MassDevelopment

Emerging Technology Fund (ETF)

Quarterly Report to the Massachusetts Legislature

April 1, 2026 through June 30, 2026

Current Activity

- As of June 30, 2026, the ETF had made loans, guarantees, and recoverable grants to 63 companies totaling $111,047,115 (see Exhibit A for complete list of financing to-date).
- Between April 1, 2026 and June 30, 2026, the ETF received $240,372 in principal repayments and $167,716 interest income, and fees. Operating expenses were $194,743.
- As of June 30, 2026, the Fund has one $2,000,000 approved loan in the closing process.
- The uncommitted balance of the Fund exceeding current pipeline on June 30, 2026 was $24,569,161.
- The ETF has committed to invest $10 million in Commonwealth CRA Fund I, managed by MassVentures. This Fund targets seed-stage deep tech companies across Massachusetts with a specific emphasis on academic spinouts.

Featured Company

Factorial Inc. is a U.S.-based solid-state battery technology company headquartered in Billerica, MA. The company develops next-generation energy storage solutions for electric mobility, defense and aerospace, artificial intelligence, robotics, and other advanced applications. Its core innovation is the proprietary Factorial Electrolyte System Technology (FEST®), which is designed to deliver higher energy density, enhanced safety, and longer driving range than conventional lithium-ion batteries. Importantly, Factorial's technology is compatible with existing lithium-ion battery manufacturing infrastructure, enabling automotive and industrial partners to accelerate commercialization while minimizing the need for significant modifications to current production lines.

Factorial

On June 5, 2026, Factorial merged with Cartesian Growth Corporation III and became Factorial Energy, Inc. The company began trading on the Nasdaq Stock Market on June 8, 2026, under the ticker symbol FAC. As a result of the transaction, MassDevelopment's warrants converted into 71,559 shares of FAC common stock, with an approximate value of $417,000.

In February 2019, MassDevelopment provided a $2.5 million working capital term loan through the Emerging Technology Fund to support the company's growth and the hiring of additional full-time employees. As of June 30, 2026, Factorial employed 69 individuals in Massachusetts.

Financial & Technical Assistance

MassDevelopment assisted Acusphere, Celldex Therapeutics (formerly Avant Immunotherapeutics), and Cytonome in finding suitable facilities in Massachusetts. All loan applicants received assistance in structuring financing for their projects with MassDevelopment and other lenders.

Uncommitted Fund Balance

Between April 1, 2026 and June 30, 2026, the ETF received $240,372 of principal repayments and $167,716 interest income, and fees. Operating expenses were $194,743. The uncommitted balance of the Fund on June 30, 2026, was $24,569,161.

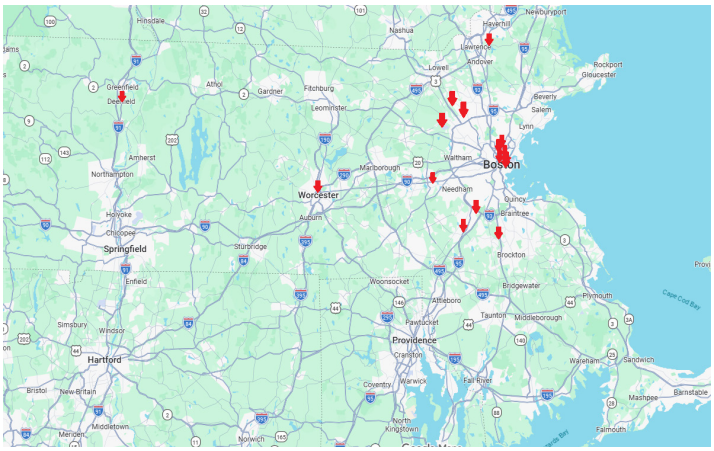
As of 6/30/2026	
Beginning Fund Balance	$24,750,000
Fund recapitalization FY 2007	10,000,000
Fund recapitalization FY 2008	15,000,000
Total funding	**49,750,000**
Fund activity (accumulated):	
Net Loan disbursements	(15,551,601)
Operating income	13,187,400
Operating expenses	(10,954,094)
Project Expense	(50,000)
Grant expenses	(15,000,000)
Investment income	16,964,330
Non-operating income	6,118,150
Accrued expenses	5,334
Accrued interest income	(57,863)
Prepaid insurance	(5,667)
Investment in Warrants	(53,051)
Deferred income	-
Investment in Common Stock	(249,960)
Investment in privately held companies	(1,730,199)
Equity Investment-Contributions	(8,666,974)
Sub-total	**33,705,804**
Less Cash Commitments:	
Reserved for guarantees closed	0
Undisbursed loans and guarantees	(7,276,560)
Approved loans and guarantees (not closed)	0
Available Equity investment – MTDC Fund III	(720,510)
Available Equity investment – MTDC Fund IV	(650,016)
Available cash	**$25,096,220**
Less:	
Current Pipeline – potential new loans	0
Cash exceeding current pipeline	**$25,096,220**
** Total loan write-offs as of June 30, 2026*	*$6,517,005*

Geographic Distribution

As of June 30, 2026, the ETF has closed loans, guarantees, and recoverable grants with companies in each of the state's five geographic regions:

Region	Closed Loans	# of Companies
North	$20,300,000	9
South	$8,703,657	5
Central	$17,780,000	8
West	$5,205,958	5
Greater Boston	$59,057,500	36
Total	**$111,047,115**	**63**

Current ETF Portfolio



Currently, there are 18 companies in the ETF portfolio with an active loan, recoverable grant, warrant, or equity position.

Overview and History

Created by Chapter 141 of the Acts of 2003, the Emerging Technology Fund (ETF) was established to create jobs in Massachusetts by providing financing for facilities, equipment, real estate improvements, and working capital that leverages private investment in growing companies employing or commercializing emerging technologies. The ETF supports technology-based and advanced manufacturing companies seeking to locate, expand, or remain in the Commonwealth, helping to strengthen Massachusetts' innovation economy while fostering job creation and economic growth.

Since its inception, the ETF has provided unconventional risk capital in the form of debt financing to development-stage companies working to commercialize new technologies. The program has evolved to meet the needs of emerging industries, including Deep Tech, Digital Health, and Artificial Intelligence (AI). In 2010, legislation expanded the ETF's tools by authorizing MassDevelopment to offer working capital term loans, enabling growing companies to address staffing and other operational needs in addition to financing facilities and equipment.

The ETF was initially capitalized with $24.75 million, followed by recapitalizations of $10 million in 2006 and $15 million in 2007. In 2010, $15 million was transferred from the ETF to establish the Massachusetts Growth Capital Corporation, which later merged with MassDevelopment in February 2025. The ETF was last recapitalized in 2007 and has since relied on loan repayments, interest income, and early payoffs from successful portfolio companies to fund new investments. Through prudent capital management and recycling of loan proceeds, the ETF has maintained its position as an "evergreen fund" and is currently able to make loans of up to $4 million. However, future recapitalization may be necessary if demand for business expansions and relocations exceeds available repayment-generated capital.

The ETF is governed by an Advisory Committee and is required to provide quarterly reports to designated legislative committees. Throughout its history, the Fund has successfully leveraged private investment to support innovative Massachusetts companies, contributing to the Commonwealth's leadership in technology and advanced manufacturing while advancing its core mission of job creation and economic development.

Closed Loan Activity

Loan Portfolio as of 6/30/2026

Company	Loan Amount	Date Closed	Municipality	Industry
Greentown Collaborative, Inc. (Recoverable Grant)	$1,050,000	12/17/2024	Somerville	Other
OnPoint Surgical	$4,000,000	8/15/2024	Concord	Medical Device
Embue, Inc.	$3,800,000	3/2/2023	Worcester	Software
Beeken Biomedical	$1,500,000	4/8/2021	Stoughton	Medical Device
MentorWorks Education Capital	$1,000,000	3/20/2020	Boston	Financial Technology
DynamiCare Health	$1,250,000	12/5/2019	Cambridge	Digital Health
Nano-C	$2,400,000	11/10/2018	Westwood	Advanced Material Manufacturer
SCV Holdings Inc.	$1,300,000	12/2/2025	South Deerfield	Electronics
indiGo Technologies, Inc.	4,000,000	1/20/2026	Woburn	Other
Sub-Total	$20,300,000			

Closed Loan with Warrants and Equity position as of 6/30/2026

Company	Loan Amount	Date Closed	Municipality	Industry
6K, Inc. f/k/a Amastan Technologies LLC (paid off 4/2/21)	$2,000,000	6/30/2017	North Andover	Advanced Material Manufacturer
Armored Things, Inc.	$2,250,000	6/3/2020	Boston	Software
Lionano Inc. a/k/a Factorial Energy (paid off 11/25/19)	$2,500,000	2/1/2019	Woburn	Battery Material Manufacturer
Intigua, Inc. (draw period expired 4/1/23)	$1,000,000	4/9/2021	Boston	Software
Lexington Medical, Inc. (paid off 6/12/19)	$2,500,000	2/22/2017	Billerica	Medical Device
Massachusetts Materials Technologies, LLC (paid off 8/01/25)	$1,000,000	8/30/2019	Waltham	Advanced Manufacturing
MedMinder Systems Inc. (paid off 3/16/21)	$1,500,000	5/11/2018	Needham	Medical Device
Algorex Health Technologies LLC (paid off 7/09/24)	$1,250,000	7/30/2019	Boston	Software
Ginkgo Bioworks (paid off 10/5/16)	$1,000,000	12/15/2014	Boston	Biotech Engineering
Sub-Total	$15,000,000			

Loan Closed and Repaid in Full

Company	Loan Amount	Date Closed	Paid Off	Municipality	Industry
First Light Diagnostics, Inc.	$2,500,000	5/31/2019	8/1/2024	Chelmsford	Medical Device
XRHealth USA	$2,000,000	11/16/2020	3/22/2021	Brookline	Digital Health
Dive Technologies	$1,300,000	6/30/2020	1/27/2022	Quincy	Autonomous Underwater Vehicle Manufacturer
Zylotech	$500,000	8/15/2018	1/20/2021	Boston	Analytics Software
Vyasa Analytics	$1,800,000	6/27/2018	12/28/2022	Newburyport	Analytics Software
Atentiv Holdings and Atentiv	$3,000,000	3/4/2016	6/17/2017	Waltham	Medical Device
Biomedical Research Models (Replacement Facilities)	$500,000 and $500,000 (Guarantee)	12/29/2015	10/30/2019	Worcester	Contract Research (Biotechnology)
Dynamo Micropower	$175,000	1/30/2015	5/12/2016	Somerville	Fuel Flexible Turbine Power

Loan Closed and Repaid in Full *Continued*

Company	Loan Amount	Date Closed	Paid Off	Municipality	Industry
Biomedical Research Models (Replacement Facilities)	$500,000 and $200,000 (Guarantee)	10/29/2014	10/30/2019	Worcester	Contract Research (Biotechnology)
Scencio Systems	$650,000	8/18/2014	8/1/2019	Boxborough	Telemedicine
Persimmon Technologies	$1,500,000	10/1/2013	12/18/2015	Wakefield	Vacuum Robotics
PoroGen Corporation	$1,000,000	4/1/2013	10/2/2015	Woburn	Industrial Filtration
TeraDiode	$2,000,000	12/6/2012	3/7/2017	Wilmington	Industrial Lasers
InVivo Therapeutics Corporation	$2,000,000	10/5/2012	3/1/2019	Cambridge	Medical Device
Fusion Optix	$1,500,000	8/30/2012	11/5/2018	Woburn	CleanTech
CryoXtract Instruments	$800,000	5/15/2012	4/21/2017	Woburn	Medical Device
PowerHouse Dynamics	$1,000,000	3/30/2012	3/1/2018	Newton	CleanTech
Court Square Group	$500,000	3/28/2012	9/30/2016	Springfield	Software & IT
Quiet 3PF (formerly Quiet Logistics)	$2,500,000	1/26/2012	12/28/2018	Devens	eCommerce and Fulfillment
ConforMIS	$1,445,000	6/28/2011	12/23/2016	Burlington	Medical Device
T2 Biosystems	$1,687,500	5/9/2011	12/30/2016	Lexington	Medical Device
Acacia Communications	$3,000,000	2/25/2011	5/14/2015	Maynard	Information Technology
Biomedical Research Models	$500,000 and $200,000 (Guarantee)	11/17/2010	10/30/2019	Worcester	Contract Research (Biotechnology)
Qteros	$2,000,000	10/29/2009	11/22/2010	Chicopee	Biofuel Developer
Premium Power Corporation	$2,500,000	5/28/2009	4/13/2012	North Reading	POS Battery Manufacturer
E-Ink Corporation	$1,000,000	5/15/2007	8/31/2009	Cambridge	Electronic Display
Luminus Devices	$2,500,000	4/26/2007	8/22/2013	Billerica	Lighting
Nuvera Fuel Cells	$2,500,000	1/31/2007	12/22/2010	Billerica	Hydrogen Fuel Cell Developer and Manufacturer
Valeritas	$2,500,000	1/12/2007	5/19/2014	Shrewsbury	Medical Device
Middleton Aerospace Corporation	$2,000,000	8/11/2006	8/31/2016	Haverhill	Military and Commercial Aircraft Component Manufacturer
BioVex Group	$2,500,000	6/30/2006	3/1/2011	Woburn	Biotechnology
RenaMed Biologics	$2,300,000	6/14/2006	12/29/2006	Westborough	Bioreplacement Therapies
Hyaluron	$1,000,000	12/19/2005	6/14/2010	Burlington	Contract Manufacturer (Biopharma)
Blue Sky BioTech	$150,000	9/28/2005	7/9/2007	Worcester	Contract Research
MicroTest Laboratories	$799,340 (Loan) $367,500 (Mortgage Guarantee)	7/6/2005	7/31/2012	Agawam	Contract Manufacturer (Biopharma)
Cytonome	$600,000	6/30/2005	2/27/2009	Boston	Medical Devices
Aspen Aerogels	$1,500,000	1/12/2005	12/2/2011	Northborough	Advanced Materials
Celldex Therapeutics (formerly Avant)	$903,657	12/12/2003	3/30/2011	Fall River	Biopharmaceutical
Sub-Total	$58,377,997				

Loans Closed and Principal Partially Charged Off

Company	Loan Amount	Date Closed	Charge Off Date	Municipality	Industry
N12 Technologies	$2,500,000	12/12/2014	10/29/2019	Cambridge	Composite Materials
Advanced MicroSensors	$2,000,000	10/13/2011	3/31/2014	Shrewsbury	Electronics
Lilliputian Systems	$2,500,000	11/13/2009	6/30/2014	Wilmington	Portable Fuel Cell Power Developer
Konarka Technologies	$2,500,000	2/11/2009	11/25/2013	New Bedford	Solar Power Consumer Product Manufacturer
Beacon Power	$2,500,000	6/30/2008	3/7/2012	Tyngsboro	Renewable Energy
ECI BioTech	$630,000	11/16/2007	1/31/2016	Worcester	Health Care Products
Spherics	$2,500,000	7/12/2005	11/19/2008	Mansfield	Pharmaceutical
WorkshopLive	$239,118	5/26/2005	6/30/2012	Pittsfield	Music Software and Technology
Acusphere	$2,000,000	8/16/2004	5/19/2009	Tewksbury	Specialty Pharmaceutical
Sub-Total	$17,369,118				
Total	$111,047,115				

Advisory Committee

Mark Leuchtenberger, *Chairman*
Chief Executive Officer, SpyBiotech

Joseph Downing
Designee of Patrick Larkin
Senior Advisor, Ex-officio member, John Adams Innovations Institute
Massachusetts Technology Collaborative

Charlie Hipwood
President, MassVentures

Peter Milano
Senior Director, Business Development
Massachusetts Office of Business Development

Juan Carlos Morales
Founder & Managing Director, Surfside Capital Advisors LLC

Cathy Judd-Stein
Principal, CJS Strategies LLC
Former Chair, Massachusetts Gaming Commission

To learn more about the Emerging Technology Fund contact Kevin Barry at 617-330-2000 or visit www.massdevelopment.com/etf