

Disclosure Statement Pursuant to the Disclosure Guidelines for the Pink Market



MCAP Inc.

390 N. Orange Avenue, 28th Floor
Orlando, FL 32801
(407) 205-1860
www.mcaptech.com
info@mcaptech.com
SIC Code: 7371

Quarterly Report

For the Period Ending: September 30, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

24,165,538 as of September 30, 2024

23,389,938 as of December 31, 2023

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Current Name of Issuer: MCAP Inc. ("MCAP")

Names used by predecessor entities: Formerly MetaCap Inc. until March 2022

Current State and Date of Incorporation or Registration: Nevada (2011)

Standing in this jurisdiction: Active - In Good Standing

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None.

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On March 13, 2024, the Board of Directors declared a dividend of \$0.05 per common share. The dividend was paid on March 29, 2024 in the amount of \$1,208,277.

Address of the issuer's principal executive office:

390 N. Orange Avenue, 28th Floor, Orlando, FL 32801

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address.

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Computershare Investor Services

Phone: (201) 680-4236

Email: Marleen.Grandeson-Mills@computershare.com

Address: 480 Washington Boulevard, 26th Floor, Jersey City, NJ 07310

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: MCAP

Exact title and class of securities outstanding: MCAP Common Stock (C02)

CUSIP: 562694208

Par or stated value: \$0.001

Total shares authorized: 50,000,000 as of date: September 30, 2024

Total shares outstanding:	<u>24,165,538</u>	as of date: <u>September 30, 2024</u>
Number of shares in the Public Float ² :	<u>12,383,848</u>	as of date: <u>September 30, 2024</u>
Total number of shareholders of record:	<u>457</u>	as of date: <u>September 30, 2024</u>

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer:

None.

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

None.

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**

Eligible for declared dividends, one vote per share, no preemptive rights.

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

Not applicable.

3. **Describe any other material rights of common or preferred stockholders.**

None.

4. **Describe any material modifications to the rights of the holders of the company's securities that have occurred over the reporting period covered by this report.**

None.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:
 No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Date: Dec 31, 2022 Opening Balance: Common: 23,239,938 Preferred: 0			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to the market price at the time of issuance? (Yes/No)	Individual/Entity Shares were issued to (must disclose the control person(s) for any entities listed)	Reason for share issuance (e.g., for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing	Exemption or Registration Type
2/01/2023	New Issuance	150,000	Common	\$10.00	No	Monroe Securities Holdings, Inc. (Daniel Kanter)	Acquisition	Restricted	Exempt
3/01/2024	New Issuance	750,000	Common	\$3.50	Yes	Restricted Pool	Incentive	Restricted	Exempt
2/26/2024	New Issuance	300	Common	\$3.50	Yes	Jean-Paul Moore	Cash	Restricted	Exempt
3/05/2024	New Issuance	300	Common	\$3.50	Yes	Jean-Paul Moore	Cash	Restricted	Exempt
3/7/2024	New Issuance	25,000	Common	\$3.50	Yes	David Falter	Cash	Restricted	Exempt
Shares Outstanding on Date of This Report: Date: Sep 30, 2024 Ending Balance: Common: 24,165,538 Preferred: 0									

Example: A company with a fiscal year end of December 31, 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023, pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

None.

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$) (Note 1)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares) (Note 2)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)

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Use the space below to provide any additional details, including footnotes to the table above:

None.

4) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations.

A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

MCAP operates financial technology companies that focus on the digitalization of the rapidly changing global financial markets. The Company targets opportunities that will provide efficiencies within the existing financial services industry. The Company also considers business acquisitions or partnerships that increase shareholder value.

B. List any subsidiaries, parent company, or affiliated companies.

The Company currently has two wholly owned operating subsidiaries: MCAP Technologies LLC and MCAP LLC.

C. Describe the issuers’ principal products or services.

Electronic Securities Market Making, Application Software, Securities Trading Platforms and Financial Technology.

5) Issuer’s Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent to which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company’s principal place of business and the principal executive offices are located at 390 N. Orange Avenue, 28th Floor, Orlando, FL 32801. The Company has additional offices located at: 1633 Broadway, 28th Floor, New York, NY 10019; 427 Bedford Road, Pleasantville, NY 10570; and Basildon House, 7-11 Moorgate, London, UK EC2R 6AF. All space is leased with terms ranging from one (1) to eight (8) years.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer’s securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g., Officer Title/ Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
David Menn	Chief Executive Officer & Chairman	Chappaqua, NY	4,836,904	Common	20.0%	-
Edward Barry	Managing Director & Board Member	Winter Park, FL	2,712,100	Common	11.2%	-
Brian Garrow	Managing Director	Winter Park, FL	2,712,529	Common	11.2%	-
Erik Knudsen	Managing Director	Maitland, FL	2,714,436	Common	11.2%	-
William Dennis	President & Board Member	Orlando, FL	2,712,776	Common	11.2%	-
Michael Franzese	Senior Managing Director & Board Member	N. White Plains, NY	1,588,780	Common	6.6%	-
Keith Cheshire	Managing Director	Winter Springs, FL	1,588,780	Common	6.6%	-
James Smyth	Managing Director	Manhasset, NY	1,414,760	Common	5.9%	-
Gregory Mullen	Chief Financial Officer	Lebanon, NJ	0	-	0%	-
Leonard Patti	Chief Compliance Officer	Staten Island, NY	100,000	Common	0.41%	-

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No.

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended, or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

No.

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

No.

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a “yes” answer to part 3 above; or

No.

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person’s involvement in any type of business or securities activities.

No.

6. Been the subject of a U.S. Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S. mail.

No.

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters)

Name: Wolfgang Heimerl, Esq.
Firm: Heimerl Law Firm
Address 1: 32 Dumont Road, P.O. Box 9640
Address 2: Far Hills, NJ 07931
Phone: (908) 470-0200
Email: wolfgang@heimerllawfirm.com

General Outside Counsel

Name: David Schrader, Esq.
Firm: David Schrader & Associates, P.C.
Address 1: 2500 Westchester Avenue, Suite 109
Address 2: Purchase, NY 10577
Phone: (347) 879-2345
Email: dschrader@bizlaw1.com

Accountant or Auditor

Name: Meggan Ciaccia
Firm: Ciaccia CPA
Address 1: 427 Egg Harbor Road
Address 2: Sewell, NJ 08080
Phone: (856) 256-1490
Email: www.ciacciacpa.com

Name: Vince Phorn
Firm: WithumSmith+Brown, PC
Address 1: 100 Spectrum Center Drive
Address 2: Irvine, CA 92618
Phone: (949) 409-7865
Email: vphorn@withum.com

Other Service Providers

Provide the name of any other service provider(s) **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name:
Firm:
Nature of Services:
Address 1:
Address 2:
Phone:
Email:

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Leonard Patti
Title: Managing Director
Relationship to Issuer: Chief Compliance Officer

B. The following financial statements were prepared in accordance with:

- U.S. GAAP
 IFRS

C. The following financial statements were prepared by (name of individual)³:

Name: Gregory Mullen
Title: Managing Director
Relationship to Issuer: Chief Financial Officer

Describe the qualifications of the person or persons who prepared the financial statements³: Decades of accounting experience; Chief Financial Officer of MCAP LLC for 10 years.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

³ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be “machine readable.” Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, David Menn, certify that:

1. I have reviewed this Disclosure Statement for MCAP Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/13/2024

Signature: /s/ David Menn

Principal Financial Officer:

I, Gregory Mullen, certify that:

1. I have reviewed this Disclosure Statement for MCAP Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/13/2024

Signature: /s/ Gregory Mullen



MCAP Inc.
Consolidated Balance Sheet

ASSETS:	September 30, 2024	December 31, 2023
Cash and Equivalents	30,010,799	16,959,636
Securities Sold and Not Yet Settled	103,585,450	8,868,840
Securities Owned and other Marketable Instruments	788,900,238	1,446,150,228
Prepaid Expenses and Other Current Assets	4,352,549	4,137,606
Fixed Assets, net	304,964	387,498
TOTAL	927,154,000	1,476,503,808
LIABILITIES:		
Securities Sold Short	872,490,585	1,109,528,099
Notes Payable	-	1,100,000
Accounts Payable and Accrued Liabilities	10,008,055	16,464,588
Securities Purchased not yet Settled	16,631,735	322,496,251
TOTAL	899,130,375	1,449,588,938
Total Stockholder's Equity	28,023,625	26,914,870
Total Liabilities and Stockholder's Equity	927,154,000	1,476,503,808



MCAP Inc.
Consolidated Income Statement – Non-GAAP

Three Months Ended September 30,

<u>Operating Revenues</u>	2024	2023
Principal and Agency Transactions	16,170,155	15,675,445
Interest and Dividends	4,288,411	17,792,057
Other	782,902	289,407
TOTAL	21,241,468	33,756,909
<u>Operating Expenses</u>		
Compensation and Benefits	6,146,572	5,779,490
Clearing, Execution and related expenses	6,030,950	6,408,729
Communication and Market Data	1,275,626	1,008,252
Occupancy	224,509	236,909
Professional Fees	90,370	70,084
Travel and Entertainment	157,144	105,352
Regulatory Fees	233,125	115,262
Margin Interest	789,675	621,848
Interest and Dividends	5,115,467	18,298,051
Depreciation and Amortization	24,461	34,155
Other	116,161	135,534
TOTAL	20,204,060	32,813,666
Income before Taxes	1,037,408	943,243
EBITDA	1,152,676	1,094,273
Income Taxes	156,173	350,076
Net Income	881,235	593,167
Earnings Per Share		
Basic	0.04	0.03
Diluted	0.04	0.03
Outstanding Shares - Fully Diluted	24,165,538	23,389,938



MCAP Inc.
Consolidated Income Statement – U.S. GAAP

Three Months Ended September 30,

<u>Operating Revenues</u>	2024	2023
Principal and Agency Transactions	16,170,155	15,675,445
Interest and Dividends	4,288,411	17,792,057
Other	782,902	289,407
TOTAL	21,241,468	33,756,909
<u>Operating Expenses</u>		
Compensation and Benefits	6,851,478	5,779,490
Clearing, Execution and related expenses	6,030,950	6,408,729
Communication and Market Data	1,275,626	1,008,252
Occupancy	224,509	236,909
Professional Fees	90,370	70,084
Travel and Entertainment	157,144	105,352
Regulatory Fees	233,125	115,262
Margin Interest	789,675	621,848
Interest and Dividends	5,115,467	18,298,051
Depreciation and Amortization	24,461	34,155
Other	116,161	135,534
TOTAL	20,908,966	32,813,666
Income before Taxes	332,502	943,243
EBITDA	356,963	1,094,273
Income Taxes	15,233	350,076
Net Income	317,269	593,167
Loss Per Share		
Basic	0.01	0.03
Diluted	0.01	0.03
Outstanding Shares - Fully Diluted	24,165,538	23,389,938



MCAP Inc.
Consolidated Statement of Cash Flows

Nine Months Ended September 30,
2024 2023

	2024	2023
Cash Flows from Operating Activities		
Net Income (Loss)	252,853	3,146,700
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities:		
Depreciation and Amortization	82,534	101,380
Amortization of Right-of-Use Asset	210,601	514,008
Changes in Operating Assets and Liabilities:		
Securities Owned and Other Marketable Instruments	657,249,990	115,451,507
Securities Sold Not Yet Settled	25,180,888	185,545,313
Due from Clearing Organization	(103,411,399)	-
Securities Purchased Not Yet Settled	(322,371,692)	1,627,460
Prepaid Expenses and Other Assets	(583,842)	397,969
Accounts Payable and Accrued Liabilities	(6,098,868)	264,276,073
Securities Sold Short	(237,037,515)	(573,577,346)
Net Cash Used in Operating Activities	13,473,550	(2,516,936)
 INVESTING ACTIVITIES		
	-	-
Cash Flows from Investing Activities:		
Purchases of Fixed Assets	-	(110,816)
Net Cash Used in Investing Activities	-	(110,816)
 Cash Flows from Financing Activities:		
Repayment of Notes Payable	(1,100,000)	(3,600,000)
Operating Lease Liability	(178,289)	(479,018)
Stock Options Exercised	1,553,894	-
Issuance of Common Stock	509,285	-
Payments for Dividends	(1,207,277)	-
Net Cash Used in Financing Activities	(422,387)	(4,079,018)
 Net Change in Cash	13,051,163	(6,706,770)
 Cash, Beginning of Year	16,959,636	23,482,267
 Cash, End of Period	30,010,799	16,775,497



MCAP Inc.
Consolidated Statement of Changes in Stockholders' Equity
at September 30, 2024

	Accumulated Deficit	Net Income (Loss)	Common Stock		Additional Paid-In Capital	Preferred Stock		Dividends Paid		Total Equity
			Shares	Amount		Shares	Amount	Common	Preferred	
Balance at December 31, 2023	(68,405,982)		23,389,938	23,390	95,297,462	-	-	-	-	26,914,870
January - March 2024		(284,305)	775,600	776	655,620	-	-	(1,207,277)	-	(835,186)
Balance at March 31, 2024	(68,690,287)	(284,305)	24,165,538	24,166	95,953,082	-	-	(1,207,277)	-	26,079,684
April - June 2024		219,192			702,586					921,768
Balance at June 30, 2024	(68,471,105)	(65,123)	24,165,538	24,166	96,655,668	-	-	(1,207,277)	-	27,001,452
July - September 2024		317,269								
Balance at September 30, 2024	(68,153,836)	252,146	24,165,538	24,166	97,360,572	-	-	(1,207,277)	-	28,023,625



MCAP INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business and Operations

MCAP Inc. (hereinafter, the “Company” or “MCAP”).

On February 17, 2011, the Company’s stock symbol changed from MGOF to MCAP.

The Company had previously operated as a real estate holding company specializing in acquiring undervalued American land and complimentary operating businesses in promising markets. Prior to September 30, 2021, MCAP had completed the acquisition of 1,359 real estate properties in Colorado, Arkansas, Arizona, Texas, New Mexico, Nevada and Oklahoma. MCAP acquired promising real property efficiently utilizing Company shares as currency and opportunistically sold properties for cash and/or notes. With rare exception, the properties consisted of vacant land.

The Company had two non-operating subsidiaries, MangoSoft Intellectual Property, Inc. and MangoSoft Corporation. There have been no business operations in either subsidiary since 2014 and, as such, they have no impact on the Company’s financial statement presentation herein. The Company filed Certificates of Dissolution for each of these non-operating entities so as to not incur continued financial and regulatory compliance costs to keep these entities in existence. The entities were dissolved in the State of Delaware on November 9, 2021.

On June 12, 2020, the U.S. Small Business Administration (SBA) authorized (under Section 7(b) of the Small Business Act, as amended) a Loan (SBA Loan #2709967900) to the Company in the amount of \$49,000.00. The Loan terms require monthly payments to begin twelve months from the date of the Promissory Note over a period of thirty years at an annual interest rate of 3.75%. The Promissory Note was paid in full in Q1 2022.

On March 8, 2021, MCAP announced that the Board of Directors decided to seek a merger partner; and that MCAP believed a combination with an existing operating business was in the best interest of MCAP shareholders; and that MCAP would be opportunistic with regard to the merger partner’s industry, so long as the integration generated value for its shareholders.

On September 8, 2021, MCAP filed federal and state consolidated tax returns for the years 2015, 2016, 2017, 2018, 2019 and 2020. The 2015 tax returns included the final returns for the two non-operating subsidiaries, MangoSoft Intellectual Property, Inc. and MangoSoft Corporation, each of which were dissolved by the filing of final tax returns and Certificates of Dissolution. There have been no business operations in either subsidiary since 2014 and, as such, they have no impact on the Company’s financial statement presentation herein.

On September 16, 2021, Unsecured Convertible Promissory Notes were issued to eleven separate accredited investors in exchange for a total of \$150,000.00. Accredited investors received a total of 50,000 Units, each Unit convertible into 200 Company common shares. The maturity date was January 1, 2023. The Notes had an annual interest rate of 5% for the first eighteen months and 8% thereafter. As of September 30, 2021, there were no stock conversions, and the accrued balances of the Notes was \$150,288.50.

On September 30, 2021, the Company completed the sale of all of its assets in exchange for cash and assumption of all liabilities of the Company, with the exception of an SBA Loan with an outstanding principal balance of \$52,319.00 and the Unsecured Convertible Promissory Note with a balance of \$150,288.50.

As of September 30, 2021, the Company had 250,000,000 common shares authorized and had 125,892,957 shares issued and outstanding.

Effective as of October 5, 2021, pursuant to SEC regulations, the Company’s name was changed to MCAP Inc.

On October 19, 2021, the Company entered into a Limited Liability Company Membership Interest Purchase Agreement for the purchase of 100% of the limited liability company membership interests of MCAP Technologies LLC, a limited liability company organized and existing under the laws of the State of Delaware.

On October 19, 2021, the Company submitted a FINRA Notification covering the pending acquisition, name change to MCAP Inc., and its pending reverse stock split. The Company received approval from FINRA to proceed on November 9, 2021.

Effective November 9, 2021, the Company implemented a reverse split, issuing one (1) share of new MCAP Inc. common stock for every 200 shares of the Company's old common stock. No fractional shares were issued. If the reverse stock split calculation resulted in the issuance of a fractional share to a shareholder, the issuance for such shareholder was rounded up to the next whole share. Shares held in "street name" through a broker, bank or other nominee were treated identically as shares held by registered holders.

Effective November 10, 2021, the Company completed its acquisition of MCAP Technologies LLC and its two subsidiaries, MCAP LLC and MBIT LLC. MCAP Technologies LLC equity holders became the majority shareholders of the combined Company. Following the acquisition, the Company had approximately 23,200,000 fully diluted shares outstanding. The combined Company had three subsidiaries: MCAP Technologies LLC, MBIT LLC, and MCAP LLC. MCAP Technologies LLC is a financial technology company that develops software utilized in various financial markets. MBIT LLC was a digital asset company focused on crypto-currency, DeFi protocols and blockchain integration in the global financial markets. MCAP LLC is an SEC-registered and FINRA member broker-dealer focused on electronic securities market making. MCAP LLC connects institutional investors, broker-dealers and companies to the global equity and fixed income markets. MCAP LLC acts as a principal and utilizes proprietary technology to provide executable prices on various platforms, exchanges and market centers to improve market liquidity, to increase execution speed and to foster greater transparency. MCAP Technologies also provides institutional customers with customized trading solutions and unique global market access.

On January 3, 2022, the Unsecured Convertible Promissory Notes were exercised and are no longer outstanding.

On March 23, 2022, the Company received name change approval from FINRA for its new name MCAP Inc. The Company's stock symbol remains MCAP.

The current focus of MCAP Inc. is on technology-focused financial services. MCAP's underlying theme is the development of businesses that address the rapidly changing landscape of the global financial markets. The Company develops application software, provides securities trading services, and targets opportunities driven by digital financial technologies.

2. Summary of Significant Accounting Policies

Principles of Consolidation – The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries after the elimination of all significant intercompany balances.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet dates. Actual results could differ from those estimates.

Cash and Equivalents – Cash and equivalents include cash on hand and cash deposited with banks.

Fair Value of Financial Instruments – FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The financial instruments of the Company are reported in the statement of financial condition at fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments, except long-term notes payable, and subordinated borrowings, if any.

Net Capital Requirement – The Company's wholly owned subsidiary, MCAP LLC, is a registered broker-dealer and a market maker and, accordingly, is subject to the Securities and Exchange Commission Uniform Net Capital Rule (17 CFR § 240.15c3-1), which requires the maintenance of a minimum net capital of 6-2/3% of aggregate indebtedness, as defined, or the minimum dollar amount of net capital required as a market maker, as defined, whichever is greater.

The clearing and depository operations for counterparties' securities transactions are provided by three clearing firms pursuant to fully disclosed clearing agreements with each of: BofA Securities, Inc. ("BofAS", formerly Merrill Lynch

Broadcort); Industrial and Commercial Bank of China Financial Services LLC (“ICBCFS”); and Mirae Asset Securities (USA) Inc. (“MASI”).

The Company has agreed to indemnify its clearing firms for losses that the clearing firms may sustain from counterparty accounts introduced by the Company. At September 30, 2024, there were no losses sustained in these counterparty accounts. All activity is conducted on a DVP (Delivery Versus Payment) basis and, as such, no securities were owned by such counterparties at the Company’s clearing firms.

Intangible Assets – Intangible assets consist of customer, vendor and independent contractor relationships, and service marks.

Share-Based Compensation – The Company accounts for share-based compensation transactions with employees under the provisions of the Financial Accounting Standards Board’s Accounting Standards Codification (“ASC”) Topic 718, Compensation: Stock Compensation. Share-based compensation transactions with employees are measured based on the fair value of equity instruments issued.

The fair value of stock option grants is determined through the application of the Black-Scholes option-pricing model.

Revenue Recognition:

The Company accounts for revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers. ASC Topic 606 requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The guidance requires an entity to follow a five-step model to: (a) identify the contract(s) with a customer; (b) identify the performance obligations in the contract; (c) determine the transaction price; (d) allocate the transaction price to the performance obligations in the contract; and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

Principal Transactions on Securities Owned

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Revenue arising from all securities transactions entered into for the account of the Company is recorded on a trade-date basis.

Dividend Income and Dividend Expense are recorded on a settlement date basis.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net, respective of each clearing firm, on the statement of financial condition. Securities are recorded at fair value in accordance with FASB ASC 820, Fair Value Measurement.

Technology, Execution Services, Data and Advisory Fee Income

Fee income may include application software usage fees and/or data and advisory fees earned from providing commercial customers with services. Fees are recognized when the services have been performed.

Installment Sales – Land sold to purchasers under Company financing arrangements pay a down payment followed by monthly payments at specified interest rates and terms. Under such arrangements, the Company and the purchaser/borrower enter into a Contract for Deed (“CFD”) that includes a promissory note, where the Company retains legal ownership to the property until all required payments have been received, when the ownership to the property is conveyed to the purchaser. As part of the November 10, 2021 acquisition, the Company divested itself of the CFDs and are no longer an asset of the Company.

Cost of Sales – Cost of sales consist of the (1) expenses incurred to pay third-party commissioned selling entities a negotiated percentage of sales, typically 20% of sales proceeds collected, and (2) cost of land sold as determined using first in-first out land inventory cost.

Cash and Equivalents – The Company considers all money market accounts, time deposits and certificate of deposits purchased with original maturities of three months or less to be cash equivalents.

Property and Equipment – Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the shorter of the estimated useful lives of the assets or the life of the lease.

Registered Agent Fees – The Company utilizes Computershare Investor Services as its transfer agent and expenses fees when due.

Interest Expense – The Company pays quarterly interest payments on unsecured notes pursuant to the terms of the MCAP Technologies LLC Note due January 1, 2025. All notes were paid in full to the remaining note holders as of June 30, 2024.

Stock-Based Compensation – Some service providers have been compensated through issuance of Company stock. Those services are valued at various prices per share of stock issued.

Net Loss Per Common Share – Basic net loss per common share is computed by dividing the net loss applicable to common stockholders by the weighted average number of common shares outstanding during the period.

Diluted net loss per common share is computed by dividing net loss applicable to common stockholders by the weighted average number of shares issued, and that could have been issued, pursuant to the terms of the Unsecured Convertible Promissory Note. The Company has no stock option program so there can be no potential dilution resulting from the exercise of common stock options.

Net Gain Per Common Share – Basic net gain per common share is computed by dividing net gain applicable to common stockholders by the weighted average number of common shares outstanding during the period.

Diluted net gain per common share is computed by dividing net gain applicable to common stockholders by the weighted average number of shares issued and that could have been issued pursuant to the terms of the Unsecured Convertible Promissory Note. The Company has no stock option program so there can be no potential dilution resulting from the exercise of common stock options.

3. Income Taxes

ASC 740-10, Income Taxes prescribes a more-likely-than-not threshold of financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred tax assets and liabilities, accounting for interest and penalties associated with tax positions, accounting for income taxes in interim periods and income tax disclosures. The Company has not had any uncertain tax positions requiring derecognition.

The Company is required to file its tax returns in the U.S. federal jurisdiction and in the states of Nevada (the Company's State of formation), New York and Florida. It is the Company's policy not to recognize interest or penalties for late filing unless and until imposed by a taxing authority. For the quarter ended September 30, 2024, the Company recorded no amounts for interest and penalties.

The Company recorded tax expense of \$15,233 in Q3 2024.

4. Stockholders' Equity

On July 12, 2020, the Company issued 3,000,000 shares of common stock for the acquisition of land and 800,000 shares of common stock in exchange for services rendered to the Company.

On March 13, 2021, the Company issued 1,900,000 shares of common stock (net of a 1,000,000 subsequent share cancellation on May 6, 2021) in exchange for services rendered to the Company.

On May 6, 2021, the Company issued 300,000 shares of common stock in exchange for services rendered to the Company.

On August 6, 2021, the Company issued 1,910,000 shares of common stock in exchange for services rendered to the Company. In November of 2021, the Company issued 12,600,000 shares of common stock for the acquisition of the membership interests in MCAP Technologies LLC.

On February 1, 2022, the Company issued 150,000 shares of common stock related to its purchase of the QwickBonds fixed income trading platform.

On March 1, 2024, the Company issued 750,000 shares of common stock under a cliff vesting arrangement to key employees at the Company. As part of the arrangement, the employees must be employed by the Company until March 1, 2027 to retain the shares.

5. Commitments and Contingencies

During this reporting period, the Company has not been subject to legal proceedings or claims that arise in the ordinary course of business, including liabilities associated with land ownership such as environmental issues. The Company believes that should any such matters arise, they will not have a material adverse impact on the Company's financial position, results of operations or its cash flows.

6. Related Party Transactions

On May 29, 2018, the Company and Land Ho, Inc. entered into a land sale contract where Land Ho transferred ownership of a 640-acre section in Churchill County, Nevada in exchange for cash and shares of MCAP stock, with the bulk of the purchase price secured by a promissory installment note with a term of forty-eight months requiring monthly payments of \$3,940.42. All required payments by the Company have been made on time. This land was sold, and the mortgage assumed, as of September 30, 2021.

The Company from time-to-time grants forgivable loans to certain key employees. These loans have maturities of up to five years and are amortized monthly. In 2019, MCAP Technologies LLC issued \$6,500,000 Unsecured Notes maturing January 1, 2024. Certain officers of the Company invested in the Notes, detailed in Section 3 of this disclosure statement. The Company extended \$1,100,000 of the Notes until January 1, 2025, pre-payable at any time.

On June 10, 2024, the Board of Directors unanimously approved to pay off its remaining \$1,100,000 in outstanding Notes. As of June 30, 2024, the Notes Payable balance was \$0.

7. Investments

On February 1, 2023, the Company closed its purchase of QwickBonds, a fixed income trading platform.

8. Operating Leases

The Company's subsidiary, MCAP LLC, maintains offices located in New York, NY, Pleasantville, NY, and Orlando, FL. The New York, NY lease terminates in January 2025 with a one-year right of extension out to January 2026; the Orlando, FL lease terminates in September 2032; and the Pleasantville, NY lease terminates in December 2025. Associated with the adoption of ASC 842, the Company has elected to use a discount rate representing the average rate of its margin loan rates among its clearing firms, in the calculation of the present value of the remaining operating lease payments. The weighted average rate in effect is 4.79%.

9. Subsequent Events

The Company has evaluated subsequent events for adjustment to, or disclosure in, its Consolidated Financial Statements through the date of this report and has not identified any recordable or disclosable events not otherwise reported in these Consolidated Financial Statements, or in the Notes thereto.