Risk Factors Comparison 2023-07-26 to 2022-08-08 Form: 10-K

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Certain factors may have ~~Investing in our securities involves~~ a ~~high degree~~ **material adverse effect on our business, financial condition, and results** of ~~risk~~ **operations** . You should **consider** carefully ~~consider~~ the risks **and uncertainties** described below, ~~together with the~~ **in addition to** other information contained in this ~~prospectus~~ **Annual Report on Form 10- K** , including our **consolidated** financial statements and ~~the~~ related notes ~~appearing at the end of this prospectus, before making your decision to invest in our securities~~ . ~~We cannot assure you~~ **The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties** that **we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If** any of the **following** ~~events discussed in the risk factors below will not occur. These~~ risks **actually occurs,** ~~could have a material and adverse impact on~~ our business ~~, results of operations~~ , financial condition ~~and cash flows and~~ , ~~if so~~ **results of operations** , ~~our~~ **and future** prospects ~~would~~ **could** ~~likely~~ be materially and adversely affected. **In that** ~~If any of such events~~ **event** ~~were to happen~~ , the trading price of our **common stock** ~~securities in any market that may develop for our securities~~ could decline **,** and you could lose **part or** all ~~or part~~ of your investment **. Risks Related to Our Need for Additional Capital We will need to raise additional funding, which may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate operations. Our cash balances at April 30, 2023 and July 25, 2023 were $ 569, 441 and $ 1, 256, 200, respectively. We will need to raise additional capital following the date of this report through the offering of additional equity and / or debt securities and / or the sale of equity positions in certain portfolio companies for which Netcapital Advisors provides marketing and strategic advice. In the event that we are not able to raise additional working capital through these methods, we do not expect that our cash on hand will be sufficient to fund our current operations for the next 12 months. Our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings, government or other third- party funding or a combination of these approaches. Raising funds in the current economic environment may present additional challenges. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or if we have specific strategic considerations. Any additional fundraising efforts may divert our management from their day- to- day activities. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares of common stock to decline. The sale of additional equity or convertible securities may dilute our existing stockholders. The incurrence of indebtedness would result in increased fixed payment obligations, and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects** . Risks Related to Our Business and Growth Strategy We have a limited operating history and our profits have been generated primarily by unrealized gains from equity securities we own in other companies. Although we have been profitable, the likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered by a small developing company. We were incorporated in the State of Utah in April 1984. Although we have reported earnings in the years ended April 30, **2023 and** 2022 ~~and 2021~~ , the majority of our earnings came from unrealized gains in equity securities that we own. These securities have observable prices but are not liquid. Furthermore, the likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered by a small developing company starting a new business enterprise and the highly competitive environment in which we will operate. Since we have a limited operating history, we cannot assure you that our business will maintain profitability. **14** We have substantial customer concentration, with a limited number of customers accounting for a substantial portion of our revenues. We currently derive a significant portion of our revenues from a limited number of customers **. For the year ended April 30, 2023, the Company had one customer that constituted 25 % of its revenues, and four customers that each constituted 14 % of its revenues** . For the year ended April 30, 2022, the Company had one customer that constituted 22 % of its revenues, a second customer that constituted 22 % of its revenues, and a third customer that constituted 18 % of its revenues. ~~For the year ended April 30, 2021, the Company had one customer that constituted 30 % of its revenues, a second customer that constituted 15 % of its revenues, a third customer that constituted 14 % of its revenues and a fourth customer that accounted for 11 % of its revenues.~~ There are inherent risks whenever a large percentage of total revenues are concentrated with a limited number of customers. It is not possible for us to predict the future level of demand for our services that will be generated by these customers or new customers, or the future demand for the products and services of these customers or new customers. If any of these customers experience declining or delayed sales due to market, economic or competitive conditions, we could be pressured to reduce the prices we charge for our products which could have an adverse effect on our margins and financial position and could negatively affect our revenues and results of operations and / or trading price of our common stock. We operate in a regulatory environment that is evolving and uncertain. The regulatory framework for online capital formation or crowdfunding is very new. The regulations that govern our operations have been in existence for a very few years. Further, there are constant discussions among legislators and regulators with respect to changing the regulatory environment. New laws and regulations could be adopted in the United States and abroad. Further, existing laws and regulations may be interpreted in ways that would impact our operations, including how we communicate and work with investors and the companies that use our services and the types of securities that our clients can offer and sell on our platform. ~~13~~ We operate in a highly regulated industry. We are subject to extensive regulation and failure to comply with such regulation could have an adverse effect on our business. Further, our subsidiary Netcapital Funding Portal Inc is registered as a funding portal. As a funding portal we have to comply with stringent regulations, and the operation of our funding portal is frequently subject to examination, constraints on its business, and in some cases fines. In addition, some of the restrictions and rules applicable to our subsidiary could adversely affect and limit some of our business plans. Our funding portal' s service offerings are relatively new in an industry that is still quickly evolving. The principal securities regulations that we work with, Rule 506 (c) and Reg CF, have only been in effect in their current form since 2013 and 2016, respectively. Our ability to continue to penetrate the market remains uncertain as potential issuer companies may choose to use different platforms or providers (including, in the case of Rule 506 (c) and Regulation A, using their own online platform), or determine alternative methods of financing. Investors may decide to invest their money elsewhere. Further, our potential market may not be as large, or our industry may not grow as rapidly as anticipated. Success will likely be a factor of investing in the development and implementation of marketing campaigns, repeat business from both issuer companies and investors, and favorable changes in the regulatory environment. We have an evolving business model. Our business model is one of innovation, including continuously working to expand our product lines and services to our clients. For example, we are evaluating an expansion into the ~~transfer agent and~~ broker- dealer space as well as our foray into becoming an alternative trading system. It is unclear whether these services will be successful. Further, we continuously try to offer additional types of services, and we cannot offer any assurance that any of them will be successful. From time to time, we may also modify aspects of our business model relating to our service offerings. We cannot offer any assurance that these or any other modifications will be successful or will not result in harm to the business. We may not be able to manage growth effectively, which could damage our reputation, limit our growth, and negatively affect our operating results. **15** We may be liable for misstatements made by issuers. Under the Securities Act and the Securities Exchange Act of 1934 (the " Exchange Act "), issuers making offerings through our funding portal may be liable for inappropriate disclosures, including untrue statements of material facts or for omitting information that could make the statements misleading. This liability may also extend in Reg CF offerings to funding portals, such as our subsidiary. Even though due diligence defenses may be available, there can be no assurance that if we were sued, we would prevail. Further, even if we do succeed, lawsuits are time consuming and expensive, and being a party to such actions may cause us reputational harm that would negatively impact our business. Moreover, even if we are not liable or a party to a lawsuit or enforcement action, some of our clients have been and will be subject to such proceedings. Any involvement we may have, including responding to document production requests, may be time- consuming and expensive as well. Our compliance is focused on U. S. laws and we have not analyzed foreign laws regarding the participation of non- U. S. residents. Some of the investment opportunities posted on our platform are open to non- U. S. residents. We have not researched all the applicable foreign laws and regulations, and we have not set up our structure to be compliant with foreign laws. It is possible that we may be deemed in violation of those laws, which could result in fines or penalties as well as reputational harm. Any violation of foreign laws may limit our ability in the future to assist companies in accessing money from those investors, and compliance with those laws and regulations may limit our business operations and plans for future expansion. Our cash flow is reliant on one main type of service. Most of our cash-flow generating services are variants on one type of service: providing a platform for online capital formation. Our revenues are therefore dependent upon the market for online capital formation. As such, any downturn in the market could have a material adverse effect of our business and financial condition. ~~14~~ We depend on key personnel and face challenges recruiting needed personnel. Our future success depends on the efforts of a small number of key personnel, including the founder of our subsidiary, Netcapital Funding Portal Inc. ~~and~~ **, our** Chief Executive **Officer, Chief Financial** Officer, and our compliance, engineering and marketing teams. Our software engineer team, as well as our compliance team and our marketing team are critical to continually innovate and improve our products while operating in a highly regulated industry. In addition, due to the specialized expertise required, we may not be able to recruit the individuals needed for our business needs. There can be no assurance that we will be successful in attracting and retaining the personnel we require to operate and be innovative. We are vulnerable to hackers and cyber attacks. As an internet- based business, we may be vulnerable to hackers who may access the data of our investors and the issuer companies that utilize our platform. Further, any significant disruption in service on our funding portal platform or in our computer systems could reduce the attractiveness of our platform and result in a loss of investors and companies interested in using our platform. Further, we rely on a third- party technology provider to provide some of our back- up technology as well as act as our escrow agent. Any disruptions of services or cyber- attacks either on our technology provider, escrow agent, or on us could harm our reputation and materially negatively impact our financial condition and business. Our funding portal relies on one escrow agent to hold investment commitments for issuers. We currently rely on ~~Silicon Valley~~ **First Citizens** Bank to provide all escrow services related to offerings on our platform. Any change in this relationship will require us to find another escrow agent and escrow bank. This change may cause us delays as well as additional costs in transitioning our technology. We are not allowed to operate our funding portal business without a qualified third- party escrow bank. There are a limited number of banks that provide this service. As such, if our relationship with our escrow agent is terminated, we may have difficulty finding a replacement which could have a material adverse effect on our business and results of operations. **16** If our wholly ~~-~~owned subsidiary, Netcapital Funding Portal Inc., fails to comply with its obligations under the license agreement with Netcapital Systems LLC under which the technology to operate our funding portal is licensed to Netcapital Funding Portal Inc., we could lose rights necessary to operate our funding portal which are important to our business.

Our wholly owned subsidiary, Netcapital Funding Portal Inc. has licensed the technology necessary to operate our funding portal from our majority stockholder, Netcapital Systems LLC, of which Mr. Frishman owns a 29 % interest. These rights are extremely important to our business. If Netcapital Funding Portal Inc. fails to comply with any obligations under this license agreement, such license agreement may be subject to termination in whole or in part, which could severely impact our ability to operate our funding portal which would have a material adverse effect on our business, financial position, and results of operations. In addition, disputes may arise regarding the technology subject to a license agreement, including: ● the scope of rights granted under the license agreement and other interpretation- related issues; ● the extent to which our processes infringe on the technology of Netcapital Systems LLC that is not subject to the license agreement; ● the ownership of inventions and know- how resulting from the joint creation or use of technology by Netcapital Systems LLC and us. Disputes over technology under the license agreement with Netcapital Systems LLC may prevent or impair our ability to maintain our current license agreement on acceptable terms, and we may be unable to successfully operate our funding portal. In addition, any failure of Netcapital Systems LLC to service the technology subject to the license agreement or to operate its website could result in our inability to operate our funding portal which would have a material adverse effect on our business, financial condition, and results of operations. ~~15~~ Netcapital Systems LLC relies on third- party software for the technology subject to the license agreement with Netcapital Funding Portal Inc. that may be difficult to replace or which could cause errors or failures of our funding portal. Netcapital Systems LLC relies on software licensed from third parties for the technology subject to the license agreement with Netcapital Funding Portal Inc. This software may not continue to be available at reasonable prices or on commercially reasonable terms, or at all. Any loss by Netcapital Systems LLC of the right to use any of this software could significantly increase our expenses and otherwise result in delays in the provisioning of our funding portal until equivalent technology is either developed by us or Netcapital Systems LLC, or, if available, is identified, obtained, and integrated, which could harm our business. Any errors or defects in third- party software could result in errors or a failure of our funding portal which could harm our business. Our strategy to purchase a portion of early- stage companies may provide us with investments that have no liquidity. It is our strategy to sometimes purchase, at an affordable price, part or all of early- stage companies and cross pollinate the ideas, technology and expertise within these companies to enhance the operations, profits and market share of all the entities. That strategy may result in us diverting management attention and advisory resources to do work for early- stage companies that pay for the work with equity, which becomes impaired in value or never becomes a liquid asset. For all of these early- stage companies, the future liquidity and value of our investments cannot be guaranteed, and no market may exist for us to generate gains from our investments in early- stage companies. Our business depends on the reliability of the infrastructure that supports the Internet and the viability of the Internet. The growth of Internet usage has caused frequent interruptions and delays in processing and transmitting data over the Internet. There can be no assurance that the Internet infrastructure or the Company' s own network systems will continue to be able to support the demands placed on it by the continued growth of the Internet, the overall online securities industry or that of our customers. The Internet' s viability could be affected if the necessary infrastructure is not sufficient, or if other technologies and technological devices eclipse the Internet as a viable channel. End- users of our software depend on Internet Service Providers (" ISPs "), online service providers and our system infrastructure for access to the Internet sites that we operate. Many of these services have experienced service outages in the past and could experience service outages, delays and other difficulties due to system failures, stability or interruption. As a result, we may not be able to meet a level of service that we have promised to our subscribers, and we may be in breach of our contractual commitments, which could materially adversely affect our business, revenues, operating results and financial condition. ~~16~~ **17** We are dependent on general economic conditions. Our business model is dependent on investors investing in the companies presented on our platforms. Investment dollars are disposable income. Our business model is thus dependent on national and international economic conditions. Adverse national and international economic conditions may reduce the future availability of investment dollars, which would negatively impact our revenues and possibly our ability to continue operations. It is not possible to accurately predict the potential adverse impacts on the Company, if any, of current economic conditions on its financial condition, operating results and cash flow. We face significant market competition. We facilitate online capital formation. Though this is a new market, we compete against a variety of entrants in the market as well ~~likely~~ **as** new entrants into the market. Some of these follow a regulatory model that is different from ours and might provide them competitive advantages. New entrants could include those that may already have a foothold in the securities industry, including some established broker- dealers. Further, online capital formation is not the only way to address helping start- ups raise capital, and the Company has to compete with a number of other approaches, including traditional venture capital investments, loans and other traditional methods of raising funds and companies conducting crowdfunding raises on their own websites. Additionally, some competitors and future competitors may be better capitalized than us, which would give them a significant advantage in marketing and operations. Moreover, as we continue to expand our offerings, we will continue to face headwinds and compete with companies that are more established and / or have more financial resources than we do and / or new entrants bringing disruptive technologies and / or ideas. Intense competition could prevent us from increasing our market share and growing our revenues. We compete with a number of public and private companies and most of our competitors have significant financial resources and occupy entrenched positions in the market with name- brand recognition. We also face challenges from new Internet sites that aim to attract subscribers who seek to play interactive games or invest in public or private securities. Such companies may be able to attract significantly more subscribers because of new marketing ideas and user interface concepts. Increased competition from current and future competitors may in the future materially adversely affect our business, revenues, operating results and financial condition. We ~~**will require our secured lender to cooperate with us and, among other things, not demand repayments of principal and interest until the business is capable of making such payments. We owe our secured lender, or the Lender, $ 400, 000 in principal as of the date of this Report. Our Lender holds a term note bearing interest at an annual rate of 8 %. We have not paid interest on the note and it accrues each month. We have a loan and security agreement, or the**~~

~~Loan, with the Lender with a maturity date of April 30, 2023. To secure the payment of all obligations to the Lender, the Company granted to the Lender a continuing security interest and first lien on all of the assets of the Company. In connection with the Loan, the Company has agreed to certain restrictive covenants, including, among others, that the Company may not convey, sell lease, transfer or otherwise dispose of any part of its business or property, except as permitted in the agreement, dissolve, liquidate or merge with any other party unless, in the case of a merger, the Company is the surviving entity, incur any indebtedness except as defined in the agreement, create or allow a lien on any of its assets or collateral that has been pledged to the Lender, make any loans to any person, except for prepaid items or deposits incurred in the ordinary course of business, or make any material capital expenditures. If we default on our loan obligations with the Lender, it could exercise their rights and remedies under the applicable agreements, which could include seizing all of our assets. Any such action would have a material adverse effect on our business and prospects. 17 The Loan contains numerous restrictive covenants which limit management' s discretion to operate our business. In order to obtain the Loan, we agreed to certain covenants that place significant restrictions on, among other things, our ability to incur additional indebtedness, to create liens or other encumbrances, to make certain payments and investments, and to sell or otherwise dispose of assets and merge or consolidate with other entities. Any failure to comply with the covenants included in the Loan could result in an event of default, which could trigger an acceleration of the related debt. If we were unable to repay the debt upon any such acceleration, the Lender could seek to foreclose on our assets in an effort to seek repayment under the loans. If the Lender was successful, we would be unable to conduct our business as it is presently conducted and our ability to generate revenues and fund our ongoing operations would be materially adversely affected. We~~ may require additional financing in the future to fund our operations. We may need additional capital in the future to continue to execute our business plan. Therefore, we will be dependent upon additional capital in the form of either debt or equity to continue our operations. At the present time, we do not have arrangements to raise all of the needed additional capital, and we will need to identify potential investors and negotiate appropriate arrangements with them. Our ability to obtain additional financing will be subject to a number of factors, including market conditions, our operating performance and investor sentiment. If we are unable to raise additional capital when required or on acceptable terms, we may have to significantly delay, scale back or discontinue our operations. Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish certain rights. We may seek additional capital through a combination of equity offerings, debt financings, strategic collaborations and alliances or licensing arrangements. To the extent that we raise additional capital through the sale of equity, convertible debt securities or other equity- based derivative securities, your ownership interest will be diluted and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. Any indebtedness we incur could involve restrictive covenants, such as limitations on our ability to incur additional debt, acquire or license intellectual property rights, declare dividends, make capital expenditures and other operating restrictions that could adversely impact our ability to conduct our business. Furthermore, the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our common stock to decline. If we raise additional funds through strategic collaborations and alliances or licensing arrangements with third parties, ~~we may have to relinquish valuable rights to future therapeutic candidates~~ or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects. Adequate additional financing may not be available to us on acceptable terms, or at all. **18** ~~If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market our future therapeutic candidates that we would otherwise prefer to develop and market ourselves.~~ Our debt level could negatively impact our financial condition, results of operations and business prospects **. As of April 30, 2023, we had approximately $ 2, 735, 800 of principal indebtedness outstanding and we have borrowed money on three occasions from the SBA** . Our level of debt could have significant consequences to our shareholders, including the following: ● requiring the dedication of a substantial portion of cash flow from operations to make payments on debt, thereby reducing the availability of cash flow for working capital, capital expenditures and other general business activities; ● requiring a substantial portion of our corporate cash reserves to be held as a reserve for debt service, limiting our ability to invest in new growth opportunities; ● limiting the ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions and general corporate and other activities; ● limiting the flexibility in planning for, or reacting to, changes in the business and industry in which we operate; ~~18~~ ● increasing our vulnerability to both general and industry- specific adverse economic conditions; ● putting us at a competitive disadvantage vs. less leveraged competitors; and ● increasing vulnerability to changes in the prevailing interest rates. Our ability to make payments of principal and interest, or to refinance our indebtedness, depends on our future performance, which is subject to economic, financial, competitive and other factors. Our business may not generate sufficient cash flow in the future to service our debt because of factors beyond our control, including but not limited to our ability to market our products and expand our operations. If we are unable to generate sufficient cash flows, we may be required to adopt one or more alternatives, such as restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. We may make acquisitions or form joint ventures that are unsuccessful. Our ability to grow is partially dependent on our ability to successfully acquire other companies, which creates substantial risk. In order to pursue a growth by acquisition strategy successfully, we must identify suitable candidates for these transactions; however, because of our limited funds, we may not be able to purchase those companies that we have identified as potential acquisition candidates. Additionally, we may have difficulty managing post- closing issues such as the integration into our corporate structure. Integration issues are complex, time consuming and expensive and, without proper planning and implementation, could significantly disrupt our business, including, but not limited to, the diversion of management' s attention, the loss of key business and / or personnel from the acquired company, unanticipated events, and legal liabilities. Our future growth depends on our ability to develop and retain customers.

19 Our future growth depends to a large extent on our ability to effectively anticipate and adapt to customer requirements and offer services that meet customer demands. If we are unable to attract new customers and / or retain new customers, our business, results of operations and financial condition may be materially adversely affected. We will need to attract, train and retain additional highly qualified senior executives and technical and managerial personnel in the future. We continue to seek technical and managerial staff members, although we have limited resources to compensate them until we have raised additional capital or developed a business that generates consistent cash flow from operations. We believe it is important to negotiate with potential candidates and, if appropriate, engage them on a part- time basis or on a project basis and compensate them at least partially, with stock- based compensation, when appropriate. There is a high demand for highly trained and managerial staff members. If we are not able to fill these positions, it may have an adverse effect on our business. Major health epidemics, such as the outbreak caused by the COVID- 19 pandemic, and other outbreaks or unforeseen or catastrophic events could continue to disrupt and adversely affect our operations, financial condition and business. Public health epidemics or outbreaks could adversely impact our business. The extent to which the coronavirus impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information which may emerge concerning the severity of the coronavirus and the emergence of variants, among others. In particular, the spread and treatment of the coronavirus globally could adversely impact our operations and could have an adverse impact on our business and our financial results. To date, our business has not been impacted by COVID- 19 but it could be in the future. ~~19~~ We may not be able to protect all of our intellectual property. Our profitability may depend in part on our ability to effectively protect our proprietary rights, including obtaining trademarks for our brand names, protecting our products and websites, maintaining the secrecy of our internal workings and preserving our trade secrets, as well as our ability to operate without inadvertently infringing on the proprietary rights of others. There can be no assurance that we will be able to obtain future protections for our intellectual property or defend our current trademarks and future trademarks and patents. Further, policing and protecting our intellectual property against unauthorized use by third parties is time- consuming and expensive, and certain countries may not even recognize our intellectual property rights. There can also be no assurance that a third party will not assert infringement claims with respect to our products or technologies. Any litigation for both protecting our intellectual property or defending our use of certain technologies could have **a** material adverse effect on our business, operating results and financial condition, regardless of the outcome of such litigation. Our revenues and profits are subject to fluctuations. It is difficult to accurately forecast our revenues and operating results, and these could fluctuate in the future due to a number of factors. These factors may include adverse changes in: number of investors and amount of investors' dollars, the success of world securities markets, general economic conditions, our ability to market our platform to companies and investors, headcount and other operating costs, and general industry and regulatory conditions and requirements. The Company' s operating results may fluctuate from year to year due to the factors listed above and others not listed. At times, these fluctuations may be significant and could impact our ability to operate our business. Natural disasters and other events beyond our control could materially adversely affect us. Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers and could decrease demand for our services. Since the spring of 2020, large segments of the U. S. and global economies were impacted by COVID- 19, a significant portion of the U. S. population were subject to " stay at home " or similar requirements. The extent of the impact of COVID- 19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers (both issuers using our services and investors investing on our platform) and our sales cycles, impact on our customer, employee or industry events, and effect on our vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID- 19 may impact our financial condition or results of operations is uncertain. To date, the COVID- 19 outbreak ~~,~~ has significantly impacted global markets, U. S. employment numbers, as well as the business prospects of many small ~~business~~ **businesses** (our potential clients). A significant part of our business model is based on receiving a percentage of the investments made through our platform and services. Further, we are dependent on investments in our offerings to fund our business. However, to date, other than working remotely, COVID- 19 has not had a negative impact on the Company. While our business has not yet been impacted by COVID- 19, to the extent COVID- 19 continues and limits investment capital or personally impacts any of our key employees, it may have **a** significant impact on our results and operations. **20** Acquisitions may have unanticipated consequences that could harm our business and our financial condition. Any acquisition that we pursue, whether successfully completed or not, involves risks, including: ~~•~~ **●** material adverse effects on our operating results, particularly in the fiscal quarters immediately following the acquisition of acquired entities that are integrated into our operations; ~~•~~ **●** risks associated with entering into markets or conducting operations where we have no or limited prior experience; ~~•~~ **●** problems retaining key personnel; **●** ~~20 •~~ potential impairment of tangible and intangible assets and goodwill acquired in the acquisition; ~~•~~ **●** potential unknown liabilities; ~~•~~ **●** difficulties of integration and failure to realize anticipated synergies; and ~~•~~ **●** disruption of our ongoing business, including diversion of management' s attention from other business concerns. Future acquisitions may be accomplished through a cash purchase transaction, the issuance of our equity securities or a combination of both, could result in potentially dilutive issuances of our equity securities, the incurrence of debt and contingent liabilities and impairment charges related to goodwill and other intangible assets, any of which could harm our business and financial condition. If we do not effectively protect our customers' credit and debit card data, or other personal information, we could be exposed to data loss, litigation, liability and reputational damage. In connection with credit and debit card sales, we transmit confidential credit and debit card information by way of secure online networks. Although we use private networks, third parties may have the technology or know- how to breach the security of the customer information transmitted in connection with credit and debit card sales, and our security measures and those of our technology vendors may not effectively prohibit others from obtaining improper access to this information. If a person were able to circumvent these security measures, he or she could destroy or steal valuable information or disrupt our operations. Any security breach could expose us to risks of data loss, litigation and liability and could seriously disrupt our operations and any resulting negative publicity could significantly harm our reputation. We could be harmed by improper disclosure or loss of sensitive or confidential Company, employee, associate or customer data, including personal data. **21** In connection with the operation of our business, we plan to store, process and transmit data, including personal and payment information, about our employees, customers, associates and candidates, a portion of which is confidential and / or personally sensitive. Unauthorized disclosure or loss of sensitive or confidential data may occur through a variety of methods. These include, but are not limited to, systems failure, employee negligence, fraud or misappropriation, or unauthorized access to or through our information systems, whether by our employees or third parties, including a cyberattack by computer programmers, hackers, members of organized crime and / or state- sponsored organizations, who may develop and deploy viruses, worms or other malicious software programs. Such disclosure, loss or breach could harm our reputation and subject us to government sanctions and liability under our contracts and laws that protect sensitive or personal data and confidential information, resulting in increased costs or loss of revenues. It is possible that security controls over sensitive or confidential data and other practices we and our third- party vendors follow may not prevent the improper access to, disclosure of, or loss of such information. The potential risk of security breaches and cyberattacks may increase as we introduce new services and offerings, such as mobile technology. Further, data privacy is subject to frequently changing rules and regulations, which sometimes conflict among the various jurisdictions in which we provide services. Any failure or perceived failure to successfully manage the collection, use, disclosure, or security of personal information or other privacy related matters, or any failure to comply with changing regulatory requirements in this area, could result in legal liability or impairment to our reputation in the marketplace. Failure to recognize, respond to and effectively manage the accelerated impact of social media could adversely impact our business. In recent years, there has been a marked increase in the use of social media platforms, including blogs, chat platforms, social media websites, and other forms of Internet based communications which allow individuals access to a broad audience of consumers and other interested persons. The rising popularity of social media and other consumer- oriented technologies has increased the speed and accessibility of information dissemination. Many social media platforms immediately publish the content their subscribers and participants post, often without filters or checks on accuracy of the content posted. Information posted on such platforms at any time may be adverse to our interests and / or may be inaccurate. The dissemination of information via social media could harm our business, reputation, financial condition, and results of operations, regardless of the information' s accuracy. The damage may be immediate without affording us an opportunity for redress or correction. ~~21~~ In addition, social media is frequently used to communicate with our customers and the public in general. Failure by us to use social media effectively or appropriately, particularly as compared to our brands' respective competitors, could lead to a decline in brand value, customer visits and revenue. Other risks associated with the use of social media include improper disclosure of proprietary information, negative comments about our brands, exposure of personally identifiable information, fraud, hoaxes or malicious dissemination of false information. The inappropriate use of social media by our customers or employees could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our results of operations. Risks Related to Receipt of Securities for Services We are not, and do not intend to become, regulated as an investment company under the U. S. Investment Company Act of 1940, as amended, or the 40 Act, (and similar legislation in other jurisdictions) and if we are deemed an " investment company " under the 40 Act applicable restrictions would make it impractical for us to operate as contemplated. The 40 Act and the rules thereunder (and similar legislation in other jurisdictions) provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies. Among other things, such rules limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities and impose certain governance requirements. We have not been and do not intend to become regulated as an investment company and we intend to conduct our activities so we will not be deemed to be an investment company under the 40 Act (and similar legislation in other jurisdictions). In order to ensure that we are not deemed to be an investment company, we may be required to materially restrict or limit the scope of our operations or plans related to us, we will be limited in the types of acquisitions that we may make and we may need to modify our organizational structure or dispose of assets that we would not otherwise dispose of. Moreover, if anything were to happen which would potentially cause us to be deemed an investment company under the 40 Act, it would be impractical for us to operate as intended pursuant to our platform and our business, financial condition and results of operations would be materially adversely affected. Accordingly, we would be required to take extraordinary steps to address the situation, such as the modification and restructuring of our platform, which would materially adversely affect our ability to derive revenue. **22** Our consulting and advisory services are primarily paid for in restricted shares of stock of our customers, which are often private companies with no established trading market for their securities. For our consulting and advisory services, payment is often made through equity securities of customers instead of cash. The securities issued are in private companies with no established trading market for their securities **.** In the absence of a trading market, we may be unable to liquidate our investment, which will result in the loss of our investment. Risk Factors Related to our Common Stock Concentration of ownership among our majority stockholders may prevent new investors from influencing significant corporate decisions. As of July ~~29~~ **26** ~~2022~~ **2023** , Netcapital Systems LLC, our largest stockholder, beneficially owned, in the aggregate, approximately ~~40~~ **18. 2** % of our outstanding shares of common stock. As a result, this stockholder will be able to exercise a significant level of control over ~~all~~ matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control of our company or changes in management and will make the approval of certain transactions difficult or impossible without the support of these stockholders. ~~22~~ There can be no assurance that we will be able to comply with Nasdaq' s continued listing standards, a failure of which could result in a ~~de- listing~~ **delisting** of our common stock and warrants. Nasdaq requires that the trading price of a company' s listed stock on Nasdaq remain above one dollar in order for such stock to remain listed. If a listed stock trades below one dollar for more than 30 consecutive trading days, then it is subject to delisting from Nasdaq. In addition, to maintain a listing on Nasdaq, we must satisfy minimum financial and other continued listing requirements and standards, including those regarding director independence and independent committee requirements, minimum stockholders' equity, and certain corporate governance requirements. If we are unable to satisfy these requirements or standards, we could be subject to delisting, which would have a negative effect on the price of our common stock and warrants and would impair your ability to sell or purchase our common stock when you wish to do so. In the event of a delisting, we would expect to take actions to restore our compliance with the listing requirements, but we can provide no assurance that any such action taken by us would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our common stock, prevent our common stock from dropping below the minimum bid price requirement, or prevent future non- compliance with the listing requirements. We recently sold a substantial number of shares of our common stock and warrants to purchase common stock in a public offering, which could cause the price of our common stock to decline. In ~~a recent~~ **our May 2023** offering, we sold 1, ~~205~~ **100** , 000 ~~shares of common stock. Additionally, we sold an equal number of warrants to purchase~~ shares of common stock. The existence of the potential additional shares of our common stock in the public market, or the perception that such additional shares may be in the market, could adversely affect the price of our common stock. We cannot predict the effect, if any, that market sales of those shares of common stock or the availability of those shares of common stock for sale will have on the market price of our common stock. Any decline in the price of a share of common stock will also have a negative effect on the price in the market of a warrant. We do not expect to pay dividends and investors should not buy our common stock expecting to receive dividends. We have not paid any dividends on our common stock in the past, and do not anticipate that we will declare or pay any dividends in the foreseeable future. Consequently, you will only realize an economic gain on your investment in our common stock if the price appreciates. You should not purchase our common stock expecting to receive cash dividends. Since we do not pay dividends ~~, and if we are not successful in having our shares listed or quoted on an exchange~~ , then you may have a limited ability to liquidate or receive any payment on your investment. Therefore, our failure to pay dividends may cause you to not see any return on your investment even if we are successful in our business operations. In addition, because we do not pay dividends we may have trouble raising additional funds, which could affect our ability to expand our business operations. We may conduct future offerings of our common stock and pay debt obligations with our common stock which may diminish our investors' pro rata ownership and depress our stock price. We reserve the right to make future offers and sales, either public or private, of our securities, including shares of our common stock or securities convertible into common stock at prices differing from the price of the common stock previously issued. In the event that any such future sales of securities are affected or we use our common stock to pay principal or interest on our debt obligations, an investor' s pro rata ownership interest may be reduced to the extent of any such future sales. 23 The market price of our common stock is highly volatile and could be subject to volatility related or unrelated to our operations. You should consider an investment in our securities to be risky, and you should invest in our securities only if you can withstand a significant loss and wide fluctuations in the market value of your investment. Some factors that may cause the market price of our common stock to fluctuate, in addition to the other risks mentioned in this " Risk Factors " section and elsewhere in this prospectus, are: ● actual or anticipated fluctuations in quarterly funding portal revenues or operating results, whether in our operations or in those of our competitors; ● changes in financial estimates or opinions by research analysts, either with respect to us or other fintech companies; ● our failure to accelerate user growth or new issuer growth; ● any failure to meet investor or analyst expectations; ● the public' s reaction to our press releases, other public announcements and our filings with the SEC; ● actual or anticipated changes in domestic or worldwide economic, political or market conditions, such as recessions; ● changes in the consumer spending environment; ● terrorist acts; ● changes in laws or regulations, or new interpretations or applications of laws and regulations, that are applicable to our business; ● changes in accounting standards, policies, guidance, interpretations or principles; ● short sales, hedging and other derivative transactions in the shares of our common stock; ● future sales or issuances of our common stock, including sales or issuances by us, our directors or executive officers and our significant stockholders; ● our dividend policy; ● changes in the market valuations of other fintech companies; ● actions by stockholders; ● various market factors or perceived market factors, including rumors, involving us, our vendors and clients, whether accurate or not; ● announcements by us or our competitors of new locations, technological advances, significant acquisitions, strategic partnerships, divestitures, joint ventures or other strategic initiatives; and ● a loss of a key member of management. The stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of individual companies. These broad market fluctuations may adversely affect the trading price of our common stock in any market that develops for it. In addition, our stock price may be influenced by trading activity in our common stock as a result of market commentary (including commentary that may be unreliable or incomplete in some cases); changes in expectations about our business, our creditworthiness or investor confidence generally; or actions by stockholders and others seeking to influence our business strategies. In the past, following periods of volatility in the market price of a company' s securities, stockholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and a diversion of management attention and resources, which would significantly harm our profitability and reputation. ~~24 Our common stock may be subject to the " penny stock " rules of the SEC and the trading market in the securities is limited, which could make transactions in the stock cumbersome and may reduce the value of an investment in the stock. Rule 15g- 9 under the Exchange Act establishes the definition of a " penny stock, " for the purposes relevant to us, as any equity security that has a market price of less than $ 5. 00 per share or with an exercise price of less than $ 5. 00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require: (a) that a broker or dealer approve a person' s account for transactions in penny stocks; and (b) the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be~~

~~purchased. In order to approve a person' s account for transactions in penny stocks, the broker or dealer must: (a) obtain financial information and investment experience objectives of the person and (b) make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks. The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form: (a) sets forth the basis on which the broker or dealer made the suitability determination; and (b) confirms that the broker or dealer received a signed, written agreement from the investor prior to the transaction. Generally, brokers may be less willing to execute transactions in securities subject to the " penny stock " rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our common stock. Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker or dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.~~ FINRA sales practice requirements may limit a stockholder' s ability to buy and sell our securities. In addition to the " penny stock " rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker- dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative, low-priced securities to their non- institutional customers, broker- dealers must make reasonable efforts to obtain information about the customer' s financial status, tax status, investment objectives and other information. The FINRA requirements may make it more difficult for broker- dealers to recommend that their customers buy our common stock or our warrants, which may have the effect of reducing the level of trading activity in our securities. As a result, fewer broker- dealers may be willing to make a market in our common stock or our warrants, reducing a stockholder' s ability to resell shares of our common stock and warrants. **24** If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our securities adversely, the price of our common stock or warrants and trading volume could decline. The trading market for our common stock may be influenced by the research and reports that securities or industry analysts may publish about us, our business, our market or our competitors. If any of the analysts who may cover us change their recommendation regarding our securities adversely, or provide more favorable relative recommendations about our competitors, the price of our common stock or warrants would likely decline. If any analyst who may cover us was to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the price of our common stock or warrants or trading volume to decline. Our issuance of common stock upon the exercise of options granted under our ~~2021~~ **2023 Omnibus** Equity Incentive Plan may dilute all other stockholders. We have issued options to purchase ~~271~~ **1, 950** , 000 shares of common stock under our ~~2021~~ **2023 Omnibus** Equity Incentive Plan and we expect to issue options to purchase the remaining ~~29~~ **50** , 000 shares of common stock in the future to officers, directors, employees and consultants under our ~~2021~~ **2023 Omnibus** Equity Incentive Plan. Any such issuances of common stock underlying stock options may cause stockholders to experience dilution of their ownership interests and the per share value of our common stock to decline. ~~25~~ Our compliance with complicated U. S. regulations concerning corporate governance and public disclosure is expensive and diverts management' s attention from our core business, which could adversely affect our business, results of operations, and financial condition. As a publicly reporting company, we are faced with expensive, complicated and evolving disclosure, governance and compliance laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes- Oxley Act and the Dodd- Frank Act, and ~~, following this offering,~~ Nasdaq rules. As a result of the complexity involved in complying with the applicable rules and regulations, our management' s attention may be diverted from other business concerns, which could harm our business, results of operations and financial condition. We may need to hire more personnel in the future or engage outside consultants, which will increase our operating expenses, to assist us in complying with these requirements. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time- consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management' s time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us, and our business may be harmed. Failure to maintain effective internal control over our financial reporting in accordance with Section 404 of the Sarbanes- Oxley Act could cause our financial reports to be inaccurate. We are required pursuant to Section 404 of the Sarbanes- Oxley Act, or Section 404, to maintain internal control over financial reporting and to assess and report on the effectiveness of those controls. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Although we prepare our financial statements in accordance with accounting principles generally accepted in the United States, our internal accounting controls may not meet all standards applicable to companies with publicly traded securities. If we fail to implement any required improvements to our disclosure controls and procedures, we may be obligated to report control deficiencies in which case, we could become subject to regulatory sanction or investigation. Further, these outcomes could damage investor confidence in the accuracy and reliability of our financial statements. **25** Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third- party claims against us and may reduce the amount of money available to us. Our articles of incorporation and bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Utah law. In addition, as permitted by the Utah Business Corporation Act, our bylaws and the indemnification agreements that we have entered into with our directors and officers provide that: ● we will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Utah law. Utah law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person' s conduct was unlawful; ● we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law; ~~26~~ ● we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification; ● we will not be obligated pursuant to our bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors, or Board, or brought to enforce a right to indemnification; ● the rights conferred in our bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons; and ● we may not retroactively amend our bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents. Limitations on liability and indemnification matters. As permitted by the corporate laws of the state of Utah, our articles of incorporation include a provision to eliminate the personal liability of our directors for monetary damages for breach or alleged breach of their fiduciary duties as directors, subject to certain exceptions. In addition, our bylaws provide that we are required to indemnify our officers and directors under certain circumstances, including those circumstances in which indemnification would otherwise be discretionary, and we will be required to advance expenses to our officers and directors as incurred in connection with proceedings against them for which they may be indemnified. If we are required to indemnify, both for the costs of their defense in any action or to pay monetary damages upon a finding of a court or in any settlement, our business and financial condition could be materially and adversely affected. **26** ITEM 1B. UNRESOLVED STAFF ~~COMMENTSWe~~ -- **COMMENTS We** are a smaller reporting company as defined by Rule 12b- 2 of the Exchange Act and are not required to provide information under this item. ITEM 2. ~~PROPERTIESWe~~ -- **PROPERTIES We** utilize an office at 1 Lincoln Street in Boston, Massachusetts. We currently pay **rent** ~~a membership fee~~ of approximately $ 5, 700 a month, ~~under a~~ **and our lease** agreement **is through** ~~that expires in~~ September 2023 ~~,~~ for **approximately 400 square feet** ~~a mailing address and a virtual office~~ in an office- suite location. ~~Our~~ **The majority of our** employees work remotely. We believe our ~~arrangements are~~ **current office space is** suitable and adequate for ~~business~~ **its intended** purposes and our near- term expansion plans. ITEM 3. LEGAL ~~PROCEEDINGSFrom~~ ---- **PROCEEDINGS From** time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings or claims that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results. ITEM 4. MINE SAFETY ~~DISCLOSURESNot~~ --- **DISCLOSURES Not** applicable 27 PART II ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES. (a) Market Information Our common stock was quoted on the OTCQX marketplace under the symbol " NCPL " before our listing on Nasdaq in July 2022. Any over- the- counter quotations reflect inter- dealer prices, without retail mark- up, mark- down or commission, and may not necessarily represent actual transactions. Our common stock and warrants trade on the Nasdaq Capital Market under the symbols " NCPL " and " NCPLW, " respectively. Our common stock and warrants commenced trading on Nasdaq on July 13, 2022. Recent Issuances of Unregistered Securities ~~37~~ **On May 10** , ~~500~~ **2023, we issued 100, 000** shares of **our** common stock **for consulting services** ~~were issued on April 28, 2022, in conjunction with an agreement to purchase a 10 % equity interest in Caesar Media Group, Inc~~ . We did not receive any proceeds from **this** issuance. The issuance was exempt under Section 4 (a) (2) of the Securities Act of 1933, as amended. **On July 14, 2023, we issued 49, 855 shares of our common stock in consideration of a release from an unrelated third party in conjunction with the settlement of an outstanding debt between such third party and Netcapital Systems LLC. We did not receive any proceeds from this issuance. The issuance was exempt under Section 4 (a) (2) of the Securities Act of 1933, as amended.** (b) Holders There are ~~293~~ **270** shareholders of record of our common stock as of July ~~29~~ **26** , ~~2022~~ **2023** . Transfer Agent and Registrar The transfer agent and registrar for our common stock is Equity Stock Transfer LLC with its business address at 237 W 37th Street, Suite 602, New York, NY 10018. Its telephone number is (212) 575- 5757 and its email address is info @ equitystock. com. (c) Dividends We have never paid dividends on our common stock and do not expect to do so in the foreseeable future. (d) Securities Authorized for Issuance under Equity Compensation Plans **2021** Equity Incentive Plan. In November 2021, our Board adopted the 2021 Equity Incentive Plan, or the Plan. An aggregate of 300, 000 shares of our common stock is reserved for issuance and available for awards under the Plan, including incentive stock options granted under the Plan. The Plan administrator may grant awards to any employee, director, consultant or other person providing services to us or our affiliates. As of July ~~29~~ **26** , ~~2022~~ **2023** , we had awarded an aggregate of ~~271~~ **252** , 000 options to purchase shares of common stock to directors and there remain ~~29~~ **48** , 000 shares for grant under the Plan. The Plan is administered by our Board. The Plan administrator has the authority to determine, within the limits of the express provisions of the Plan, the individuals to whom awards will be granted, the nature, amount and terms of such awards and the objectives and conditions for earning such awards. Our Board may at any time amend or terminate the Plan, provided that no such action may be taken that adversely affects any rights or obligations with respect to any awards previously made under the Plan without the consent of the recipient. No awards may be made under the Plan after the tenth anniversary of its effective date. **28** Awards under the Plan may include incentive stock options, nonqualified stock options, stock appreciation rights (" SARs "), restricted shares of common stock, restricted stock units, performance share awards, stock bonuses and other stock- based awards and cash- based incentive awards. ~~28~~ **2023 Omnibus Equity Incentive Plan. On January 3, 2023, the Board of Directors of the Company approved and adopted the Netcapital Inc., 2023 Omnibus Equity Incentive Plan (the " 2023 Plan "), which was subsequently approved by the Company' s stockholders. The total number of shares of common stock authorized for issuance under the 2023 Plan is (i) 2, 000, 000 shares of common stock plus (ii) an annual increase on the first day of each calendar year beginning with May 1, 2024 and ending with the last May 1 during the initial ten- year term of the 2023 Plan, equal to the lesser of (A) five percent (5 %) of the shares of common stock outstanding (on an as- converted basis, which shall include shares issuable upon the exercise or conversion of all outstanding securities or rights convertible into or exercisable for shares of common stock, including without limitation, preferred stock, warrants and employee options to purchase any shares of common stock) on the final day of the immediately preceding calendar year and (B) such lesser number of shares of common stock as determined by the Board; provided, that, shares of common stock issued under the 2023 Plan with respect to an exempt award shall not count against such share limit. No more than 2, 000, 000 Shares, and as increased on an annual basis, on the first day of each calendar year beginning with May 1, 2024 and ending with the last May 1 during the initial ten- year term of the Plan, by the lesser of (A) five percent (5 %) of the shares of common stock outstanding (on an as- converted basis, which shall include shares of common stock issuable upon the exercise or conversion of all outstanding securities or rights convertible into or exercisable for shares of common stock, including without limitation, preferred stock, warrants and employee options to purchase any shares of common stock) on the final day of the immediately preceding calendar year; (B) 300, 000 shares of common stock, and (C) such lesser number of shares of common stock as determined by the Board, shall be issued pursuant to the exercise of ISOs. As of April 30, 2023, we had awarded an aggregate of 1, 950, 000 options to purchase shares of common stock to directors and there remain 50, 000 shares for grant under the 2023 Plan. The 2023 Plan will be administered by the Board or a committee to which the Board delegates such responsibility (the " Administrator "). The 2023 Plan will be administered by the Administrator in accordance with Rule 16b- 3 of the Securities Exchange Act of 1934, as amended. The Administrator may interpret the 2023 Plan and may prescribe, amend, and rescind rules and make all other determinations necessary or desirable for the administration of the 2023 Plan. The 2023 Plan permits the Administrator to select the eligible recipients who will receive awards, to determine the terms and conditions of those awards, including but not limited to the exercise price or other purchase price of an award, the number of shares of common stock or cash or other property subject to an award, the term of an award and the vesting schedule applicable to an award, to determine the terms and conditions of written instruments evidencing such awards and to amend the terms and conditions of outstanding awards. The 2023 Plan permits the grant of: (a) stock options, which may be intended as incentive stock options (" ISOs ") or as nonqualified stock options (options not meeting the requirements to qualify as ISOs); (b) stock appreciation rights (" SARs "); (c) restricted stock; (d) restricted stock units; (e) cash incentive awards; or (f) other awards, including: (i) stock bonuses, performance stock, performance units, dividend equivalents, or similar rights to purchase or acquire Shares, whether at a fixed or variable price or ratio related to the Common Stock, upon the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or any combination thereof; or (ii) any similar securities with a value derived from the value of or related to the Common Stock and / or returns thereon.** ITEM 6. [RESERVED]. ITEM 7. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS. THE FOLLOWING DISCUSSION OF OUR PLAN OF OPERATION AND RESULTS OF OPERATIONS SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND RELATED NOTES TO THE FINANCIAL STATEMENTS INCLUDED ELSEWHERE IN THIS ANNUAL REPORT. THIS DISCUSSION CONTAINS FORWARD- LOOKING STATEMENTS THAT RELATE TO FUTURE EVENTS OR OUR FUTURE FINANCIAL PERFORMANCE. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE OUR ACTUAL RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THESE FORWARD- LOOKING STATEMENTS. **29** Overview Netcapital Inc. is a fintech company with a scalable technology platform that allows private companies to raise capital online from accredited and non- accredited investors. We give **virtually** all investors the opportunity to access investments in private companies. Our model is disruptive to traditional private equity investing and is based on Title III, Reg CF of the JOBS Act. We generate fees from listing private companies on our portal. Our consulting group, Netcapital Advisors, provides marketing and strategic advice in exchange for **cash and** equity positions ~~and cash fees~~. The Netcapital funding portal is registered with the SEC, is a member of **the Financial Industry Regulatory Authority, or** FINRA **, a registered national securities association,** and provides investors with opportunities to invest in private companies. We provide private company investment access to accredited retail and non- accredited retail investors through our online portal (www. netcapital. com). The ~~Netcapital funding~~ **Funding** ~~portal~~ **Portal** charges a $ 5 **, 000 to $ 10** , 000 engagement fee ~~and~~ **,** a 4. 9 % success fee for capital raised at closing **and sometimes is paid with equity from the issuer that has listed on the Funding Portal** . In addition, the **Funding** ~~portal~~ **Portal** generates fees for other ancillary services, such as rolling closes ~~. Netcapital Advisors generates fees and equity stakes from consulting in select portfolio and non- portfolio clients. Netcapital. com is an SEC- registered funding portal that enables private companies to raise capital online, while investors are able to invest from 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. **, at any time, with just a few clicks.** In addition to access to the ~~funding~~ **Funding** ~~portal~~ **Portal** , Netcapital provides the following services: ● a fully automated onboarding process; ● automated filing of required regulatory documents; ● compliance review; ● custom- built offering page on our portal website; ● third party transfer agent and custodial services; ● email marketing to our proprietary list of investors; ● rolling closes, which provide potential access to liquidity before final close date of offering; ● assistance with annual filings; and ● direct access to our team for ongoing support. Our consulting group, Netcapital Advisors helps companies at all stages to raise capital. Netcapital Advisors provides strategic advice, technology consulting and online marketing services to assist with fundraising campaigns on the Netcapital platform. The Company also acts as an incubator and accelerator, taking equity stakes in select disruptive start- ups. ~~29~~ Our limited operating history and the uncertain nature of our future operations and the markets we address or intend to address make predictions of our future results of operations difficult. Our operations may never generate significant revenues, and we may not consistently achieve profitable operations. Recent Developments ~~Nasdaq Uplist~~ **May 2023 Registered Direct Offering On May 23, 2023, we entered into a securities purchase agreement with certain institutional investors, pursuant to which we agreed to issue and sell to such investors, in a registered direct offering (the " Offering "), 1, 100, 000 shares (the " Shares ") of our common stock at a price of $ 1. 55 per Share, for aggregate gross proceeds of $ 1, 705, 000, before deducting the placement agent' s fees and other offering expenses payable by the Company. The Offering closed on May 25, 2023 and we received aggregate net proceeds of $ 1, 468, 700. The Shares were offered and issued and sold pursuant to the Company' s shelf registration statement on Form S- 3 (File 333- 267921) filed by the Company with the SEC under the Securities Act of 1933, as amended (the " Securities Act "), on October 18, 2022 and declared effective on October 26, 2022. 30 In connection with the Offering, on May 23, 2023, we entered into a placement agency agreement with ThinkEquity (the " Placement Agent "), pursuant to which (i) the Placement Agent agreed to act as placement agent on a " best efforts " basis in connection with the Offering, (ii) we agreed to pay the Placement Agent an aggregate fee equal to 8. 0 % of the gross proceeds raised in the Offering, and to reimburse the Placement Agent for certain expenses, and (iii) we agreed to issue to the Placement Agent warrants to purchase up to 55, 000 shares of Common Stock at an exercise price of $ 1. 94 (the " Placement Agent Warrants "), which were issued on May 25, 2023. The Placement Agent Warrants (and the shares of Common Stock issuable upon the exercise of the Placement Agent Warrants) were not registered under the Securities Act, and were offered pursuant to an exemption from the registration requirements of the Securities Act provided in Section 4 (a) (2) of the Securities Act and Rule 506 (b) promulgated thereunder. Repayment of Secured Debt On May 25, 2023 the Company paid $ 367, 167 to its secured lender, Vaxstar LLC, to pay off the remaining $ 350, 000 principal balance and $ 17, 167 in interest. Recent Common Stock Issuances. In April and May 2023, we issued an aggregate of 450, 000 shares of common stock to consultants in consideration of services rendered. In addition, in July 2023, we issued 49, 855 shares of common stock to an unrelated third party, in consideration of a release from such third party related to settlement of an outstanding debt between such third- party and Netcapital DE LLC. We did not receive any proceeds from these issuances. Such shares were issued as restricted securities and were issued pursuant to the exemption provided by Section 4 (a) (2) of the Securities Act of 1933, as amended. July 2023 Public** Offering On July ~~15~~ **24** , ~~2022~~ **2023** ~~, we~~ **the Company** completed an underwritten public offering of 1, ~~205~~ **725** , 000 shares of ~~our~~ **the Company' s** common stock ~~and warrants to purchase 1~~ , ~~205, 000 shares of our common stock~~ at a ~~combined~~ **price to the** public ~~offering price~~ of $ ~~4~~ **0** . ~~15~~ **70** per share **for aggregate** ~~and warrant. The~~ gross proceeds **of** ~~from the offering were~~ $ ~~5~~ **1** , ~~000~~ **207** , ~~750 prior to~~ **500, before** deducting underwriting discounts ~~, commissions,~~ and ~~other~~ offering expenses **payable by** ~~. The warrants have a per share exercise price of $ 5. 19, are exercisable immediately, and expire five years from~~ the **Company** ~~date of issuance~~ . In conjunction with this offering, the **Company issued the underwriter and its designees warrants to purchase 86, 250** shares ~~and warrants began trading on The Nasdaq Capital Market on July 13, 2022, under the ticker symbols " NCPL " and " NCPLW, " respectively. In addition, we granted the underwriter a 45- day option to purchase up to an additional 180, 750 shares~~ of **our** common stock **at** ~~and / or up to 180, 750 additional warrants to cover over- allotments, if any. In connection with the closing of the offering, the underwriter partially exercised its over- allotment option and purchased~~ an ~~additional 111, 300 warrants. The underwriter retains the right to~~ exercise **price** ~~the balance~~ of ~~its over- allotment option within the 45- day period. Repayment of Secured Debt On July 21, 2022 the company paid~~ $ **0. 875** ~~1 million to its secured lender, Vaxstar LLC, to reduce the principal balance on its debt from $ 1, 400, 000 to $ 400, 000~~ . Management' s Discussion and Analysis of Financial Condition and Results of Operations The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and related notes to the financial statements included elsewhere in this Form 10- K. This discussion contains forward- looking statements that relate to future events or our future financial performance. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward- looking statements. ~~30~~ Results of Operations Fiscal Year ~~2022~~ **2023** Compared to Fiscal Year ~~2021~~ **2022** Our revenues for fiscal ~~2022~~ **2023** increased by $ ~~759~~ **3** , ~~832~~ **013** , **150,** or ~~16~~ **55** %, to $ ~~5~~ **8** , ~~480~~ **493** , ~~835~~ **985** as compared to $ ~~4~~ **5** , ~~721~~ **480** , ~~003~~ **835** reported for fiscal ~~2021~~ **2022** . The increase in revenues is ~~primarily~~ attributable to increased revenues from ~~our funding portal~~ **consulting services for equity securities** , which recorded an increase **in** ~~of portal~~ fees of $ ~~681~~ **3** , ~~966~~ **730** , **000,** or ~~130~~ **111** % to $ ~~1~~ **7** , ~~206~~ **105** , ~~957~~ **000 in fiscal 2023 as compared to $ 3, 375, 000** in fiscal 2022 ~~as compared to $ 524, 991 in fiscal 2021, in addition to an increase in listing fees of $ 92, 500, or 31 %, to $ 394, 490 is fiscal 2022, as compared to $ 301, 990 in fiscal 2021~~ . The components of revenue are as follows: **31** April 30, ~~2022~~ **2023** April 30, ~~2021~~ **2022** Consulting services for equity securities $ **7, 105, 000 $** 3, 375, 000 ~~$ 3, 547, 032~~ Consulting revenue **455, 320** 503, 233 ~~338, 990~~ Portal fees **418, 513** 1, 206, 957 ~~524, 991~~ Listing fees **513, 960** 394, 490 ~~301, 990~~ Other revenue 1, **192 1,** 155 **Total $** 8, ~~000 Total~~ **493, 985** $ 5, 480, 835 ~~$ 4~~ **In fiscal 2023 and 2022** , ~~721~~ **the average dollars raised in a successful offering on the funding portal amounted to $ 128** , ~~003~~ **170 and $ 369, 478, respectively, and the number of offerings that closed successfully amounted to 49 and 64, respectively.** Our costs of revenues decreased by $ ~~649~~ **25** , ~~043~~ **077** , or **23 %, to $** 85 ~~%~~ , ~~to~~ **038 in fiscal 2023, from** $ 110, 115 in fiscal 2022 ~~, from $ 759, 158 in fiscal 2021~~ . The decrease is ~~primarily~~ attributable to ~~labor~~ **lower** costs ~~that were incurred for revenue~~ **of sales from**

our non - **funding portal sources of income** ~~generating projects in fiscal 2021 that were not required for our customers in fiscal 2022~~. Consulting ~~expense~~ **expenses** ~~increased~~ **decreased** by $ ~~205, 376, or 30~~ **303 , 218, or 34** %, to $ ~~892~~ **589** , ~~567~~ **349** for fiscal ~~2022~~ **2023** from $ ~~687~~ **892** , ~~191~~ **567** reported in the prior fiscal year. The ~~increase~~ **decrease** ~~is~~ **was primarily** attributed to ~~an~~ **a** ~~increase~~ **decrease** in **overseas programmers** ~~contractors in fiscal 2022 for back- office support~~. Payroll and payroll related expenses ~~increased~~ **decreased** by $ **117, 355, or 3 %, to $ 3,** 646, ~~770~~ **490 in fiscal 2023** , **as compared** ~~or 21 %,~~ to $ 3, 763, 845 in fiscal 2022 ~~,~~ **. The decrease** ~~as~~ **was** ~~compared to $ 3, 117, 075 in fiscal 2021. Additional payroll expenses are attributable~~ --- **attributed** to **a decrease** ~~the need for more personnel to support the increased issuers, investors and users~~ in ~~fiscal 2022~~ **staff and wages** . General and administrative expenses increased by $ **138, 667 or 9 %, to $** 1, ~~137~~ **740** , **698** ~~076, or 245 %, to $ 1, 602, 031~~ for the year ended April 30, ~~2022~~ **2023** , as compared to $ ~~464~~ **1** , ~~955~~ **602, 031** for the prior fiscal year. The primary increase in expenses is attributable to ~~legal costs,~~ professional fees ~~and software usage fees~~. Interest expense ~~increased~~ **decreased** by $ ~~39, 039 to $ 126, 372~~ - **32, 530 to $ 93, 842** for the year ended April 30, ~~2022~~ **2023** , as compared to $ ~~87~~ **126** , ~~333~~ **372** for the prior fiscal year. ~~Although our~~ **The decrease in interest expense is attributed to a reduction in** debt **owed** ~~balances decreased from $ 5, 328, 784 as of April 30, 2021~~ to ~~$ 4, 142, 984 as of April 30, 2022 due to the forgiveness of an SBA loan of $ 1, 904, 296, bearing interest at an annual rate of 1 %, we increased~~ our **secured lender** ~~borrowings in fiscal 2022 by $ 700, 000 with new borrowings that carried an annual interest rate of 8 %~~. ~~Debt forgiveness~~ **A realized loss of $ 406, 060** was **recorded** ~~$ 0~~ in ~~fiscal 2021. In fiscal 2022, we identified that one of our equity holdings had an observable price change. The result of~~ the ~~price change was an increase in the fair value of the equity securities totaling $ 3, 275, 745 in the fiscal~~ year ended April 30, ~~2022~~ **2023** , ~~which was recorded in the income statement~~ as ~~an~~ **compared to no** ~~unrealized~~ -- **realized losses in** ~~gain on equity securities. In fiscal 2021, there~~ -- **the** ~~were observable price changes in two securities. The result of these price changes was an increase in the fair value of the equity securities totaling $ 2, 571, 494 in the fiscal~~ year ended April 30, ~~2021~~ **2022 . The Company sold 606** , ~~which was~~ **060 shares of KingsCrowd Inc. in June 2022 for proceeds of $ 200, 000 that had been valued at $ 606, 060 and** recorded ~~in~~ **a realized loss on** the ~~income statement as an~~ **sale of the investment of $ 406, 060.** ~~unrealized~~ **Unrealized** ~~gain~~ **gains** on equity securities **for the years ended April 30, 2023 decreased by $ 1, 418, 245, or approximately 43 %, to $ 1, 857, 500, as compared to $ 3, 275, 745 during the year ended April 30, 2022. The decrease in unrealized gains is attributable to the sale of common stock at $ 1. 00 per share in a public offering by Kingscrowd Inc., which exceeded the carrying value on our books by $ 3, 275, 745, during the year ended April 30, 2022, as compared to a net gain of $ 1, 857, 500 from observable price changes in investment securities of three investments held by the Company during the year ended April 30, 2023** . Liquidity and Capital Resources As of April 30, ~~2022~~ **2023** , we had cash and cash equivalents of $ ~~473~~ **569** , ~~925~~ **441** and negative working capital of $ ~~3~~ **2** , ~~113~~ **622** , ~~403~~ **670** as compared to cash and cash equivalents of $ ~~2,~~ 473, ~~959~~ **925** and negative working capital of $ ~~4~~ **3** , ~~666~~ **113** , **403** ~~833 as~~ of April 30, ~~2021~~ **2022** . ~~31~~ We have been successful in raising capital by ~~selling restricted common stock and by~~ completing ~~a~~ public ~~offering~~ **offerings** of our common stock. On July 15, 2022, the Company completed an underwritten public offering of 1, 205, 000 shares of the Company' s common stock and warrants to purchase 1, 205, 000 shares of the Company' s common stock at a combined public offering price of $ 4. 15 per share and warrant. The gross proceeds from the offering were $ 5, 000, 750 prior to deducting underwriting discounts, commissions, and other offering expenses. The warrants have a per share exercise price of $ 5. 19, are exercisable immediately, and expire five years from the date of issuance. With the use of proceeds, we paid $ 1 million of debt to our secured lender, to reduce the outstanding principal balance to $ 400, 000. **On December 16, 2022 we completed an underwritten public offering of 1, 247, 000 shares of our common stock, at a price to the public of $ 1. 40 per share. In conjunction with this offering, we issued the underwriter and its designees warrants to purchase 62, 350 shares of our common stock at an exercise price of $ 1. 75. The underwriters exercised their over- allotment option and on January 5, 2023, we issued an additional 187, 000 shares of its common stock at a price of $ 1. 40 per share. We received net proceeds of $ 1, 621, 459 for the issuance of a total of 1, 434, 000 shares of common stock in both the initial and over- allotment offering. In conjunction with the exercise of the over- allotment, the Company issued the underwriter and its designees warrants to purchase 9, 350 shares of our common stock with an exercise price of $ 1. 75. 32 On May 23, 2023, we entered into a securities purchase agreement with certain institutional investors, pursuant to which the Company agreed to issue and sell to such investors, in a registered direct offering (the " Offering "), 1, 100, 000 shares (the " Shares ") of the Company' s common stock, par value $ 0. 001 per share (the " Common Stock "), at a price of $ 1. 55 per Share, for aggregate gross proceeds of $ 1, 705, 000, before deducting the placement agent' s fees and other offering expenses payable by the Company. The Offering closed on May 25, 2023. The Shares were offered and issued and sold pursuant to the Company' s shelf registration statement on Form S- 3 (File 333- 267921), filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, on October 18, 2022 and declared effective on October 26, 2022. With the use of proceeds, we paid our secured lender $ 350, 000 in principal plus accrued interest of $ 17, 167. 23 to retire all outstanding obligations to the secured lender. On July 24, 2023 the Company completed an underwritten public offering of 1, 725, 000 shares of the Company' s common stock, at a price to the public of $ 0. 70 per share for aggregate gross proceeds of $ 1, 207, 500, before deducting underwriting discounts and offering expenses payable by the Company. In conjunction with this offering, the Company issued the underwriter, and its designees, warrants to purchase 86, 250 shares of our common stock at an exercise price of $ 0. 875.** We believe that our existing cash investment balances, ~~and~~ 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 Netcapital Advisors provides marketing and strategic advice** will be sufficient to meet our working capital and expenditure requirements for the next 12 months. Although we believe we have adequate sources of liquidity over the next 12 months, the success of our operations, the global economic outlook, and the pace of sustainable growth in our markets, in each case, in light of the market volatility and uncertainty as a result of the COVID- 19 pandemic, among other factors, could impact our business and liquidity.

Up to this point in time, we believe the pandemic has helped drive people to online investing, as we see regular monthly increases in users and dollars invested, and an increase in issuers seeking to use online fund- raising services in lieu of face- to- face meetings. **33** Year over Year Changes Net cash used in operating activities amounted to $ ~~3~~ **4** , ~~006~~ **617** , ~~667~~ **200** in fiscal ~~2022~~ **2023** , as compared to net cash used in operating activities of $ 3, ~~250~~ **006** , ~~868~~ **667** in fiscal ~~2021~~ **2022** . In fiscal ~~2022~~ **2023** , the primary sources of cash were net income of $ ~~3~~ **2** , ~~503~~ **954** , ~~530~~ **972, changes in deferred taxes of 680, 000, a realized loss on the sale of investments of 406, 060, a decrease in accounts receivable of $ 1, 039, 957** and stock- based compensation of $ ~~1~~ **269** , **577** ~~176, 058~~ . However, these items were offset by non- cash revenue from the receipt of equity of $ ~~2~~ **8** , ~~387~~ **110** , ~~500~~ **000** , **and** an unrealized gain on equity securities of $ ~~3, 275, 745 debt forgiveness of $~~ 1, ~~904~~ **857** , **500** ~~302 and an increase in accounts receivable of $ 1, 153, 598~~ . In fiscal ~~2021~~ **2022** , the primary sources of cash were net income of $ ~~1~~ **3** , ~~469~~ **503** , ~~660~~ **530** and stock- based compensation of $ ~~680~~ **1** , ~~611~~ **176, 058** . However, these items were offset by non- cash revenue from the receipt of equity of $ 2, ~~319~~ **387** , ~~532~~ **500** , an unrealized gain on equity securities of $ ~~2~~ **3** , ~~571~~ **275** , ~~494~~ **745 debt forgiveness of $ 1, 904, 302** and an increase in accounts receivable of $ 1, ~~417~~ **153** , ~~257~~ **598** . In fiscal ~~2022, net cash used in investing activities amounted to $ 319, 166, consisting of loans to affiliates of $ 202~~ **2023** ~~, 000 and an investment in an affiliate of $ 117, 166. In fiscal 2021~~ , net cash provided by investing activities amounted to $ ~~242~~ **200** , **000** ~~025. Proceeds~~ from the ~~purchase~~ **sale** of ~~a subsidiary~~ **an investment. In fiscal 2022, net cash used in investing activities amounted to $ 319, 166, consisting of loans to affiliates of $ 202, 000 and an investment in an affiliate of $ 117, 166. In fiscal 2023, net cash** provided ~~cash of~~ **from financing activities amounted to** $ ~~364~~ **4** , ~~939~~ **512, 716, which included proceeds from the sale of common stock of $ 5, 570, 576** , which was offset by a ~~use~~ **payment** of ~~cash of~~ $ ~~122~~ **7** , ~~914 as~~ **860 for a related party note,** ~~an~~ **and** ~~investment in an affiliate~~ **payment of $ 1, 050, 000 to a secured lender** . In fiscal 2022, net cash provided by financing activities amounted to $ 1, 325, 799. Cash proceeds were received of $ 300, 000 from the sale of two convertible notes, $ 400, 000 from borrowing from our secured lender and $ 625, 799 from the sale of stock subscriptions. In fiscal ~~2021~~ **2023** ~~, net cash provided by financing activities totaled $ 5, 471, 596. Proceeds from loans amounted to $ 4, 271, 600~~ and ~~proceeds from stock subscriptions totaled $ 1, 199, 996. In fiscal~~ 2022 ~~and 2021~~ , there were no expenditures for capital assets. We do not anticipate any capital expenditures in the next fiscal year. New Accounting Standards The new accounting pronouncements in Note 1 to our financial statements, which are included in this Report, are incorporated herein by reference thereto. Critical Accounting Policies and Estimates The preparation of financial statements in conformity with generally accepted accounting principles (" GAAP ") in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. The most significant estimates include: ● revenue recognition and estimating allowance for doubtful accounts; ● valuation of long- lived assets; and ● ~~income tax~~ valuation ~~allowance~~ **of intangible assets** . We continually evaluate our accounting policies and the estimates we use to prepare our financial statements. In general, the estimates are based on historical experience, on information from third party professionals and on various other sources and assumptions that are believed to be reasonable under the facts and circumstances at the time such estimates are made. Management considers an accounting estimate to be critical if: ● it requires assumptions to be made that were uncertain at the time the estimate was made; and ● changes in the estimate, or the use of different estimating methods, could have a material impact on our consolidated results of operations or financial condition. **34** Actual results could differ from those estimates. Significant accounting policies are described in Note 1 to our financial statements, which are included in this Report. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP. There are also areas in which management' s judgment in selecting any available alternative would not produce a materially different result. Certain of our accounting policies are deemed " critical ", as they require management' s highest degree of judgment, estimates and assumptions. The following critical accounting policies are not intended to be a comprehensive list of all of our accounting policies or estimates: Revenue Recognition The Company recognizes service revenue from its consulting contracts and its 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. ~~34~~ **35** Allowance for Doubtful Accounts In order to record the Company' s accounts receivable at their net realizable value, the Company must assess their collectability. A considerable amount of judgment is required in order to make this assessment, including an analysis of historical bad debts and other adjustments, a review of the aging of the Company' s receivables, and the current creditworthiness of the Company' s customers. Generally, when a customer account reaches a certain level of delinquency, the Company provides an allowance for the related amount receivable from the customer. The Company writes off the accounts receivable balance from a customer and the related allowance established when it believes it has exhausted all reasonable collection efforts. Net accounts receivable of $ **1, 388, 500 and $** 2, 433, 900 ~~and $ 1, 356, 932~~ were recorded at April 30, **2023 and** 2022 ~~and 2021~~ , respectively, and an allowance for doubtful accounts of $ **91, 955 and $** 136, 955 ~~and $ 60, 325~~ were recorded at April 30, **2023 and** 2022 ~~and 2021~~ , respectively. Impairment of Long- Lived Assets Financial Accounting Standards Board (" FASB ") authoritative guidance requires that certain assets be reviewed for impairment and, if impaired, remeasured at fair value whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Impairment loss estimates are primarily based upon management' s analysis and review of the carrying value of long- lived assets at each balance sheet date, utilizing an undiscounted future cash flow calculation. We did not recognize an impairment loss in fiscal **2023 and** 2022 ~~and 2021~~ . Income Taxes We estimate the degree to which tax assets and loss carryforwards will result in a benefit based on expected profitability by tax jurisdiction. A valuation allowance for such tax assets and loss carryforwards is provided when it is determined that such assets will more likely than not go unused. If it becomes more likely than not that a tax asset or loss carry- forward will be used, the related valuation allowance on such assets is reversed. Off- Balance Sheet Arrangements We have no off- balance sheet arrangements. Information About Market Risk We are not subject to fluctuations in interest rates, currency exchange rates or other financial market risks. We have not made any sales, purchases or commitments with foreign entities which would expose us to currency risks. **36** ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK. ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA. Our Consolidated Financial Statements required by this Item are included herein, commencing on page F- 1. ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE. Not applicable. ITEM 9A. CONTROLS AND PROCEDURES. (a) Evaluation of Disclosure Controls and Procedures The Company' s management, with the participation of the Principal Executive Officer (the " PEO ") and Principal Financial Officer (the " PFO "), has evaluated the effectiveness of the Company' s disclosure controls and procedures (as defined in SEC Rule 13a- 15 (e)) as of April 30, ~~2022~~ **2023** . Based on that evaluation, the PEO and the PFO concluded that, as of April 30, ~~2022~~ **2023** , such controls and procedures were effective. (b) Management' s Assessment of Internal Control over Financial Reporting Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Exchange Act Rules 13a- 15 (f). A system of internal control over financial reporting is a process designed 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. Under the supervision and with the participation of management, including the PEO and the PFO, the Company' s management has evaluated the effectiveness of its internal control over financial reporting as of April 30, ~~2022~~ **2023** , based on the criteria established in a report entitled " 2013 Internal Control- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission " and the interpretive guidance issued by the Commission in Release No. 34- 55929. Based on this evaluation, the Company' s management has evaluated and concluded that the Company' s internal control over financial reporting was effective as of April 30, ~~2022~~ **2023** . This annual report does not include an attestation report of the Company' s independent registered public accounting firm regarding internal control over financial reporting. The Company' s registered public accounting firm was not required to issue an attestation on its internal controls over financial reporting pursuant to the rules of the SEC. The Company will continue to evaluate the effectiveness of internal controls and procedures on an ongoing basis. (c) Changes in Internal Control over Financial Reporting There have been no changes in our internal controls over financial reporting (as such term is defined in Rule 13a- 15 (f) and 15d- 15 (f) under the Securities Exchange Act) during the quarter ended April 30, ~~2022~~ **2023** that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. ITEM 9B. OTHER INFORMATION. None. ~~36~~ ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS. Not Applicable. **37** PART III ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE. Directors and Executive Officers The following table and biographical summaries set forth information, including principal occupation and business experience, about our directors and executive officers as of July ~~29~~ **26** , ~~2022~~ **2023** . Our executive officers and directors are as follows: Officer or Name Age Position Director Since **Martin** ~~Cecilia LenkChairman of the Board, President~~ **KayPresident** and Chief Executive Officer **, Director May 2022 Cecilia LenkDirector, CEO of Netcapital Advisors Inc.** July 2017 ~~Martin KayDirector May 2022~~ Avi LissSecretary and Director August 2010 Steven GearyDirector June 2006 **Arnold ScottDirector November 2022** Coreen KrayslerChief Financial Officer September 2017 Jason ~~FrishmanCEO~~ **FrishmanFounder** of Netcapital Funding Portal Inc. November 2020Our directors serve in such capacity until the first annual meeting of our shareholders and until their successors have been elected and qualified. Our officers serve at the discretion of our board of directors, until their death, or until they resign or have been removed from office. Executive Officers and Directors ~~Cecilia Lenk~~ **Martin Kay** , **Director** ~~Chairman of the Board, President~~ and Chief Executive Officer **37 Martin Kay,Director** Martin Kay has served as a Director of the Company since May 2022 ~~and as our Chief Executive Officer since January 2023~~ . ~~He was formerly~~ **Mr.Kay is currently** a Managing Director at Accenture Strategy,a position he **has** held ~~from~~ **since** October 2015 ~~until December 2022 and~~ **.Mr.Kay** holds a BA in physics from Oxford University and an MBA from Stanford University Graduate School of Business.Mr.Kay is an experienced C- suite advisor and digital media entrepreneur,working at the intersection of business and technology.His experience includes oversight of our funding portal when he served on the board of managers of Netcapital Systems LLC from 2017 – 2021 **.** Cecilia Lenk has served as **a director since July 2017. She served as** our ~~Chairman of the Board and~~ Chief Executive Officer ~~since~~ **from** July 2017 **to January 2023** and **currently serves** ~~was~~ **as** ~~appointed President in June 2022~~ **the Chief Executive Officer of our wholly owned subsidiary, Netcapital Advisors Inc** . Prior to that, she worked as a self- employed business consultant and a town councilor in Watertown, MA for five years. **38** Ms. Lenk has specialized in technology and health care. Formerly Vice President of Technology and Digital Design at Decision Resources Inc., a global company serving the biopharmaceutical market, she oversaw the implementation of new technologies, products, and business processes. Prior to joining Decision Resources, Cecilia founded a technology firm that built a patented platform for online research. She has managed large- scale technology projects for leading corporations, universities, government agencies, and major non- profit organizations. Ms. Lenk has a Ph. D. in Biology from Harvard University and a B. A. from Johns Hopkins University in Geography and Environmental Engineering. She has served on a number of non- profit boards, including Chair of the Johns Hopkins Engineering Alumni. She is currently on the Alumni Advisory Board for the Hopkins School of Engineering. Ms. Lenk brings to our Board key leadership experience in high- growth technology companies and possesses a strong mix of strategic, finance, and operating skills. 37 Martin Kay, Director Martin Kay...... Systems LLC from 2017 – 2021. Avi Liss, Director and Secretary Avi Liss has served as a Director and Secretary of the Company since August 2010. From August 2009 to present, he has served as the President of Liss Law, LLC, a law firm specializing in real estate conveyances. Prior to founding Liss Law, he worked as a judicial law clerk for the Honorable Stephen S. Mitchell, a bankruptcy court judge for the Eastern District of Virginia. Mr. Liss is well qualified to serve as a director of the company due to his knowledge and working experience with legal governance matters. Steven Geary, Director Steven Geary has served as a Director of the Company since June 2006. Since 2009, he has served in several management positions at Statera and is currently the Vice President of Strategy and Business Development. From 2008 to 2009, he was the Chief Executive Officer of ImproveSmart, Inc. From April 2006 to June 2008, he served as our President and Chief Operating Officer, and as our Chief Executive Officer from June 2008 to December 2009. Mr. Geary has significant business development and brand marketing expertise in consumer products and services **. Arnold Scott, Director Arnold Scott has served as a Director of the Company since December 2022. In addition, Mr. Scott currently serves as a founding member of the Boston Chapter of the Private Directors Association, a position he has held since 2020. Previously, he served as a director of ChipBrain, a position he held from 2021- 2022, a director and Vice Chairman of First Commons Bank from 2008- 2017, as a director of Perillon Software from 2015- 2019 and as a manager on the board of managers of Netcapital Systems LLC from 2017- 2020, an affiliate and shareholder of Netcapital Inc. In addition, he previously has served as a member of the board of trustees of Alderson Broaddus University from 2013 to 2020. He has also served on several advisory boards including Vestmark, Successimo, ai Resources, and The Capital Network** . Coreen Kraysler, CFA, Chief Financial Officer Coreen Kraysler has served as the Chief Financial Officer of the Company since September 2017. Ms. Kraysler is a **CFA Charterholder** ~~Chartered Financial Analyst~~ with over 30 years of investment experience. Formerly a Senior Vice President and Principal at Independence Investments, she managed several 5- star rated mutual funds as well as institutional accounts and served on the Investment Committee. She also worked at Eaton Vance as a Vice President, Equity Analyst on the Large and Midcap Value teams. A specialist in financial services, household and consumer products, she guest lectures at local colleges and universities. She received a B. A. in Economics and French, ~~Cum~~ **cum** ~~Laude~~ **laude** , from Wellesley College and a Master of Science in Management from MIT Sloan. Jason Frishman, ~~CEO~~ **Founder** of Netcapital Funding Portal Inc. Jason Frishman is the ~~founder~~ **Founder** and ~~CEO~~ **former Chief Executive Officer** of **our funding portal subsidiary,** Netcapital Funding Portal Inc. **Mr. Frishman founded Netcapital Funding Portal Inc.** ~~and serves as a mentor and advisor for early stage companies in order~~ to help reduce the systemic inefficiencies early- stage companies face in securing capital. He currently holds advisory positions at leading organizations in the financial technology ecosystem and has spoken as an external expert at Morgan Stanley, University of Michigan, YPO, and others. ~~Jason~~ **Mr. Frishman** has a background in the life sciences and previously conducted research in medical oncology at the Dana Farber Cancer Institute and cognitive neuroscience at the University of Miami, where he graduated summa cum laude with a B. S. in Neuroscience. ~~38~~ **39** Term of Office All our directors will hold office until their successors have been elected and qualified or appointed or the earlier of their death, resignation or removal. Executive officers are appointed and serve at the discretion of the Board. Family Relationships There are no family relationships among our directors or officers. Board Composition Our bylaws provide that the size of our Board will be determined from time to time by resolution of our Board. Currently, the ~~board~~ **Board** comprises ~~four~~ **five** members, three of whom qualify as " independent " directors under any applicable standard. Election of Directors Our bylaws provide that members of our board or directors will be elected by a majority vote of our stockholders. Director Independence Our common stock is currently quoted on the Nasdaq Capital Market. Nasdaq Rule 5065 (b) requires that " [a] majority of the board of directors must be comprised of Independent Directors as defined in Rule 5605 (a) (2). " Pursuant to these requirements, Avi Liss, ~~Martin Kay~~ **Arnold Scott** , and Steven Geary are independent members of our Board. Arrangements between Officers and Directors Except as set forth herein, to our knowledge, there is no arrangement or understanding between any of our officers or directors and any other person pursuant to which the officer or director was selected to serve as an officer or director. Involvement in Certain Legal Proceedings We are not aware of any of our directors or officers being involved in any legal proceedings in the past ten years relating to any matters in bankruptcy, insolvency, criminal proceedings (other than traffic and other minor offenses), or being subject to any of the items set forth under Item 401 (f) of Regulation S- K. Board Meetings and Committees; Management Matters Board Committees The Company' s Board has three standing Nasdaq compliance committees: Audit, Compensation, and Nominating and Corporate Governance. Our audit committee consists of Avi Liss, ~~Martin Kay~~ **Arnold Scott** , and Steven Geary. Each of the committees operates pursuant to its charter. The committee charters are reviewed annually by the Nominating and Corporate Governance Committee. If appropriate, and in consultation with the chairs of the other committees, the Nominating and Corporate Governance Committee may propose revisions to the charters. The responsibilities of each committee are described in more detail below. Our Board **committees** took actions by written consent on ~~five~~ **three** occasions during the fiscal year ended April 30, ~~2022~~ **2023** . No fees are paid to directors for attendance at meetings or for agreeing to a unanimous consent or the Board. ~~39~~ **40** Compensation Committee Our Compensation Committee consists of Avi Liss, ~~Martin Kay~~ **Arnold Scott** , and Steven Geary. The Compensation Committee oversees our compensation policies, plans and programs, and to review and determine the compensation to be paid to our executive officers and directors. In addition, the Compensation Committee has the authority to act on behalf of the Board in fulfilling the Board' s responsibilities with respect to compensation- based and related disclosures in filings as required by the Securities and Exchange Commission. This committee ~~had no meetings in~~ **took action by written consent on two occasions during the** fiscal **year ended April 30,** ~~2022~~ **2023** . ~~Nominating and Corporate Governance Committee~~ Our Nominating and Governance Committee consists of Avi Liss, ~~Martin Kay~~ **Arnold Scott** , and Steven Geary. The Nominating and Corporate Governance Committee (i) oversees our corporate governance functions on behalf of the Board; (ii) makes recommendations to the Board regarding corporate governance issues; (iii) identifies and evaluates candidates to serve as our directors consistent with the criteria approved by the Board and reviews and evaluates the performance of the Board; (iv) serves as a focal point for communication between director candidates, non- committee directors and management; (v) selects or recommends to the Board for selection candidates to the Board, or, to the extent required below, to serve as nominees for director for the annual meeting of shareholders; and (vi) makes other recommendations to the Board regarding affairs relating to our directors. This committee ~~held no~~ **took actions by written consent on fifteen occasions during the fiscal year ended April 30, 2023. No fees are paid to directors for attendance at** meetings ~~in fiscal 2022~~ **or for agreeing to a unanimous consent** . Audit Committee Our Audit Committee members consist of ~~Martin Kay~~ **Arnold Scott** , Avi Liss and Steven Geary. Each of the members of our Audit Committee is an independent director under the Nasdaq listing rules, satisfies the additional independence criteria for Audit Committee members and satisfies the requirements for financial literacy under the Nasdaq listing rules and Rule 10A- 3 of the Exchange Act, as applicable. Our board has also determined that Mr. Geary qualifies as an Audit Committee financial expert within the meaning of the applicable rules and regulations of the SEC and satisfies the financial sophistication requirements of the Nasdaq listing rules. Our Audit Committee oversees our corporate accounting and financial reporting process and assists our Board in monitoring our financial systems and our legal and regulatory compliance. Our Audit Committee also: ● oversees the work of our independent auditors; ● approves the hiring, discharging and compensation of our independent auditors; ● approves engagements of the independent auditors to render any audit or permissible non- audit services; ● reviews the qualifications, independence and performance of the independent auditors; ● reviews our financial statements and our critical accounting policies and estimates; ● reviews the adequacy and effectiveness of our internal controls; ● reviews our policies with respect to risk assessment and risk management; ● reviews and monitors our policies and procedures relating to related person transactions; and ● reviews and discusses with management and the independent auditors the results of our annual audit, our quarterly financial statements and our publicly filed reports. ~~40~~ **41** Our Audit Committee operates under a written charter approved by our Board and that satisfies the applicable rules and regulations of the SEC and the listing requirements of Nasdaq. The charter is available on the corporate governance section of our website, which is located at www. netcapitalinc. com ~~41~~ Code of Ethics We have adopted a Code of Ethics and Business Conduct applicable to our directors, officers and employees, in accordance with Section 406 of the Sarbanes- Oxley Act, the rules of the SEC promulgated thereunder, and the Nasdaq listing rules. We have filed a copy of our form of the Code of Ethics and Business Conduct as an exhibit to the registration statement ~~of which this prospectus is a part~~ **on Form S- 1 / A filed on April 8, 2022** . You will be able to review this document by accessing our public filings at the SEC' s website at www. sec. gov. In addition, a copy of the Code of Ethics and Business Conduct will be provided without charge upon request from us. ~~See the section of this prospectus entitled " Where You Can Find Additional Information. "~~ If we make any amendments to our Code of Ethics and Business Conduct other than technical, administrative or other non- substantive amendments, or grant any waiver, including any implicit waiver, from a provision of the Code of Ethics and Business Conduct applicable to our principal executive officer, principal financial officer principal accounting officer or controller or persons performing similar functions requiring disclosure under applicable SEC or Nasdaq rules, we will disclose the nature of such amendment or waiver in a Current Report on Form 8- K. We also intend to post any amendments to our Code of Ethics and Business Conduct, or any waivers of its requirements, on our website, www. netcapitalinc. com. Limitation of liability and indemnification matters Our articles of incorporation contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Utah law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, unless the director engaged in gross negligence, willful misconduct or intentional infliction of harm on the corporation or its shareholders, or an intentional violation of criminal law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our Board. With specified exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these provisions in our articles of incorporation and the indemnification agreements are necessary to attract and retain qualified persons as directors and officers. The limitation of liability and indemnification provisions included in our articles of incorporation may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and our stockholders. Further, a stockholder' s investment may be adversely affected to the extent that we pay the costs of settlement and damage. Section 16 (a) Beneficial Ownership Reporting Compliance Section 16 (a) of the Exchange Act of 1934, requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities (" 10 % Shareholders "), to file with the Commission initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Officers, directors and 10 % Shareholders are required by Commission regulation to furnish us with copies of all Section 16 (a) forms they file. To our knowledge, based solely upon a review of Form 3, 4, and 5 filed with the SEC during the fiscal year ended April 30, ~~2022~~ **2023** , we believe that, except as set forth below, our directors, executive officers, and greater than 10 % Shareholders have complied with all applicable filing requirements for the fiscal year ended April 30, ~~2022~~ **2023** . ● Avi Liss failed to timely report ~~1~~ **one** transaction on a Form 4 **, which** ~~. ● Avi Liss failed to~~ report **has now been filed** ~~his insider status on time on a Form 3~~ . ● Steven Geary failed to ~~report his insider status on time on a Form 3. ● Steven Geary failed to~~ timely report ~~1~~ **two transactions on a Form 4, which reports have now been filed. ● Arnold Scott failed to timely report one** transaction on a Form 4 **, which report has now been filed** . ● ~~Martin Kay~~ **Cecilia Lenk** failed to **timely** report **one transaction** ~~his insider status~~ on ~~time on~~ a Form ~~3~~ **4, which report has now been filed** . 42 ITEM 11. EXECUTIVE COMPENSATION. **Summary Compensation Table** The following table sets forth, for the fiscal years indicated, all compensation awarded to, earned by or paid to **Martin Kay, our CEO (since January 3, 2023),** Cecilia Lenk, our **former** ~~Chief~~ **chief** ~~Executive~~ **executive** ~~Officer~~ **officer (until January 3, 2023)** , Coreen Kraysler, our **CFO** ~~Chief Financial Officer~~ , Carole Murko, our former Chief Marketing Officer and Jason Frishman, **Founder and former** Chief Executive Officer of our wholly owned subsidiary Netcapital Funding Portal, Inc., or, collectively, the Named Executive Officers, or NEOs **. We have no other executive officers** . Summary Executive Compensation Table Non- equity Change in pension value and nonqualified Name incentive deferred and Stock Option plan compensation All other principal Salary Bonus awards awards compensation earnings compensation Total position Fiscal Year ($) ($) ($) (1) ($) ($) ($) ($) ($) **Martin Kay, CEO (Since January 3, 2023) 94, 615 — 81, 309 — — — 175, 924** Cecilia **Lenk CEO (until January 3,** ~~2022~~ **2023 and CEO of Netcapital Advisors since January 3, 2023) 142, 500 — — 4, 833 — — — 147, 333** 96, 000 ~~0 —~~ 40, 608 5, 825 ~~0 0 0 — — —~~ 142, 433 ~~Lenk, CEO 2021 81, 431 0 161, 107 0 0 0 0 242, 538~~ Coreen ~~2022~~ **164, 135 25, 000 25, 927 215, 062 Kraysler, CFO** 96, 000 ~~0~~ 40, 608 11, 649 ~~0 0 0~~ 148, 257 ~~Kraysler,~~

~~CFO 2021 81, 431 0 161, 107 0 0 0 0 242, 538~~ Carole Murko, former CMO (until January 7, 2022) (2) ~~2022~~ 73, 688 ~~0~~ **—** 109, 547 ~~0 0 0 0~~ **— — — —** 183, 235 ~~2021 88, 431 0 31, 693 0 0 0 0 120, 124~~ Jason Frishman, **Founder, (and former** CEO **of** Netcapital Funding Portal **, until February 9,** ~~2022~~ **2023) 166, 173 25, 000 — 25, 927 — — — 217, 100** 96, 000 ~~0 0~~ 11, 649 **— —** ~~0 0 0~~ 107, 649 **43** ~~2021 114, 284 0 0 0 0 0 0 114, 284~~ (1) Represents the dollar amount of vested equity awards during the fiscal year. (2) Ms. Murko received severance of $ 7, 384. 50 and her 8, 885 unvested shares vested upon termination, both pursuant to a separation agreement. ~~43~~ Outstanding Equity Awards At End Of ~~2022~~ **2023** The following table provides information about outstanding stock options issued by the Company held by each of our NEOs as of April 30, ~~2022~~ **2023** . None of our NEOs held any other equity awards from the Company as of April 30, ~~2022~~ **2023** . Option Awards Stock Awards Name Number of Securities Underlying Unexercised Options (#) Exercisable Number of Securities Underlying Unexercised Options (#) Unexercisable Option Exercise Price ($) Option Expiration Date Number of Shares of Stock That Has Not Yet Vested Market Value of Stock that has not Yet Vested **Martin Kay 83, 332 916, 668 1. 43 1 / 3 / 2033** Cecilia Lenk ~~9~~ **19** , ~~375~~ **583 1. 40 4 / 25 / 2033 3, 120 6, 880** 10. 50 2 / 9 / 2032 Coreen Kraysler **16, 668 183, 332** 1 **. 43 1 / 3 / 2033 6** , ~~250 18~~ **255 13** , ~~750~~ **745** 10. 50 2 / 9 / 2032 Jason Frishman **16, 668 183, 332** 1 **. 43 1 / 3 / 2033 6** , ~~250 18~~ **255 13** , ~~750~~ **745** 10. 50 2 / 9 / 2032 ~~0~~ **44** Director Compensation We have not paid any cash compensation to our directors in their capacity as such. On February 9, 2022, we issued to each of our then three independent board members, options to purchase 5, 000 shares of common stock under the 2021 Equity Incentive Plan which will be exercisable at a per share exercise price of $ 10. 50, that ~~is~~ **was** out- of- the- money at time of issuance and ~~expire~~ **expires ten years after the date of grant. On April 25, 2023, we granted to each of our three current independent board members, options to purchase 20, 000 shares of common stock under the 2023 Omnibus Equity Incentive Plan which will be exercisable at a per share exercise price of $ 1. 40, that was out- of- the- money at time of issuance and expires** ten years after the date of grant. We issued Avi Liss 10, 000 shares of our common stock valued at $ 7. 50 per share on November 18, 2021 in consideration of his services as a director of the Company **.** Officer Compensation **We** ~~Beginning in fiscal 2021, we~~ pay each of our Named Executives Officers ~~an annual~~ **a combination of a cash** salary **and** ~~of $ 96, 000 per annum. Each Named Executive Officer has also received varying amounts of~~ equity awards for their services ~~. In addition to base pay, Carole Murko earned commissions on certain transactions~~ . Employment Agreements We currently have employment agreements with **Martin Kay and Coreen Kraysler. Prior to the resignations of** Cecilia Lenk **on January 3 , 2023** ~~Coreen Kraysler~~ and Jason Frishman ~~as~~ **on February 9, 2023, we and our Netcapital Funding Portal subsidiary had employment agreements with each of them, respectively. Cecilia Lenk is currently the Chief Executive Officer of our wholly owned subsidiary and Jason Frishman holds the position of Founder of Netcapital Inc. The former employment agreements of Cecilia Lenk and Jason Frishman are** described below. Prior to the termination of Carole Murko on January 7, 2022, we had an employment agreement with her as described below: **Employment Agreement with Martin Kay We entered into an employment agreement with Martin Kay on January 3, 2023, pursuant to which we employ Mr. Kay as our Chief Executive Officer. Under the Employment Agreement, Mr. Kay is eligible to (a) receive an annual base salary of $ 300, 000; (b) receive an option grant to purchase 100, 000 fully vested shares of the Company pursuant to the 2023 Plan and an option grant to purchase 1, 000, 000 shares of the Company, which vest monthly over four (4) years pursuant to an option award agreement, described below, and in each case subject to the 2023 Plan; (c) receive periodic bonuses or additional salary in the discretion of the Board or compensation committee; (d) receive. 005 times the gross revenue paid in cash annually so long as the Company reports positive earnings after the bonus is paid; (d) participate in the Company' s fringe benefits, health and welfare plans, and pension and / or profit sharing plans provided to executives; (e) receive reimbursement for all reasonable business expenses; and f) receive sick leave, sick pay, and disability benefits in accordance with Company policy. Mr. Kay' s employment agreement, which has a three- year term, may be terminated upon the occurrence of the death of Mr. Kay, at any time by Mr. Kay, by the Company due to disability, by the Company for " cause ", and by Mr. Kay for " good reason ". Mr. Kay' s employment agreement also contains provisions regarding, among other things, a six (6)- month non- competition provision, confidential information, governing law, and covenants governing Mr. Kay' s conduct.** Employment Agreement with Cecilia Lenk We entered into an employment agreement with Cecilia Lenk on June 23, 2022 pursuant to which we ~~employ~~ **employed** Ms. Lenk as **CEO of** our **wholly owned subsidiary** ~~President and Chief Executive Officer~~ . The term of her agreement ends on June 23, 2025. The ~~Agreement~~ **agreement** ~~provides~~ **provided** for an annual base salary during the term of the agreement of $ 96, 000, which **was** ~~will be~~ increased to $ 150, 000 upon completion of ~~this~~ **a public** offering **in July 2022** . Ms. Lenk ~~is~~ **was** eligible for periodic bonuses or for additional salary in addition to her base salary, as may be determined by our board of directors or the compensation committee. The agreement also ~~contains~~ **contained** the following material provisions: eligible to participate in all employee fringe benefits and any pension and / or profit share plans; eligible to participate in any medical and health plans; entitled to sick leave, sick pay and disability benefits; entitled to reimbursement for all reasonable and necessary business expenses. Ms. Lenk agreed to non- compete and non- solicit terms under her agreement. ~~44~~ **45** Employment Agreement with Coreen Kraysler We entered into an employment agreement with Coreen Kraysler on June 23, 2022 pursuant to which we employ Ms. Kraysler as our Chief Financial Officer. The term of her agreement ends on June 23, 2025. The agreement provides for an annual base salary during the term of the agreement of $ 96, 000, which **was** ~~will be~~ increased to $ 150, 000 upon completion of ~~this~~ **a public** offering **in July 2022, and increased to $ 225, 000 in January 2023** . Ms. Kraysler is eligible for periodic bonuses or for additional salary in addition to her base salary, as may be determined by our board of directors or the compensation committee. The agreement also contains the following material provisions: eligible to participate in all employee fringe benefits and any pension and / or profit share plans; eligible to participate in any medical and health plans; entitled to sick leave, sick pay and disability benefits; entitled to reimbursement for all reasonable and necessary business expenses. Ms. Kraysler agreed to non- compete and non- solicit terms under her agreement. Employment Agreement with Jason Frishman We entered into an employment agreement with Jason Frishman on June 23 2022 pursuant to which we ~~employ~~ **employed** Mr.

Frishman **, our Founder,** as Chief Executive Officer of Netcapital Funding Portal, Inc. The term of his agreement ends on June 23, 2025. The Agreement ~~provides~~ **provided** for an annual base salary during the term of the agreement of $ 96, 000, which **was** ~~will be~~ increased to $ 150, 000 upon completion of ~~this~~ **a public** offering **in July 2022, and increased to $ 225, 000 in January 2023** . Mr. Frishman is eligible for periodic bonuses or for additional salary in addition to his base salary, as may be determined by our board of directors or the compensation committee. The agreement also ~~contains~~ **contained** the following material provisions: eligible to participate in all employee fringe benefits and any pension and / or profit share plans; eligible to participate in any medical and health plans; entitled to sick leave, sick pay and disability benefits; entitled to reimbursement for all reasonable and necessary business expenses. Mr. Frishman agreed to non- compete and non- solicit terms under his agreement. Employment Agreement with Carole Murko We entered into an employment agreement with Carole Murko on March 10, 2020 pursuant to which we employed Ms. Murko as our Director of Business Development. The agreement was for an initial term of four years. The agreement provided for an annual base salary during the term of the agreement of $ 1. 00 plus a commission of 20 % of the cash collected from revenues generated directly by Ms. Murko plus an unvested grant of stock- based compensation of 12, 500 shares (after giving effect to the November 2020 1- for- 2000 reverse stock split) of restricted stock. The stock vested over a 48 month period in equal installments of 260 shares per month. Ms. Murko ~~is~~ **was** eligible for periodic bonuses or for additional salary in addition to her base salary. The agreement also contained the following material provisions: eligible to participate in all employee fringe benefits and any pension and / or profit share plans; eligible to participate in any medical and health plans; entitled to up to eight weeks of paid time off; entitled to sick leave, sick pay and disability benefits; entitled to reimbursement for all reasonable and necessary business expenses. If Ms. Murko was to be terminated for any reason other than " cause " prior to the end of her term, then the Company will have no claim on the unvested portion of her 12, 500 shares. If Ms. Murko resigned without " good reason " or retired before the end of her term, the unvested shares would have been returned to the Company. Ms. Murko agreed to non- compete and non- solicit terms under her agreement. Potential Payments Upon Termination Or Change In Control ~~In the event that Ms. Lenk' s employment is terminated by us for any reason other than " cause " or by Ms. Lenk for " good reason, " then we will have no claims to the 10, 000 shares of common stock underlying the stock option grant (and all unvested options under such grant shall immediately and fully vest) issued to Ms. Lenk in February 2022. 45~~ In the event that Ms. Kraysler' s employment is terminated by us for any reason other than " cause " or by Ms. Kraysler for " good reason, " then we will have no claims to the 20, 000 **and 200, 000** shares of common stock underlying the stock option grant (and all unvested options under such grant shall immediately and fully vest) issued to Ms. Kraysler in February 2022 ~~. In the event that Mr. Frishman' s employment is terminated by us for any reason other than " cause " or by Mr. Frishman for " good reason, " then we will have no claims to the 20, 000 shares of common stock underlying the stock option grant (~~ and **January** ~~all unvested options under such grant shall immediately and fully vest) issued to Mr. Frishman in February 2022~~ **2023 , respectively** . The following table sets forth quantitative information with respect to potential payments to be made to ~~either~~ Ms. ~~Lenk, Ms.~~ Kraysler ~~or Mr. Frishman~~ upon termination in various circumstances. The potential payments are based on the terms of each of the employment agreements discussed above. For a more detailed description of ~~the~~ **Ms. Kraysler' s** employment ~~agreements~~ - **agreement** , see the " Employment Agreements " section above. **46** Name Potential Payment Upon Termination Option Awards (#) ~~Cecilia Lenk 9~~ **Coreen Kraysler 197** , ~~375~~ **077** (1 ~~) Coreen Kraysler 18, 750 (2) Jason Frishman 18, 750 (3~~) (1) Represents the number of unvested options at April 30, ~~2022~~ **2023** ~~. Ms. Lenk' s options vest equally over a 48- month period. At April 30, 2022, there were 45 months remaining in her vesting schedule. The potential payment of shares subject to Ms. Lenk' s unvested options will reduce every month as her options vest and the value of her unvested options will be based on our market price at such time. (2) Represents the number of unvested options at April 30, 2022~~ . Ms. Kraysler' s options vest equally over a 48- month period. At April 30, ~~2022~~ **2023** , there were ~~45~~ **33** months remaining in her vesting schedule **for the options granted in February 2022 and 44 months remaining in her vesting schedule for the options granted in January 2023** . The potential payment of shares subject to Ms. Kraysler' s unvested options will reduce every month as her options vest and the value of her unvested options will be based on our market price at such time. **Pay Versus Performance As required by Section 953 (a) of the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 and Item 402 (v) of Regulation S- K, we are providing the following information about the relationship between executive compensation and certain financial performance metrics. The disclosure included in this section is prescribed by SEC rules and does not necessarily align with how we or the compensation committee view the link between financial performance and the compensation actually received or realized by our named executive officers. All information provided above under the " Pay Versus Performance " heading will not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing, except to the extent the Company specifically incorporates such information by reference. The table below presents information on the compensation of CEO and other named executive officers in comparison to certain performance metrics for 2023 and 2022. Martin Kay has been our CEO since January 3, 2023 and Cecilia Lenk was CEO for all of 2022 and through January 3, 2023. These metrics are not those that the compensation committee uses when setting executive compensation. The use of the term Compensation Actually Paid (CAP) is required by the rules and regulations of the SEC, and under such rules, CAP was calculated by adjusting the Summary Compensation Table, or SCT. Total values for the applicable year as described in the footnotes to the table. Year Summary Compensation Table Total for First PEO (Cecilia Lenk) (1) Summary Compensation Table Total for Second PEO (Martin Kay) (1) Compensation Actually Paid to First PEO (1) Compensation Actually Paid to Second PEO (1) Average Summary Compensation Table Total for Non- PEO Name Executive Officers (1) (2) Average Compensation Actually Paid to Non- PEO Name Executive Officers** (3) **Value** ~~Represents the number~~ of ~~unvested options at~~ **Initial Fixed $ 100 Investment Based on Total Shareholder Return Net Income (a) (b) (a) (b) (c) (d) $ 93, 461 175, 924 $ 43, 059 $ 1, 045, 940 $ 193, 165 $ 256,** 879 $ $ 2, 954, 972 $ 142, 433 $ — $ 154, 095 $ — $ 146, 380 $ 166, 022 $ 3, 503, 530 47 (1) The Principal Executive Officer (" PEO ") information reflected in columns (a) and (b) relates to our CEO, Cecilia Lenk (until January 3, 2023), or First PEO, and Martin Kay (from January 3. 2023 until April 30, ~~2022~~ 2023), or Second PEO . ~~Mr.~~ The non- Principal Executive Officer (" non- PEO ") NEOs information reflected in columns (c) and (d) above relates to our CFO Coreen Kraysler and founder of our Netcapital Funding Portal Subsidiary, Jason Frishman . (2) The amounts shown in this column are the average total compensation reported for the non- PEO NEOs, as applicable, for each corresponding year in the " Total " column of the Summary Compensation. Please refer to " Executive Compensation — Compensation Tables — Summary Compensation Table. " (3) The amounts shown have been calculated in accordance with Item 402 (v) of Regulation S- K and do not reflect compensation actually realized or received by the Company ' s PEO and non ~~options vest equally over a 48 - month period~~ PEO NEOs . In accordance with ~~At April 30, 2022, there --~~ the requirements of Item 402 (v) of Regulation S- K, adjustments were made ~~45 months remaining in his vesting schedule. The potential payment of shares subject~~ to ~~Mr~~ Ms . ~~Frishman~~ Lenk ' s ~~unvested options will reduce every month~~ and Mr. Kay' s total compensation, as applicable, ~~her options vest and the value of his unvested options will be based on our -~~ or ~~market price~~ the average total compensation of the non- PEO NEOs, as applicable, as described in the tables below. First PEO (Cecilia Lenk) SCT Total to CAP ReconciliationYear Summary Compensation Total Less Stock Awards Less Option Awards Fair Value Adjustments to SCT Total CAP $ 93, 461 $ — $ (4, 833) $ (45, 569) $ 43, 059 142, 433 (40, 608) (5, 825) 58, 095 154, 095 Second PEO (Martin Kay) SCT Total to CAP ReconciliationYear Summary Compensation Total Less Stock Awards Less Option Awards Fair Value Adjustments to SCT Total CAP $ 175, 924 $ — $ (81, 309) $ 951, 325 $ 1, 405, 940 — — — — — Average Non- PEO NEOs SCT Total to CAP ReconciliationYear Summary Compensation Total Less Stock Awards Less Option Awards Fair Value Adjustments to SCT Total CAP $ 193, 165 $ — $ (17, 285) $ 80, 999 $ 256, 879 146, 380 (50, 052) (7, 766) 77, 459 166, 022 48 First PEO (Cecilia Lenk) Equity Component of CAPYear Fair Value of Current Year Equity Awards at ~~such time.~~ December 31, Change in Fair Value of Prior Years' Awards Unvested at December 31, Change in Fair Value of Prior Years' Awards Vested through the Year Ended December 31, Change in Fair Value of Prior Years' Awards Failed to Vest through the Year Ended December 31, Equity Value Included in CAP (a) (b) (c) (d) (e) = (a) (b) (c) (d) $ — $ (33, 417) $ — $ (12, 152) $ (45, 569) 54, ~~46~~ 464 ~~Compensation~~ — 3, 631 — 58, 095 Second PEO (Martin Kay) Equity Component of CAPYear Fair Value of Current Year Equity Awards at December 31, Change in Fair Value of Prior Years' Awards Unvested at December 31, Change in Fair Value of Prior Years' Awards Vested through the Year Ended December 31, Change in Fair Value of Prior Years' Awards Failed to Vest through the Year Ended December 31, Equity Value Included in CAP (a) (b) (c) (d) (e) = (a) (b) (c) (d) 2023 $ 872, 048 $ — $ 79, 277 $ — $ 951, 325 2022 — — — — — Average Non- PEO NEOs Equity Component of CAPYear Fair Value of Current Year Equity Awards at December 31, Change in Fair Value of Prior Years' Awards Unvested at December 31, Change in Fair Value of Prior Years' Awards Vested through the Year Ended December 31, Change in Fair Value of Prior Years' Awards Failed to Vest through the Year Ended December 31, Equity Value Included in CAP (a) (b) (c) (d) (e) = (a) (b) (c) (d) $ 130, 998 $ (44, 556) $ 10, 759 $ (16, 202) $ 80, 999 72, 618 — 4, 841 — 77, 459 49 2021 Equity Incentive ~~Plans -~~ Plan and 2023 Omnibus Equity Incentive Plan The following table shows information regarding our equity compensation plans as of April 30, ~~2022~~ 2023 . Plan Category Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) Weighted average exercise price of outstanding options, warrants and rights (b) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (c) Equity compensation plans approved by security holders ~~— — —~~ (1) 1, 950, 000 $ 1. 42 50, 000 Equity compensation plans not approved by security holders (~~1~~ 2) ~~271~~ 252 , 000 $ 10. 50 ~~29~~ 48 , 000 Total ~~271~~ 2, 202 , 000 $ ~~10~~ 2 . ~~50 29~~ 46 98 , 000 (1) 2023 Omnibus Equity Incentive Plan. On January 3, 2023, the Board of Directors of the Company approved and adopted the Netcapital Inc., 2023 Omnibus Equity Incentive Plan (the " 2023 Plan "), subject to the approval of the 2023 Plan by the Company' s stockholders. The total number of Shares of Common Stock authorized for issuance under the 2023 Plan is (i) 2, 000, 000 Shares of Common Stock plus (ii) an annual increase on the first day of each calendar year beginning with May 1, 2024 and ending with the last May 1 during the initial ten- year term of the 2023 Plan, equal to the lesser of (A) five percent (5 %) of the Shares of Common Stock outstanding (on an as- converted basis, which shall include Shares issuable upon the exercise or conversion of all outstanding securities or rights convertible into or exercisable for Shares of Common Stock, including without limitation, preferred stock, warrants and employee options to purchase any Shares of Common Stock) on the final day of the immediately preceding calendar year and (B) such lesser number of Shares of Common Stock as determined by the Board; provided, that, Shares of Common Stock issued under the 2023 Plan with respect to an Exempt Award shall not count against such share limit. No more than 2, 000, 000 Shares, and as increased on an annual basis, on the first day of each calendar year beginning with May 1, 2024 and ending with the last May 1 during the initial ten- year term of the Plan, by the lesser of (A) five percent (5 %) of the shares of Common Stock outstanding (on an as- converted basis, which shall include Shares of Common Stock issuable upon the exercise or conversion of all outstanding securities or rights convertible into or exercisable for shares of Common Stock, including without limitation, preferred stock, warrants and employee options to purchase any shares of Common Stock) on the final day of the immediately preceding calendar year; (B) 300, 000 shares of Common Stock, and (C) such lesser number of shares of Common Stock as determined by the Board, shall be issued pursuant to the exercise of ISOs. As of April 30, 2023, we had awarded an aggregate of 1, 950, 000 options to purchase shares of common stock to directors and there remain 50, 000 shares for grant under the 2023 Plan. Administration. The 2023 Plan will be administered by the Board or a committee to which the Board delegates such responsibility (the " Administrator "). The 2023 Plan will be administered by the Administrator in accordance with Rule 16b- 3 of the Securities Exchange Act of 1934, as amended. The Administrator may interpret the 2023 Plan and may prescribe, amend and rescind rules and make all other determinations necessary

or desirable for the administration of the 2023 Plan. The 2023 Plan permits the Administrator to select the eligible recipients who will receive awards (" Awards "), to determine the terms and conditions of those awards, including but not limited to the exercise price or other purchase price of an award, the number of shares of common stock or cash or other property subject to an award, the term of an award and the vesting schedule applicable to an award, to determine the terms and conditions of written instruments evidencing such awards (an " Award Agreement ") and to amend the terms and conditions of outstanding awards. 50 Eligibility. Employees, directors and independent contractors of the Company or any of its affiliates of the Company will be eligible to receive Awards under the 2023 Plan, subject to certain limitations to avoid accelerated taxation and / or tax penalties under Section 409A of the Code. The participants in the 2023 Plan shall be selected from time to time by the Administrator, in its sole discretion, from those individuals that qualify as eligible recipients. Consideration for Awards. The purchase price for any Award granted under the 2023 Plan or the Common Stock to be delivered pursuant to any such Award, as applicable, may be paid by means of any lawful consideration as determined by the Administrator, including, without limitation, one or a combination of the following methods: ● services rendered by the recipient of such Award; ● cash, check payable to the order of the Company, or electronic funds transfer; ● notice and third party payment in such manner as may be authorized by the Administrator; ● the delivery of previously owned and fully vested Shares of Common Stock; ● by a reduction in the number of Shares otherwise deliverable pursuant to the Award; or ● subject to such procedures as the Administrator may adopt, pursuant to a " cashless exercise " with a third party who provides financing for the purposes of (or who otherwise facilitates) the purchase or exercise of Awards. Awards. The 2023 Plan permits the grant of: (a) stock options, which may be intended as incentive stock options (" ISOs ") or as nonqualified stock options (options not meeting the requirements to qualify as ISOs); (b) stock appreciation rights (" SARs "); (c) restricted stock; (d) restricted stock units; (e) cash incentive awards; or (f) other awards, including: (i) stock bonuses, performance stock, performance units, dividend equivalents, or similar rights to purchase or acquire Shares, whether at a fixed or variable price or ratio related to the Common Stock, upon the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or any combination thereof; or (ii) any similar securities with a value derived from the value of or related to the Common Stock and / or returns thereon. Adjustments. To the extent necessary to preserve the economic intent of an Award or of the 2023 Plan, following a " Change in Capitalization ", such other equitable substitutions or adjustments shall be made as may be determined by the Administrator, in its sole discretion. A " Change in Capitalization " means any of the following: (i) merger, consolidation, reclassification, recapitalization, spin- off, spin- out, repurchase or other reorganization or corporate transaction or event, (ii) special or extraordinary dividend or other extraordinary distribution (whether in the form of cash, Common Stock or other property), stock split, reverse stock split, share subdivision or consolidation, (iii) combination or exchange of shares or (iv) other change in corporate structure, which, in any such case, the Administrator determines, in its sole discretion, affects the Shares such that an adjustment would be appropriate. Options. Options granted under the 2023 Plan shall be designated as nonqualified stock options or ISOs. Each participant (" Participant ") who is granted an option (" Option ") shall enter into an Award Agreement with the Company, containing such terms and conditions as the Administrator shall determine, in its sole discretion, including, among other things, the Exercise Price (as defined in the 2023 Plan) of the Option, the term of the Option and provisions regarding exercisability of the Option, and whether the Option is intended to be an ISO or a nonqualified stock option (and in the event the Award Agreement has no such designation, the Option shall be a nonqualified stock option). The provisions of each Option need not be the same with respect to each Participant. More than one Option may be granted to the same Participant and be outstanding concurrently hereunder. The Exercise Price of Shares purchasable under an Option shall be determined by the Administrator in its sole discretion at the time of grant, but in no event shall the exercise price of an Option be less than one hundred percent (100 %) of the Fair Market Value of a Share of Common Stock on the date of grant. The maximum term of each Option shall be fixed by the Administrator, but no Option shall be exercisable more than ten (10) years after the date such Option is granted. The Administrator shall have the authority to accelerate the exercisability of any outstanding Option at such time and under such circumstances as the Administrator, in its sole discretion, deems appropriate. Each Option shall be exercisable at such time or times and subject to such terms and conditions, including the attainment of performance goals, as shall be determined by the Administrator in the applicable Award Agreement. 51 The Administrator may also provide that any Option shall be exercisable only in installments, and the Administrator may waive such installment exercise provisions at any time, in whole or in part, based on such factors as the Administrator may determine in its sole discretion. The Administrator shall have the authority to accelerate the exercisability of any outstanding Option at such time and under such circumstances as the Administrator, in its sole discretion, deems appropriate. Notwithstanding anything to the contrary in the 2023 Plan, if an ISO is granted to a participant who owns Shares representing more than ten percent (10 %) of the voting power of all classes of Shares of the Company at the time of grant, its " parent corporation " (as such term is defined in Section 424 (e) of the Code) or a subsidiary of the Company, the term of the ISO shall not exceed five (5) years from the time of grant of such ISO and the Exercise Price shall be at least one hundred and ten percent (110 %) of the Fair Market Value of the Shares on the date of grant. A Participant shall have no rights to dividends, dividend equivalents or distributions or any other rights of a stockholder with respect to the Shares subject to an Option until the Participant has given written notice of the exercise thereof, and has paid in full for such Shares and has satisfied the requirements of the 2023 Plan. Treatment of an Option upon termination of employment of a Participant shall be provided for by the Administrator in the Award Agreement. An Option shall be affected, both with regard to vesting schedule and termination, by leaves of absence, including unpaid and un- protected leaves of absence, changes from full- time to part- time employment, partial disability or other changes in the employment status or service status of a

Participant, in the discretion of the Administrator. Stock Appreciation Rights. The Administrator will be authorized to award SARs under the 2023 Plan. SARs will be subject to the terms and conditions established by the Administrator and reflected in the Award Agreement. A SAR is a contractual right that allows a participant to receive, in the form of either cash, Shares or any combination of cash and Shares, the appreciation, if any, in the value of a Share over a certain period of time. An option granted under the 2023 Plan may include SARs, and SARs may also be awarded to a participant independent of the grant of an option. SARs granted in connection with an option shall be subject to terms similar to the option corresponding to such SARs. Restricted Stock and Restricted Stock Units (RSUs). The Administrator will be authorized to award restricted stock or RSUs under the 2023 Plan. Awards of restricted stock and RSUs will be subject to the terms and conditions established by the Administrator at its sole discretion. Other Stock- Based Awards. Other Stock- Based Awards may be issued under the 2023 Plan. Subject to the provisions of the 2023 Plan, the Administrator shall have sole and complete authority to determine the individuals to whom and the time or times at which such Other Stock- Based Awards shall be granted. An example of an Other Stock- Based Award is a performance bonus payable as Company Common Stock. Change in Control. In the event that a change in control occurs, as defined in the 2023 Plan to include, among other things, the acquisition by a person of more than 50 % of the voting power of the Company, the Administrator may, at its sole discretion, modify any unvested and un- exercisable portion of any Award to make it fully vested and exercisable. Amendment and Termination. The Board may amend, alter or terminate the 2023 Plan at any time, but no amendment, alteration or termination shall be made that would impair the rights of a participant under any Award theretofore granted without such participant' s consent. The Board shall obtain approval of the Company' s stockholders for any amendment that would require such approval in order to satisfy the requirements of any rules of the stock exchange on which the Common Stock is traded or other applicable law. The foregoing description of the 2023 Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the 2023 Plan, a copy of which is filed as Exhibit 10. 1 to this Quarterly Report on Form 10- Q and is incorporated herein by reference. (2) 2021 Equity Incentive Plan. In November 2021, our Board adopted the 2021 Equity Incentive Plan, or the **2021** Plan. An aggregate of 300, 000 shares of our common stock is reserved for issuance and available for awards under the Plan, including incentive stock options granted under the **2021** Plan. The **2021** Plan administrator may grant awards to any employee, director, consultant or other person providing services to us or our affiliates. As of ~~June 23~~ **April 30** , ~~2022~~ **2023** , we had awarded an aggregate of ~~271~~ **252** , 000 options to purchase shares of common stock to directors and there remain ~~29~~ **48** , 000 shares for grant under the **2021** Plan. **52 The 2021 Plan is administered by our Board. The 2021 Plan administrator has the authority to determine, within the limits of the express provisions of the 2021 Plan, the individuals to whom awards will be granted, the nature, amount and terms of such awards and the objectives and conditions for earning such awards. Our Board may at any time amend or terminate the 2021 Plan, provided that no such action may be taken that adversely affects any rights or obligations with respect to any awards previously made under the 2021 Plan without the consent of the recipient. No awards may be made under the 2021 Plan after the tenth anniversary of its effective date. Awards under the 2021 Plan may include incentive stock** ~~Options~~ **options** ~~vest over a 48~~ **, nonqualified stock options, stock appreciation rights (" SARs "), restricted shares of common stock, restricted stock units, performance share awards, stock bonuses and other stock** - **based** ~~month period, and the Company has a policy to estimate forfeitures of option~~ awards **and cash-** based **incentive awards** ~~upon the requisite service. The pre- vesting forfeiture rate is applied beginning on the date of an option grant. The forfeiture estimate impacts the estimated amount of compensation expense to be recorded over the requisite service period~~ . Stock Options. The **2021** Plan administrator may grant to a participant options to purchase our common stock that qualify as incentive stock options for purposes of Section 422 of the Internal Revenue Code (" incentive stock options "), options that do not qualify as incentive stock options (" non- qualified stock options ") or a combination thereof. The terms and conditions of stock option grants, including the quantity, price, vesting periods, and other conditions on exercise will be determined by the **2021** Plan administrator. The exercise price for stock options will be determined by the **2021** Plan administrator in its discretion, but non-qualified stock options and incentive stock options may not be less than 100 % of the fair market value of one share of our company' s common stock on the date when the stock option is granted. Additionally, in the case of incentive stock options granted to a holder of more than 10 % of the total combined voting power of all classes of our stock on the date of grant, the exercise price may not be less than 110 % of the fair market value of one share of common stock on the date the stock option is granted. Stock options must be exercised within a period fixed by the **2021** Plan administrator that may not exceed ten years from the date of grant, except that in the case of incentive stock options granted to a holder of more than 10 % of the total combined voting power of all classes of our stock on the date of grant, the exercise period may not exceed five years. At the **2021** Plan administrator' s discretion, payment for shares of common stock on the exercise of stock options may be made in cash, shares of our common stock held by the participant or in any other form of consideration acceptable to the **2021** Plan administrator (including one or more forms of " cashless " or " net " exercise). Stock Appreciation Rights. The **2021** Plan administrator may grant to a participant an award of SARs, which entitles the participant to receive, upon its exercise, a payment equal to (i) the excess of the fair market value of a share of common stock on the exercise date over the SAR exercise price, times (ii) the number of shares of common stock with respect to which the SAR is exercised. The exercise price for a SAR will be determined by the **2021** Plan administrator in its discretion; provided, however, that in no event shall the exercise price be less than the fair market value of our common stock on the date of grant. ~~48~~ Restricted Shares and Restricted Units. The **2021** Plan administrator may award to a participant shares of common stock subject to specified restrictions (" restricted shares "). Restricted shares are subject to forfeiture if the participant does not meet certain conditions such as continued employment over a specified forfeiture period and / or the attainment of specified performance targets over the forfeiture period. The **2021** Plan administrator also may award to a participant units representing the right to receive shares of common stock in the future subject to the achievement of one or more goals relating to the completion of service by the participant and / or the achievement of performance or other objectives (“ restricted units ”). The terms and conditions of restricted share and restricted unit awards are determined by the **2021** Plan administrator. Stock Bonuses. Stock bonuses may be granted as additional compensation for service or performance and may be settled in the form of common stock, cash or a combination thereof, and may be subject to restrictions, which may vest subject to continued service and / or the achievement of performance conditions. Performance Awards. The **2021** Plan administrator may grant performance awards to participants under such terms and conditions as the **2021** Plan administrator deems appropriate. A performance award entitles a participant to receive a payment from us, the amount of which is based upon the attainment of predetermined performance targets over a specified award period. Performance awards may be paid in cash, shares of common stock or a combination thereof, as determined by the **2021** Plan administrator. **53** Other Stock- Based Awards. The **2021** Plan administrator may grant equity- based or equity- related awards, referred to as “ other stock- based awards, ” other than options, SARs, restricted shares, restricted units, or performance awards. The terms and conditions of each other stock- based award will be determined by the **2021** Plan administrator. Payment under any other stock- based awards will be made in common stock or cash, as determined by the **2021** Plan administrator. **Board Diversity Matrix Our Nominating and Corporate Governance Committee is committed to promoting diversity on our Board of Directors. We have surveyed our current directors and asked each director to self- identify their race, ethnicity, and gender using one or more of the below categories. The results of this survey as of July 26, 2023 are included in the matrix below. Board Diversity Matrix (As of July 26, 2023) Total Number of Directors: 5 Part I: Gender Identity Female Male Non- Binary Did Not Disclose Gender Directors Part II: Demographic Background African American or Black Alaskan Native or Native American Asian Hispanic or Latinx Native Hawaiian or Pacific Islander White Two or More Races or Ethnicities LGBTQ Did Not Disclose Demographic Background 54** ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS. The following table sets forth information with respect to the beneficial ownership of shares of our common stock as of July ~~29~~ **26** , ~~2022~~ **2023** by: ● each person whom we know beneficially owns more than 5 % of any class of equity security; ● each of our directors individually; ● each of our named executive officers individually; and ● all of our current directors and executive officers as a group. We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting or investment power with respect to such securities. In addition, pursuant to such rules, we deemed outstanding shares of common stock subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of July ~~29~~ **26** , ~~2022~~ **2023** . We did not deem such shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the beneficial owners named in the table below have sole voting and investment power with respect to all shares of our common stock that they beneficially own, subject to applicable community property laws. The inclusion in the table below of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares. Name and Address **Amount of Shares and Nature** of Beneficial Owner (1) ~~Amount of Shares and Nature~~ of Beneficial Ownership of Common Stock Percent of Common Stock * Netcapital Systems LLC (2) 1, 711, 261 ~~40~~ **18** . ~~0~~ **2** % ~~Cecilia Lenk~~ **Bard Associates LLC** (3) ~~27~~ **1** , ~~109~~ **494, 838 15. 5 % Martin Kay (4) 187, 500 2. 0 % Arnold Scott (5) 88, 640** * * % Coreen Kraysler ~~25~~ **(6) 68** , ~~417~~ **333 * * % Cecilia Lenk (7) 32, 318** * * % Steven Geary (~~3~~ **8**) ~~11~~ **14** , **883** ~~029 * * % Martin Kay —~~ * * % Avi Liss (~~3~~ **8**) ~~11~~ **15** , ~~729~~ **583** * * % Officers and Directors as a group (6 persons) ~~75~~ **407** , ~~284~~ **257 4.** 2 ~~. 3~~ % * Based on ~~4~~ **9** , ~~272~~ **415** , ~~677~~ **382** shares outstanding as of July ~~29~~ **26** , ~~2022~~ **2023** . * * Less than 1 % (1) Unless otherwise noted, the business address of each member of our Board is c / o Netcapital Inc. 1 Lincoln Street, Boston Massachusetts 02111. (2) The natural person with investment control over the securities held by Netcapital ~~DE~~ **Systems** LLC is Jason Frishman. Netcapital Systems LLC has agreed to vote its shares of common stock to support the resolutions of the Board of Netcapital Inc. on any matters that are brought to a shareholder vote. (3) **Based solely on a Schedule 13D / A filed with the SEC on May 26, 2023, Bard Associates Inc. is an investment manager and beneficially owns 1, 494, 835 shares of our common stock (including 233, 525 shares of common stock under presently exercisable warrants), including sole voting power over 73, 000 shares, sole dispositive power over 73, 000 shares, shared dispositive power over 1, 421, 835 shares; and Timothy Johnson has sole dispositive power over 101, 000 shares. The address for Bard Associates Inc. and Timothy Johnson is 135 South LaSalle Street, Suite 3700, Chicago, IL 60603. (4)** Includes ~~1~~ **187** , ~~458~~ **500** shares of common stock subject to stock options that are presently exercisable or exercisable within 60 days after July ~~29~~ **26** , ~~2022~~ **2023** . **55** (~~4~~ **5**) Includes 2, ~~917~~ **500** shares of common stock subject to stock options that are presently exercisable or exercisable within 60 days after July ~~29~~ **26** , ~~2022~~ **2023** . (~~5~~ **6**) Includes ~~729~~ **45, 833** shares of common stock subject to stock options that are presently exercisable or exercisable within 60 days after July ~~29~~ **26** , ~~2022~~ **2023 . (7) Includes 6, 667 shares of common stock subject to stock options that are presently exercisable or exercisable within 60 days after July 26, 2023. (8) Includes 4, 583 shares of common stock subject to stock options that are presently exercisable or exercisable within 60 days after July 26, 2023** . ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE. Policies and Procedures for Transactions with Related Parties Our Chief Executive Officer or our Chief Financial Officer must review and approve certain transactions between us and Related Parties (as defined below). A “ Related- Party Transaction ” is defined as a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we (including any of our subsidiaries) were, are or will be a participant. For the purposes of our Related- Party Transactions, a “ Related Party ” is defined as: any person who is, or at any time since the beginning of our last two fiscal years was, a director or executive officer or a nominee to become a director; any person who is known to be the beneficial owner of more than ten percent of our common stock; any immediate family member of any of the foregoing persons, including any child, stepchild, parent, stepparent, spouse, sibling, mother- in- law, father- in- law, son- in- law, daughter- in- law, brother- in- law or sister- in- law, and any person (other than a tenant or employee) sharing the household of any of the foregoing persons; and any firm, corporation or other entity in which any of the foregoing persons is a general partner or, for other ownership interests, a limited partner or other owner in which such person has a beneficial ownership interest of 10 % or more. ~~50~~ Transactions with Related Parties The Company' s ~~majority~~ **largest** shareholder, Netcapital Systems LLC **(" Systems ")** , ~~owned~~ **owns** 1, ~~671~~ **711** , ~~360~~ **261** shares of common stock, or ~~57~~ **26** . ~~7~~ **6** % of the Company **' s 6, 440, 527 outstanding shares** as of April 30, ~~2022~~ **2023 (and approximately 18** . ~~The~~ **2 % of the** Company **' s outstanding stock** ~~has a demand note payable to Netcapital Systems LLC of $ 4, 600 and a demand note payable to one of its former managers of $ 3, 200. In addition,~~ as **of July 26, 2023). As** of April 30, ~~2021~~ **2022** , the Company accrued a payable **to Systems** of $ ~~3~~ **294** , **054** ~~817, 516~~ for supplemental consideration owed in conjunction with its purchase of Netcapital Funding Portal Inc., which was **paid in full on July 14** ~~reduced to $ 294, 054 as of January 31~~ , 2022, **with** ~~because of~~ the issuance to ~~361~~ **Systems of 39** , ~~736~~ **901** shares of **the Company' s** common stock ~~, valued at $ 3, 523, 462~~ . **The Company provided professional services** ~~Of the 361, 736 shares that were issued, a total of 32, 458 shares, representing a reduction in the payable amount of $ 346, 821, were issued~~ to ~~managers of Netcapital~~ Systems ~~LLC, and 3, 151 shares, representing a reduction in the payable amount of $ 30, 691, were issued to our Chief Executive Officer. The company paid its majority shareholder $ 357, 429 and $ 200, 000~~ in the years ended April 30, **2023 and** 2022 and ~~2021~~ **recorded revenue of $ 4, 660 and $ 15, 000** , respectively, for ~~use of the~~ **those services** ~~software that runs the website www~~ . ~~netcapital. com~~ **In total, the Company owed Systems $ 0 and $ 294, 054 as of April 30, 2023 and 2022, respectively** . The ~~Company~~ **company paid Systems** ~~also had a sale of~~ $ ~~15~~ **430** , 000 ~~for consulting services to its majority shareholder during fiscal 2022. The Company received revenues of $ 39, 360~~ and $ ~~660~~ **357** , ~~486 for~~ **429 in** the years ended April 30, **2023 and** 2022 ~~and 2021~~ , respectively ~~from ChipBrain~~ , ~~Inc~~ **for use of the software that runs the website www** . ~~Our~~ **netcapital. com. The** Chief Executive Officer **of our wholly owned subsidiary, Netcapital Advisors Inc.,** is a member of the board of directors of **KingsCrowd** ~~ChipBrain,~~ Inc. The Company ~~owns 710~~ **sold 606** , **060 shares of KingsCrowd in June 2022 for proceeds of $** 200 **, 000 and recorded a realized loss on the sale of the investment of $ 406, 060. As of April 30, 2023 and 2022, the Company owned 3, 209, 685 and 3, 815, 745** shares of **KingsCrowd** ~~ChipBrain,~~ Inc., valued at $ ~~1~~ **3** , ~~704~~ **209** , ~~480~~ **685 and $ 3, 815, 745, respectively** . ~~Our~~ **The** Chief Executive Officer ~~is a member~~ of ~~the board of directors of KingsCrowd~~ **our wholly owned subsidiary, Netcapital Advisors** Inc. ~~The Company owns 3, 815, 745 shares of KingsCrowd Inc., valued at $ 3, 815, 745. Our Chief Executive Officer~~ is a member of the board of directors of Deuce Drone LLC. ~~The~~ **As of April 30, 2023 and 2022, the** Company ~~owns~~ **owned** 2, 350, 000 membership interest units of Deuce Drone LLC., valued at $ 2, 350, 000. The Company has notes receivable aggregating $ 152, 000 from Deuce Drone LLC as of April 30, **2023 and** 2022. **56** Compensation **expense** to officers in the years ended April 30, **2023 and** 2022 ~~and 2021~~ consisted of common stock valued at $ **0 and $** 190, 763 ~~and $ 353, 907~~ , respectively, cash compensation of $ **598, 077 and $** 265, 688 ~~and $ 332, 724~~ , respectively, and options to purchase common stock valued at $ **137, 994 and $** 3, 147 ~~and $ 0~~ , respectively. Compensation to a related party consultant in the years ended April 30, **2023 and** 2022 ~~and 2021~~ consisted of common stock valued at $ **0 and $** 25, 908 ~~and $ 76, 882~~ , respectively, and cash compensation of $ 60, **039 and $ 60,** 000 ~~and $ 81, 431~~ , respectively. This consultant is also the controlling shareholder of Zelgor Inc. **,** and the Company earned revenues from Zelgor Inc. of $ **66, 000 and $** 5, 500 ~~and $ 1, 400, 000~~ in the years ended April 30, **2023 and** 2022 ~~and 2021, respectively~~ . The Company owns 1, 400, 000 shares of Zelgor Inc., valued at $ 1, 400, 000 and holds a note receivable of $ 50, 000 as of April 30, ~~2022~~ **2023** . **Cash** ~~Compensation~~ **compensation** to the President of Netcapital Systems LLC amounted to $ **184, 808 and $** 96, 000 ~~and $ 114~~ , ~~284~~ **and stock- based compensation amounted to $ 25, 927 and $ 0,** in the years ended April 30, **2023 and** 2022 ~~and 2021~~ , respectively. We owe Steven Geary, a director, $ 31, 680 as of April 30, **2023 and** 2022 ~~and 2021~~ . This obligation is not interest bearing. $ 16, 680 is recorded as a related party trade accounts payable and $ 15, 000 as a related party note payable. We have no signed agreements for the indebtedness to Mr. Geary. The Company made an investment of $ 240, 080 in an affiliate, 6A Aviation Alaska Consortium, Inc., in conjunction with a land lease in an airport in Alaska. Our Chief Executive Officer is also the Chief Executive Officer of 6A Aviation Alaska Consortium, Inc. As a result of the investment, the Company is a ~~10~~ **19** % owner of 6A Aviation Consortium Inc ~~. As of April 30, 2022 and 2021, we owed $ 0 and $ 9, 490 to a company controlled by one of our former directors. We paid cash compensation of $ 0 and $ 29, 738 to this former director for the years ended April 30, 2022 and 2021, respectively~~ . In November 2021, we issued a member of our Board 10, 000 shares of common stock for his service as a member of our board and audit committee, valued at $ 100, 000. ~~51~~ On February 2, 2022, the Company granted ~~to~~ members of our ~~Board~~ **board of directors** an aggregate of 25, 000 options to purchase shares of our common stock at an exercise price of $ 10. 50 per share. An option to purchase 10, 000 shares of common stock was granted to the ~~Chairman~~ **Chief Executive Officer** of ~~the Board~~ **Netcapital Advisors Inc., who is also a director,** and each of the three independent board members received an option to purchase 5, 000 shares of common stock. The options vest on a ~~monthly~~ **straight- line** basis over 48 months **and expire in 10 years. On April 25, 2023, the Company also granted the same four members of our board of directors an aggregate of 80, 000 options, or 20, 000 for each board member, to purchase shares of our common stock at an exercise price of $ 1. 40 per share. The options vest monthly on a straight- line basis over a 4- year period and expire in 10 years. In January 2023 we granted stock options to purchase an aggregate of 1, 600, 000 shares of our common stock to four related parties as follows: Our Chief Executive Officer, 1, 000, 000 shares; our Chief Financial Officer, 200, 000 shares; our Founder, 200, 000 shares; and a director of one of our subsidiaries, 200, 000 shares. The options have an exercise price of $ 1. 43, vest monthly on a straight- line basis over a 4- year period** and expire in 10 years. 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, 594 ~~are scheduled to begin~~ **began** on December 17, 2022. ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES. Fruci & Associates II, PLLC is the Company' s independent registered public accounting firm. The following table presents fees for professional audit services rendered by our independent registered public accounting firm during the past two fiscal years. Fiscal **2023 Fiscal** 2022 ~~Fiscal 2021~~ Audit fees $ **84, 113 $** 53, 325 ~~$ 24, 000~~ Audit related fees Tax fees All other fees Total $ **84, 113 $** 53, 325 **57** ~~$ 24, 000~~ Policy on Audit Committee Pre- Approval of

Audit and Permissible Non- Audit Services of Independent Auditors Consistent with SEC policies regarding auditor independence, our board of directors has responsibility for appointing, setting compensation and overseeing the work of the independent auditor. In recognition of this responsibility, the board of directors has established a policy to pre- approve all audit and permissible non- audit services provided by the independent auditor. Prior to engagement of the independent auditor for the next year' s audit, management will submit an aggregate of services expected to be rendered during that year for each of four categories of services to the board of directors for approval. 1. Audit services include audit work performed in the preparation of financial statements, as well as work that generally only the independent auditor can reasonably be expected to provide, including comfort letters and reviews of our financial statements included in our Quarterly Reports on Form 10- Q. 2. Audit- Related services are for assurance and related services that are traditionally performed by the independent auditor, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements. 3. Tax services include all services performed by the independent auditor' s tax personnel except those services specifically related to the audit of the financial statements, and includes fees in the areas of tax compliance, tax planning, and tax advice. 4. Other services are those associated with services not captured in the other categories. We generally do not request such services from the independent auditor. ~~52~~ **58** PART IV ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS. Exhibit Number ~~Description~~ **Description1** ~~1~~. 1 Underwriting Agreement **between the registrant and ThinkEquity LLCincorporated by reference to Exhibit 1. 1 to our Current Report on Form 8- K dated July 12, 2022. 1. 2 Underwriting Agreement dated July 19, 2023 between the Registrant and ThinkEquity LLC** , incorporated by reference to ~~Exhibit 1. 1 to~~ our **Current Report on** Form ~~S-~~ **8** - **K** ~~1 / A~~ dated ~~June 28~~ **July 19** , ~~2022~~ **2023 .** 2. 1 Asset Purchase Agreement dated November 23, 2010 between ValueSetters, Inc. and NetGames. com, incorporated by reference to Exhibit 2. 1 to our Form 10 / A dated July 25, ~~2014~~ **20142** ~~2~~. 2 Agreement and Plan of Merger by and Among Netcapital Funding Portal Inc., ValueSetters Inc. and Netcapital Acquisition Vehicle Inc., incorporated by reference to our Current Report on Form 8- K dated August 23, ~~2020~~ **20203** ~~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~~ **20133** ~~3~~. **2** ~~1. 1~~ 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~~ **20133 .** 3 ~~. 1. 2~~ Amendment to Articles of Incorporation filed on December 4, 2003, incorporated by reference to Exhibit 3. 2 to our Form 10 dated September 3, ~~2013~~ **20133** ~~3~~. **4** ~~1. 3~~ 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~~ **20223** ~~3~~. **5** ~~1. 4~~ 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~~ **20203** ~~3~~. ~~2~~ **6** By- Laws of ValueSetters, Inc, incorporated by reference to Exhibit 3. 4 to our Form 10 dated September 3, ~~2013~~ **20134** ~~4~~. 1 Specimen stock certificate evidencing shares of common stock, incorporated by reference to Exhibit 4. 1 to our Form S- 1 / A dated April 8, ~~2022~~ **20224** ~~4~~. 2 ~~Form of Representative' s Warrant (Included in Exhibit 1. 1) 4. 3~~ Form of Unsecured Convertible Notes, incorporated by reference to Exhibit 4. 3 to our Form S- 1 dated February 14, **20224. 3 Form of Representative' s Warrant incorporated by reference to Exhibit 4. 1 to our Current Report on Form 8- K dated July 15,** 2022 **.** 4. 4 Form of Warrant Agent Agreement incorporated by reference to Exhibit 4. 4 to our Form S- 1 / A dated June 28, ~~2022~~ **20224** ~~4~~. 5 Form of **Public** Warrant ~~(Included in~~ **, incorporated by reference to** Exhibit 4. ~~4) 4~~ **1 to our Current Report on Form 8- K dated July 15, 20224** . 6 Form of Pre- Funded Warrant, incorporated by reference to Exhibit 4. 6 to our Form S- 1 / A dated June 28, **20224. 7 Form of Representative' s Warrant incorporated by reference to Exhibit 4. 1 to our Current Report on Form 8- K dated July 15,** 2022 **.** 4. ~~7~~ **8 Form of Unsecured Convertible Notes incorporated by reference to our Current Report on Form 8- K dated July 15, 2022. 4. 9 Form of Representative Warrant (included as Exhibit A to Exhibit 1. 1) incorporated by reference to our Current Report on Form 8- K dated December 16, 2022. 59 4. 10 Form of Placement Agent Warrant, incorporated by reference to Exhibit 4. 1 to our Current Report on Form 8- K dated May 23, 2023. 4. 11 Form of Representative Warrant, incorporated by reference to Exhibit 4. 1 to our Current Report on Form 8- K dated July 19, 2023. 4. 12** * Description of capital ~~stock~~ **stock10** ~~10~~. 1 **2021** Equity Incentive Plan, filed as Exhibit 4. 1 to the registrant' s registration statement on Form S- 8 on January 27, 2022, and incorporated herein by reference. 10. 2 ~~Promissory Note dated April 28, 2011, as amended, in the principal amount of $ 1, 000, 000 made by the registrant in favor of Vaxstar LLC, incorporated by reference to Exhibit 2. 1 to our Form 10 / A filed on July 28, 2014 10. 3 Amended Secured Lending Agreement between ValueSetters, Inc. and Vaxstar LLC, incorporated by reference to Exhibit 10. 1 to our Form 10 / A filed on July 28, 2014. 10. 4 Purchase and Assignment Agreement between ValueSetters, Inc. and Vaxstar LLC, filed as Exhibit 10. 2 to our Current Report on Form 8- K dated September 30, 2014, and incorporated herein by reference. 10. 5 Amended Loan and Security Agreement between ValueSetters, Inc. and Vaxstar LLC dated October 31, 2017, filed as an Exhibit 10. 1 to our Current Report on Form 8- K dated October 31, 2017, and incorporated herein by reference. 53 10. 6 Amendment to Revolving Loan and Security Agreement between ValueSetters, Inc. and Vaxstar LLC dated October 30, 2020. 10. 7 Amendment to Revolving Loan and Security Agreement between Netcapital Inc. and Vaxstar LLC dated January 31, 2021. 10. 8 Amendment to Revolving Loan and Security Agreement dated April 30, 2021 between Netcapital Inc. and Vaxstar LLC. 10. 9 Amendment to Revolving Loan and Security Agreement dated January 28, 2022 between Netcapital Inc. and Vaxstar LLC, filed as Exhibit 10. 1 to our Current Report on Form 8- K dated January 28, 2022 and incorporated by reference herein. 10. 10 Amendment to Revolving Loan and Security Agreement dated February 3, 2022 between Netcapital Inc. and Vaxstar LLC, filed as Exhibit 10. 2 to our Current Report on Form 8- K dated January 28, 2022 and incorporated by reference herein. 10. 11~~ Employment Agreement with Carole Murko, incorporated by reference to Exhibit 10. 12 to our Form S- 1 dated February 14, ~~2022~~ **202210** ~~10~~. ~~12~~ **3** Separation Agreement with Carole Murko, incorporated by reference to Exhibit 10. 13 to our Form S- 1 dated February 14, ~~2022~~ **202210** ~~10~~. ~~13~~ **4** Form of Note Purchase Agreement, incorporated by reference to Exhibit 10. 14 to our Form S- 1 dated February 14, ~~2022~~ **202210** ~~10~~. ~~14~~ **5** License Agreement between Netcapital Systems LLC, a Delaware limited liability company, and Netcapital Funding Portal Inc., filed as Exhibit 10. 1 to our Current Report on Form 8- K dated April 18, 2022 and filed on June 28, 2022 and incorporated by reference herein. 10. ~~15~~ **6** Employment Agreement with Cecilia Lenk, filed as Exhibit 10. 2 to our Current Report on Form 8- K dated April 18, 2022 and filed on June 28, 2022 and incorporated by reference herein. 10. ~~16~~ **7** Employment Agreement with Coreen Kraysler, filed as Exhibit 10. 3 to our Current Report on Form 8- K dated April 18, 2022 and filed on June 28, 2022 and incorporated by reference herein. 10. ~~17~~ **8** Employment Agreement with Jason Frishman, filed as Exhibit 10. 4 to our Current Report on Form 8- K dated April 18, 2022 and filed on June 28, 2022 and incorporated by reference herein. **10. 9 Netcapital Inc 2023 Omnibus Equity Incentive Plan incorporated by reference to our Current Report on Form 8- K dated January 5, 2023. 10. 10 Employment Agreement with Martin Kay dated January 3, 2023 incorporated by reference to our Current Report on Form 8- K dated January 5, 2023. 10. 11 Form of Stock Option Agreement incorporated by reference to our Current Report on Form 8- K dated January 5, 2023. 10. 12 Software License and Services Agreement between Templum, Inc. and Netcapital Systems LLC dated January 2, 2023 incorporated by reference to our Current Report on Form 8- K dated January 6, 2023. 10. 13 Form of Securities Purchase Agreement between Netcapital Inc. and certain institutional investors dated May 23, 2023, incorporated by reference to Exhibit 10. 1 to our Current Report on Form 8- K dated May 23, 2023.** 14. 1 Code of Ethics, incorporated by reference to Exhibit 14. 1 to our Form S- 1 / A dated April 8, ~~2022~~ **202223** ~~23~~. 1 * Consent of Independent Registered Public Accounting ~~Firm~~ **Firm31** ~~31~~. 1 * Certification by the Principal Executive Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002 (Rule 13a- 14 (a) or Rule 15d- 14 (a)). 31. 2 * Certification by the Principal Financial Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002 (Rule 13a- 14 (a) or Rule 15d- 14 (a)). 32. 1 * Certification by the Principal Executive Officer pursuant to 18 U. S. C. 1350 as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002. 32. 2 * Certification by the Principal Financial Officer pursuant to 18 U. S. C. 1350 as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002. * Filed herewith. Indicates a management contract or compensatory plan or arrangement. ~~54~~ **60** SIGNATURES Pursuant to the requirements of Section ~~12~~ **13 or 15 (d)** of the Securities Exchange Act of 1934, the registrant has duly caused this ~~Report~~ **report** to be signed on its behalf by the undersigned, thereunto duly authorized. **NETCAPITAL INC.** Date: ~~August 5~~ **July 26**, ~~2022~~ **2023** ~~NETCAPITAL INC.~~ By: / s / **Martin Kay Martin Kay** ~~Cecilia Lenk Cecilia Lenk Chairman of the Board and~~ Chief Executive Officer **and Director** (Principal Executive Officer) ~~By:~~ **Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. Name Title Date / s / Martin Kay Chief Executive Officer and Director July 26, 2023 Martin Kay (Principal Executive Officer)** / s / Coreen Kraysler ~~Coreen Kraysler~~ Chief Financial Officer **, July 26, 2023 Coreen Kraysler** (Principal **Accounting and** Financial ~~and Accounting~~ Officer) / s / Avi Liss Director ~~August 5~~ **July 26**, ~~2022~~ **2023** Avi Liss / s / ~~Martin Kay~~ **Cecilia Lenk** Director ~~August 5~~ **July 26**, ~~2022~~ **2023** ~~Martin Kay~~ **Cecilia Lenk / s / Arnold Scott Director July 26, 2023 Arnold Scott** / s / Steven Geary Director ~~August 5~~ **July 26**, ~~2022~~ **2023** Steven Geary **61** REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM To the Board of Directors and ~~Stockholders~~ **Shareholders** of Netcapital Inc. and Subsidiaries Opinion on the Financial Statements We have audited the accompanying consolidated balance sheets of Netcapital Inc. and Subsidiaries (" the Company ") as of April 30, **2023, and** 2022 ~~, and 2021~~, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the two- year period ended April 30, ~~2022~~ **2023**, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of April 30, **2023, and** 2022 ~~, and 2021~~, and the results of its operations and its cash flows for the years in the two- year period ended April 30, ~~2022~~ **2023**, in conformity with accounting principles generally accepted in the United States of America. Basis for Opinion These financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on the Company' s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control over financial reporting. Accordingly, we express no such opinion. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion. Critical Audit Matters The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate. Valuation of Investments Description of the Critical Audit Matter As discussed in Note 10 to the consolidated financial statements, the Company has investments in several entities which require the Company to initially value based on offering prices that are not considered observable and to periodically evaluate potential impairment by assessing whether the carrying value of the investments exceeds the estimated fair value, or by monitoring observable price changes from orderly transactions to measure estimated fair value. Auditing management' s analysis includes tests that are complex and highly judgmental due to the estimation required to determine the fair value of each of the underlying investees. In particular, fair value estimates are sensitive to significant assumptions and factors such as expectations about future market and economic conditions, revenue growth rates, strategic plans, and historical operating results, among others. How the Critical Audit Matter Was Addressed in the Audit Our principal audit procedures to evaluate management' s valuation of investments consisted of the following, among others: 1. Obtain and test management assumptions and analysis **, including** ~~. 2. Obtain and~~ review **of** third- party market data, public ~~filings~~ - **flings** , and funding activities of ~~the~~ investee entities **. 2. Confirmed investee shares held by the Company, relative ownership percentages, and active reported share prices** . 3. Performed a recalculation of significant inputs used in the valuation for reasonableness. 4. Assess management' s key indicators of the investee operations, including analysis of operational growth, public filings, and future strategic and funding plans. **Fruci & Associates, PLLC – PCAOB ID # 5525** We have served as the Company' s auditor since 2017. Spokane, Washington ~~August 5, 2022 Fruci & Associates II, PLLC 5525 F- 1 NETCAPITAL INC.~~ YEARS ENDED APRIL 30, **2023 AND** 2022 ~~AND 2021~~ INDEX TO CONSOLIDATED FINANCIAL STATEMENTS CONTENTS Page Consolidated Financial Statements ~~F- 2~~ Consolidated Balance Sheets F- 3 Consolidated Statements of Operations F- 4 Consolidated Statements of Stockholders' Equity F- 5 Consolidated Statements of Cash Flows F- 6 Notes to Consolidated Financial Statements F- 7 – F- **25** ~~27F- 2 Consolidated Balance Sheets~~ Assets: April 30, ~~2022~~ **2023** April 30, ~~2021~~ **2022** Cash and cash equivalents $ **569, 441 $** 473, 925 ~~$ 2, 473, 959~~ Related party receivable **—** 668 ~~—~~ Accounts receivable **, net 1, 388, 500** 2, 433, 900 ~~1, 356, 932~~ Prepaid expenses **583, 030** 5, 694 ~~653, 861~~ Total current assets 2, **540, 971 2,** 914, 187 ~~4, 484, 752~~ Deposits 6, 300 6, 300 Note receivable – related parties 202, 000 ~~—~~ **202, 000** Purchased technology 15, **875, 297 15,** 536, 704 ~~14, 803, 954~~ Investment in affiliate 240, 080 ~~122~~ **240** , ~~914~~ **080** Equity securities at fair value **22, 955, 445** 12, 861, 253 ~~6, 298, 008~~ Total assets $ **41, 820, 093 $** 31, 760, 524 ~~$ 25, 715, 928~~ Liabilities and Stockholders ~~'~~ **'** Equity Current liabilities: Accounts payable Trade $ **578, 331 $** 536, 508 ~~$ 308, 506~~ Related party **75, 204** 378, 077 ~~3, 843, 686~~ Accrued expenses **285, 065** 229, 867 ~~306, 308~~ Stock subscription payable **10, 000** 33, 400 ~~1, 199, 996~~ Deferred revenue **661** 2, 532 ~~622~~ Interest payable **98, 256** 222, 295 ~~116~~ **Income taxes payable 174** , ~~483~~ **000 —** Deferred tax liability **, net 1, 657, 000** 977 ~~, 000 433~~ , 000 Related party debt ~~22~~ **15** , ~~860~~ **000** 22, 860 Secured note payable **350** ~~1, 400~~ , 000 1, ~~000~~ **400** , 000 Current portion of SBA loans 1, **885, 800 1,** 890, 727 ~~1, 885, 800~~ Loan payable- bank 34, 324 34, 324 Convertible notes payable **—** 300, 000 ~~—~~ Total current liabilities **5, 163, 641** 6, 027, 590 ~~9, 151, 585~~ Long- term liabilities: Long- term SBA loans, less current portion **500, 000** 495, 073 ~~2, 385, 800~~ Total Liabilities **5, 663, 641** 6, ~~522~~ **552** , 663 ~~11, 537, 385~~ Commitments and contingencies — — Stockholders ~~'~~ **'** equity: Common stock, $. 001 par value; 900, 000, 000 shares authorized, **6, 440, 527 and** 2, 934, 344 ~~and 2, 178, 766~~ shares issued and outstanding **6, 441** 2, 934 ~~2~~ **Capital in excess of par value 30** , ~~178 Common stock~~ **500, 944 22, 479, 769 Shares** to be issued **183, 187** 244, 250 **Retained earnings 5** ~~— Capital in excess of par value 22~~ , ~~479~~ **465** , **880** ~~769 15, 168, 987 Accumulated deficit~~ 2, 510, 908 ~~(992, 622)~~ Total stockholders ~~'~~ **'** equity **36, 156, 452** 25, 237, 861 ~~14, 178, 543~~ Total liabilities and stockholders ~~'~~ **'** equity $ **41, 820, 093 $** 31, 760, 524 ~~$ 25, 715, 928~~ See Accompanying Notes to the Financial **StatementsNETCAPITAL** ~~Statements F- 3 NETCAPITAL~~ INC. Consolidated Statements of Operations Year Ended Year Ended April 30, ~~2022~~ **2023** April 30, ~~2021~~ **2022** Revenues $ **8, 493, 985 $** 5, 480, 835 ~~$ 4, 721, 003~~ Costs of services **85, 038** 110, 115 ~~759, 158~~ Gross profit **8, 408, 947** 5, 370, 720 ~~3, 961, 845~~ Costs and expenses: Consulting expense **589, 349** 892, 567 ~~687, 191~~ Marketing **85, 482** 95, 753 ~~44, 929~~ Rent **75, 052** 47, 670 ~~49, 196~~ Payroll and payroll related expenses 3, **646, 490 3,** 763, 845 ~~3, 117, 075~~ General and administrative costs 1, **740, 698 1,** 602, 031 ~~464, 955~~ Total costs and expenses 6, **137, 071 6,** 401, 866 ~~4, 363, 346~~ Operating income (loss) **2, 271, 876** (1, 031, 146 ~~) (401, 501~~) Other income (expense): Interest expense (~~126~~ **93** , ~~372~~ **842**) (~~87~~ **126** , ~~333~~ **372**) Debt forgiveness **—** 1, 904, 296 **Gain on debt conversion 224, 260 — Amortization of intangible assets (96, 407) — Realized loss on sale of investment (406, 060)** — Unrealized gain on equity securities **1, 857, 500** 3, 275, 745 ~~2, 571, 494~~ Other income **51, 645** 25, 007 ~~—~~ Total other income ~~(expense)~~ **1, 537, 096** 5, 078, 676 ~~2, 484, 161~~ Net income before taxes **3, 808, 972** 4, 047, 530 ~~2, 082, 660~~ Income tax ~~(~~ expense ~~) benefit (~~ **854, 000** 544, 000 ~~) (613, 000)~~ Net income $ **2, 954, 972 $** 3, 503, 530 ~~$ 1, 469, 660~~ Basic earnings per share $ **0. 63 $** 1. 31 ~~$ 1. 18~~ Diluted earnings per share $ **0. 63 $** 1. 27 ~~$ 0. 89~~ Weighted average number of common shares outstanding: Basic **4, 677, 214** 2, 666, 173 ~~1, 250, 002~~ Diluted **4, 677, 464** 2, 748, 480 ~~1, 647, 295 F- 4~~ NETCAPITAL INC. Consolidated Statements of Stockholders ~~'~~ **'** Equity For the Years Ended April 30, **2023 and** 2022 ~~and 2021~~ Capital in Retained Common Stock ~~Common Stock~~ **Shares To** Excess of Earnings Total Shares Amount ~~To~~ Be Issued Par Value (Deficit) Equity Balance, April 30, ~~2020~~ **2021** ~~417~~ **2** , ~~059~~ **178, 766** $ ~~417~~ **2, 178** $ — $ ~~3~~ **15** , ~~141~~ **168** , ~~021~~ **987** $ (~~2~~ **992** , **622** ~~462, 282~~) $ ~~679, 156 Q1 stock- based compensation 156 — 1, 406 — 1, 406 Net income, July 31, 2020 — — — — 30, 871 30, 871 Balance, July 31, 2020 417, 215 417 — 3, 142~~ - **14** , ~~427 (2, 431, 411) 711, 433 Q2 stock- based compensation 2, 240 2 18~~ **178** , **543** ~~555 — 18, 557 Net income, October 31, 2020 — — — — 30, 022 30, 022 Balance, October 31, 2020 419, 455 419 — 3, 160, 982 (2, 401, 389) 760, 012 Shares issued to acquire funding portal 1, 666, 360 1, 666 11, 329, 582 — 11, 331, 248 Return of shares of common stock~~ **Stock** ~~(5, 000) (5) 5 — — Q3 stock~~ - based compensation 937 **2 — 14, 054 — 14, 056 Sale of common stock 176, 934 176 —** 1 ~~6~~ , ~~239~~ **592, 219** — ~~6~~ **1** , ~~240~~ **592, 395 Shares issued to acquire funding portal 361, 736 362 — 3, 523, 100 — 3, 523, 462** Net income, ~~January~~ **July** 31 ~~, 2021 — — — — 42, 642 42, 642 Balance, January 31, 2021 2, 081, 752 2, 081 — 14, 496, 808 (2, 358, 747) 12, 140, 142 Q4 stock- based compensation 95, 937 96 657, 180 — 657, 276 Shares issued for debt settlement 1, 077 1 14, 999 — 15, 000 Net income, April 30~~ , 2021 — — — — 1, ~~366, 125 1, 366, 125 Balance, April 30, 2021 2, 178, 766 2, 178 — 15, 168, 987 (992, 622) 14, 178, 543 Q1 stock- based compensation 937 2 14, 054 — 14, 056 Sale of common stock 176, 934 176 1, 592, 219 — 1, 592, 395 Shares issued to settle related party accounts payable 361, 736 362 3, 523, 100 — 3, 523, 462 Net income, July 31, 2021 — — — — 1,~~ 457, 410 1, 457, 410 Balance, July 31, 2021 2, 718, 373 2, 718 — 20, 298, 360 464, 788 20, 765, 866 ~~Q2 stock~~ **Stock** - based compensation 937 1 **—** 10, 072 — 10, 073 Net loss, October 31, 2021 — — — — (274, 156) (274, 156) Balance, October 31, 2021 2, 719, 310 2, 719 — 20, 308, 432 190, 632 20, 501, 783 ~~Q3 stock~~ **Stock** - based compensation 55, 312 55 **—** 553, 967 — 554, 022 Purchase of equity interest 50, 000 50 **—** 499, 950 — 500, 000 Purchase of MSG Development Corp. 50, 000 50 244, 250 488, 450 — 732, 750 Sale of common stock 22, 222 22 **—** 199, 978 — 200, 000 Net income, January 31, 2022 — —

— — 1, 821, 006 1, 821, 006 Balance, January 31, 2022 2, 896, 844 2, 896 244, 250 22, 050, 777 2, 011, 638 24, 309, 561 ~~Q4 stock~~ **Stock** - based compensation — — **—** 29, 030 — 29, 030 Purchase of equity interest 37, 500 38 **—** 399, 962 — 400, 000 Net income, April 30, 2022 — — — — 499, 270 499, 270 Balance, April 30, 2022 2, 934, 344 ~~$~~ 2, 934 ~~$~~ 244, 250 ~~$~~ 22, 479, 769 ~~$~~ 2, 510, 908 ~~$~~ 25, 237, 861 ~~See Accompanying Notes~~ **Shares issued for debt conversion 133, 333 134 — 379, 852 — 379, 986 Sale of common stock 1, 205, 000 1, 205 — 3, 947, 912 — 3, 949, 117 Vesting of stock options — — — 32, 953 — 32, 953 Net income July 31, 2022 — — — — 64, 477 64, 477 Balance, July 31, 2022 4, 272, 677 4, 273 244, 250 26, 840, 486 2, 575, 385 29, 664, 394 Sale of common stock 2, 600 3 — 23, 397 — 23, 400 Purchase of equity interest 37, 500 37 — 366, 338 — 366, 375 Vesting of stock options — — — 32, 953 — 32, 953 Net income Oct. 31, 2022 — — — — 183, 138 183, 138 Balance October 31, 2022 4, 312, 777 4, 313 244, 250 27, 263, 174 2, 758, 523 30, 270, 260 Sale of common stock 1, 434, 000 1, 434 — 1, 620, 025 — 1, 621, 459 Purchase of equity interest 18, 750 19 — 171, 105 — 171, 124 Purchase of intellectual property 300, 000 300 — 434, 700 — 435, 000 Reduction in shares** to ~~the Financial Statements F~~ **be issued 6, 250 6 (61, 063) 61, 057 — — Vesting of stock options — — — 63, 057 — 63, 057 Net income January 31, 2023 1, 696, 499 1, 696, 499 Balance January 31, 2023 6, 071, 777 6, 072 183, 187 29, 613, 118 4, 455, 022 34, 257, 399 Purchase of equity interest 18, 750 19 195, 233 — 195, 252 Vesting of stock options — — — 132, 943 — 132, 943 Stock** - **based compensation 350, 000 350 — 559, 650 — 560, 000 Net income April 30, 2023 — — — — 1, 010, 858 985, 456 Balance, April 30, 2023 6, 440, 527 $ 6, 441 $ 183, 187 $ 30, 500, 944 $** 5 **, 465, 880 $ 36, 156, 452** NETCAPITAL INC. Consolidated Statements of Cash Flows **Year Ended** April 30, ~~2022~~ **2023 Year Ended** April 30, ~~2021~~ **2022** OPERATING ACTIVITIES Net income $ **2, 954, 972 $** 3, 503, 530 ~~$ 1, 469, 660~~ Adjustment to reconcile net income (loss) to net cash used in operating activities: Stock- based compensation **269, 577** 1, 176, 058 ~~680, 611~~ Non- cash revenue from the receipt of equity (~~2~~ **8** , ~~387~~ **110** , ~~500~~ **000**) (2, ~~319~~ **387** , ~~532~~ **500**) Allowance for credit losses **5, 443** 76, 630 ~~60, 325~~ Debt forgiveness **—** (1, 904, 302 **) Amortization of intangible assets 96, 407 — Realized loss on investment 406, 060 — Gain on debt conversion (224, 260**) — Unrealized gain on equity securities (**1, 857, 500) (** 3, 275, 745) ~~(2, 571, 494)~~ Changes in deferred taxes **680, 000** 544 ~~, 000 613~~ , 000 Changes in non- cash working capital balances: Accounts receivable **1, 039, 957** (1, 153, 598 ~~) (1, 417, 257~~) Related party receivable **668** (668) **—** Prepaid expenses **(25, 007)** 16, 290 ~~(35, 913)~~ Accounts payable and accrued expenses **97, 020** 281, 904 ~~172, 204~~ Deferred revenue **(** 1, **871) 1,** 910 ~~(34)~~ **Income taxes payable 174, 000 —** Accrued interest payable **(113, 847)** 124, 314 ~~85, 248~~ Accounts payable – related party (**8, 819) (** 9, 490) ~~12, 314~~ Net cash used in operating activities (~~3~~ **4** , ~~006~~ **617** , ~~667~~ **200**) (3, ~~250~~ **006** , ~~868~~ **667**) INVESTING ACTIVITIES Proceeds from ~~purchase~~ **sale** of ~~funding portal subsidiary~~ **investment 200, 000** — ~~364, 939~~ Loans to affiliate **—** (202, 000) **Investment in affiliate** — ~~Investment in affiliate~~ (117, 166 ~~) (122, 914~~) Net cash provided by (used in) investing activities **200, 000** (319, 166) ~~242, 025~~ FINANCING ACTIVITIES **Payment of related party note (7, 860) —** Proceeds from ~~SBA loans~~ **sale of common stock 5, 570, 576** — ~~4, 271, 600~~ Proceeds from **(payments to)** secured lender **(1, 050, 000)** 400, 000 ~~—~~ Proceeds from stock subscriptions **—** 625, 799 ~~1, 199, 996~~ Proceeds from convertible notes **—** 300, 000 ~~—~~ Cash flow provided by financing activities **4, 512, 716** 1, 325, 799 ~~5, 471, 596~~ Net increase (decrease) in cash **95, 516** (2, 000, 034) ~~2, 462, 753~~ Cash and cash equivalents, beginning of the period **473, 925** 2, 473, 959 ~~11, 206~~ Cash and cash equivalents, end of the period $ **569, 441 $** 473, 925 ~~$ 2, 473, 959~~ Supplemental disclosure of cash flow information: Cash paid for taxes $ — $ **—** ~~4, 988~~ Cash paid for interest $ **207, 690 $** 2, 064 ~~$ 2, 067~~ Supplemental Non- Cash Investing and Financing Information: Common stock issued as prepaid compensation $ **552** ~~— $ 646~~ , **329** ~~500 Common stock issued to reduce related party payable $ 3, 523, 462~~ $ — Common stock issued to **pay related party payable $ 113, 714 $ 3, 523, 462 Common stock issued to pay promissory notes $ 266, 272 $ — Common stock issued to purchase intellectual property $ 435, 000 $ — Common stock issued to** purchase 10 % interest in Caesar Media Group Inc. $ **732, 751 $** 900, 000 ~~$ —~~ Common stock for **the** purchase of MSG Development Corp. $ **— $** 732, 750 ~~$ 11, 331, 248 F- 6~~ NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED APRIL 30, ~~2022~~ **2023** AND ~~2021~~ 1. Description of Business and Summary of Accounting Principles Description of Business and Concentrations Netcapital Inc. (" Netcapital, " " we, " " our, " or the " Company ") 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 with disruptive technologies. The Netcapital funding portal is registered with the U. S. Securities & Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA), a registered national securities association. The consolidated financial statements are presented in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States of America. The Company' s fiscal year ~~end~~ **ends** ~~is~~ April 30. 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, and MSG Development Corp, which was acquired in November 2021 **, and provides business valuation services** . The Company accounts for income taxes under the asset and liability method in accordance with ASC 740. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the reversal of deferred tax liabilities during the period in which related temporary differences become deductible. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement with the tax authorities.

Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in income tax expense. The Company has determined that it had no significant uncertain tax positions requiring recognition or disclosure. 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: ~~F- 7~~ **● 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. F- 8 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 asset (~~Accounts~~ **accounts** ~~Receivable~~ **receivable**). Contract Assets Contract assets are recorded for those parts of the contract consideration not yet invoiced but for which the performance obligations are completed. The revenue is recognized when the customer receives services. Contract assets are included in other current assets in the consolidated balance sheets and will be recognized during the succeeding twelve- month period. Deferred Revenue Deferred revenues represent billings or payments received in advance of revenue recognition and is recognized upon transfer of control. Balances consist primarily of annual plan subscription services and professional services not yet provided as of the balance sheet date. Deferred revenues that will be recognized during the succeeding twelve- month period are recorded as current deferred revenues in the consolidated balance sheets, with the remainder recorded as other non- current liabilities in the consolidated balance sheets. Costs to Obtain a Customer Contract Sales commissions and related expenses are considered incremental and recoverable costs of acquiring customer contracts. These costs are capitalized as other current or non- current assets and amortized on a straight- line basis over the life of the contract, which approximates the benefit period. The benefit period was estimated by taking into consideration the length of customer contracts, technology lifecycle, and other factors. All sales commissions are recorded as consulting fees within the Company ~~'~~ **'** s consolidated statement of operations. Remaining Performance Obligations The Company ~~'~~ **'** s subscription terms are typically less than one year. All of the Company' s revenues in the years ended April 30, **2023 and** 2022 ~~and 2021~~ , which amounted to $ **8, 493, 985 and $** 5, 480, 835 ~~and $ 4, 721, 003~~ , respectively, are considered contract revenues. Contract revenue as of April 30, **2023 and** 2022 ~~and 2021~~ , which has not yet been recognized, amounted to $ **661 and $** 2, 532 ~~and $ 622~~ , 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. F- 9 Disaggregation of Revenue Our revenue is from U. S.- based companies with no notable geographical concentrations in any area. A distinction exists in revenue source; our revenues are either generated online or from personal services. Revenues disaggregated by revenue source consist of the following: Schedule of Disaggregation of Revenue Year Ended April 30, ~~2022~~ **2023** Year Ended April 30, ~~2021~~ **2022** Consulting services $ **7, 560, 320 $** 3, 878, 233 ~~$ 3, 886, 022~~ Fees from online services **933, 665** 1, 602, 602 ~~834, 981~~ Total revenues $ **8, 493, 985 $** 5, 480, 835 ~~$ 4, 721, 003~~ Costs of Services Costs of services consist of direct costs that we pay to third parties ~~in order~~ to provide the services that generate revenue. Earnings Per Share Basic net income per share is computed by dividing net income available to common stockholders by the weighted average number of vested, unrestricted common shares outstanding during the period.

Diluted net income per share is computed based on the weighted average number of shares of common stock outstanding plus the effect of dilutive potential common shares outstanding during the period using the if- converted method. Cash and Cash Equivalents The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The Company did not have any cash equivalents during fiscal **2023 and** 2022 ~~and 2021~~. The Company uses three financial institutions for its cash balances and has maintained cash balances that exceed federally insured limits. **Accounts Receivable** The Company extends credit to its customers in the normal course of business and performs ongoing credit evaluations of its customers, maintaining an allowance for potential credit losses. Accounts receivable is reported net of the allowance for doubtful accounts. The allowance is based on management' s estimate of the amount of receivables that will be collected. The Company recorded an allowance for doubtful accounts of $ **91, 955 and $** 136, 955 ~~and $ 60, 325~~ as of April 30, **2023 and** 2022 ~~and 2021~~, respectively. **F- 10** Notes Receivable The Company lends money to companies in limited instances, performs ongoing credit evaluations of its notes receivable and establishes an allowance for potential credit losses when appropriate. Intangible Assets Intangible assets with defined useful lives are generally measured at cost less straight- line amortization. The useful life is determined using the period of the underlying contract or the period of time over which the intangible asset can be expected to be used. Impairments are recognized if the recoverable amount of the asset is lower than the carrying amount. The recoverable amount is the higher of either the fair value less costs to sell or the value in use. The value in use is determined on the basis of future cash inflows and outflows, and the weighted average cost of capital. Intangible assets with indefinite useful lives, such as trade names and trademarks, that have been acquired as part of acquisitions are measured at cost and tested for impairment annually, or if there is an indication that their value has declined. ~~The following table sets forth the major categories of the intangible assts as of April 30, 2022 and 2021 Schedule of intangible assets April 30, 2022 April 30, 2021 Acquired users $ 14, 288, 695 $ 14, 271, 836 Acquired brand 583, 429 532, 118 Professional practice 556, 830 — Literary works and contracts 107, 750 — Total intangible assets $ 15, 536, 704 $ 14, 803, 954 F- 10~~ Authoritative guidance requires that certain assets be reviewed for impairment and, if impaired, remeasured at fair value whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Impairment loss estimates are primarily based upon management' s analysis and review of the carrying value of long- lived assets at each balance sheet date, utilizing an undiscounted future cash flow calculation. The Company did not recognize an impairment loss in fiscal **2023 and** 2022 ~~and 2021~~. Stock- Based Compensation The Company accounts for employee stock- based compensation in accordance with the guidance of FASB ASC Topic 718, Compensation – Stock Compensation which requires all share- based payments to employees, including the vesting of restricted stock grants to employees, to be recognized in the financial statements based on their fair values. The fair value of the equity instrument is charged directly to compensation expense and credited to common stock and capital in excess of par value during the period during which services are rendered. **The Company follows ASC Topic 505- 50, formerly EITF 96- 18, " Accounting for Equity Instruments that are Issued to Other than Employees for Acquiring, or in Conjunction with Selling Goods and Services, " for common stock issued to consultants and other non-employees. These shares of common stock are issued as compensation for services provided to the Company and are accounted for based upon the fair market value of the common stock. The fair value of the equity instrument is charged directly to compensation expense, or to prepaid expenses in instances where stock was issued under a contractual arrangement to a consultant who agreed to provide services over a period of time.** F- 11 Advertising Expenses Advertising and marketing expenses are recorded separately in the **Consolidated** Statements of Operations and are expensed as incurred. Equity Securities All investments in equity securities are initially measured at cost. Cost is based upon either the cost of the investment, the fair value of the services provided or the estimated market value of the investment at the time it was acquired, whichever can be more clearly determined. If the Company identifies an observable price change in an orderly transaction for an identical or similar investment of the same issuer, the Company measures the equity security at fair value as of the date that the observable transaction occurred. Use of Estimates In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The most significant estimate relates to investments, the allowance for doubtful accounts and the calculation of stock- based compensation for the stock options. On a continual basis, management reviews its estimates, utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates. Recent Accounting Pronouncements In June 2016, the FASB issued ASU No. 2016- 13 Financial Instruments- Credit Losses. The new guidance provides better representation about expected credit losses on financial instruments. This update requires the use of a methodology that reflects expected losses and requires consideration of a broader range of reasonable and supportive information to inform credit loss estimates. This ASU is effective for reporting periods beginning after December 15, 2022, with early adoption permitted. The company is studying the impact of adopting the ASU in fiscal year 2023, and what effect it could have. The Company believes the accounting change would not have a material effect on the financial statements. Management does not believe that any other recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances. 2. Concentrations For the year ended April 30, **2023, the Company had one customer that constituted 25 % of its revenues, and four customers that each constituted 14 % of its revenues. For the year ended April 30,** 2022, the Company had one customer that constituted 22 % of its revenues, a second customer that constituted 22 % of its revenues, and a third customer that constituted 18 % of its revenues. ~~For the year ended April 30, 2021, the Company had one customer that constituted 30 % of its revenues, a second customer that constituted 15 % of its revenues, a third customer that constituted 14 % of its revenues and a fourth customer that accounted for 11 % of its revenues.~~ F- 12 3. Debt The following table summarizes components debt as of April 30, **2023 and** 2022 ~~and 2021~~: Schedule of

Debt **2023** 2022 ~~2021~~ Interest Rate Secured lender $ **350, 000 $** 1, 400 ~~, 000 $ 1, 000~~ , 000 8 **. 0 % – 12** . 0 % Notes payable – related parties ~~22~~ **15** , ~~860~~ **000** 22, 860 0. 0 % Convertible promissory notes **—** 300, 000 ~~—~~ 8 ~~. 0 % U. S. SBA loan — 1, 885, 800 1~~ . 0 % U. S. SBA loan 500, 000 500, 000 3. 75 % U. S. SBA loan 1, 885, 800 1, 885, 800 1. 0 % Loan payable – bank 34, 324 34, 324 ~~7~~ **10** . 0 % Total debt **2, 785, 124** 4, 142, 984 ~~5, 328, 784~~ Less: current portion of long- term debt **2, 285, 124** 3, 647, 911 ~~2, 942, 984~~ Total long- term debt $ **500, 000 $** 495, 073 ~~$ 2, 385, 800~~ As of April 30, **2023 and** 2022 ~~and 2021~~ , the Company owed its principal lender (" Lender ") $ **350, 000 and $** 1, 400 ~~, 000 and $ 1, 000~~ , 000, respectively, under a loan and security agreement (" Loan ") dated April 28, 2011, that was amended on July 26, 2014 and several times thereafter ~~so that~~ **to extend** the maturity date **to October 31** ~~is now April 30~~ , 2023. In connection with the financing, the Company has agreed to certain restrictive covenants, including, among others, that the Company may not convey, sell, lease, transfer or otherwise dispose of any part of its business or property, except as permitted in the agreement, dissolve, liquidate or merge with any other party unless, in the case of a merger, the Company is the surviving entity, incur any indebtedness except as defined in the agreement, create or allow a lien on any of its assets or collateral that has been pledged to the Lender, make any loans to any person, except for prepaid items or deposits incurred in the ordinary course of business, or make any material capital expenditures. To secure the payment of all obligations to the Lender, the Company granted ~~to~~ the Lender a continuing security interest and first lien on all of the assets of the Company. ~~On February 9, 2022, the Company issued and sold in a private placement $ 300, 000 of unsecured convertible promissory notes (the " February 2022 Notes "). These notes bear interest at a rate of 8 % per annum and have a maturity date of February 9, 2023. In addition, the February 2022 Notes will automatically convert simultaneously with the closing of a Qualified Equity Financing (as defined below) into a number of securities sold in the Qualified Equity Financing equal to the quotient obtained by dividing (a) an amount equal to the amount of the February 2022 Notes outstanding on the closing date of such Qualified Equity Financing by (b) a conversion price equal to the lesser of (1) $ 10. 00 and (2) 80 % of the price per share paid for securities sold in such Qualified Equity Financing upon the closing of such Qualified Equity Financing. A " Qualified Equity Financing " means the offer and sale for cash by us of any of our equity securities with the principal purpose of raising capital and that results in aggregate gross proceeds to us of at least $ 5, 000, 000.~~ As of April 30, **2023 and** 2022 ~~and 2021, unsecured convertible promissory notes totaled $ 300, 000 and 0, respectively. As of April 30, 2022 and 2021~~ , the Company' s related- party unsecured notes payable totaled $ **15, 000 and $** 22, 860 **, respectively. As of April 30, 2023 and 2022, the company owed $ 0 and $ 300, 000 in convertible notes payable. On July 14, 2022, the Company issued 93, 432 shares of common stock valued at $ 266, 272 to retire the $ 300, 000 in convertible promissory notes plus accrued interest of $ 10, 192** . The Company also owes $ 34, 324 as of April 30, **2023 and** 2022 ~~and 2021~~ 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 ~~7~~ **10** . 0 % per annum **as of April 30, 2023** . ~~F- 13~~ On May 6, 2020, the Company borrowed $ 1, 885, 800 (the " May Loan "), 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 May loan bore interest at a rate of 1 % per annum and the SBA postponed any installment payments until September 6, 2021. In November 2021 the May Loan was forgiven in its entirety, including accrued interest of $ 18, 502. As a result, the Company recognized debt forgiveness of $ 1, 904, 296 in the year ended April 30, 2022. The June Loan required installment payments of $ 2, 594 monthly, beginning on June 17, 2021, over a term of thirty years. However, the SBA ~~has~~ postponed the first installment payment for 18 months **and the first payment became due on December 17, 2022. The monthly payments of $ 2, 594 are first applied to accrued interest payable. The monthly payments will not be applied to any of the outstanding principal balance until August of 2026. Consequently, the entire loan balance of $ 500, 000 is classified as a long term liability** . Interest accrues at a rate of 3. 75 % per annum. The Company agreed to grant a continuing security interest in its assets to secure payment and performance of all debts, liabilities, and obligations to the SBA ~~. The June Loan was personally guaranteed by the Company' s Chief Financial Officer~~ . The February loan bears interest at a rate of 1 % per annum and the due date of the first payment has been postposed by the SBA because the Company has applied for forgiveness of the February Loan in its entirety. As of April 30, ~~2022~~ **2023** , future payments under debt obligations over each of the next five years and thereafter were as follows: Schedule of future payments under debt ~~obligations~~ **obligationsTwelve** ~~Twelve~~ months ended April 30: ~~2023 $ 3, 647, 911~~ 2024 **$ 2, 285,** ~~12~~ **124** ~~, 126~~ 2025 **—** ~~12, 563~~ 2026 **— 2027 9, 837 2028** 13, **971** ~~016 2027 13, 485~~ Thereafter ~~443~~ **476** , ~~883~~ **192** Minimum future payments of principal $ ~~4~~ **2** , ~~142~~ **785** , ~~984~~ **124** F- ~~14~~ **13** 4. Fair Value Measurements The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of financial instruments on a recurring basis. Cash and cash equivalents, accounts receivable, and accounts payable In general, carrying amounts approximate fair value because of the short maturity of these instruments. Fair Value Hierarchy 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 April 30, **2023 and** 2022 ~~and 2021~~ : Schedule of Financial assets measured at fair value on a recurring basis Level 1 Level 2 Level 3 Total April 30, **2023 Equity securities at fair value $ — $ 22, 955, 445 $ — $ 22, 955, 445 April 30,** 2022 Equity securities at fair value $ — $ 12, 861, 253 $ — $ 12, 861, 253 ~~April 30, 2021 Equity securities at fair value $ — $ 6, 298, 008 $ — $ 6, 298, 008~~ Determination of Fair Value Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Company bases its 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 the Company' s 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, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future value. See Note 1 for a description of valuation methodologies used for assets and liabilities recorded at fair value and for estimating fair value where it is practicable to do so for financial instruments not recorded at fair value (disclosures required by the Fair Value Measurements Topic of the FASB Accounting Standards Codification). ~~F- 15~~ 5. Income Taxes ~~As of April 30, 2022, the Company had net operating loss carryforwards for Federal income tax purposes of approximately $ 1, 108, 000 expiring in the years of 2023 through 2042. Utilization of the net operating losses may be subject to annual limitations provided by Section 382 of the Internal Revenue Code and similar state provisions.~~ Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company' s deferred tax assets and liabilities as of April 30, **2023 and** 2022 ~~and 2021~~ were as follows: Schedule of Income Taxes ~~2022~~ **2023** ~~2021~~ Deferred tax assets, net: Net operating loss carryforwards $ **— $** 322 ~~, 000 $ 141~~ , 000 Bad debt ~~expense~~ **allowance 27, 000** 40 ~~, 000 17~~ , 000 Stock- based compensation **433, 000** 357, 000 ~~155, 000 Asset impairment loss — —~~ Deferred tax assets **460, 000** 719 ~~, 000 313~~ , 000 Deferred tax liability Unrealized gain **2, 117, 000** 1, 696 ~~, 000 746~~ , 000 Total deferred tax liability **2, 117, 000** 1, 696 ~~, 000 746~~ , 000 Total net deferred tax assets (liabilities) $ (~~977~~ **1, 657** , 000) $ (~~433~~ **977** , 000) F- ~~16~~ **14** For fiscal ~~2022~~ **2023** , our income tax expense was $ ~~544~~ **854** , 000, with an effective tax rate of ~~13~~ **22** % ~~.~~ **,** Our effective tax rate and the resulting provision for income taxes were impacted by tax benefits related to a net operating loss carryforward of $ 1. **6 million. For fiscal 2022, our income tax expense was $ 544, 000, with an effective tax rate of 13 %. Our effective tax rate and the resulting provision for income taxes were impacted by tax benefits related to a net operating loss carryforward of $ 1.** 1 million and non- taxable debt forgiveness of $ 1. 9 million ~~. For fiscal 2021, our income tax expense was $ 613, 000, with an effective tax rate of 29 %, similar to the statutory rate for federal and state taxes~~ . The Company did not have any material unrecognized tax benefits as of April 30, **2023 and** 2022 ~~and 2021~~ . The Company does not expect the unrecognized tax benefits to significantly increase or decrease within the next twelve months. The Company recorded no interest and penalties relating to unrecognized tax benefits as of and during the years ended April 30, **2023 and** 2022 ~~and 2021~~ . The Company is subject to U. S. federal income tax, as well as taxes by various state jurisdictions. The Company is currently open to audit under the statute of limitations by the federal and state jurisdictions for the years ending April 30, 2020 through ~~2022~~ **2023** . 6. Commitments and Contingencies Litigation The Company is subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability, if any, is not likely to have a material effect on the financial condition, results of operations or liquidity of the Company. However, as the outcome of litigation or legal claims is difficult to predict, significant changes in the estimated exposures could occur. There are no known legal complaints or claims against the Company. The Company utilizes virtual office space in Boston, Massachusetts, at a cost of approximately $ 5, 700 per month under a membership agreement that ends on September 30, 2023. The membership agreement includes a deposit of $ 6, 300. A novel strain of coronavirus, or COVID- 19, has spread throughout the world and has been declared to be a pandemic by the World Health Organization. As of the date this report was issued, our operations have not been significantly impacted by the COVID- 19 outbreak. The number of people establishing accounts on our website Netcapital. com more than doubled during the pandemic. Most of our employees work remotely from a home office to access our technology, which runs 24 hours a day on the internet. However, we cannot at this time predict the specific extent, duration, or full impact that the COVID- 19 outbreak will have on our financial condition, operations, and business plans for fiscal year 2023. Our operations have adapted social distancing practices, and the next expected milestones of our product may be impacted, and we may experience delays in anticipated timelines and milestones. 7. Stockholders' Equity The Company is authorized to issue 900, 000, 000 shares of its common stock, par value $ 0. 001. As of April 30, **2023 and** 2022 ~~and 2021~~ , there were **6, 440, 527 and** 2, 934, 344 ~~and 2, 178, 766~~ shares outstanding, respectively. In fiscal 2022, 57, 186 shares of common stock were issued for stock- based compensation, 361, 736 shares of common stock were issued to settle related party liabilities in conjunction with the purchase Netcapital Funding Portal Inc., 199, 156 shares of common stock were sold in a private placement to accredited investors at a price of $ 9 per share, 50, 000 shares of common stock were issued to purchase MSG Development Corp. and 87, 500 shares were issued in conjunction with the purchase of a 10 % interest in Caesar Media Group Inc. **On January** ~~In fiscal 2021, 99, 270~~ **27, 2022, the Company filed a Form S- 8 registration statement for securities to be offered in employee benefit plans, to register 300, 000** shares of common stock ~~were issued for stock- based compensation~~ **from the Company' s 2021 Equity Incentive Plan. On February 2** , ~~1~~ **2022** , ~~666~~ **the Company granted an aggregate of 272** , ~~360~~ **000 options to purchase** shares of common stock **of the company at a price of $ 10. 50 per share. The options** were **granted to employees, consultants, and members of the board of directors. The options vest monthly on a straight- line basis over a 4- year period and expire in 10 years. As of April 30, 2023 and 2022, 252, 000 and 271, 000 options, respectively, were outstanding. F- 15 During the quarter ended July 31, 2022, the Company** issued **39** ~~to purchase Netcapital Funding Portal Inc.~~ , **901** ~~and 5, 000~~ shares of common stock **with** ~~were returned to the Company in exchange for~~ a ~~20 % ownership of AthenaSoft Corp. that was acquired by the Company during fiscal 2018. The book~~ value of **$ 113** ~~the AthenaSoft Corp. shares surrendered by the Company was zero dollars~~ , **714 to settle** ~~as the Company had recognized an impairment loss in~~ a ~~prior year~~ **related party payable of $ 294, 054** . The Company also issued ~~1~~ **93** , ~~077~~ **432** shares of common stock ~~,~~ valued at $ **266, 272 to retire $ 300, 000 of convertible promissory notes plus accrued interest**

of $ 10, 192. The convertible note holders also received warrants to purchase shares of common stock at a per share exercise price of $ 5. 19, that are exercisable immediately, and expire five years from the date of issuance. These equity issuances resulted in a gain from the conversion of debt totaling $ 224, 260, which is recorded as other income in the income statement. On July 15, **2022, the Company completed an underwritten public offering of 1, 205,** 000 ~~,~~ **shares of the Company' s common stock and warrants** to ~~pay~~ **purchase 1, 205, 000 shares of the Company' s common stock at** a **combined public offering price of** $ **4.** 15 **per share and warrant. The gross proceeds from the offering were $ 5** , 000 ~~liability~~ **, 750 prior to deducting underwriting discounts, commissions, and other offering expenses, which resulted in net proceeds of $ 3, 949, 117. The warrants have a per share exercise price of $ 5. 19, are exercisable immediately, and expire five years from the date of issuance. In addition, the Company granted the underwriter a 45- day option to purchase up to an additional 180, 750 shares of common stock and / or up to 180, 750 additional warrants to cover over- allotments, if any. In connection with the closing of the offering, the underwriter partially exercised its over- allotment option and purchased an additional 111, 300 warrants, and the Company issued an aggregate of warrants to purchase 60, 250 shares of our common stock to the underwriter and its designees. On December 16, 2022 the Company completed an underwritten public offering of 1, 247, 000 shares of the Company' s common stock, at a price to the public of $ 1. 40 per share. Pursuant to the terms of an underwriting agreement, the Company also granted the underwriters a 45- day option to purchase up to an additional 187, 000 shares of common stock solely to cover over- allotments, at the same price per share of $ 1. 40, less the underwriting discounts and commissions. In conjunction with this offering, the Company issued the underwriter and its designees warrants to purchase 62, 350 shares of our common stock at an exercise price of $ 1. 75. The underwriters exercised their over- allotment option and on January 5, 2023, the Company issued an additional 187, 000 shares of its common stock. The Company received net proceeds of $ 1, 621, 459 for the issuance of a total of 1, 434, 000 shares of common stock for both the initial and over- allotment offering. In conjunction with the exercise of the over- allotment, the Company issued the underwriter and its designees warrants to purchase 9, 350 shares of our common stock with an exercise price of $ 1. 75. The Securities were offered, issued and sold to the public pursuant to the Company' s shelf registration statement on Form S- 3 (File No. 333- 267921) previously filed with the Securities and Exchange Commission (the " Commission ") on October 18, 2022 and declared effective by the Commission on October 26, 2022 and related prospectus supplements dated December 13, 2022, as amended on December 16, 2022** . F- ~~17 For the years ended April 30, 2022 and 2021, the Company recorded $ 1, 176~~ - **16** ~~, 058 and $ 680, 611, respectively, in stock- based compensation expense. As of April 30, 2022 and 2021, there was $ 0 and $ 631, 878 of prepaid stock- based compensation expense. The table below presents the components of stock- based compensation expense for the years ended April 30, 2022 and 2021. Schedule of stock- based compensation expense Description April 30, 2022 April 30, 2021 Chief Executive Officer $ 40, 608 $ 161, 107 Chief Financial Officer 40, 608 161, 107 Chief Marketing Officer 109, 547 31, 693 Related party consultant 25, 908 76, 882 Marketing consultant 5, 603 5, 286 Marketing consultant 380, 441 119, 059 Marketing consultant — 20, 000 Marketing consultant 118, 405 28, 595 Business consultant 25, 908 76, 882 Company secretary and director 100, 000 — Business development manager 300, 000 — Employee stock options 29, 030 — Total $ 1, 176, 058 $ 680, 611 The table below presents the number of shares issued as compensation for the years ended April 30, 2022 and 2021: Year Ended Year Ended Description April 30, 2022 April 30, 2021 Company secretary and director 10, 000 — Business development manager 30, 000 — Chief Marketing Officer 10, 417 3, 646 Marketing consultant 469 624 Marketing consultant — 20, 000 Marketing consultant — 75, 000 Total 50, 886 99, 270 The table below presents the prepaid stock- based compensation expense as of April 30, 2022 and 2021: Year Ended Year Ended Description April 30, 2022 April 30, 2021 Chief Executive Officer $ — $ 40, 608 Chief Financial Officer — 40, 608 Related party consultant — 25, 908 Business consultant — 25, 908 Marketing consultant — 380, 441 Marketing consultant — 118, 405 Total $ — $ 631, 878 F- 18~~ The following tables summarize information about **warrants** ~~stock options~~ outstanding as of April 30, **2023 and** 2022 ~~and 2021~~ : Schedule of **warrants** ~~stock options~~ outstanding ~~Options~~ **Warrants** Outstanding ~~Options~~ **Warrants** Exercisable Weighted- Average Weighted- Weighted- Range of Remaining Average Average Exercise Number Contractual Exercise Number Exercise Prices Outstanding Life (Years) Price Outstanding Price As of April 30, **2023 $ 1. 75- $ 5. 19 1, 541, 682 4. 25 $ 5. 03 1, 469, 982 $ 5. 19 As of April 30,** 2022 ~~$ 10. 50- $ 10. 50 271, 000 9. 79 $ 10. 50 16, 945 $ 10. 50 As of November 30, 2021~~ — — **—** $ — — $ — Schedule of **Warrants** ~~stock options~~ activity Number of Shares Exercise Price Per Share Average Exercise Price Outstanding May 1, ~~2020~~ **2021** — — $ — Issued during year ended April 30, ~~2021~~ **2022** — — $ — Exercised / canceled during year ended April 30, ~~2021~~ **2022** — — $ — **Outstanding April 30, 2022 — — $ — Issued during year ended April 30, 2023 1, 541, 682 $ 1. 75- $ 5. 19 $ 5. 03 Exercised / canceled during year ended April 30, 2023 — — $ — Warrants outstanding April 30, 2023 1, 541, 682 $ $ 1. 75- $ 5. 19 $ 5. 03 Warrants exercisable, April 30, 2023 1, 469, 982 $ 5. 19 $ 5. 19 F- 17 As a result of the two offerings, the company has warrants outstanding, with a five- year term, to purchase a total of 1, 469, 982 shares of its common stock at an exercise price of $ 5. 19 and 71, 700 shares of its common stock at an exercise price of $ 1. 75. The warrants issued to the underwriter' s representatives and to the underwriter were not part of a unit, consisting of one share of common stock and one warrant and are valued based upon unadjusted quoted prices on the Nasdaq market. During the year ended April 30, 2023, in addition to the public offerings, the Company issued 75, 000 shares of common stock, valued at $ 732, 751, in conjunction with the purchase of a 10 % equity stake in Caesar Media Group, Inc., 300, 000 shares of common stock, valued at $ 435, 000 to purchase the website and intellectual property of a real- time video conferencing website, 2, 600 shares of common stock in conjunction with a stock subscription agreement with accredited investors, valued at $ 23, 400, and 6, 250 shares of common stock in conjunction with an acquisition agreement that requires shares to be issued by the Company. As a result of this issuance, the value of the balance sheet account for shares to be issued decreased by $ 61, 063 to $ 183, 187 as of April 30, 2023, from a balance of $ 244, 250 as of April 30, 2022. On January 5, 2023, the Company filed a Current Report on Form 8- K and announced the formation of the Netcapital Inc.**

2023 Omnibus Equity Incentive Plan (the " Plan "), which has subsequently been approved by a vote of the shareholders. The purposes of the Plan are to (i) provide an additional incentive to selected employees, directors, and independent contractors of the Company or its affiliates whose contributions are essential to the growth and success of the Company, (ii) strengthen the commitment of such individuals to the Company and its affiliates, (iii) motivate those individuals to faithfully and diligently perform their responsibilities and (iv) attract and retain competent and dedicated individuals whose efforts will result in the long- term growth and profitability of the Company. In conjunction with these purposes, the Company granted stock options to four individuals to purchase an aggregate of 1, 600, 000 of the Company' s common stock at a price of $ 1. 43 per share. See Note 9. The Company also granted 350, 000 stock options under the Plan to employees, consultants, and directors on April 25, 2023 at an exercise price of $ 1. 40 per share. All stock options in the Plan vest monthly on a straight- line basis over a 4- year period and expire in 10 years. For the years ended April 30, 2023 and 2022, the Company recorded $ 269, 577 and $ 1, 176, 058, respectively, in stock- based compensation expense. As of April 30, 2023 and 2022, there was $ 552, 329 and $ 0 of prepaid stock- based compensation expense. The prepaid balance of $ 552, 329 is the result of the issuance of 350, 000 shares of common stock to a third- party business consultant. The table below presents the components of stock- based compensation expense for the years ended April 30, 2023 and 2022. Schedule of stock- based compensation expenseDescription April 30, 2023 April 30, 2022 Chief Executive Officer, Netcapital Inc. $ 81, 309 $ — Chief Financial Officer 25, 927 40, 608 Chief Executive Officer, Netcapital Advisors Inc. 4, 833 40, 608 Founder 25, 927 — Chief Marketing Officer — 109, 547 Related party consultant — 25, 908 Marketing consultant — 5, 603 Marketing consultant — 380, 441 Marketing consultant — 118, 405 Business consultant — 25, 908 Company secretary and director — 100, 000 Business development manager — 300, 000 Employee and director stock options 131, 581 29, 030 Total $ 269, 577 $ 1, 176, 058 The table below presents the number of shares issued as compensation for the years ended April 30, 2023 and 2022: Year Ended Year Ended Description April 30, 2023 April 30, 2022 Company secretary and director — 10, 000 Business development manager — 30, 000 Chief Marketing Officer — 10, 417 Business consultants 350, 000 469 Total 350, 000 50, 886 F- 18 The following tables summarize information about stock options outstanding as of April 30, 2023 and 2022: Schedule of stock options outstanding Options Outstanding Options Exercisable Weighted- Average Weighted- Weighted- Range of Remaining Average Average Exercise Number Contractual Exercise Number Exercise Prices Outstanding Life (Years) Price Outstanding Price As of April 30, 2023 $ 1. 40- $ 10. 50 2, 202, 000 9. 63 $ 2. 46 294, 333 $ 3. 69 As of April 30, 2022 $ 10. 50- $ 10. 50 271, 000 9. 79 $ 10. 50 16, 945 $ 10. 50 Schedule of stock options activity Number of Shares Exercise Price Per Share Average Exercise Price Outstanding April 30, 2021 — — $ — Issued during year ended April 30, 2022 272, 000 $ 10. 50- $ 10. 50 $ 10. 50 Exercised / canceled during year ended April 30, 2022 1, 000 $ 10. 50- $ 10. 50 $ 10. 50 Options outstanding April 30, 2022 271, 000 $ 10. 50- $ 10. 50 $ 10. 50 **Issued during year ended April 30, 2023 1, 950, 000 $ 1. 40- $ 1. 43 $ 1. 42 Exercised / canceled during year ended April 30, 2023 (19, 000) $ 10. 50- $ 10. 50 $ 10. 50 Options outstanding April 30, 2023 2, 202, 000 $ 1. 40- $ 10. 50 $ 2. 46** Options exercisable, April 30, ~~2022~~ **2023** ~~16~~ **294** , ~~945~~ **333 $ 1. 40-** $ 10. 50 ~~–~~$ ~~10~~ **3** . **69** ~~50 $ 10. 50~~ F- 19 8. Earnings Per Common Share Earnings per common share data was computed as follows: Schedule of earnings per share ~~2022~~ **2023** ~~2021~~ Net income $ **2, 954, 972 $** 3, 503, 530 ~~$ 1, 469, 660~~ Weighted average common shares outstanding **4, 677, 214** 2, 666, 173 ~~1, 250, 002~~ Effect of dilutive securities **250** 82, 307 ~~397, 293~~ Weighted average dilutive common shares outstanding **4, 677, 464** 2, 748, 480 ~~1, 647, 295~~ Earnings per common share – basic $ **0. 63 $** 1. 31 ~~$ 1. 18~~ Earnings per common share – diluted $ **0. 63 $** 1. 27 ~~$ 0. 89~~ Basic net income per share is computed by dividing net income available to common stockholders by the weighted average number of vested, unrestricted common shares outstanding during the period. Diluted net income per share is computed based on the weighted average number of shares of common stock outstanding plus the effect of dilutive potential common shares outstanding during the period using the if- converted method. Dilutive potential common shares include **250** ~~39, 901 and 397, 296~~ shares **and 82** , **307 shares, respectively** for the years ended April 30, **2023 and** 2022 ~~and~~ **. As of April 30,** ~~2021~~ **2022** , ~~respectively~~ **39** , ~~that are~~ **901 shares were** issuable to satisfy a supplemental consideration liability ~~. In fiscal 2022~~ , **in addition to** ~~the Company also had~~ $ 300, 000 in convertible promissory notes plus $ 5, 326 in accrued interest payable that could convert, at a price per share of $ 7. 20, into 42, 406 shares of common stock. Outstanding stock options, totaling **2, 202, 000 and** 271, 000 ~~and 0~~ for the years ended April 30, **2023 and** 2022 ~~and 2021~~ , respectively, were not included in the calculation of dilutive securities because their effect was anti- dilutive. **Vested warrants totaling 1, 469, 982 and 0 shares, for the years ended April 30, 2023 and 2022, were also not included in the calculation of dilutive securities because their effect was anti- dilutive.** 9. Related Party Transactions The Company' s ~~majority~~ **largest** shareholder, Netcapital Systems LLC **(" Systems ")** , owns 1, ~~671~~ **711** , ~~360~~ **261** shares of common stock, or ~~57~~ **26** . ~~7~~ **6** % of the Company **' s 6, 440, 527 outstanding shares** as of April 30, ~~2022~~ **2023** . **As** ~~The Company has a demand note payable to Netcapital Systems LLC of $ 4, 600 and a demand note payable to one of its former managers of $ 3, 200. In addition, as~~ of April 30, ~~2021~~ **2022** , the Company accrued a payable **to Systems** of $ ~~3~~ **294** , **054** ~~817, 516~~ for supplemental consideration owed in conjunction with its purchase of Netcapital Funding Portal Inc., which was **paid in full on July 14** ~~reduced to $ 294, 054 as of April 30~~ , 2022, **with** ~~because of~~ the issuance to ~~361~~ **Systems of 39** , ~~736~~ **901** shares of **the Company' s** common stock ~~, valued at $ 3, 523, 462~~ . **The Company provided professional services** ~~Of the 361, 736 shares that were issued, a total of 32, 458 shares, representing a reduction in the payable amount of $ 346, 821, were issued~~ to ~~managers of Netcapital~~ Systems ~~LLC, and 3, 151 shares, representing a reduction in the payable amount of $ 30, 691, were issued to our Chief Executive Officer. The company paid its majority shareholder $ 357, 429 and $ 200, 000~~ in the years ended April 30, **2023 and** 2022 and ~~2021~~ **recorded revenue of $ 4, 660 and $ 15, 000** , respectively, for ~~use of the~~ **those services** ~~software that runs the website www~~ . **F- 20** ~~netcapital. com.~~ The ~~Company also had a sale of $ 15, 000 for consulting services to its majority shareholder during fiscal 2022. The Company received revenues of $ 39, 360 and $ 660, 486 for the years ended April 30, 2022 and 2021, respectively from ChipBrain, Inc. Our~~ Chief Executive Officer **of our wholly owned subsidiary, Netcapital**

Advisors Inc., is a member of the board of directors of **KingsCrowd** ~~ChipBrain,~~ Inc. The Company ~~owns 710~~ **sold 606** , **060 shares of KingsCrowd in June 2022 for proceeds of $** 200 **, 000 and recorded a realized loss on the sale of the investment of $ 406, 060. As of April 30, 2023 and 2022, the Company owned 3, 209, 685 and 3, 815, 745** shares of **KingsCrowd** ~~ChipBrain,~~ Inc., valued at $ ~~1~~ **3** , ~~704~~ **209** , ~~480~~ **685 and $ 3, 815, 745, respectively** . **F- 21 10. Investments** ~~Our Chief Executive Officer is a member of the board of directors of KingsCrowd Inc~~ - **In April 2023, the Company received 2, 853, 659 units of HeadFarm LLC as a payment for services rendered in conjunction with a crowdfunding offering** . The **units are** ~~Company owns 3, 815, 745 shares of KingsCrowd Inc.,~~ valued at $ **0** ~~3, 815, 745~~ . ~~Our Chief Executive Officer is~~ **41 per unit based on** a ~~member~~ **sales price** of ~~the board of directors of Deuce Drone LLC~~ **$ 0. 41 per unit on an online funding portal** . The **receipt of the units satisfied an accounts receivable balance of $ 1, 170, 000. As of April 30, 2023, the** Company ~~owns~~ **owned** 2, ~~350~~ **856** , **659** ~~000 membership interest~~ units **which are** ~~of Deuce Drone LLC.,~~ valued at $ **1, 170, 000. In April 2023, the Company received** 2, ~~350~~ **853** , **659 units of CupCrew** ~~000. The Company has notes receivable aggregating $ 152, 000 from Deuce Drone~~ LLC as **a payment for services rendered in conjunction with a crowdfunding offering. The units are valued at $ 0. 41 per unit based on a sales price of $ 0. 41 per unit on an online funding portal. The receipt of the units satisfied an accounts receivable balance of $ 1, 170, 000. As** of April 30, ~~2022~~ **2023 ,** ~~. F- 20 Compensation expense to officers in~~ the ~~years~~ **Company owned 2, 856, 659 units which are valued at $ 1, 170, 000. In April 2023, the Company received 2, 853, 659 units of CountSharp LLC as a payment for services** ~~ended~~ **rendered in conjunction with a crowdfunding offering. The units are valued at $ 0. 41 per unit based on a sales price of $ 0. 41 per unit on an online funding portal. The receipt of the units satisfied an accounts receivable balance of $ 1, 170, 000. As of** April 30, ~~2022~~ **2023** ~~and 2021 consisted of common stock~~ **, the Company owned 2, 856, 659 units which are** valued at $ ~~190~~ **1** , **170** ~~763 and $ 353~~ , ~~907~~ **000. In January 2023** , ~~respectively~~ **the Company received 2** , **100** ~~cash compensation of $ 265~~ , ~~688 and $ 332, 724, respectively, and options to purchase common stock~~ **000 units of Dark LLC as a payment for services rendered in conjunction with a crowdfunding offering. The units are** valued at $ ~~3, 147~~ **1. 00 per unit based on a sales price of $ 1. 00 per unit on** ~~and~~ - **an online funding portal** ~~$ 0, respectively~~ . **The receipt of** ~~Compensation to a related party consultant in~~ the ~~years ended~~ **units satisfied an accounts receivable balance of $ 2, 100, 000. As of** April 30, ~~2022~~ **2023** ~~and 2021 consisted of common stock~~ **, the Company owned 2, 100, 000 units which are** valued at $ ~~25~~ **2** , **100** ~~908 and $ 76, 882, respectively, and cash compensation of $ 60~~ , 000 ~~and $ 81, 431, respectively~~ . ~~This consultant is also the controlling shareholder of Zelgor Inc~~ - **In** ~~.~~ **August 2022** , ~~and~~ the Company **received** ~~earned revenues from Zelgor Inc. of $ 5, 500 and $~~ 1, ~~400~~ **911, 765 units of NetWire 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, 300** , 000 **. As of** ~~in the years ended~~ April 30, ~~2022~~ **2023 , the** ~~and 2021. The~~ Company ~~owns~~ **owned** 1, ~~400~~ **911** , **765 units which are** ~~000 shares of Zelgor Inc.,~~ valued at $ 1, ~~400~~ **300** , 000 **. 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** ~~and~~ - **an** ~~holds a note~~ **online funding portal. The receipt of the units satisfied an accounts** receivable **balance** of $ ~~50~~ **1, 200** , 000 ~~as~~ **. As** of April 30, ~~2022~~ **2023** ~~. We owe Steven Geary~~ , ~~a director, $ 31, 680 as of April 30, 2022 and 2021. This obligation is not interest bearing. $ 16, 680 is recorded as a related party trade accounts payable and $ 15, 000 as a related party note payable. We have no signed agreements for~~ the ~~indebtedness to Mr. Geary. The~~ Company ~~made an investment of $ 240, 080 in an affiliate, 6A Aviation Alaska Consortium, Inc., in conjunction with a land lease in an airport in Alaska. Our Chief Executive Officer is also the Chief Executive Officer of 6A Aviation Alaska Consortium, Inc. As a result of the investment, the Company is a 19 % owner of 6A Aviation Consortium Inc. As of April 30, 2022 and 2021, we owed~~ **owned 1** ~~$ 0 and $ 9~~ , **764** ~~490 to a company controlled by one of our former directors. We paid cash compensation of $ 0 and $ 29~~ , **706 units which are** ~~738 to this former director for the years ended April 30, 2022 and 2021, respectively. In November 2021, we issued a member of our Board 10, 000 shares of common stock for his service as a member of our board and audit committee,~~ valued at $ ~~100~~ **1, 200** , 000. ~~On February 2, 2022, the Company granted to members of our Board an aggregate of 25, 000 options to purchase shares of our common stock at an exercise price of $ 10. 50 per share. An option to purchase 10, 000 shares of common stock was granted to the Chairman of the Board and each of the three independent board members received an option to purchase 5, 000 shares of common stock. The options vest on a monthly basis over 48 months and expire in 10 years. 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, 594 are scheduled to begin on June 17, 2022. The Company recorded $ 19, 844 in revenues from a company that Cecilia Lenk, our Chief Executive Officer, serves as a member of the board of managers. 10. Investments~~ 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 April 30, **2023 and** 2022, 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 April 30, **2023 and** 2022, the Company owned 1, 700, 000 units which are valued at $ 425, 000. ~~F- 21~~ In January 2022, the Company received 2, 850, 000 units of Hiveskill 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 an accounts receivable balance of $ 712, 500. As of April 30, **2023 and** 2022, the Company owned 2, 850, 000 units which are valued at $ 712, 500. In fiscal 2022, the Company purchased a 10 % interest, or 400 shares of common stock, in Caesar Media Group Inc. (" Caesar ") for an initial purchase price of 50, 000 shares of the Company' s common stock, valued at $ 500, 000.

Caesar is a marketing and technology solutions provider. The purchase agreement includes additional contractual requirements for the Company and Caesar, including the issuance of an additional 150, 000 shares of common stock of the Company over a two- year period. The Company issued 37, 500 shares of its common stock in April 2022 **, 25, 000 shares of its common stock in September 2022, 12, 500 shares of its common stock in October 2022, 18, 750 shares of its common stock in January 2023 and 18, 750 shares of its common stock in April 2023,** as part of its contractual payment obligations. As of April 30, **2023 and** 2022, there have been no observable price changes in the value of ~~the~~ Caesar’ s common stock and the Company has valued its ownership in Caesar at cost, which ~~is~~ **amounted to $ 1, 632, 751 and** $ 900 **, 000 as of April 30, 2023 and 2022, respectively. F- 22 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 April 30, 2023 and 2022, the Company owned 5, 000 units, at a value of $ 50** , 000. In May 2020, the Company entered a consulting contract with **MustWatch** ~~Watch Party~~ LLC (“ ~~WP~~ **MW** ”), which allowed the Company to receive ~~up to~~ 110, 000 membership interest units of ~~WP~~ **MW** in return for ~~consulting~~ services **rendered in conjunction with a crowdfunding offering** . The ~~WP~~ **Company earned 97, 500 membership interest units in the quarter ended July 31, 2020, valued at $ 2. 14 per unit, or $ 235, 400. As of April 30, 2023, the MW** units are valued at $ **4** ~~2. 14~~ per unit based on a sales price of $ **4** ~~2. 14~~ per unit on an online funding portal **. As** ~~, resulting in revenues~~ of **April 30, 2023 and 2022, the Company owned 110, 000 MW units, which are valued at $ 440, 000 and** $ 235, 400 ~~for~~ **, respectively. The $ 204, 600 increase in value of the MW units owned by the Company is recorded as an unrealized gain in** the year ended April 30, ~~2021~~ **2023** ~~. As of April 30, 2022 and 2021, the Company owned 110, 000 WP units, which are valued at $ 235, 400~~ . In May 2020, the Company entered **into** a consulting contract with ChipBrain LLC (“ Chip ”), which allowed the Company to receive ~~up to~~ 710, 200 membership interest units of Chip in return for ~~consulting~~ services ~~. The Company earned 500, 000 membership interest units in the quarter ended~~ **rendered** ~~July 31, 2020 and earned the remaining units~~ in **conjunction with a crowdfunding offering** ~~the quarter ending October 31, 2020~~ . The Chip units were initially valued at $ 0. 93 per unit based on a sales price of $ 0. 93 per unit on an online funding portal **. Subsequently** , **Chip sold identical units** ~~resulting in revenues of $ 660, 486~~ for **$ 4. 74 per unit, and as of April 30, 2023 and April 30, 2022, the 710, 200 units owned by the Company are valued at $ 3, 366, 348 and $ 1, 704, 480, respectively. The $ 1, 661, 868 increase in value of the Chip units owned by the Company was recorded as an unrealized gain in** the year ended April 30, ~~2021~~ **2023** ~~. Subsequently, ChipBrain sold identical units for $ 2. 40 per unit, and as of April 30, 2022 and 2021, the units owned by the Company are valued at $ 1, 704, 480~~ . In May 2020, the Company entered a consulting contract with a related party, Zelgor Inc. (“ Zelgor ”), which allowed the Company to receive ~~up to~~ 1, 400, 000 shares of common stock of Zelgor in return for ~~consulting~~ services ~~. The Company earned 1, 050, 000 shares in the quarter ended~~ **rendered** ~~July 31, 2020 and 350, 000 shares~~ in **conjunction with a crowdfunding offering** ~~the quarter ending October 31, 2020~~ . 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** ~~, resulting in revenues~~ of ~~$ 1, 400, 000 for the year ended~~ April 30, ~~2021~~ **2023 and 2022, the Company owned 1, 400, 000 shares which are valued at $ 1, 400, 000** . On January 2, 2020, the Company entered a consulting contract with Deuce Drone LLC (“ Drone ”), which allowed the Company to receive up to 2, 350, 000 membership interest units of Drone in return for consulting services. The Company earned all 2, 350, 000 membership interest units in fiscal 2020. The Drone units were valued at $ 0. 35 per unit based on a sales price of $ 0. 35 per unit when the units were earned, or $ 822, 500. Drone subsequently sold identical Drone units for $ 1. 00 per unit on an online funding portal and as of April 30, **2023 and** 2022 ~~and 2021~~ , the units owned by the Company are valued at $ 2, 350, 000 **.** In August 2019, the Company entered a consulting contract with KingsCrowd LLC (“ KingsCrowd ”), which allowed the Company to receive 300, 000 membership interest units of KingsCrowd in return for ~~consulting~~ services **rendered in conjunction with a crowdfunding offering** . The KingsCrowd units were valued at $ 1. 80 per unit based on a sales price of $ 1. 80 per unit when the units were earned, or $ 540, 000. In December 2020, KingsCrowd converted from a limited liability company to a corporation to facilitate raising capital under Regulation A. KingsCrowd filed a Form 1- A Offering Statement under the Securities Act of 1933 and **sold** ~~is selling~~ shares at $ 1. 00 per share. In connection with the conversion to a corporation, each membership interest unit converted into 12. 71915 shares of common stock ~~. As~~ **, and the Company recorded an unrealized gain** of **$ 3, 275, 745 for the year ended** April 30, 2022 ~~and~~ **. The Company sold 606, 060 shares of KingsCrowd in June** ~~2021~~ **2022 for proceeds of $ 200, 000 and recorded a realized loss on the sale of the investment of $ 406, 060. KingsCrowd filed a post qualification offering circular amendment on July 21, 2022 and continued to sell shares of stock to the public for $ 1. 00 per share. As of April 30, 2023 and 2022** , the Company owned 3, **209, 685 and 3,** 815, 745 shares of KingsCrowd ~~Inc.~~ , valued at $ 3, **209, 685 and $ 3,** 815, 745 ~~as of April 30~~ , **respectively** ~~2022 and $ 540, 000 as of April 30, 2021~~ . During fiscal 2019, the Company entered **into** a consulting contract with Netcapital Systems LLC ~~(“ Netcapital ”)~~ , **a related party** ~~which allowed the Company to receive up to 1~~ , ~~000~~ **and earned** membership interest units ~~of Netcapital in return for consulting services. The Company earned 40 units in the quarter ended July 31, 2020, at a value of $ 91. 15 per unit, or $ 3, 646. The Company earned all 1, 000 Netcapital units but sold a portion of the units in fiscal 2020 at a sales price of $ 91. 15 per unit~~ . As of April 30, **2023 and** 2022 ~~and 2021~~ , the Company owned 528 ~~Netcapital~~ units, at a value of $ 48, 128. **In** ~~F- 22 On~~ July ~~20,~~ 2020 the Company entered **into** 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 ~~is~~ **was** payable in cash. As of April 30, **2023 and** 2022 ~~and 2021~~ , the Company owned **4, 000 units, at a value of $ 11, 032 and** $ 20, 000 ~~worth~~ **, respectively. Based upon recent sales** of **shares of common** stock **of Vymedic Inc., the per share value dropped from $ 5. 00 per share to $ 2. 758 per share, and the Company recorded an unrealized loss on equity securities of $ 8, 968 for the year ended April 30, 2023. This unrealized loss of $ 8, 968 is netted with the unrealized gains of $ 204, 600 and $ 1, 661, 868 in the MW and Chip securities, respectively, and results in an unrealized gain in equity securities of $ 1, 857, 500 in the year ended April 30, 2023** . F- 23 The following table summarizes the components of equity securities as of April 30, **2023 and** 2022 ~~and 2021~~ : Schedule of investments April 30, ~~2022~~ **2023** April 30, ~~2021~~ **2022** Netcapital Systems LLC $ 48, 128 $ 48, 128 Watch Party LLC ~~235~~ **440** , ~~400~~ **000** 235, 400 Zelgor Inc. 1, 400, 000 1, 400, 000 ChipBrain LLC ~~1~~ **3** , ~~704~~ **366** , ~~480~~ **348** 1, 704, 480 Vymedic Inc. ~~20~~ **11** , ~~000~~ **032** 20, 000 C- Reveal Therapeutics LLC 50, 000 ~~—~~ **50, 000** Deuce Drone LLC 2, 350, 000 2, 350, 000 Hiveskill LLC 712, 500 ~~—~~ **712, 500** ScanHash LLC 425, 000 ~~—~~ **425, 000** ~~Caesars~~ - **Caesar** Media Group Inc. **1, 632, 751** 900 **, 000 Cust Corp. 1, 200, 000 1, 200, 000 Kingscrowd Inc. 3, 209, 685 3, 815, 745 Reper LLC 1, 200** , 000 — **Dark LLC 2** ~~Cust Corp. 1~~ , ~~200~~ **100** , 000 — **Netwire LLC 1** ~~Kingscrowd Inc. 3~~ , **300** ~~815, 745 540~~ , 000 **— CountSharp LLC 1, 170, 000 — CupCrew LLC 1, 170, 000 — HeadFarm LLC 1, 170, 000 —** Total $ **22, 955, 444 $** 12, 861, 253 ~~$ 6, 298, 008~~ 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 impairment. No impairment expense was recognized in the years ended April 30, **2023 and** 2022 ~~and 2021~~ . In fiscal ~~2022~~ **2023** , ~~the~~ **there were** ~~Company identified that Kingscrowd Inc. had an~~ observable price ~~change~~ **changes in three securities, ChipBrain LLC, MustWatch LLC and Vymedic Inc** . The result of ~~the~~ **these** price ~~change~~ **changes** was an increase in the fair value of the equity securities totaling $ ~~3~~ **1** , ~~275~~ **857** , ~~745~~ **500** in the fiscal year ended April 30, ~~2022~~ **2023** , which was recorded in the income statement as an unrealized gain on equity securities. In fiscal ~~2021~~ **2022** , ~~there~~ -- **the** ~~were~~ **Company identified that Kingscrowd Inc. had an** observable price ~~changes~~ - **change** ~~in two securities, ChipBrain LLC and Deuce Drone LLC~~ . The result of ~~these~~ -- **the** price ~~changes~~ - **change** was an increase in the fair value of the equity securities totaling $ ~~2~~ **3** , ~~571~~ **275** , ~~494~~ **745** in the fiscal year ended April 30, ~~2021~~ **2022** , which was recorded in the income statement as an unrealized gain on equity securities. 11. **Intangible Assets** ~~Business Acquisition On November 2, 2021, the owners of ValuCorp Inc~~ - **In December 2022, the Company purchased the website, intellectual property, source code and domain names of 1ON1** . **FANS and ONEONONE. FANS** (**the** " ~~ValuCorp~~ **Assets** ") **. Pursuant to the guidance of Topic 805** , **it was determined that the purchase of the Assets did not meet the definition of** a business ~~valuation firm, formed a new company MSG Development Corp. (" MSG ")~~ and ~~transferred most of~~ the ~~assets~~ - **asset** ~~of ValuCorp to MSG~~ **purchase was accounted for as an asset acquisition** . The **fair value** ~~Company entered into an exchange agreement (" Agreement ") whereby the Company received 100 %~~ of the **consideration** ~~outstanding shares of MSG in exchange for 75~~ , **consisting** ~~000 shares~~ of **300** ~~common stock of the Company. 50~~ , 000 shares of the Company' s common stock ~~were issued in December 2021 and four annual installments of 6~~ , ~~250 shares are due over the next four years~~ **valued at $ 435, 000, was attributed to a single asset and is classified as acquired intellectual property and website** . The **following table** ~~Company finalized the allocation of the purchase price of the assets~~ -- **sets forth** ~~acquired in the purchase of MSG. The value assigned to the professional practice was derived using multi- period excess earnings methods under the income approach. This approach estimates the excess earnings generated over the lives of the customers that existed as of the acquisition date and discounts such earnings to present value. The customers, the business practice and other~~ -- **the major categories of the** intangible assets **as** ~~are deemed to have a useful life~~ of **April 30** ~~fifteen years and will be amortized on a straight- line basis over the useful life. MSG' s assets were less than 20 % of the value of the Company' s assets and the Company' s investment in MSG is less than 20 % of the Company' s market value. Furthermore~~ , **2023** ~~the revenue~~ and ~~operating income of MSG' s predecessor, ValuCorp, for the prior two years, is less than 20 % of the revenue and operating income of the Company. Upon evaluation of the components of the business combination, including the relative voting rights in the combined entity, the composition of the governing body and senior management of the combined entity, the relative size of each entity and the terms of the exchange of equity interests, the Company recorded the transaction in the third quarter of fiscal~~ 2022 ~~as a purchase.~~ F- 24 **Schedule** ~~The following table summarizes the value~~ of **intangible** ~~the consideration for MSG and the amounts of the~~ assets **April 30, 2023 April 30, 2022** ~~acquired~~ **Acquired** ~~in conjunction with the Agreement. MSG had no liabilities. Schedule of Merger agreement Total consideration: 75~~ **users $ 14, 288, 695 $ 14, 288, 695 Acquired brand 583, 429 583, 429 Acquired intellectual property and website 435** , 000 **—** ~~shares of common stock of the Company $ 732, 750 Recognized amounts of identifiable assets acquired:~~ Professional practice ~~intangible $~~ 556, 830 **556** ~~Technology- related intangibles 36~~ , **830 Literary works and** ~~650 Marketing- related intangibles 14, 660 Computer- related intangibles 49, 111 Customer- related intangibles 16, 859 Contract~~ **contracts 107** ~~- related intangibles 36~~ , **750 107** ~~650 Human capital and artistic- related intangibles 21~~ , ~~990~~ **750** Total ~~identifiable net assets $ 732, 750 The fair value of the common shares issued as the consideration for MSG was determined by the most recent closing price of the Company' s common shares at the time the shares were issued. Seven identifiable~~ intangible assets ~~were valued, as noted in the above table (the " Intangible Assets "). The estimated market value of the Intangible Assets on the date of purchase was~~ $ ~~1~~ **15** , ~~000~~ **971** , **704** ~~000, and the value of the 75, 000 shares of common stock of the Company, payable as consideration was~~ $ **15** ~~9. 77 per share~~ , **536** ~~or $ 732~~ , **704 As** ~~750. The value~~ of ~~the Intangible Assets has been recorded at an aggregate value of $ 732, 750. None of MSG' s revenues and earnings are included in the Company' s consolidated income statements through the day of closing of November 8, 2021. The consolidated income statements for the year ended~~ April 30, ~~2022~~ **2023** , **the weighted average remaining useful life** ~~include $ 250, 100 in revenues from MSG~~ for **technology** ~~the period November 8~~ , ~~2021~~ **trade names, professional practice, literary works and domains is 14. 16 years. Accumulated amortization amounted** to **$ 96, 407 as of** April 30, ~~2022~~ **2023 , resulting in net** ~~. MSG was a newly formed company with no operations when it was purchased. It had~~ intangible assets ~~that were contributed by its founder (the " Founder ") and no liabilities. Consequently, there are no supplemental pro forma revenues and earnings to report. In conjunction with the purchase~~ of ~~MSG, the Company retained the Founder, who is a valuation professional, to operate the business. The parties agreed that Founder shall receive the first $ 360, 000 in gross profits per year as his compensation, that the Company would receive the next $ 720, 000 per year in gross profits and any gross profits beyond $ 1, 080, 000 per year shall be split one- third to the Founder and two- thirds to the Company. On August 23, 2020, the Company entered into an Agreement and Plan of Merger (" Agreement ") whereby Netcapital Systems LLC (" Systems ") would become an 80 % owner of the Company. Pursuant to the requirements of this agreement, the Company filed a definitive information statement on Form 14C on September 21, 2020 to change the Company' s corporate name from ValueSetters, Inc. to Netcapital Inc. and to amend the Company' s Articles of Incorporation to effect a~~

~~stock combination, or reverse stock split, pursuant to which 2, 000 shares of the Company' s common stock would be exchanged for one new share of common stock. In conjunction with the merger agreement, the Company issued 1, 666, 360 shares of common stock to Systems on November 5, 2020. The Agreement was a tax- free merger of Netcapital Funding Portal Inc. (" FP "), a wholly owned subsidiary of Systems, with Netcapital Acquisition Vehicle Inc., an indirect wholly owned subsidiary of the Company, wherein FP was the surviving corporation. This transaction was designed to enhance the Company' s revenues and ability to provide services to democratize the private capital markets while helping companies at all stages to build, grow and fund their businesses with a full range of services from strategic advice to raising capital. As a result of the transaction, the Company is expected to be a leading provider of private capital transactions for entrepreneurs seeking to raise money under the exemption provided by section 4 (a) (6) of the Securities Act of 1933, which allows private companies to raise up to $ 5 million every 12 months. ASC 805- 10- 25- 4 requires the identification of one of the combining entities in each business combination as the acquirer. Upon evaluation of the components of the business combination, including the relative voting rights in the combined entity, the composition of the governing body and senior management of the combined entity, the relative size of each entity and the terms of the exchange of equity interests, the Company recorded the transaction in the third quarter of fiscal 2021 as a purchase. In conjunction with the purchase, Systems agreed to vote all of its shares of common stock to support the resolutions of the existing board of directors of the Company. F- 25 The following table summarizes the value of the consideration for FP and the amounts of the assets acquired and liabilities assumed in conjunction with the Agreement. Schedule of Merger agreement Consideration: 1, 666, 360 shares of common stock of the Company $ 11, 331, 248 Payment of promissory notes and interest 3, 817, 516 Total consideration~~ $ 15, ~~148~~ **875** , ~~764 Recognized amounts of identifiable assets acquired, and liabilities assumed: Cash $ 358, 634 Current assets 8, 894 Accounts payable (22, 718) Platform users 7, 080, 319 Platform investors 6, 288, 392 Platform issuers 903, 125 Unpatented technology 532, 118 Total identifiable net assets $ 15, 148, 764 The fair value of the common shares issued as the consideration for FP was determined by the most recent (the prior day' s) closing price of the Company' s common shares at the time the shares were issued. The fair value of the assets and the liabilities of FP equaled their book value. Four identifiable intangible assets were valued; platform users, platform investors, platform issuers and unpatented technology (collectively the " Intangible Assets "). The estimated market value of the Intangible Assets is approximately $ 27~~ **297** ~~, 800, 000~~ . ~~This amount is derived from valuing the IP functionality, brand, and license of FP at $ 1, 000, 000; valuing current issuers and pipeline issuers at approximately $ 14, 000 each; valuing platform users at $ 382 each; and valuing investors at $ 1, 025 each. These values are derived from comparing the FP Intangible Assets to the values recorded by funding portal offerings of FP' s competitors in public filings via Regulation CF and Regulation A. The excess of purchase price over the total identifiable tangible net assets of $ 344, 810, leaves an aggregate value of $ 14, 803, 954 to be assigned to the Intangible Assets. The estimated value of the $ 27, 800, 000 of Intangible Assets is allocated on a percentage basis in the above table to equal $ 14, 803, 954. None of FP' s revenues and earnings are included in the Company' s consolidated income statements through the day of closing of November 5, 2020. The consolidated income statements for the year ended April 30, 2021 include $ 834, 981 in revenues from FP. If the entities had been combined for the two reporting periods, the supplemental pro forma revenues and earnings are as follows: Schedule of Pro forma revenue and earnings Revenues Earnings Supplemental pro forma for 4 / 1 / 20 – 11 / 04 / 20 $ 2, 866, 063 $ 282, 264 Supplemental pro forma for 4 / 1 / 19 – 11 / 04 / 19 $ 1, 018, 200 $ 680, 212 Included in the supplemental pro forma information above is revenue earned by the Company from Netcapital Systems LLC of $ 18, 646 and $ 152, 864 in the periods ended November 4, 2020 and 2019, respectively. Each quarter the Company reviews events and circumstances to determine if impairment of indefinite- lived intangible assets is indicated. During the years ended April 30, 2022 and 2021, we did not identify any triggering events or circumstances, including impacts due to COVID- 19, which would indicate an impairment of indefinite- lived intangible assets. F- 26~~ 12. Subsequent Events The Company evaluated subsequent events through the date these financial statements were available to be issued. On ~~July 14~~ **May 23, 2023the Company entered into a securities purchase agreement (the " Purchase Agreement ") with certain institutional investors, pursuant to which the Company agreed to issue and sell to such investors, in a registered direct offering (the " Offering "), 1, 100, 000 shares (the " Shares ") of the Company' s common stock, par value $ 0. 001 per share (the " Common Stock "), at a price of $ 1. 55 per Share, for aggregate gross proceeds of $ 1, 705, 000, before deducting the placement agent' s fees and other offering expenses payable by the Company. The Offering closed on May 25, 2023. The Shares were offered and issued and sold pursuant to the Company' s shelf registration statement on Form S- 3 (File 333- 267921) (the " Shelf Registration Statement "), filed by the Company with the Securities and Exchange Commission (the " SEC ") under the Securities Act of 1933, as amended (the " Securities Act "), on October 18** , 2022 **and declared effective on October 26, 2022. Also in connection with the Offering, on May 23, 2023, the Company entered into a placement agency agreement (the " Placement Agency Agreement ") with ThinkEquity LLC (the " Placement Agent "), pursuant to which (i) the Placement Agent agreed to act as placement agent on a " best efforts " basis in connection with the Offering, (ii) the Company agreed to pay the Placement Agent an aggregate fee equal to 8. 0 % of the gross proceeds raised in the Offering, and to reimburse the Placement Agent for certain expenses, and (iii) the Company agreed to issue to the Placement Agent warrants to purchase up to 55, 000 shares of common stock at an exercise price of $ 1. 94 (the " Placement Agent Warrants "), which were issued on May 25, 2023. The Placement Agent Warrants (and the shares of Common Stock issuable upon the exercise of the Placement Agent Warrants) were not registered under the Securities Act and were offered pursuant to an exemption from the registration requirements of the Securities Act provided in Section 4 (a) (2) of the Securities Act and Rule 506 (b) promulgated thereunder. The Placement Agency Agreement and the Purchase Agreement contain customary representations, warranties and agreements by the Company, customary conditions to closing, indemnification obligations of the Company, the Placement Agent, or the investors, as the case may be, other obligations of the parties and termination provisions. In conjunction with the above noted Offering** , the Company paid **off its secured lender, Vaxstar LLC, $ 350, 000** in **principal plus** ~~full two outstanding convertible promissory~~

~~notes and~~ accrued interest ~~payable totaling $ 310, 192 by the issuance~~ of ~~93~~ **$ 17** , ~~432~~ **167. 23 to retire all outstanding obligations to Vaxstar LLC. In July 2023, the Company issued 49, 855** shares of **its** common stock **in** ~~of the Company. The Company also issued 39, 901 shares of common stock to pay off the $ 294, 054 balance of supplemental~~ consideration ~~due to~~ **of a release from an unrelated third party in conjunction with the settlement of an outstanding debt between such third party and** Netcapital Systems LLC. ~~See Note 9.~~ On July ~~15~~ **24** , ~~2022~~ **2023** ~~,~~ the Company completed an underwritten public offering of 1, ~~205~~ **725** , 000 shares of the Company' s common stock ~~and warrants to purchase 1~~ , ~~205, 000 shares of the Company' s common stock~~ at a ~~combined~~ **price to the** public ~~offering price~~ of $ ~~4~~ **0** . ~~15~~ **70** per share **for aggregate** ~~and warrant. The~~ gross proceeds **of** ~~from the offering were~~ $ ~~5~~ **1** , ~~000~~ **207** , ~~750 prior to~~ **500, before** deducting underwriting discounts ~~, commissions,~~ and ~~other~~ offering expenses **payable by** ~~. The warrants have a per share exercise price of $ 5. 19, are exercisable immediately, and expire five years from~~ the **Company** ~~date of issuance~~ . In conjunction with this offering, the **Company issued the underwriter, and its designees, warrants to purchase 86, 250** shares ~~and warrants began trading on The Nasdaq Capital Market on July 13, 2022, under the ticker symbols " NCPL " and " NCPLW, " respectively. In addition, the Company granted the underwriter a 45- day option to purchase up to an additional 180, 750 shares~~ of **our** common stock **at** ~~and / or up to 180, 750 additional warrants to cover over- allotments, if any. In connection with the closing of the offering, the underwriter partially exercised its over- allotment option and purchased~~ an ~~additional 111, 300 warrants. The underwriter retains the right to~~ exercise **price** ~~the balance~~ of ~~its over- allotment option within the 45- day period. On July 21, 2022 the company paid~~ $ **0** ~~1 million to its secured lender, Vaxstar LLC, to reduce the principal balance on its debt from $ 1, 400, 000 to $ 400, 000~~ . **875.** ~~F- 27~~ Exhibit 4. ~~7~~ **12** DESCRIPTION OF CAPITAL STOCK Our articles of incorporation authorize the issuance of up to 900, 000, 000 shares of common stock, par value of $ 0. 001 per share. As of July ~~29~~ **26** , ~~2022~~ **2023** , there were ~~4~~ **9** , ~~272~~ **415** , ~~677~~ **382** shares of our common stock outstanding. The following description is only a summary. You should also refer to our articles of incorporation and bylaws, both of which have been filed with the SEC as exhibits to the Annual Report on Form 10- K of which this exhibit forms a part. ~~Common Stock~~ The holders of shares of our common stock are entitled to one vote per share. In addition, the holders of our common stock will be entitled to receive ratably such dividends, if any, as may be declared by our Board out of legally available funds; however, the current policy of our Board is to retain earnings, if any, for operations and growth. Upon liquidation, dissolution or winding- up, the holders of our common stock will be entitled to share ratably in all assets that are legally available for distribution. The holders of our common stock will have no preemptive rights. ~~Warrants~~ As of July 28, ~~2022~~ **2023** , we have warrants to purchase up to 1, ~~469~~ **541** , 682 ~~shares of our common stock issued and outstanding at an exercise price of $ 5. 19 per share. As of July 29, 2022, we have options to purchase 271, 000~~ shares of our common stock issued and outstanding at a weighted average exercise price of $ ~~10~~ **5** . ~~50~~ **03 per share. As of July 28, 2023, we have options to purchase 2, 202, 000 shares of our common stock issued and outstanding at a weighted average exercise price of $ 2. 46** per share. Anti- Takeover Effects of Utah Law and Our Articles of Incorporation and Bylaws The provisions of Utah law, our articles of incorporation and our bylaws may have the effect of delaying, deferring or discouraging another person from acquiring control of our Company. These provisions, which are summarized below, may have the effect of discouraging takeover bids. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our Board. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms. Articles of Incorporation and Bylaw Provisions Our articles of incorporation and our bylaws include several provisions that could deter hostile takeovers or delay or prevent changes in control of our management team, including the following: ● Board of directors' vacancies. Our articles of incorporation and bylaws provide that newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board for any reason except the removal of directors without cause may be filled by a vote of the majority of directors then in office, although less than a quorum exists. Vacancies occurring by reason of the removal of directors without cause shall be filled by vote of the stockholders. A director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his predecessor. In addition, the number of directors constituting our Board is permitted to be set only by a resolution adopted by our Board. These provisions prevent a stockholder from increasing the size of our Board and then gaining control of our Board by filling the resulting vacancies with its own nominees. This makes it more difficult to change the composition of our Board but promotes continuity of management. ● Special meeting of stockholders. Our bylaws provide that special meetings of our stockholders may be called only by our president or any two directors, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors. ● No cumulative voting. The Utah Business Corporation Act provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless a corporation ~~'~~ **'** s articles of incorporation provide otherwise. Our articles of incorporation do not provide for cumulative voting. Limitations of Liability and Indemnification Matters For a discussion of liability and indemnification, please see the section titled " Management — Limitation of Liability and Indemnification. " **The transfer agent and registrar for our common stock is Equity Stock Transfer LLC with its business address at 237 W 37th Street, Suite 602, New York, NY 10018. Its telephone number is (212) 575- 5757 and its email address is info @ equitystock. com.** Exhibit 23. 1 CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM We consent to the incorporation by reference in the **Registration Statements to** ~~From S- 1 (File No. 333- 262688) and~~ Form S- 8 (**File** No ~~.~~ **333- 271120 and** 333- 262373) of our audit report dated ~~August 5~~ **July 26** , ~~2022~~ **2023** , with respect to the consolidated balance sheets of Netcapital Inc. ~~and Subsidiaries~~ as of April 30, **2023 and** 2022 ~~and 2021~~ , and the related consolidated statements of operations, stockholders' equity, and cash flows for **each of the years in** the two- year period ended April 30, ~~2022~~ **2023** . **We also consent to the reference to us under the heading " Interest of Named Experts and Counsel " in such Registration Statements. Fruci & Associates II, PLLC – PCAOB ID # 05525** Spokane, Washington ~~August 5~~ **July 26** , ~~2022~~ **2023** ~~Exhibit~~

EXHIBIT 31. 1 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, ~~Cecilia Lenk~~ **Martin Kay** , certify that: 1. I have reviewed this annual report on Form 10- K 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 financing 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: ~~August 5~~ **July 26** , ~~2022~~ **2023** By: / s / ~~Cecilia Lenk Cecilia Lenk~~ **Martin Kay Martin Kay** Principal Executive Officer, Netcapital Inc. ~~Exhibit~~ **EXHIBIT** 31. 2 **AS ADOPTED** ~~CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER~~ PURSUANT TO ~~18 U. S. C.~~ SECTION ~~1350,~~ **302 OF** I, Coreen Kraysler, certify that: 1. I have reviewed this annual report on Form 10- K 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 financing 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: ~~August 5~~ **July 26** , ~~2022~~ **2023** By: / s / Coreen Kraysler Coreen Kraysler Principal Financial Officer **and Principal Accounting Officer** Netcapital Inc. ~~Exhibit~~ **EXHIBIT** 32. 1 CERTIFICATION PURSUANT TO **18** U. S. C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF In connection with this Annual Report of Netcapital Inc. (the " Company "), on Form 10- K for the year ended April 30, ~~2022~~ **2023** , as filed with the U. S. Securities and Exchange Commission on the date hereof, I, Cecilia Lenk, 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 Annual Report on Form 10- K for the year ended April 30, ~~2022~~ **2023** , 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 Annual Report on Form 10- K for the year ended April 30, 2022, ~~fairly~~ **3fairly** presents, in all material respects, the financial condition and results of operations of the Company. **EXHIBIT** ~~Date: August 5, 2022 By: / s / Cecilia Lenk Cecilia Lenk Principal Executive Officer, Netcapital Inc. Exhibit~~ 32. 2 In connection with this Annual Report of Netcaptial Inc. (the " Company "), on Form 10- K for the year ended April 30, ~~2022~~ **2023** , 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 Annual Report on Form 10- K for the year ended April 30, ~~2022~~ **2023** , 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 Annual Report on Form 10- K for the year ended April 30, ~~2022~~ **2023** , fairly presents, in all material respects, the financial condition and results of operations of the Company. Date: ~~August 5~~ **July 26** , ~~2022~~ **2023** By: / s / Coreen Kraysler Coreen Kraysler Principal Financial Officer **and Principal Accounting Officer** Netcapital Inc.