Officer, director and all other officer, director, board and committee positions with us.

Appointment of Chief Executive Officer and General Counsel

On December 7, 2025, we appointed Rich Wheelless as our Chief Executive Officer and Kevin Kilduff as our General Counsel.

Iverson Design Asset Purchase

In January 2026, we acquired substantially all assets from Iverson Design that primarily relate to its digital design studio business, including assets which facilitate providing creative services including graphic design, motion graphics, 2D/3D animation, visual effects, and related design and visualization services that incorporate AI-driven design methods. As consideration for the purchased assets, the Company issued 980,000 shares of our common stock, par value \$0.001 per share.

Results of Operations

Comparison of the Three Months Ended January 31, 2026 and 2025

Our revenue for the three months ended January 31, 2026, decreased by \$58,335, or approximately 38%, to \$94,347, as compared to \$152,682 during the three months ended January 31, 2025. The decrease in revenue was attributed to the lack of new issuers signing up for funding portal services. Only eight new issuers launched a crowdfunding campaign in the three months ended January 31, 2026, as compared to 28 offerings launched in the three months ended January 31, 2026.

In the three months ended January 31, 2026, we recorded \$84,137 in funding portal revenue, consisting of portal fees of \$34,582, listing fees of \$45,809, and equity fees of \$3,746, as compared to funding portal revenue of \$152,406 in the three months ended January 31, 2025, consisting of portal fees of \$100,087, listing fees of \$37,500 and equity fees of \$14,819. Five issuers successfully closed offerings in the three months ended January 31, 2026, as compared to eight issuers in the three months ended January 31, 2025. The components of revenue were as follows:

	Jan. 31, 2026	Jan. 31, 2025
Portal fees	\$ 34,582	\$ 100,087
Listing fees	45,809	37,500
Portal 1% equity fee	3,746	14,819
Broker-Dealer fees	10,000	-
Game site revenue	210	276
Total	<u>\$ 94,347</u>	<u>\$ 152,682</u>

Cost of revenue decreased by \$5,332 to \$1,823, or approximately 75% for the three months ended January 31, 2026, from \$7,155 during the three months ended January 31, 2025. The decrease was attributed to lower revenue.

Payroll and payroll related expenses increased by \$282,974, or approximately 35%, to \$1,097,998 for the three months ended January 31, 2026, as compared to \$815,024 during the three months ended January 31, 2025. The increase was attributed to the hiring of an AI specialist and a general counsel, in addition to salary increases for certain key positions, to assist with employee retention.

Rent expense increased by \$1,122, or approximately 6%, to \$21,300 for the three months ended January 31, 2026, as compared to \$20,178 during the three months ended January 31, 2025. The increase was primarily attributed to a new office-space agreement.

General and administrative expenses decreased by \$47,030, or approximately 5%, to \$874,545 for the three months ended January 31, 2026, from \$921,575 during the three months ended January 31, 2025. The decrease was partially attributable to lower legal fees in fiscal 2026. We incurred approximately \$412,000 in legal costs in the three months ended January 31, 2026, of which approximately 86% were related to legal fees responding to ongoing investigations by the U.S. Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"), including subpoenas and testimony requests issued to the Company and certain current and former officers and employees as compared to approximately \$428,000 in legal costs in the three months ended January 31, 2025 of which approximately 65% were related to legal fees responding to the ongoing investigations by the SEC and FINRA discussed above. The Company anticipates that its legal fees will increase in future periods in response to the Wells Notice received on March 4, 2025. See "*Part II-Item 1A. Risk Factors – We are involved in an ongoing SEC investigation, which could divert management's focus, result in substantial investigation expenses and have an adverse impact on our reputation, financial condition, results of operations and cash flows*" for additional information.

Consulting expense increased by \$204,477, or approximately 322%, to \$268,032 for the three months ended January 31, 2026, from \$63,555 during the three months ended January 31, 2025. The increase was primarily attributed to a new consultant hired for the tokenization of real world assets, and payments to our former CEO, who is consulting for us over a one-year period.

Interest expense increased by \$13,700 to \$24,076, or approximately 132%, for the three months ended January 31, 2026, as compared to \$10,376 during the three months ended January 31, 2025, due to default interest on retired notes.

During the three months ended January 31, 2026, the Company recorded no impairment expense, compared to \$1,300,000 during the three months ended January 31, 2025. The impairment recorded in the prior-year period related to the Company's investment in Netwire LLC, which management determined was impaired following significant changes in the investee's management and operating outlook.

During the three months ended January 31, 2026, the Company recognized \$500,000 of insurance recovery proceeds, compared to none in the three months ended January 31, 2025. The proceeds relate to the partial resolution of an insurance claim.

Comparison of the Nine Months Ended January 31, 2026 and 2025

Our revenue for the nine months ended January 31, 2026, decreased by \$129,956, or approximately 28%, to \$335,481, as compared to \$465,437 during the nine months ended January 31, 2025.

In the nine months ended January 31, 2026, we recorded \$335,481 in funding portal revenue, consisting of portal fees of \$171,771, listing fees of \$95,809, and equity fees of \$67,451, as compared to funding portal revenue of \$465,437 in the nine months ended January 31, 2025, consisting of portal fees of \$297,627, listing fees of \$127,500 and equity fees of \$39,694. The decrease in revenue was primarily attributed to a decrease in the number of issuers raising capital on the funding portal's platform. New offerings launched amounted to 18 issuers in the nine months ended January 31, 2026, as compared to 64 issuers in the nine months ended January 31, 2025. 10 issuers successfully closed offerings in the nine months ended January 31, 2026, as compared to 25 issuers in the nine months ended January 31, 2025. The components of revenue were as follows:

The components of revenue were as follows:

	Jan. 31, 2026	Jan. 31, 2025
Portal fees	\$ 171,771	\$ 297,627
Listing fees	95,809	127,500
Portal 1% equity fee	67,451	39,694
Game site revenue	450	616
Total	<u>\$ 335,481</u>	<u>\$ 465,437</u>

Cost of revenue decreased by \$26,047 to \$11,109 or approximately 70%, for the nine months ended January 31, 2026 from \$37,156 during the nine months ended January 31, 2025. The decrease was primarily attributed to lower revenue.

Payroll and payroll related expenses increased by \$1,046,563, or approximately 35%, to \$3,747,881 for the nine months ended January 31, 2026, as compared to \$2,701,318 during the nine months ended January 31, 2025. The increase was attributed to the hiring of an AI specialist and a general counsel, in addition to salary increases for certain key positions, to assist with employee retention.

Rent expense increased by \$6,716, or approximately 11%, to \$65,452 for the nine months ended January 31, 2026, as compared to \$58,78 during the nine months ended January 31, 2025. The increase was primarily attributed to a new office-space agreement.

General and administrative expenses decreased by \$147,091, or approximately 4%, to \$3,646,761 for the nine months ended January 31, 2026, from \$3,794,013 during the nine months ended January 31, 2025. The decrease was primarily attributable to lower professional fees in fiscal 2026, which amounted to \$543,282 in the nine months ended January 31, 2026 as compared to \$1,157,939 in the nine months ended January 31, 2025. This decrease was offset by an increase in legal fees. We incurred approximately \$2,161,000 in legal costs in the nine months ended January 31, 2026, of which approximately 91% were related to legal fees responding to ongoing investigations by the SEC and FINRA, including subpoenas and testimony requests issued to the Company and certain current and former officers and employees as compared to approximately \$1,442,000 in legal costs in the nine months ended January 31, 2025 of which approximately 83% were related to legal fees responding to ongoing investigations by the SEC and FINRA discussed above. The Company anticipates that its legal fees will increase in future periods in response to the Wells Notice received on March 4, 2025. See *“Part II-Item 1A. Risk Factors – We are involved in an ongoing SEC investigation, which could divert management’s focus, result in substantial investigation expenses and have an adverse impact on our reputation, financial condition, results of operations and cash flows”* for additional information.

Consulting expenses increased by \$188,137, or approximately 78%, to \$428,718 for the nine months ended January 31, 2026 from \$240,581 during the nine months ended January 31, 2025. The increase was primarily attributed to a new consultant hired for the tokenization of real world assets, and payments to our former CEO, who is consulting for us over a one-year period.

Interest expense increased by \$41,906 to \$72,347, or approximately 138%, for the nine months ended January 31, 2026, as compared to \$30,441 during the nine months ended January 31, 2025. The increase resulted from short-term borrowings in April and May 2025 that were paid off in September 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 nine-month period ended January 31, 2026. This gain was netted against an unrealized loss of \$49,050 from a mark-to-market adjustment of equity securities held by the Company, resulting in a net unrealized loss of equity securities of \$5,005 for the nine months ended January 31, 2026.

During the nine months ended January 31, 2026, the Company recorded no impairment expense, compared to \$1,300,000 during the nine months ended January 31, 2025. The impairment recorded in the prior-year period related to the Company’s investment in Netwire LLC, which management determined was impaired following significant changes in the investee’s management and operating outlook.

During the nine months ended January 31, 2026, the Company recognized \$500,000 of insurance recovery proceeds, compared to none in the nine months ended January 31, 2025. The proceeds relate to the partial resolution of an insurance claim, and the Company expects to recognize additional proceeds in the fourth quarter of fiscal 2026 as the claim continues to be resolved.

Accretion on short-term notes increased to \$356,413 for the nine months ended January 31, 2026. There was no accretion on short-term notes recorded during the nine months ended January 31, 2025. During 2025, the Company sold 4 notes, and each note contained an original issuance discount that was accreted during the nine months ended January 31, 2026.

Liquidity and Capital Resources

As of January 31, 2026, we had cash and cash equivalents of \$715,443 and negative working capital of \$2,922,843 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 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 on 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. The offering closed on July 7, 2025.

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 agreed to file a registration statement 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 resale registration statement is not yet effective. 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. On September 16, 2025, the Company issued a total of 59,147 shares of common stock to the investors in the June 10, 2025 private placement in consideration of the adjustment provision contained in their subscription agreements. The Company used 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 \$7,661,306 and \$4,614,630 for the nine months ended January 31, 2026 and 2025, respectively. The principal source of cash used in operating activities in the nine months ended January 31, 2026 was a decrease in accounts payable and accrued expenses of \$1,281,568 and an increase in prepaid expenses of \$282,041. The principal sources of cash from operating activities in the nine months ended January 31, 2026 were non-cash items, including stock-based compensation of \$1,023,967 and accretion of short-term notes of \$356,413. These amounts were offset by a loss of \$7,584,385.

The principal sources of cash from operating activities in the nine months ended January 31, 2025 were non-cash items, including stock-based compensation of \$418,113 and an increase in accounts payable and accrued expenses of \$1,308,085. These amounts were offset by a loss of \$7,754,208.

Net cash used in investing activities amounted to \$100,000 for the nine months ended January 31, 2026. The cash used in investing activities consisted of a \$100,000 cash payment related to the acquisition of assets associated with the Rivetz Network. The total purchase price for the Rivetz assets was \$1,040,000, consisting of \$100,000 in cash and \$940,000 in shares of the Company's common stock. The issuance of common stock was a non-cash investing activity and therefore did not impact the statement of cash flows. There were no investing activities during the nine months ended January 31, 2025.

For the nine months ended January 31, 2026, net cash provided by financing activities amounted to \$8,187,321, which consisted primarily of proceeds from the sale of common stock of \$8,507,171 and proceeds from short-term notes of \$300,000. These amounts were partially offset by repayments of short-term notes of \$619,850. For the nine months ended January 31, 2025, net cash provided by financing activities amounted to \$4,365,752, which consisted of proceeds from the sale of common stock of \$1,979,000 and proceeds from the exercise of warrants of \$2,386,752.

In the nine months ended January 31, 2026 and 2025, there were no expenditures for capital assets. The Company does 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 January 31, 2026, 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 effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

As previously disclosed in our Annual Report on Form 10-K for the year ended April 30, 2025 and in our Quarterly Report on Form 10-Q for the quarter ended July 31, 2025, management had identified (i) a material weakness in internal control over financial reporting related to the over-accrual of legal expenses and (ii) 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.

During the quarter ended January 31, 2026, we completed the implementation and testing of additional controls designed to remediate these issues. As a result of these actions and based on the testing performed, management has concluded that the previously identified material weakness and significant deficiency have been remediated as of January 31, 2026.

Changes in Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). During the quarter ended January 31, 2026, we implemented the following changes to our internal control over financial reporting, which were designed to remediate the previously identified material weakness and significant deficiency and which management believes have materially improved, and are reasonably likely to materially affect our internal control over financial reporting:

- We instituted enhanced period-end procedures over accrued expenses and accounts payable, including direct communication with key vendors at the end of each quarter to obtain statements or confirmations and reconcile our accounts payable and accrued legal expense balances to vendor records, as well as expanded review of subsequent disbursements and vendor correspondence.
- We implemented strict procedures for examining qualitative factors related to potential impairment of investments in equity securities without readily determinable fair values. These procedures include a formal quarterly review process that requires the collection and evaluation of current information from investees, consideration of any known or potential orderly transactions in the securities, identification of qualitative impairment indicators, and contemporaneous documentation of management's conclusions.

Other than the changes described above, there were no changes in our internal control over financial reporting during the quarter ended January 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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 proceedings 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.

We are involved in an ongoing SEC investigation, which could divert management’s focus, result in substantial investigation expenses and have an adverse impact on our reputation, financial condition, results of operations and cash flows

On March 4, 2026, the Company and certain of its current and former officers and other parties associated with it, including the Company’s former Chief Executive Officer and director and current consultant, Coreen Kraysler, Chief Financial Officer of the Company, John Fanning Sr., husband of Coreen Kraysler and advisor to the Company, Cecilia Lenk, director of the Company and Chief Executive Officer of the Company’s Netcapital Advisors Inc. subsidiary and Paul Riss, a director of the Company’s Netcapital Funding Portal, Inc. subsidiary, received “Wells Notices” from the staff of the SEC (the “SEC Staff”) stating that the SEC Staff made a preliminary determination to recommend that the SEC file an enforcement action against the Company and the individuals alleging, in the case of the Company violations of Section 17(a) of the Securities Act of 1933 (the “Securities Act”) and Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(3)(B) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rules 10b-5, 12b-20, 12a-1, 13a-11, and 13a-13 thereunder, and in the case of the individuals violations of Section 17(a) of the Securities Act and Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, and 13b2-1 thereunder, as well as aiding and abetting the Company in their violations. The Wells Notices informed the Company and the individuals that the SEC Staff has made a preliminary determination to recommend that the SEC file an enforcement action against the Company and each of the individuals that would allege certain violations of the federal securities laws. A Wells Notice is neither a formal allegation nor a finding of wrongdoing. Instead, it is a preliminary determination by the SEC Staff to recommend that the SEC file a civil enforcement action or administrative proceeding against the recipient. Under the SEC’s procedures, a recipient of a Wells Notice has an opportunity to respond in the form of a Wells submission that seeks to persuade the SEC that such an action should not be brought. Accordingly, the Company intends to make a submission to the SEC Staff in response to the Wells Notice setting forth why the factual record does not support the enforcement action recommended by the SEC Staff all of our transactions and filings were entered into and made in good faith. Although the Company intends to defend itself vigorously should the SEC authorize any legal action that does not comport with our view of the facts, we cannot predict the outcome of any legal action or whether the matters will result in any settlement. The ultimate outcome of the SEC investigation, any legal action by the SEC or any settlement could have a material adverse effect on our financial condition, results of operations and/or cash flows.

The Company cannot predict the results of the investigation and the Wells Notice process and any corresponding enforcement action against the Company and/or any of the identified individuals, and the costs, timing and other potential consequences of responding and complying therewith with any certainty. If the final determination is detrimental to the Company, we may lose business cooperation with our actual and/or potential customers and vendors, and it may be more difficult for the Company to obtain additional financing on favorable terms, if at all. Further, it may become more difficult for the Company to attract and retain key members of management, our board of directors and other key employees. The investigation, including any potential SEC enforcement action, continues to be expensive and disruptive, and the Company is obligated to indemnify each of the individuals for their costs associated with the investigation, the Wells Notices, and any resulting litigation with the SEC or related litigation brought by other parties, which may cause financial distress to the Company. Our insurance, to the extent maintained, may not cover all claims that may be asserted against the Company or the specified individuals, and the Company is unable to predict how long the investigation and any potential SEC enforcement action will continue. In addition, because the Company depends on Messrs. Fanning and Riss and Mss. Kraysler and Lenk, the loss of their services may adversely impact the achievement of the Company's objectives. An unfavorable outcome may have an adverse impact on the Company's business, financial condition, results of operations, prospects, reputation and/or the Company's stock price. In addition, Nasdaq has broad discretion and may determine to delist our securities from the Nasdaq Capital Market or other applicable trading market within the U.S. Any proceeding could also negatively impact our reputation among our stakeholders.

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

At January 31, 2026, we had negative working capital of \$2,922,843 and for the nine months ended January 31, 2026, we had an operating loss of \$7,579,440 and net cash used in operating activities amounted to \$7,661,306. There can be no assurances that we will be able to achieve a level of revenue 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 has turned our focus to our funding portal business, and we plan to use our funding portal experience to build a broker-dealer business, initially for Regulation A and Regulation D offerings. We plan to continue to seek to raise money from private placements, public offerings and/or bank financing. 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, 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 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.

We recently recognized impairments totaling \$19.9 million to the value of several of our portfolio company investments. If we are required to impair the value of additional portfolio companies in the future, it could have a material adverse effect on our financial condition and result of operations.

On April 30, 2025, we conducted its quarterly evaluation of equity investments under Accounting Standards Codification (ASC) Topic 321, Investments – Equity Securities. Based on this review, we identified multiple investments that were impaired and recognized a total impairment expense of approximately \$17.9 million and we recorded a total impairment expense of approximately \$19.9 million in the year ended April 30, 2025. These impairments were based on qualitative indicators including the resignation of key personnel, cessation of operations, regulatory setbacks, failure to file required annual reports, or technological obsolescence, depending on the specific issuer. If we are required to impair the value of additional portfolio companies in the future, it could have a material adverse effect on our financial condition and result of operations.

Fluctuations in the Fair Value of Our Portfolio Company Investments Could Cause Significant Volatility in Our Financial Results and May Not Be Indicative of Operating Performance.

We hold minority equity interests in companies that were received as consideration for services, including equity securities received by our funding portal as a 1% equity fee from issuers that raise capital on our platform. These equity interests are generally illiquid, represent minority positions in early-stage companies, and are not traded on active public markets. Under U.S. GAAP, we measure these securities at fair value based on observable transaction prices when available, with changes in fair value recognized in earnings.

As of January 31, 2026, we owned equity interests in a total of 91 companies. Of these investments, 12 equity securities were determined to be impaired and carried at a fair value of \$0. The remaining equity securities had an aggregate fair value of \$5,810,496, including \$282,185 attributable to issuers that paid a 1% equity fee to the funding portal.

The fair value of these investments may fluctuate materially from period to period due to changes in observable prices, issuer-specific developments, market conditions, and the limited nature of observable transactions for many of these securities. Because many of these investments lack active markets, the prices used to determine fair value may not reflect the amounts we could realize in an actual sale, if any, and declines in fair value could require us to recognize additional losses that materially and adversely affect our results of operations.

We recently stopped taking equity from portfolio clients, and if we are unable to replace the revenue generated by taking equity in select portfolio clients, it could have a material adverse effect on our financial position and results of operations

We recently stopped taking equity positions in select portfolio clients. We generated \$3,440,000 in revenue from consulting services for equity securities in the fiscal year ended April 30, 2024 as compared to \$0 in the fiscal year ended April 30, 2025. We have focused on online revenue products in fiscal 2025 and will continue to do so in fiscal 2026. However, if we are unable to replace the revenue we received from taking equity in select portfolio clients, it could have a material adverse effect on our financial position and results of operations.

We have experienced net losses in every fiscal period since July 31, 2023. We cannot assure you that we can or will be able to operate profitably.

We have incurred net losses in every fiscal period since July 31, 2023. During the nine months ended January 31, 2026 and the years ended April 30, 2025 and 2024, we incurred net losses of approximately \$7.6 million, \$28.3 million and \$4.98 million, respectively, on a consolidated basis. There can be no assurance that we will not continue to incur net losses in the future. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would depress our value and could impair our ability to raise capital, expand our business, or even continue 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 in 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 bodies 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, or operating restrictions on any or all of our licensed operations, 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.

An adverse proceeding or settlement as a result of regulatory inquiries could result in our with the SEC Uniform Net Capital Rule, which specifies minimum capital requirements intended to ensure general financial soundness and adequate liquidity. Our failure to maintain the required net capital levels and protect customer assets could potentially result in immediate suspension of securities activities, suspension or expulsion by the SEC or FINRA, restrictions on our ability to expand our existing business or to commence new businesses, and could ultimately lead to the liquidation of our broker-dealer entity and winding down of our broker-dealer business. In addition, adverse proceedings or settlement as a result of regulatory inquiries could result in the loss of our registration as a funding portal at which point we would not be able to help issuers raise capital online which could have a material adverse effect on our business.

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

We currently derive a significant portion of our revenue from a limited number of customers. There are inherent risks whenever a large percentage of total revenue are concentrated with a limited number of customers. For the three months ended July 31, 2025, we had one customer that constituted 73% of our revenue. For the three months ended January 31, 2026, we had one customer that constituted 23% of revenue, a second customer that constituted 13% of revenue and a third customer that accounted for 10% of revenue. For the nine months ended January 31, 2026, we had one customer that constituted 58% of revenue. For the three and nine months ended January 31, 2025, we had one customer that constituted 44% and 24% of revenue, respectively.

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 revenue and results of operations and/or trading price of our common stock.

A significant portion of our total assets are held in equity securities of early-stage companies, which securities are illiquid and subject to volatility, which could have a material adverse effect on our financial condition and results of operations.

Payment related to the consulting and advisory services provided by Netcapital Advisors was often made through equity stakes from such customers. As of January 31, 2026 and April 30, 2025, approximately \$5,810,495 and \$5,748,050, respectively, of our holdings are issued by companies whose securities do not trade on public markets. The securities issued are typically in private companies with no established trading market for their securities, that often have limited operating histories, limited operating cash, and negative cash flows. Additionally, these securities are primarily restricted and are subject to legal holding periods pursuant to Rule 144 or other applicable exemptions. The stock price of such issuers is often volatile, unpredictable, and with limited liquidity, and the value of such securities on the date of receipt compared to the date when we are able to legally sell the securities may decrease significantly. The value ascribed to our assets in our financial statements as of a particular date may be materially greater than or less than the value that would be realized if our assets were to be liquidated as of such date. Accordingly, the value of such holdings may change over time due to factors that we do not control, such as issuance of securities by such companies at lower prices or other market factors. One such example of a change in value occurred in the period ended January 31, 2025, we recognized an unrealized loss of approximately \$2.7 million on the value of our equity securities due to the decline in value of a single issuer, which represented an impairment of more than 80% of the previous value of our holdings in such issuer, which resulted in a reduction of our retained earnings. Changes to the value of our holdings could have a material adverse effect on our financial condition and results of operations.

If we do not maintain the net capital levels required by regulators, our broker-dealer business may be restricted and we may be fined or subject to other disciplinary or corrective actions.

The SEC, FINRA, and various state regulators have stringent rules with respect to the maintenance of specific levels of net capital by securities broker-dealers. For example, our broker dealer is subject to the SEC Uniform Net Capital Rule, which specifies minimum capital requirements intended to ensure general financial soundness and adequate liquidity. Our failure to maintain the required net capital levels and protect customer assets could potentially result in immediate suspension of securities activities, suspension or expulsion by the SEC or FINRA, restrictions on our ability to expand our existing business or to commence new businesses, and could ultimately lead to the liquidation of our broker-dealer entities and winding down of our broker-dealer business. If such net capital rules are changed or expanded, if there is an unusually large charge against net capital, or if we make changes in our business operations that increase our capital requirements, capital-intensive operations could be limited. A large operating loss or charge against net capital could adversely affect our ability to maintain or expand our business.

The market for securities and real-world asset tokenization is highly competitive and fragmented.

The market for tokenization of securities and RWAs is highly competitive, rapidly evolving, and fragmented. Numerous established financial institutions, fintech companies, and emerging blockchain platforms are seeking to develop and commercialize tokenization products and services. While we believe our technology, experienced personnel, and reputation with customers provide competitive advantages, there can be no assurance that we will be able to achieve or maintain the market position we anticipate. Some of our competitors currently or may in the future have significantly greater financial, technical, and marketing resources, broader customer bases, and longer operating histories. As competition intensifies, we may be required to increase expenditures on research and development, marketing, or incentives, which could adversely affect our profitability. If we are unable to differentiate our offerings or maintain customer confidence in our platform, our growth prospects, financial condition, and results of operations could be materially and adversely affected.

Tokenization of securities and RWAs involves novel technological, operational, and cybersecurity risks.

Our efforts to tokenize securities and RWAs rely on emerging technologies that are untested at scale and subject to significant uncertainty. These activities expose us to risks including technological and operational risk, as blockchain networks, smart contracts, and related infrastructure may fail, contain errors, or become obsolete; (iii) cybersecurity and fraud risk, as tokenized assets and underlying blockchains may be targeted by malicious actors, subject to vulnerabilities, or used in connection with illicit activity; and (iv) valuation and volatility risk, as tokenized securities and RWAs may not maintain or increase in value and may be difficult to price accurately.

Transaction fees, network congestion, or failures in smart contract code could also impair our ability to support tokenized securities and RWAs. Any such technological or operational failures could lead to financial losses, customer disputes, or reputational damage, and could materially and adversely affect our business and prospects.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

On March 4, 2026, the Company and certain of its current and former officers and other parties associated with it, received “Wells Notices” from the staff of the SEC. See “---Item 1A. Risk Factors – We are involved in an ongoing SEC investigation, which could divert management’s focus, result in substantial investigation expenses and have an adverse impact on our reputation, financial condition, results of operations and cash flows.” for additional information.

Rule 10b5-1 Trading Plans

During the fiscal quarter ended January 31, 2026, 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.

3.1	Articles of Incorporation filed on April 25, 1984, incorporated by reference to Exhibit 3.1 to our Form 10 dated September 3, 2013.
3.2	Amendment to Articles of Incorporation filed on September 7, 1999, incorporated by reference to Exhibit 3.2 to our Form 10 dated September 3, 2013.
3.3	Amendment to Articles of Incorporation filed on December 4, 2003, incorporated by reference to Exhibit 3.3 to our Form 10 dated September 3, 2013.
3.4	Amendment to Articles of Incorporation filed on April 13, 2015, incorporated by reference to Exhibit 3.1.3 to our Form S-1 dated February 14, 2022.
3.5	Amendment to Articles of Incorporation filed on September 29, 2020, incorporated by reference to Exhibit 3.1 to our Form 8-K dated November 5, 2020 and filed on November 5, 2020.
3.6	By-Laws of ValueSetters, Inc, incorporated by reference to Exhibit 3.4 to our Form 10 dated September 3, 2013.
3.7	Amendment to Articles of Incorporation filed with the Utah Secretary of State on July 29, 2024, incorporated by reference to Exhibit 3.1 to our Form 8-K dated July 29, 2024 and filed with the SEC on August 2, 2024.
3.8	Amendment to Articles of Incorporation filed with the Utah Secretary of State on March 25, 2025, incorporated by reference to Exhibit 3.1 to our Form 8-K dated March 25, 2025 and filed with the SEC on March 28, 2025
10.39	Asset Purchase Agreement, dated December 3, 2025, by and between Netcapital Inc. and Rivetz Corp., incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on December 9, 2025
10.40	CEO Separation, Severance and Consulting Agreement dated December 3, 2025 between the Company and Martin Kay, incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed with the SEC on December 9, 2025
10.41	Rich Wheelless Employment Agreement dated December 7, 2025, incorporated by reference to Exhibit 10.3 to the registrant's Current Report on Form 8-K filed with the SEC on December 9, 2025
10.42*	Confidential Settlement Agreement and Release by and between Netcapital, Inc. and Netcapital Systems LLC on the one hand and Templum Inc. and Templum Markets LLC effective as of September 11, 2025, incorporated by reference to the registrant's Registration Statement (333-289711) on Form S-1 filed with the SEC on February 2, 2026
10.43	Asset Purchase Agreement, dated January 2, 2026, by and between Netcapital Inc. and Iverson Design, LLC Corp., incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on January 8, 2026
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 January 31, 2025 is formatted in Inline XBRL

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: March 19, 2026

NETCAPITAL INC.

By: /s/ Rich Wheelless
Rich Wheelless
Chief Executive Officer

(Principal Executive Officer)

By: /s/ Coreen Kraysler
Coreen Kraysler

Chief Financial Officer
(Principal Financial and Accounting Officer)

**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, Rich Wheeless, 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 13-a-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: March 19, 2026

By: /s/ Rich Wheeless
Rich Wheeless
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 13-a-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: March 19, 2026

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 January 31, 2026, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Rich Wheeless, 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 January 31, 2026, 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 January 31, 2026, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 19, 2026

By: /s/ Rich Wheeless
Rich Wheeless
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 January 31, 2026, 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 January 31, 2026, 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 January 31, 2026, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 19, 2026

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.
