

**MASSACHUSETTS TECHNOLOGY
DEVELOPMENT CORPORATION
D/B/A MASSVENTURES**

FINANCIAL STATEMENTS

***As of and for the Years Ended June 30, 2025
and 2024***

And Report of Independent Auditor

Massachusetts Technology Development Corporation
d/b/a MassVentures
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Report of Independent Auditor

To the Board of Directors
Massachusetts Technology Development Corporation
d/b/a MassVentures
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of Massachusetts Technology Development Corporation d/b/a MassVentures (the "Corporation"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation as of June 30, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The basic financial statements as of June 30, 2024, were audited by other auditors whose report dated September 23, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Cherry Bekaert LLP

September 30, 2025
Waltham, Massachusetts

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Massachusetts Technology Development Corporation
d/b/a MassVentures**

**Management's Discussion and Analysis
June 30, 2025**

The following discussion and analysis provides management's overview of the financial position of the Massachusetts Technology Development Corporation, d/b/a MassVentures (the Corporation) as of June 30, 2025 and 2024, and the results of its operations and cash flows for the years then ended. This management's discussion and analysis is unaudited and should be read in conjunction with the Corporation's audited financial statements and notes, which are attached hereto.

General Overview

The purpose of the Corporation is to provide financial and other assistance to innovative technology-based enterprises in Commonwealth of Massachusetts (the "Commonwealth") that have the potential to expand and generate new jobs and tax revenues. The Corporation seeks to: i) target technologies, regions and companies that are not adequately served by private investors; ii) complement, not compete with, private venture and angel investors and leverage the Corporation's investment dollars with private capital; and iii) nurture entrepreneurship among the citizens of the Commonwealth to stimulate long-term economic development. The Corporation seeks to realize appropriate financial returns to enable it to be self-sufficient. The Corporation is governed by a Board of Directors consisting of eleven members, eight of whom are appointed by the Governor of Massachusetts from the private sector and three of whom are public officials. In June 2012, the Corporation began doing business as MassVentures.

Enabling Legislation and Funding Sources

The Corporation was created as a body politic and instrumentality of the Commonwealth on October 19, 1978, pursuant to Chapter 497 of the Acts of 1978.

The Corporation's original investment funds were provided in 1979 by a \$2,000,000 grant (including \$28,000 in start-up costs) from the Economic Development Administration ("EDA"), U.S. Department of Commerce. Under this grant, the Corporation made loans from a revolving loan fund to eligible borrowers, defined as Massachusetts-based businesses with operations involving a significant amount of technology, which are located in EDA Title IV redevelopment areas and which meet the requirements of the Corporation's enabling act.

During the year ended June 30, 1981, the Corporation was awarded a \$1,000,000 grant under the Corporations for Innovation Development ("CID") program of the U.S. Department of Commerce. The grant award was for the purpose of establishing a second revolving loan fund to assist in the creation and development of small, innovative high-technology companies in Massachusetts. In addition, the Commonwealth appropriated \$1,000,000 to the Corporation as matching funds for the federal grant. The Commonwealth appropriation is restricted to equity investment. The CID program was cancelled during the year ended June 30, 2003. Restricted cash for investment programs of \$407,839 was returned to the U.S. Department of Commerce representing their portion of the remaining grant.

Each year from fiscal years 1982 to 1988, the Commonwealth appropriated additional amounts to supplement the Corporation's investment fund. There were no geographical limitations within Massachusetts for these funds. The Commonwealth appropriated additional amounts to the Corporation's investment fund of \$5,000,000 in fiscal year 2004, \$2,500,000 in fiscal year 2007 and \$1,000,000 in fiscal year 2015. In fiscal year 2023, The Commonwealth appropriated additional funds of \$20,000,000 via the State Small Business Credit Initiative ("SSBCI") which

includes up to \$575,000 in administrative costs. SSBCI is a program for the US Department of the Treasury. The SSBCI program was created to strengthen state programs that support private financing to small businesses that are not getting the support they need to expand and create jobs. The cumulative amount of all appropriations received from the initial funding in 1981 through June 30, 2025 totaled \$ 33,700,000.

Under the terms of the grants of investment funds from the federal government and the Commonwealth, principal repayments and costs recovered are returned to the Restricted for Investment Programs Fund to be reinvested in accordance with the criteria required by the grants' provisions and the Corporation's enabling legislation and policies. In addition, the Corporation has transferred \$43,981,528 cumulatively through fiscal year 2025 to the Restricted for Investment Programs Fund to be reinvested in accordance with the criteria required by the Corporation's enabling legislation and policies. The transferred funds were derived from earnings and gains realized on past investments by the Corporation.

Financial Statements

The Corporation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

The *Statement of Net Position* presents the financial position of the Corporation. It provides information about the nature and the amount of resources (assets), plus deferred outflows of resources (as applicable), obligations (liabilities), plus deferred inflows of resources (as applicable), and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The *Statement of Revenues, Expenditures, and Changes in Net Position* presents information showing how the Corporation's net position changed during the fiscal year presented. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The change in net position may be useful in assessing whether the financial position improved or deteriorated for the year.

The *Statement of Cash Flows* presents the cash activities segregated by the three major cash flow categories: operating activities, capital activities, and investing activities. This statement may be useful in determining changes in liquidity and in understanding how cash and cash equivalents were used during the years presented.

The notes to the financial statements describe significant accounting policies adopted by the Corporation and provide additional information that is essential to a full understanding of the data presented in the financial statements.

Financial Highlights

- Total assets of the Corporation decreased from \$60,415,644 at June 30, 2024 to \$57,880,688 at June 30, 2025, primarily due to a decrease in the unrealized value of the Corporation's investments.
- During the year ended June 30, 2025, the Corporation made new investments totaling \$11,099,031.
- The cost of investments held increased from \$16,340,946 at June 30, 2024 to \$25,749,815 at June 30, 2025.

- The Corporation had \$4,500,000 of grant awards during the year ended June 30, 2025 under its SBIR Targeted Technologies (“START”) Program, as compared to \$3,000,000 in START grant awards during the year ended June 30, 2024.
- The Corporation made \$1,505,000 of grant awards during the year ended June 30, 2025 under the Catalyst Program, as compared to \$1,458,871 at June 30, 2024, which it administers under an agreement with the Massachusetts Clean Energy Technology Center (“MassCEC”) to provide support to researchers and early-stage companies looking to demonstrate initial prototypes of their clean energy technologies.
- The Corporation made \$300,000 of grant awards during the year ended June 30, 2025 as compared to \$207,500 during the year ended June 30, 2024, under its Innovation Commercialization Seed Fund (aka Acorn Program), to provide support to principal investigators at Massachusetts research universities seeking to demonstrate viability of their technologies.
- The Corporation made \$60,000 of grant awards during the year ended June 30, 2025 as compared to none during the year ended June 30, 2024, under the Thrive Program which seeks to attract and retain start-up founders and critical employees by supporting eligible entrepreneurs and part-time employers (institutions of higher education or their nonprofit affiliates) who commit to apply for a nonimmigrant H-1B visas.
- MassVentures is the MassCEC technical consultant for the Innovate Mass Program, providing strategic support for clean energy startups and providing pitch coaching to companies who apply to MassCEC for grant funding under the program. Other support includes meeting regularly with awardees to review workplans, discuss and resolve technical and other project-related barriers, and review performance monitoring and evaluation plans, to ensure projects succeed.
- The Massachusetts Academic Spinouts Center (MASC) - Formerly known as the Massachusetts Technology Transfer Center (MTTC), operates under the umbrella of MassVentures’ MV Spinouts programs. MASC works with inventors, researchers, and entrepreneurs to bring innovative technologies from academic research institutions to the market. By providing access to capital, coaching, and connections, MASC accelerates the adoption of new technology, expedites startup activity, and expands economic impact statewide.
- MATTO - MassVentures administers MATTO (Massachusetts Association of technology Transfer Offices), an independent association, whose members comprise the tech transfer offices at not-for-profit research institutions in the Commonwealth. Currently, thirty-four institutions belong to MATTO. These institutions employ over 400 professionals in their offices of technology transfer. MATTO's mission is to promote efficient, effective transfer of knowledge and technology from academic institutions to companies that develop and bring novel products to market for the public good.
- Founders School program- collaborating with key partners, the program is designed for underrepresented deep tech founders with a focus on empowering early-stage founders in Massachusetts, as well as founders curious about moving and building their business in the Commonwealth. The program seeks to provide each founder with robust preparation for getting ready for investment, joining competitive accelerator programs and being part of the MassVentures deep tech ecosystem.

Financial Analysis

Statement of Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
	<u>Total</u>	<u>Total</u>	<u>Total</u>
Current and Other Assets	\$ 23,074,766	\$ 31,245,451	\$ 34,608,302
Investments, at Market	34,805,922	29,170,193	24,151,984
Total Assets	<u>\$ 57,880,688</u>	<u>\$ 60,415,644</u>	<u>\$ 58,760,286</u>
Total Liabilities	3,550,415	2,441,341	2,372,460
Total Net Position	54,330,273	57,974,303	56,387,826
Total Liabilities and Net Position	<u>\$ 57,880,688</u>	<u>\$ 60,415,644</u>	<u>\$ 58,760,286</u>

Total assets decreased \$2,534,956 in the current year, primarily due to a decrease in the carrying value of the Corporation's investments. Total assets increased \$1,655,358 in the prior year, primarily due to an increase in the carrying value of the Corporation's investments.

Total liabilities increased \$1,109,074 in the current fiscal year primarily due to an increase in grants payable. Total liabilities increased \$68,881 in the prior fiscal year primarily due to an increase in accounts payable.

Total net position decreased \$3,644,030 in the current year primarily due to the excess of net unrealized losses on investments. Total net position increased \$1,586,477 in the prior year primarily due to the excess of net unrealized gains on investments and the Corporation's increased interest revenue and other income for the current fiscal year.

Investment and Grants

The Corporation provides financial assistance to innovative technology-based enterprises in Commonwealth. Financial assistance may come in the form of grants, equity investments or debt investments. During the fiscal year ended June 30, 2025, the Corporation provided a total of \$ 17,464,031 in assistance consisting of \$4,500,000 in START awards, \$1,505,000 in Catalyst awards, \$300,000 in Innovation Commercialization Seed Fund (aka Acorn) awards, \$60,000 in Thrive grants and \$11,099,031 in equity and debt investments. Financial assistance in fiscal 2025 increased \$8,012,761 as compared to fiscal 2024 due primarily to an increase in equity and debt investments and increase in the START grant program.

Statement of Revenues, Expenditures and Changes in Net Position

	Fiscal Year Ended June 30		
	2025	2024	2023
Programs and sponsorships income	\$ 1,000	\$ 10,000	\$ 520,370
Grant	-	-	20,000,000
Other income	1,036,950	984,329	951,562
Interest revenue	1,255,515	1,619,050	920,451
Total revenue	2,293,465	2,613,379	22,392,383
Operating expenses	2,598,704	1,953,302	1,907,638
Subtotal	(305,239)	660,077	20,484,745
Grants received	6,365,000	4,666,371	4,371,143
Grants disbursed	(6,365,000)	(4,666,371)	(4,371,143)
Net grants	-	-	-
Net realized gains on investments	434,349	54,117	(1,651,548)
Net unrealized (losses) gains on investments	(3,773,140)	872,283	5,977,223
Total net (losses) gains	(3,338,791)	926,400	4,325,675
Operating income (loss)	(3,644,030)	1,586,477	24,810,420
Net position, beginning of year	57,974,303	56,387,826	31,577,406
Net position, end of year	\$ 54,330,273	\$ 57,974,303	\$ 56,387,826

The loss of \$305,239 in the current fiscal year was primarily due to an increase in operating expenses and lower revenues. The operating gain of \$660,077 in the prior fiscal year was primarily due to an increase in interest and other income over slightly higher operating expenses.

Operating expenses include all personnel, occupancy, professional and consulting, and all other business expenses associated with the Corporation's operations.

Total net gains decreased by \$4,265,191 in the current year primarily due to realized gains during the year being offset by the decrease in unrealized gains between the years. Total net gains decreased by \$3,399,275 in the prior year primarily due to realized gains during the year compared to realized losses the prior year, being offset by the decrease in unrealized gains between the years.

Statement of Cash Flows

	2025	2024	2023
Net cash operating activities	\$ (552,000)	\$ (888,605)	\$ 20,533,922
Net cash capital activities	-	(8,444)	(2,328)
Net cash investment activities	(7,800,044)	(2,472,759)	(3,496,677)
Net decrease in cash and cash equivalents	(8,352,044)	(3,369,808)	17,034,917
Cash and cash equivalents, beginning of year	31,151,281	34,521,089	17,486,172
Cash and cash equivalents, end of year	\$ 22,799,237	\$ 31,151,281	\$ 34,521,089

Cash and cash equivalents were \$22,799,237 at June 30, 2025 compared to \$31,151,281 at June 30, 2024. This \$8,352,044 decrease is due primarily to the restricted for investment program activity. The \$3,369,808 decrease during the year ended June 30, 2024 was due primarily to the restricted for investment program activity.

Activities from net cash restricted for investment programs activities for the year ended June 30, 2025 includes \$11,099,031 in equity and debt investments made into innovative technology-based enterprises by the Corporation and costs recovered from equity investments of \$1,255,570 and principal repayments. Activities from net cash restricted for investment programs activities for the year ended June 30, 2024 includes \$4,784,899 in equity and debt investments made into innovative technology-based enterprises by the Corporation and costs recovered from equity investments of \$382,368 and principal repayments.

Economic Factors

At the time these financial statements were prepared, the Corporation was unaware of any existing circumstances that could significantly affect its financial health over the next fiscal year.

Requests for Information

The Corporation's financial statements are designed to present readers with a general overview of the Corporation's finances. Additional financial information, including official statements relating to the Corporation's investments and programs can be found on the Corporation's website www.mass-ventures.com. Questions concerning the financial statements or requests for additional financial information should be addressed to the President, MassVentures, 1075 Main Street, Suite 100, Waltham, MA 02451.

BASIC FINANCIAL STATEMENTS

Massachusetts Technology Development Corporation
d/b/a MassVentures
Statements of Net Position

June 30,

	2025	2024
Assets		
Current Assets		
Cash, cash equivalents, and short-term investments	\$ 12,538,468	\$ 12,216,338
Accounts receivable	8,500	-
Prepaid expenses and deposits	29,738	29,103
Converted interest on notes receivable	137,681	56,642
Total Current Assets	12,714,387	12,302,083
Restricted Assets		
Cash, cash equivalents, and short-term investments	10,260,769	18,934,943
Grants receivable	95,000	-
Investments	34,805,922	29,170,193
Total Restricted Assets	45,161,691	48,105,136
Noncurrent Assets		
Capital assets at cost, less accumulated depreciation of \$68,049 in 2025 and \$64,234 in 2024	4,610	8,425
Total Assets	57,880,688	60,415,644
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	463,771	364,697
Unearned grant revenue	835,000	575,000
Distribution payable to Commonwealth of Massachusetts	1,644	1,644
Grants payable	2,250,000	1,500,000
Total Liabilities	3,550,415	2,441,341
Net Position		
Net investment in capital assets	4,610	8,425
Restricted for investment programs	42,076,691	46,030,136
Unrestricted	12,248,972	11,935,742
Total Net Position	54,330,273	57,974,303
Total Liabilities and Net Position	\$ 57,880,688	\$ 60,415,644

The accompanying notes to the financial statements are an integral part of these statements.

Massachusetts Technology Development Corporation
d/b/a MassVentures
Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30,

	2025	2024
Operating Revenues		
Realized gains on equity investments	\$ 434,349	\$ 54,117
Change in unrealized net gain (loss) on investments	(3,773,140)	872,283
Grants - Commonwealth of Massachusetts - START	4,500,000	3,000,000
Grants - MA CEC - Catalyst Program	1,505,000	1,458,871
Grants - Acorn Program	300,000	207,500
Grants - Thrive Program	60,000	-
Sponsorships and events	1,000	10,000
Interest	1,255,515	1,619,050
Management fees and other	1,036,950	984,329
Total Operating Revenues	5,319,674	8,206,150
Operating Expenditures		
Grants	6,365,000	4,666,371
General support	2,598,704	1,953,302
Total Operating Expenditures	8,963,704	6,619,673
Operating Income (Loss)	(3,644,030)	1,586,477
Net position, beginning of year	57,974,303	56,387,826
Net Position, End of Year	\$ 54,330,273	\$ 57,974,303

The accompanying notes to the financial statements are an integral part of these statements.

Massachusetts Technology Development Corporation
d/b/a MassVentures
Statements of Cash Flows

Years Ended June 30,

	2025	2024
Cash Flows from Operating Activities		
Cash received from grants	\$ 6,530,000	\$ 4,618,871
Cash received from management fees and other	1,029,450	994,329
Cash payments to grantees	(5,615,000)	(4,666,371)
Cash payments to employees	(2,023,617)	(1,574,354)
Cash payments to service providers	(472,833)	(261,080)
Net Cash Flows from Operating Activities	(552,000)	(888,605)
Cash Flows from Capital and Related Financing Activities		
Purchase of office equipment	-	(8,444)
Cash Flows from Investing Activities		
Interest income received	1,174,476	1,619,050
Purchase of investments	(11,099,031)	(4,784,899)
Proceeds from sale of investments	1,689,919	436,485
Principal repayments from fixed income investments	434,592	256,605
Net Cash Flows from Investing Activities	(7,800,044)	(2,472,759)
Net Change in Cash, Cash Equivalents, and Short-Term Investments	(8,352,044)	(3,369,808)
Cash, cash equivalents, and short-term investments, beginning of year	31,151,281	34,521,089
Cash, Cash Equivalents, and Short-Term Investments, End of Year	\$ 22,799,237	\$ 31,151,281
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities		
Excess (deficiency) of revenues over expenses	\$ (3,644,030)	\$ 1,586,477
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash general support activities:		
Gain on sales of investments	(434,349)	(54,117)
Change in unrealized net (gain) loss on investments	3,773,140	(872,283)
Interest income	(1,255,515)	(1,619,050)
Depreciation and amortization	3,815	3,583
Increase (decrease) in cash from:		
Grants receivable	(95,000)	(2,096)
Prepaid expenses and deposits	(635)	-
Accounts receivable	(8,500)	-
Grant payable	750,000	-
Unearned grant revenue	260,000	(47,500)
Accounts payable and accrued liabilities	99,074	116,381
Net Cash General Support Activities	\$ (552,000)	\$ (888,605)
Reconciliation of Cash, Cash Equivalents, and Short-Term Investments to Statement of Net Position		
Cash, cash equivalents, and short-term investments	\$ 12,538,468	\$ 12,216,338
Restricted Assets - cash, cash equivalents, and short-term investments	10,260,769	18,934,943
Total Cash, Cash Equivalents, and Short-Term Investments	\$ 22,799,237	\$ 31,151,281

The accompanying notes to the financial statements are an integral part of these statements.

Massachusetts Technology Development Corporation
d/b/a MassVentures
Notes to the Financial Statements

June 30, 2025 and 2024

A. Description of the Business

Massachusetts Technology Development Corporation d/b/a MassVentures (the “Corporation”) (“MTDC”) was created as a body politic and instrumentality of the Commonwealth of Massachusetts (the “Commonwealth”) on October 19, 1978, pursuant to Chapter 497 of the Acts of 1978. The purpose of the Corporation is to provide financial and other assistance to innovative enterprises in Massachusetts that have the potential to expand and generate new jobs and tax revenues. The Corporation is governed by a Board of Directors consisting of eleven members, eight of whom are appointed by the Governor of Massachusetts from the private sector and three of whom are public officials. In June 2012, the Corporation began doing business as MassVentures.

B. Summary of Significant Accounting Policies

1. Basis of Presentation and Accounting – The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to a government unit considered to be a “proprietary fund”. Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The Government Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A portion of the Corporation’s net position reflects its investment in capital assets and is not available for future spending. The remaining net position is classified based on the existence or absence of restrictions. Accordingly, net position is segregated into Unrestricted and Restricted for Investment Programs components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

When both restricted and unrestricted resources are available for investment, the Corporation’s policy is to use restricted resources first, then unrestricted resources as they are needed.

The economic resources measurement focus and accrual basis of accounting is utilized for all funds. Under this method, revenues are recorded when earned and expenses are recorded at the time the related liability is incurred.

2. Fund Accounting – Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.
3. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as applied to government units requires management to make estimates and assumptions that affect the reported amounts of assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.
4. Cash and Cash Equivalents – The Corporation considers all highly liquid investments purchased with an original maturity or remaining maturity at date of purchase of three months or less to be cash equivalents.

Massachusetts Technology Development Corporation
d/b/a MassVentures
Notes to the Financial Statements

June 30, 2025 and 2024

B. Summary of Significant Accounting Policies (continued)

5. Short-Term Investments – Short-term investments consist of banker’s acceptances and certificates of deposit with original maturities in excess of three months but less than one year and are valued at amortized cost, which approximates market.
6. Capital Assets and Depreciation – Capital assets are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the related assets, ranging from three to fifteen years. Depreciation expense for the years ended June 30, 2025 and 2024, amounted to \$3,815 and \$3,583, respectively.

Upon retirement or sale, the cost of the assets disposed, and the related accumulated depreciation is removed from the accounts and any resulting gain or loss is included in the determination of the excess (deficiency) of revenues over expenses.

7. Investments – The Corporation’s investment securities are purchased in the name of the Corporation and are maintained in a safe or electronically by the underlying company. These available for sale investments are generally in early-stage technology companies.

As noted, GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, unrestricted publicly traded securities are carried at fair value.

In general, the value of a private investment is adjusted up or down to conform to the price paid on an “arms-length” basis by a sophisticated new third-party investor in any subsequent round of financing. Additionally, an investment may be written down because of a lack of sustained level of performance or permanent impairment in value.

Securities that are traded over the counter are valued at the average of the bid price at the close of business for the valuation date and the preceding three days less a discount, if any, as determined by management. Securities that are publicly traded on a stock exchange are valued at the average of the close for the valuation date and the preceding two days less a discount, if any, as determined by management. To the extent that a legal or contractual restriction is specific to (and an attribute of) the security and, therefore, would transfer to a market participant, then it would be appropriate to consider such restriction in the determination of fair value of the security.

The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Corporation’s investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy and its applicability to the Corporation’s investments are described below:

Massachusetts Technology Development Corporation
d/b/a MassVentures
Notes to the Financial Statements

June 30, 2025 and 2024

B. Summary of Significant Accounting Policies (continued)

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities, or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes investments valued at quoted prices adjusted for legal or contractual restrictions specific to the security.

Level 3 – Pricing inputs are unobservable for the asset or liability, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Level 3 includes private investments that are supported by little or no market activity. There are multiple valuation techniques that the Corporation would use depending on the stage of development, level of revenue and size of the company. Those valuation techniques are as follows:

- Last Transaction Price – If the current date is within a reasonable period of time of the acquisition date or the last round of financing date then the acquisition cost or last transaction value will be used as fair value. For the last transaction price to be a valid indicator of value, such round of financing should either be priced by a new investor or made by existing shareholders at approximated fair value. When considering if a reasonable period of time has passed the investment staff should assess whether the stage or size of the company has materially changed since the time of the financing.
- Market Approach – This approach determines fair value using prices and other relevant information generated by market transactions involving identical or comparable assets, including market multiples on sales/earnings of publicly traded companies or acquisition of private companies. In practice, this information may be gleaned from 409a or other company valuation studies conducted by a third-party firm for determining the value of a company's options or potential exit value.
- Income Approach – This approach determines fair value using techniques to convert future cash flows or earnings to a single present amount. The measurement is based on the value indicated by current market expectations about those future amounts. The approach would be appropriate for companies in the later stage of the company's development where there is an established financial history of profitable operations.

When utilizing these approaches if the current calculated value is not materially different from the previously calculated enterprise value and there has been no significant change to the underlying portfolio company, then no valuation adjustment is required.

Realized gains on investments are credited against the Corporation's Unrestricted Net Position. Realized losses are charged against the Restricted for Investment Programs Net Position. Unrealized net gain (loss) on investments resulting from changes in the market value of investments at balance sheet date are credited (charged) to the Restricted for Investment Programs Net Position.

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B. Summary of Significant Accounting Policies (continued)

Repayments of principal and proceeds from the sale of equity investments (to the extent of the cost basis) remain in funds restricted for investment programs. Investment interest is credited to the Corporation's General Support Net Position when received.

8. Operating and Nonoperating Revenues and Expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating items. The principal operation of the Corporation is to provide financial and other assistance to innovative enterprises in Massachusetts that have the potential to expand and generate new jobs and tax revenues. Operating revenues are grant, investment, and management fee income from such activities. Operating expenses include program and supporting services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.
9. Income Taxes – The Corporation, as an instrumentality of the Commonwealth, is not subject to federal or state income taxes.
10. Adoption of New Accounting Standards – Effective July 1, 2024, the Corporation implemented the provisions of Government Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*. The primary objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Implementation of this guidance resulted in no changes in the reporting of the Corporation's financial activities.

Effective July 1, 2024, the District implemented the provisions of Government Accounting Standards Board ("GASB") Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to improve financial reporting by providing financial statement users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. Implementation of this guidance resulted in no changes in the reporting of the Corporation's financial activities.

C. Investment Program

1. Source of Funds – The Corporation's original investment funds were provided in 1979 by a \$2,000,000 grant (including \$28,000 in start-up costs) from the Economic Development Administration ("EDA"), U.S. Department of Commerce. Under this grant, the Corporation makes loans from a revolving loan fund to eligible borrowers, defined as Massachusetts-based businesses with operations involving a significant amount of technology, which are located in EDA Title IV redevelopment areas and which meet the requirements of the Corporation's enabling act.

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C. Investment Program (continued)

During the year ended June 30, 1981, the Corporation was awarded a \$1,000,000 grant under the Corporations for Innovation Development (“CID”) program of the U.S. Department of Commerce. The grant award was for the purpose of establishing a second revolving loan fund to assist in the creation and development of small, innovative high-technology companies in Massachusetts. In addition, the Commonwealth appropriated \$1,000,000 to the Corporation as matching funds for the federal grant. The Commonwealth appropriation is restricted to equity investment. The CID program was cancelled during the year ended June 30, 2003. Restricted cash for investment programs of \$407,839 was returned to the U.S. Department of Commerce representing their portion of the remaining grant.

Each year from fiscal years 1982 to 1988, the Commonwealth appropriated additional amounts to supplement the Corporation’s investment fund. There were no geographical limitations within Massachusetts for these funds. The Commonwealth appropriated additional amounts to the Corporation’s investment fund of \$5,000,000 in fiscal year 2004, \$2,500,000 in fiscal year 2007, and \$1,000,000 in fiscal year 2015.

In fiscal year 2023, the Commonwealth appropriated additional funds of \$20,000,000 via the State Small Business Credit Initiative (“SSBCI”) program, which includes up to \$575,000 in administrative costs. SSBCI is a program for the US Department of the Treasury. The SSBCI program was created to strengthen state programs that support private financing to small businesses that are not getting the support they need to expand and create jobs.

The cumulative amount of all appropriations received from the initial funding in 1981 through June 30, 2025 totaled \$33,700,000.

During the fiscal year ended June 30, 2021, the Corporation received award in the amount of \$500,000 from the Economic Development Administration, funded under the CARES Act, to capitalize a revolving loan fund (“RLF”). The purpose of this RLF is to aid in alleviating sudden and severe economic dislocation caused by the coronavirus pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic adjustment objectives within the region served.

Under the terms of the grants of investment funds from the federal government and the Commonwealth, principal repayments and costs recovered are returned to the Restricted for Investment Programs Fund to be reinvested in accordance with the criteria required by the grants’ provisions and the Corporation’s enabling legislation and policies. In addition, the Corporation has transferred \$43,981,528 cumulatively through fiscal year-end 2025 to the Restricted for Investment Programs Fund to be reinvested in accordance with the criteria required by the Corporation’s enabling legislation and policies. The transferred funds were derived from earnings and gains realized on past investments by the Corporation.

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C. Investment Program (continued)

The total funds since inception of the Corporation that have been made available for investments are as follows:

Economic Development Administration of the U.S. Department of Commerce, net of start-up costs	\$ 3,472,000
Commonwealth of Massachusetts	33,700,000
Realized gains on sales of equity securities allocated to General Support Fund	\$ 86,288,415
Portion of gains used for General Support Activities	<u>(42,306,887)</u>
Transfers to the Restricted for Investment Programs Fund	<u>43,981,528</u>
Total funds made available for investments	81,153,528
Realized losses on investments	(47,725,104)
Distributions to U.S. Department of Commerce	(407,839)
Unrealized net gain on investments	<u>9,056,106</u>
Restricted for Investment Programs Fund Balance	<u><u>\$ 42,076,691</u></u>

2. Massachusetts Technology Development Corporation Commonwealth Fund – Section 105 of Chapter 110, MGL Acts of 1993 was enacted to authorize the Board of Directors to establish the MTDC Commonwealth Fund. The investments made by MTDC through the Commonwealth Fund are included in the Restricted for Investment Programs Net Position. Pursuant to the guidelines of the Chapter, the investment criteria for funds managed under the Commonwealth Fund are less restrictive than those of the Corporation’s traditional programs.

Also pursuant to this Chapter, the Corporation established the Commonwealth Fund Investment Program I (“Program I”). During fiscal year 1995, two financial institutions agreed to participate in the Program, committing \$1,000,000 each. Program I has since then been fully liquidated. During fiscal year 2001, two financial institutions agreed to participate in the Commonwealth Fund Investment Program II (“Program II”), one committing \$2,000,000 and the other \$1,000,000. Funds from co-investors are separately maintained and these funds are not included in MTDC’s Restricted for Investment Programs Net Position. Program II has since then been fully liquidated.

Pursuant to an agreement between the Corporation and the Commonwealth of Massachusetts, a share of the net realized gains from the Corporation’s investments in the Commonwealth Funds shall be distributed to the General Fund of the Commonwealth of Massachusetts. As of June 30, 2025 and 2024, the Corporation had an accrued liability to the Commonwealth of Massachusetts in the amount \$1,644 relating to net realized gains from the previous years. The cumulative amount paid to the General Fund at June 30, 2025, under the agreement is \$853,916.

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C. Investment Program (continued)

3. Investments – During the years ended June 30, 2025 and 2024, the Corporation made debt and equity investments in aggregate amounts of \$11,099,031 and \$4,784,899, respectively. The notes in the portfolio of investments have interest rates of 7% to 15% per year. The terms of certain notes include an equity participation feature such as rights to convert to stock at a predetermined price or warrants to purchase common stock. Repayment of principal is generally due on demand, in a balloon payment, or in monthly installments ranging from 12 to 60 months. Such principal payments; however, are generally subordinated to the payment of senior debt of the borrowers. The Corporation does not recognize interest income on the notes until it is collected or an event has occurred which ensures collectability. Interest on the notes that has been accrued and fully reserved against during the years ended June 30, 2025 and 2024, totaled \$249,723 and \$100,839, respectively.

The following table summarizes the valuation of the Corporation's investments, measured at fair value as of June 30, 2025 and 2024, based on the level of input utilized to measure fair value:

	<u>2025</u>	<u>2024</u>
Level 1	\$ 35,132	\$ 43,096
Level 2	-	-
Level 3	<u>34,634,105</u>	<u>29,013,982</u>
Total Investments at Fair Value	34,669,237	29,057,078
Investments measured at Net Asset Value	<u>136,685</u>	<u>113,115</u>
Total Investments	<u><u>\$ 34,805,922</u></u>	<u><u>\$ 29,170,193</u></u>

The following table summarizes the valuation techniques and significant unobservable inputs that are categorized in Level 3.

Investments, at Fair Value	Fair Value at June 30, 2025	Valuation Technique	Unobservable Inputs	Range of Inputs (weighted average)
Private Investments (Common, Preferred)	\$ 8,235,219	Market Comparable Companies	Revenue Multiples	3X-10X (9X)

Certain of the Company's level 3 investments have been valued using unadjusted inputs that have not been internally developed by the Company, including third-party transactions and quotations. As a result, fair value of assets of \$26,398,886 have been excluded from the preceding table.

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June 30, 2025 and 2024

C. Investment Program (continued)

A summary of investment activity is as follows:

	Notes Receivable	Equity Investments	Total
Investments made 1980 through 2022	\$ 39,403,798	\$ 57,547,850	\$ 96,951,648
2023	500,000	3,861,964	4,361,964
2024	2,030,000	2,754,899	4,784,899
2025	2,828,732	8,270,299	11,099,031
Total investments	44,762,530	72,435,012	117,197,542
Conversion of loan principal to equity	(19,417,259)	19,417,259	-
Loan principal repayments and equity investments cost recovered	(13,705,616)	(30,017,007)	(43,722,623)
Realized gains on equity investments' sales 1982 through 2025	-	86,288,416	86,288,416
Allocation of realized gains to general support fund	-	(86,288,416)	(86,288,416)
Realized losses on investments 1983 through 2025	(7,422,264)	(40,302,840)	(47,725,104)
Unrealized net gain on investments	-	9,056,107	9,056,107
Investment balance, June 30, 2025	<u>\$ 4,217,391</u>	<u>\$ 30,588,531</u>	<u>\$ 34,805,922</u>

As of June 30, 2025, the investment portfolio consisted of the following types of securities as a percentage of the General Support and Restricted for Investment Program Net Position ("Net Position"): common stock 4.04%, preferred stock 52.26%, and notes receivable 7.76%.

At June 30, 2025, MTDC had the following investments, at market, which represents more than 5% of the Net Position:

FairmarkIT	10.95%
Labviva	5.90%

As of June 30, 2025 and 2024, there were pending loans and equity investments approved by the Board of Directors totaling \$3,617,274 and \$2,570,000, respectively.

4. **START Program** – In 2012, the Corporation entered into an agreement with The Massachusetts Growth Capital Association ("MGCA") to administer the SBIR Targeted Technologies ("START") Program. The START program is designed to assist in the commercialization of technologies that were previously awarded federal SBIR grants. Under the terms of the initial agreement, MGCA will fund the program with \$6,300,000 ("Initial Funds"), with a portion of that amount to be used by MTDC for administrative costs. The Initial Funds were dispersed in three phases. In 2012, MTDC awarded \$1,000,000 in Phase I grant awards; in 2013, MTDC awarded \$1,000,000 of Phase I and \$1,000,000 of additional Phase II grant awards; and in 2014, MTDC awarded \$1,000,000 of Phase I, \$1,000,000 Phase II, and \$1,000,000 Phase III grant awards. In each year between of 2014 and 2020, the agreement was amended to provide for additional Phase I, Phase II, and Phase III grants awards as well as additional amounts to be used by MTDC for administrative costs as direct technical assistance to award winners.

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June 30, 2025 and 2024

C. Investment Program (continued)

In 2025, MTDC awarded \$1,600,000 to sixteen companies of Phase I, \$1,400,000 to seven companies of Phase II, and \$1,500,000 to three companies of Phase III grant awards. In 2024, MTDC awarded \$1,000,000 of Phase I, \$1,000,000 Phase II, and \$1,000,000 Phase III grant awards. For the year ended June 30, 2025, \$2,250,000 was paid out to grant recipients, with the remaining \$2,250,000 to be paid out after fiscal year-end. In 2024, \$1,500,000 was paid out to grant recipients, with the remaining \$1,500,000 to be paid out after fiscal year-end.

5. Catalyst Program – During the years ended June 30, 2025 and 2024, the Corporation entered into services agreements with the Massachusetts Clean Energy Technology Center to administer the Catalyst Program. The Catalyst Program provides grants of up to \$75,000 to researchers and early-stage companies looking to demonstrate initial prototypes of their clean energy technologies. This program seeks to advance innovation of clean energy technologies and help to transform new discoveries from the research stage into commercially viable technologies, through grant awards and business mentoring. Funding for the program is provided by MassCEC for a fall and spring cohort each year and distributed to grantees in three tranches with a portion of that funding to be used by MTDC for administrative costs. During the years ended June 30, 2025 and 2024, the Corporation received \$1,575,000 and \$1,423,870 to fund the program, respectively. During the years ended June 30, 2025 and 2024, \$1,505,000 and \$1,458,871 were paid out, respectively. Any undistributed grant funds are recorded as part of unearned revenue and total \$595,000 and \$525,000 as of June 30, 2025 and 2024, respectively.
6. Innovation Commercialization Seed Fund (aka Acorn Program) – In 2021, the Corporation entered into a contract with the University of Massachusetts to administer the Acorn program and during fiscal year 2022 assumed management of the program. The Acorn Innovation Grant supports principal investigators at Massachusetts research universities who seek to demonstrate the viability of their technology. Awards could be used to further develop a prototype, gather additional data to demonstrate proof of concept, or to obtain data that show how the technology compares to existing technologies and what its competitive advantages are. Beginning in 2024, the Acorn program was funded directly by the Commonwealth to the Corporation. Awards in fiscal year ended June 30, 2025 were up to \$32,500 for up to ten companies. In fiscal year ended June 30, 2024, awards were up to \$32,500 each for up to six companies. Grant awards are designed to fund small, rapidly accomplishable projects that will enable researchers to obtain further funding for additional proof of concept or commercialization. During the years ended June 30, 2025 and 2024, the Corporation received \$360,000 for grants and \$40,000 for administrative costs, and \$195,000 for grants and \$205,000 for administrative costs, respectively. During the years ended June 30, 2025 and 2024, \$300,000 and \$207,500 were paid out, respectively. Any undistributed grant funds are recorded as part of unearned revenue in the accompanying statements of net positions and total \$110,000 and \$50,000 as of June 30, 2025 and 2024, respectively.
7. THRIVE Program – The THRIVE program seeks to attract and retain start-up founders and critical employees by supporting eligible entrepreneurs and part-time employers (institutions of higher education or their nonprofit affiliates) who commit to apply for a nonimmigrant H-1B visas. During the fiscal year ended June 30, 2025, the Thrive program was funded by the Commonwealth in the amount of \$190,000 for grants and \$22,000 for administrative costs. During the year ended June 30, 2025, \$60,000 was paid out and \$130,000 as of June 30, 2025 was recorded as part of unearned revenue.

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D. Sponsorships, Other Grants, and Services

1. Innovate Mass – During the fiscal years ended June 30, 2025 and 2024, the Corporation entered into a services agreements with the Massachusetts Clean Energy Technology Center to provide technical evaluation, development support and project management services under the Innovate Mass Program, which supports the development of new clean energy technologies. For the years ended June 30, 2025 and 2024, the Corporation received management fees of \$135,244 and \$100,000, respectively.
2. Mass Technology Transfer Center (“MTTC”) – During the fiscal year ended June 30, 2022, legislation was signed which transferred the operation of the MTTC program from the University of Massachusetts to the Corporation and, therewith, the Corporation received operational funds in the amount of \$310,480. MTTC helps inventors, researchers, and entrepreneurs bring innovative technologies from academic research institutions to the market. By providing access to capital, coaching, and connections, MTTC accelerates the adoption of new technology, expedites startup activity, and expands economic impact statewide. MTTC administers the Massachusetts Association of Technology Transfer Offices (MATTO), whose members are all not-for-profit research institutions in the Commonwealth.
3. EDA RLF – In fiscal year 2021, the Corporation received funding of \$500,000 from the Economic Development Administration, funded under the CARES Act to capitalize an RLF. At the fiscal year ended June 30, 2025, the Corporation had three current outstanding loans with a remaining principal balance of \$492,698. At fiscal year-end 2024, the Corporation had two current outstanding loans with a remaining principal balance of \$371,849. During the fiscal years ended June 30, 2025 and 2024, total EDA RLF income was \$77,878 and \$66,083, respectively. In 2025, \$43,052 of interest income was used for administrative expenses with \$34,826 added back to the capital base. In 2024, \$29,557 of interest income was used for administrative expenses with \$36,526 added back to the capital base. The EDA RLF program cash available for reinvestment at fiscal year-end June 30, 2025 and 2024 was \$78,654 and \$164,677, respectively.
4. Massachusetts Life Sciences Innovation (“MALSI”) Event – MALSI is the Commonwealth’s flagship event connecting scientific innovators, entrepreneurs, business leaders, and investors to celebrate the many ways Massachusetts leads the nation in bringing translational science to the market. The conference is led by MTDC and facilitates the conference’s organization and logistics with an agreement with Innovation Studio, Inc.
5. Other RLF – The Corporation also provides RLF loans from previously de-federalized RLF funds. At the fiscal year ended June 30, 2025, the Corporation had two current loan recipients with a total remaining principal balance of \$705,961. At fiscal year-end June 30, 2024, the Corporation had two current loan recipients with a total remaining principal balance of \$661,403.

E. Cash, Cash Equivalents, and Short-Term Investments

The Corporation maintains operating cash accounts and other short-term investment securities to fund operations and provide appropriate reserves for the Corporation’s investment programs. The Corporation’s short-term investment securities include certificates of deposit, money market accounts, banker’s acceptances, commercial paper, treasury bills, repurchase agreements and government agencies.

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E. Cash, Cash Equivalents, and Short-Term Investments (continued)

As of June 30, 2025, the carrying amount of all of the Corporation's cash, cash equivalents, and short-term investments, which includes the General Support and Restricted for Investment Programs cash balances, totaled \$22,799,237 all held in financial institutions. Of that total, \$17,153,861 was insured or collateralized under various federal, state, and private insurance programs and through Insured Cash Sweep accounts at financial institutions.

F. Capital Assets

Capital assets consist of the following at June 30:

	2025	2024
Office equipment, net	\$ 72,659	\$ 72,659
Less accumulated depreciation	(68,049)	(64,234)
Net office equipment and software	<u>\$ 4,610</u>	<u>\$ 8,425</u>

G. General Support Expenditures

The general support expenditures for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Personnel costs	\$ 2,155,076	\$ 1,651,861
Occupancy costs	35,015	35,182
Professional expenses	37,830	33,192
Office services and supplies	19,840	16,267
Technology systems expense	128,270	34,192
Business development and travel	24,792	14,343
Public relations, publications and advertising	11,729	6,338
Depreciation	3,815	3,583
Miscellaneous	25,657	25,808
Consultants	156,680	132,536
Total expenditures	<u>\$ 2,598,704</u>	<u>\$ 1,953,302</u>

For the years ended June 30, 2025 and 2024, compensation paid to the officers of the Corporation were as follows:

	2025	2024
President	\$ 296,853	\$ 284,484
Managing Director	279,070	267,258
Vice Presidents	634,277	429,266

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H. Internally Designated - General Support

The following table represents the components of the internally designated general support cash, cash equivalents, and short-term investments balance at June 30:

	2025	2024
Health and dental insurance premium and expense payments	\$ 231,615	\$ 231,615
General support internally designated cash, cash equivalents, and short-term investments	<u>\$ 231,615</u>	<u>\$ 231,615</u>

These amounts are included in cash, cash equivalents, and short-term investments balance in the current assets section of the Statements of Net Position.

I. Services Agreement

The Corporation entered into a Services Agreement effective September 1, 2022, with Massachusetts Life Science Service Center to provide access and use of office space located at 1075 Main Street, Waltham, Massachusetts. The Services Agreement automatically renews each year unless cancelled in advance by the parties and is considered a short-term agreement.

Occupancy expense for the years ended June 30, 2025 and 2024, was \$33,000.

J. Contingencies

From time to time, the Corporation is subject to legal proceedings and claims in the ordinary course of business. As of June 30, 2025, there are no claims or contingencies.

K. Related Party Transactions

MassVentures is the Managing Member of the Commonwealth Fund III (“CF3 Fund”) and manages the CF3 Fund investments and provides certain administrative services as defined in the Operating Agreement. The Corporation is paid a fee equal to 1.00% of the Capital Commitments of all members, payable quarterly in advance, until the last day of the investment period. Thereafter, the fee is equal to 1.00% of the Capital Commitments of all members less the proceeds received from the realization of portfolio investments that are distributed to members. Payments for partial periods shall be prorated accordingly. The Managing Member has the right to waive, reduce or adjust the management fee of any or all members. The Management fee was waived for periods following the first quarter 2025. During the years ended June 30, 2025 and 2024, the Corporation was paid \$6,856 and \$30,529 by the CF3 Fund, respectively.

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K. Related Party Transactions (continued)

MassVentures is the Managing Member of the Commonwealth Fund IV (“CF4 Fund”) and manages the CF4 Fund investments and provides certain administrative services as defined in the Operating Agreement. The Corporation is paid a fee equal to 3.00% of the Capital Commitments of all members, payable quarterly in advance, until the last day of the investment period. Thereafter, the fee is equal to 1.00% of the Capital Commitments of all members less the proceeds received from the realization of portfolio investments that are distributed to members. Payments for partial periods shall be prorated accordingly. The Managing Member has the right to waive, reduce or adjust the management fee of any or all members. During the years ended June 30, 2025 and 2024, the Corporation was paid \$150,000 by the CF4 Fund.

L. Employee Retirement Plan

The Corporation provides retirement benefits for substantially all employees through a simplified employee pension plan (SEP). The Corporation makes contributions to individual retirement accounts (“IRA”) of employees in amounts equal to 20% of an employee’s gross annual salary, not to exceed the maximum amount allowable by federal law. Quarterly contributions are distributed to the eligible employees’ IRA at Fidelity Investments. The Corporation has no fiduciary responsibility for these investments. Contribution expenses for fiscal years 2025 and 2024 were \$301,808 and \$226,579, respectively.

M. Subsequent Events

The Corporation has evaluated all subsequent events through September 30, 2025, the date the financial statements were available to be issued and determined that no subsequent events had occurred that required recognition or disclosure in these financial statements.