

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): **May 25, 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 7.01 Regulation FD Disclosure.

The executive officers of Netcapital Inc. intend to use the material filed herewith, in whole or in part, in one or more meetings. A copy of the slide presentation is posted on our website, <https://netcapitalinc.com/>, and is attached hereto as Exhibit 99.1.

Netcapital Inc. does not intend for this Item 7.01 or Exhibit 99.1 to be treated as “filed” for purposes of the Securities Exchange Act of 1934, as amended, or incorporated into its filings under the Securities Act of 1933, as amended.

ITEM 9.01 Financial Statements and Exhibits.

The following exhibit shall not be deemed as “filed” for purposes of the Securities Exchange Act of 1934, as amended.

(d) [Exhibit:](#)

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 25, 2023

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



Forward-Looking Statements



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of Netcapital Inc.'s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause Netcapital Inc.'s actual results to differ materially from those described in the forward-looking statements can be found in Netcapital Inc.'s Quarterly Report on Form 10-Q for our third quarter ended January 31, 2023, and our Annual Report on Form 10-K for the year ended April 30, 2022 which have been filed with the Securities and Exchange Commission and are available on [netcapitalinc.com](https://www.netcapitalinc.com) and on [sec.gov](https://www.sec.gov). Netcapital Inc. does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.

Netcapital

Who We Are

Netcapital is a fintech company with a scalable technology platform.

- Democratizing access to capital and investments
- More than **100,000** users

Netcapital Inc.

Empowers private companies to raise capital online

01

Provides both accredited and non-accredited investors with access to new investment opportunities in private companies

02

Markets private capital raises

03

Incubates and takes equity positions in select, early-stage companies with disruptive technologies

04

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Why Now

Title III of the JOBS Act enabled early-stage companies to offer and sell securities to the general public for the first time.



The SEC followed with Reg CF, changing the landscape for private capital raising and investment:

- Allows general public to invest in private companies
- Enables private companies to advertise their security offerings
- Conditionally exempts securities sold under Section 4(a)(6) from the registration requirements of the Securities and Exchange Act of 1934

Netcapital Inc.

Market Opportunity

Significant opportunity to disrupt private capital markets with Netcapital's digital private markets ecosystem

\$12T

Private capital markets reached \$12 trillion in H1 2022.

McKinsey

\$3T

Private equity assets of \$3 trillion growing at a 10 year CAGR of 10%.

Financial Times

3x

Private capital markets expanding at three times the rate of public markets.

McKinsey

\$42T

In retail assets represents large pool of potential account holders.

BCG

Traditional Funding Model Restricts Access to Capital, Investments, and Liquidity

Entrepreneurs have difficulty raising capital.

VCs invest in fewer than 1% of the companies they consider.

Harvard Business Review

Only 3 % of venture dollars went to women and minorities in 2022.

PitchBook and TechCrunch

Founders need connections to even get a meeting.

Only 10% of VC meetings are obtained through cold outreach.

Harvard Business Review

The average investor lacks access and liquidity.

Almost 90% of U.S. households were precluded from investing in private deals under old model (dqydj.com)

Private investments generally locked up until IPO or takeout

Disrupting Private Capital Markets

Netcapital is fundamentally altering traditional private capital markets by:

Offering innovators access to capital

By giving entrepreneurs greater access to investors, Netcapital makes it possible for more businesses to help grow the economy, create jobs, and start making things that people love.

Giving any investor - not just the connected ones - access to early-stage investments.

Low investment minimums and steady deal flow empower the average person to own shares in private companies they believe in.

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Industry Tailwinds

Two major industry tailwinds driving growth in digital capital markets:

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Pandemic accelerating push to bring processes online

With limited ability to raise capital in person, entrepreneurs shifting to online fundraising

Regulatory changes increasing digital funding opportunities

SEC raises annual Reg CF funding limit to \$5M

Business Model

Fee income plus equity stakes

4.9% success
fee on capital
raised through
the platform

Consulting
Fees

Engagement
and other fees



Equity stakes provide optionality through
possible exits (sale or IPO).

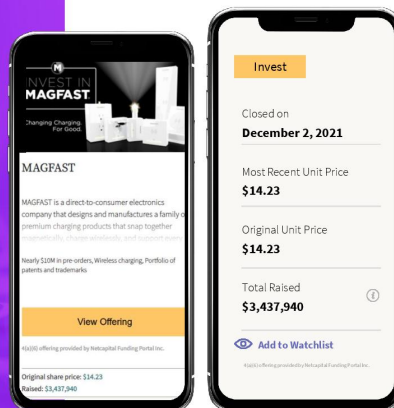
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The Netcapital Funding Portal

Netcapital.com is an SEC-registered funding portal that enables private companies to raise capital online.

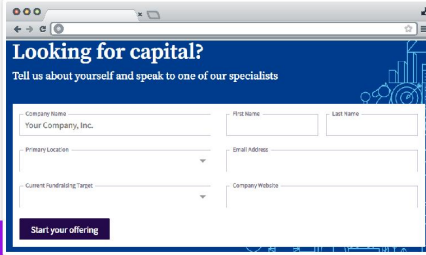
- Invest securely from almost anywhere in the world, at any time, with just a few clicks.
- Fully-encrypted transactions
- Multi-factor authentication
- Issuers are able to accept investments from virtually anyone, including friends, family, customers, employees, and more, subject to applicable securities laws.



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The Netcapital Platform Helps Simplify the Fundraising Process



Looking for capital?
Tell us about yourself and speak to one of our specialists

Company Name Your Company, Inc.	First Name	Last Name
Primary Location	Email Address	
Current Fundraising Target	Company Website	

Start your offering



Fully automated onboarding



Automated filing of required regulatory documents



Rolling closes, which provide potential access to liquidity before final close date of offering



Custom-built offering page on Netcapital's website



Third party transfer agent and custodial services



Assistance with annual filings



Compliance review



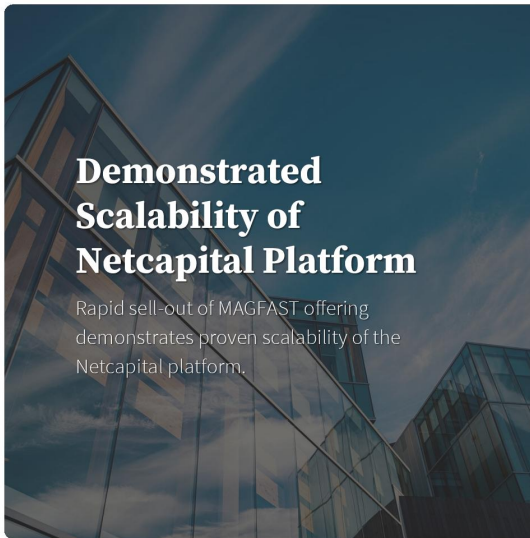
Email marketing to Netcapital's proprietary list of investors



Direct access to our team for ongoing support

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Demonstrated Scalability of Netcapital Platform

Rapid sell-out of MAGFAST offering demonstrates proven scalability of the Netcapital platform.

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Case Study-MAGFAST

MAGFAST, a wireless charger company, launched an equity offering on netcapital.com in November of 2020.

- Goal raise: **\$1.07 million**
- Sold out entire offering in one day
- Almost 1,000 investors successfully invested through the platform in a 24-hour period
- Raised approximately **\$2 million** in 2 hours in November 2021 follow-on offering

Platform Validation: Vantem Global Follow-on Round Funded by Bill Gates

Vantem Global: Manufacturer of proprietary, energy-efficient, modular panels to build affordable, net-zero homes

Raised seed round on Netcapital in November of 2019

Closed Series A led by Bill Gates' founded Breakthrough Energy Ventures in April of 2022

- BEV board includes Abby Johnson, Bill Gates, Michael Bloomberg, Jeff Bezos, Waltons
- Funding to build 15 factories in the U.S. over the next seven years

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"Vantem's approach allows the production of high-efficiency and net-zero homes at extremely competitive costs and low embedded carbon."

– Carmichael Roberts, Breakthrough Energy Ventures

Platform Validation: EnergyX Follow-on Round Funded by General Motors

EnergyX: Developed a more efficient and sustainable method to extract lithium, a key component in batteries for electric vehicles

Raised \$4.3 million on Netcapital in two rounds: March & August of 2021

Announced \$50 million funding round led by GM Ventures in April of 2023

- GM to assist EnergyX with technology deployment



“EnergyX’s pilot plant, which opened last year, has demonstrated that its technology can recover 90% or more of the lithium in brine while using much less energy, water and land than existing processes.”

– CNBC

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Looking Forward: Netcapital to Offer Secondary Trading

**In January of 2023,
Netcapital announced an
Alternative Trading
System (ATS) partnership
with Templum Markets.**

**Goal: to provide potential liquidity for investors
by allowing users to trade shares**

- Securities issued on the Netcapital platform are specifically designed to be tradable – straight common, free of transfer restrictions
- Expect to deliver competitive advantage and key differentiation vs. peers
- Offers opportunity to enhance revenue and cash generation for NCPL

Netcapital Advisors - Consulting Business

The Netcapital Advisors team of investors, entrepreneurs, and marketing professionals assists private companies with the fundraising process.

Netcapital Advisors



Incubates and
accelerates select
technology
companies



Markets private
deals through
digital marketing
and investor
introductions

Select Equity Stakes



Online Private Capital
Markets Ratings and
Analytics



Emotionally Intelligent AI



Cancer Immunotherapy



Drone Delivery



Mobile Games

Financial Metrics

NCPL results for nine months ended January 31, 2023:

- Revenues increased 48% to \$5.4 million
- Delivered net income of \$1.9 million and earnings per share of 46 cents
- Reported \$1.8 million in cash, \$2.8 million in debt, and shareholders' equity of \$34.3 million

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Competitive Landscape

Industry growth and potential to disrupt the multi-trillion-dollar PE market allows plenty of room for multiple players in the space.

Key competitors include StartEngine, Wefunder, and Republic.

Netcapital provides a lower cost solution for digital capital raising vs. peers.

With automated filings and forms, Netcapital's ease of onboarding gives the company a significant competitive advantage.

Attractive Valuation vs. Peers

Netcapital Inc. sells at a significant discount to peers.

WEFUNDER

29x
Revenues*

* Source: Wefunder Form C-U filed 1/24/2023

start
engine

43x
Revenues**

** Source: StartEngine Form 1-A filed 2/13/2023

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2x
Revenues***

*** based on 5/19/23 closing price of NCPL

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Team

Management Team Comprised of Experienced Institutional Investors, Angel Investors and Entrepreneurs



MARTIN KAY
CEO

MA, Oxford; MBA, Stanford
Accenture, IBM, Bain & Company,
Venture investor, CEO and CRO



COREEN KRAYSLER, CFA
CFO

S.M., MIT Sloan,
B.A. Wellesley College
Former Morningstar 5-star Rated
Portfolio Manager



JASON FRISHMAN
Founder

B.S., Summa Cum Laude,
University of Miami
Advisor, The Capital Network

Investment Case Summary

We believe Netcapital is well positioned to disrupt traditional private capital markets.

- Multi-trillion-dollar market opportunity
- Pandemic and regulatory changes enhancing growth
- Proven scalability
- Established track record enabling companies to raise capital
- Equity stakes provide upside optionality through possible exits (sale or IPO)

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Netcapital

Netcapital *Advisors*

Netcapital *Inc.*

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*"I think this is an intriguing story...
This company is exciting."*

JIM CRAMER
Host of CNBC's Mad Money



"The Netcapital platform has been excellent for us. It's provided us with great exposure. It's provided us with a mechanism where we can both direct friends and interested investors as well as people we don't know but are super grateful to have on board as investors."

THOMAS HAAG
Co-founder and CEO of C-Reveal Therapeutics

What People are Saying About Netcapital



"Netcapital appeals to me because I've had firsthand experience with the passion and support that comes from an engaged user base, and I've seen how that excitement translates into funding."

JASON ROBINS
Co-founder and CEO of DraftKings



"This is a paradigm shift in the dynamics of the capital markets."

DAVID BROWN
Former CEO of Techstars



"We chose to work with Netcapital because of its high-touch personalized approach - which is unique in the marketplace - and we're so glad we did. If you are growing something you believe is extraordinary, call Jason's team at Netcapital; they're exceptional."

SEYMOUR SEGUNIT
Founder and CEO of MAGFAST

Thank You

Jason Frishman

jason@netcapital.com

Netcapital Inc.

<https://netcapitalinc.com>

