Netcapital *Inc.*

Netcapital Provides Update on SEC Stay

New Nasdaq MVLS delisting rule automatically stayed pending review by the full Commission; Company remains focused on executing its transformation and turnaround plan

BOSTON, MA – July 31, 2026 – Netcapital Inc. (Nasdaq: NCPL) (the “Company”) today provided an update to shareholders regarding a significant regulatory development affecting Nasdaq-listed companies, including the Company: the stay of a recently approved Nasdaq continued listing rule that would have subjected companies with a market value of listed securities (“MVLS”) below $5 million to immediate suspension and delisting.

Background on New MVLS Rule

On July 22, 2026, the staff of the Securities and Exchange Commission’s Division of Trading and Markets, acting pursuant to delegated authority, approved a Nasdaq rule change (File No. SR-NASDAQ-2026-004; Securities Exchange Act Release No. 34-105971) adopting a new continued listing requirement that Nasdaq-listed companies maintain an MVLS of at least $5 million. Under the rule as approved, a company whose MVLS remains below $5 million for 30 consecutive business days would be immediately subject to suspension and delisting, without the cure or compliance period available under other Nasdaq continued listing standards, and a request for review by a Nasdaq Hearings Panel would not stay the suspension of trading.

The proposal drew extensive comment from public companies, law firms, and advisors to smaller issuers, many of whom expressed concern that the rule’s immediate-suspension framework, absence of a cure period, and elimination of the customary stay pending appeal would harm small-cap companies and their shareholders, including companies experiencing temporary declines in market value unrelated to their underlying fundamentals.

Rule Is Now Stayed Pending Review by Full Commission

Because the July 22 approval was issued by SEC staff under delegated authority rather than by the Commission itself, it was subject to a petition-for-review process under the Commission’s Rules of Practice. On July 29, 2026, the SEC’s Office of the Secretary notified Nasdaq that the Commission had received notices of intention to petition for review of the delegated action and that, in accordance with Rule 431(e) of the Commission’s Rules of Practice, the July 22, 2026 approval order is stayed until the Commission orders otherwise.

As a result, the new $5 million MVLS delisting requirement is not currently in effect, and it will remain stayed unless and until the full Commission orders otherwise following its review.

The SEC press release announcement can be found:

letter-deputy-secretary-regarding-sr-nasdaq-2026-004.pdf

Management Commentary

"We are encouraged by this development," said Todd Violette, Chief Executive Officer of Netcapital. "The stay means the full Commission will take a careful look at a rule that, as approved, would have exposed many smaller Nasdaq companies, including companies actively executing credible turnaround plans, to immediate delisting with no cure period and no stay pending appeal. We believe the breadth of the response from the issuer community speaks for itself, and we are proud to stand with other companies and advisors in asking the Commission to review this action."

"Most importantly, this development gives our shareholders clarity: the MVLS rule is not in effect today, and while it remains stayed, the Company's work continues," Violette added. "We are continuing to make the changes we believe are necessary to transform this business, strengthening our capital structure, pursuing our strategic realignment, and building toward durable compliance with Nasdaq's listing standards from a position of fundamental strength rather than short-term necessity. Our turnaround plan is moving forward."

Important Considerations

The stay of the approval order is procedural and does not constitute a final determination by the Commission on the merits of the rule. The Commission may ultimately affirm, modify, or set aside the delegated action, and there can be no assurance as to the outcome or timing of the Commission's review, or as to whether the MVLS requirement will take effect in its current or a modified form. The Company remains subject to all other applicable Nasdaq continued listing requirements. The Company will continue to monitor developments and will provide updates as appropriate.

About Netcapital Inc.

Netcapital Inc. is a fintech company with a scalable technology platform that allows private companies to raise capital online and provides private equity investment opportunities to investors. The Company's consulting group, Netcapital Advisors, provides marketing and strategic advice and takes equity positions in select companies. The Company's funding portal, Netcapital Funding Portal, Inc., is registered with the U.S. Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. The Company's broker-dealer, Netcapital Securities Inc., is also registered with the SEC and is a member of FINRA.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the Commission's review of the Nasdaq rule change, the potential effectiveness, form, or timing of the MVLS requirement, the Company's Nasdaq listing status, and the Company's strategic plans, transformation initiatives, and turnaround efforts. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially, including the outcome and timing of the Commission's review, the Company's ability to maintain compliance with applicable Nasdaq listing requirements, the Company's ability to execute its strategic plans and obtain financing, market conditions, and the other risks described in the Company's filings with the SEC, including its most recent Annual Report on Form 10-K and subsequent filings. All forward-looking statements speak only as of the date of this release, and the Company undertakes no obligation to update them except as required by law.

Contact

Investor Contact

800-460-0815

ir@netcapital.com