

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **April 27, 2023**

Netcapital Inc.

(Exact name of registrant as specified in its charter)

Utah

(State or other jurisdiction of incorporation)

001-41443

(Commission File No.)

87-0409951

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

State Street Financial Center, 1 Lincoln Street, Boston, Massachusetts 02111

(Address of principal executive offices) (Zip Code)

782-925-1700

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). 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. ☐

Item 1.01 Entry into a Material Definitive Agreement.

On April 28, 2023, Netcapital Inc. (the “Company”) entered into an Amendment to Revolving Loan and Security Agreement (the “Amendment”) with Vaxstar LLC which amended the terms of the Company’s prior Revolving Loan and Security Agreement as follows: (i) interest on the advances under the Loan Agreement increased from 8% to 12% and (ii) the Maturity Date of the Loan was extended until October 31, 2023.

The description of the terms and conditions of the Amendment set forth herein does not purport to be complete and is qualified in its entirety by the full text of the Amendment, which is attached hereto as Exhibit 10.1.

Item 3.02 Unregistered Sales of Equity Securities.

On April 27, 2023 the Company issued 350,000 shares of its common stock for business advisory services. The Company did not receive any proceeds for the issuance of these shares. The issuance was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

On April 27, 2023, the Company issued 18,750 shares of its common stock in conjunction with the purchase of a 10% interest in Caesar Media Group Inc. The Company did not receive any proceeds for the issuance of these shares. The issuance was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Amendment to Revolving Loan and Security Agreement dated April 28, 2023 between Netcapital Inc. and Vaxstar LLC

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.

Netcapital Inc.
(Registrant)

Date: May 2, 2023

By: /s/ Martin Kay
Martin Kay
Chief Executive Officer

AMENDMENT TO REVOLVING LOAN AND SECURITY AGREEMENT

This Amendment (the "Amendment") to the Revolving Loan and Security Agreement dated April 28, 2011, as previously amended by way of agreements dated July 25, 2014, October 31, 2017, October 31, 2020, January 31, 2021, April 30, 2021, January 28, 2022 and February 2, 2022 (the "Agreement") is entered into this 28th day of April 2023, by and between Vaxstar LLC, a Delaware limited liability company, and Netcapital Inc., a Utah corporation, with reference to the following:

WITNESSETH

WHEREAS, the Agreement, as amended, provides that the Loan Advances accrue interest at a rate of 8% per annum and that the loan matures on April 30, 2023; and

WHEREAS, the parties now desire to amend the Agreement as hereinafter set forth to state that interest on the Loan Advances will accrue at 12% per annum beginning on May 1, 2023 and that the maturity date is extended to October 31, 2023.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Paragraph 1.(d) (i) of the Agreement is hereby amended to be and read as follows:

"Subject to Section 7(b)(ii), the principal amount outstanding under the Loan Advances shall accrue interest from (i) the date of issuance until April 28, 2023 at the rate of eight percent (8%) per annum and (ii) April 28, 2023 until the Maturity Date at the rate of twelve percent (12%). Interest is not due until the Maturity Date."

Paragraph 9 (k) of the Agreement is amended to read:

"Maturity Date" means October 31, 2023

2. (A) This agreement shall be construed and interpreted in accordance with the laws of the State of New York without giving effect to the conflict of laws rules thereof or the actual domiciles of the parties.

(B) Except as amended hereby, the terms and provisions of the Agreement shall remain in full force and effect, and the Agreement is in all respects ratified and confirmed. On and after the date of this agreement, each reference in the Agreement to the "Agreement", "hereinafter", "herein", "hereinafter", "hereunder", "hereof", or words of like import shall mean and be a reference to the Agreement as amended by this agreement.

(C) This agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single Amendment.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date written above.

Vaxstar LLC

Signature: By: /s/ Manuel Teixeira
Name: Manuel Teixeira Title: Manager

Netcapital Inc.

Signature: By: /s/ Martin Kay
Name: Martin Kay Title: CEO