



**FISCAL YEAR 2026 REPORT ON THE COMMITMENT,
DISBURSEMENT, AND USE OF FUNDS**

As Required by § 143B-437.83 of the
North Carolina General Statutes

Citation of Law or Resolution:	S.L. 2009-451
Section Number:	Section 14.5(c)
Due:	September 1, 2026

Receiving Entities:

The Chairs of the House of Representatives and Senate Finance Committees

The Chairs of the House of Representatives and Senate Appropriations Committees

The Fiscal Research Division of the General Assembly

Submitting Entity:

The Board of Science, Technology & Innovation of the North Carolina Department of Commerce

BACKGROUND

The federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs, referred to as *America's Seed Fund*, grant competitive awards to small businesses for Phase I proof-of-principle research and development (R&D) and Phase II early-stage product development.

The SBIR program is a highly competitive, merit-based award system designed to stimulate technological innovation, strengthen the role of small businesses in meeting federal R&D needs, and increase private sector commercialization of innovations derived from federal R&D. Enacted in 1982 as part of the Small Business Innovation Development Act (and then reauthorized multiple times since then), the SBIR program requires federal agencies with more than \$100 million in extramural R&D to allocate a percentage of their budgets exclusively for small businesses. This set-aside began in 1983 at 2% and is currently 3.2%, resulting in \$3.6 billion in awards in fiscal year 2025¹ to small businesses R&D. Participating agencies include: Department of Defense (DoD); Department of Health and Human Services (DHHS); Department of Energy (DOE); Department of Agriculture (USDA); National Science Foundation (NSF); National Aeronautics and Space Administration (NASA); Department of Homeland Security (DHS); Department of Transportation (DOT); Environmental Protection Agency (EPA); Department of Education (DE); and Department of Commerce (DOC) (see chart showing *One North Carolina Small Business Program Awards by Phase I SBIR/STTR Granting Agency, FY 2006-2025*, on page 8).

The STTR program is like the SBIR program, but its unique feature is its *requirement* that the small business work jointly with a non-profit research institution. A minimum of 40% of the work must be performed by the small business and a minimum of 30% by the non-profit research institution. Such institutions include federally funded research and development centers (FFRDCs), universities, university-affiliated hospitals, and other non-profits. Established by Title II of the Small Business Research and Development Enhancement Act of 1992, Public Law 102-564, the STTR program requires federal agencies with more than \$1 billion of extramural R&D to reserve 0.45% of their budgets for R&D small businesses and their partners. This set-aside currently resulted in \$490 million in awards for fiscal year 2025.¹

The One North Carolina Small Business Program (hereinafter “the Program”)—the subject of this report—entails two State-funded programs: the **SBIR/STTR Phase I Matching Funds Program** and the **SBIR/STTR Phase I Incentive Funds Program**.² North Carolina is among a handful of innovative states that have seen the value of leveraging federal SBIR/STTR funds with State support of this type.

THIS REPORT PROVIDES FY 2026 (7/1/2025-6/30/2026) COMMITMENT AND DISBURSEMENT INFORMATION FOR BOTH THE MATCHING FUNDS PROGRAM AND THE INCENTIVE FUNDS PROGRAM. INFORMATION ABOUT PREVIOUS FISCAL YEARS IS AVAILABLE IN PREVIOUSLY SUBMITTED YEAR-END REPORTS

¹ Award Data for federal fiscal year 2025 from SBIR.gov

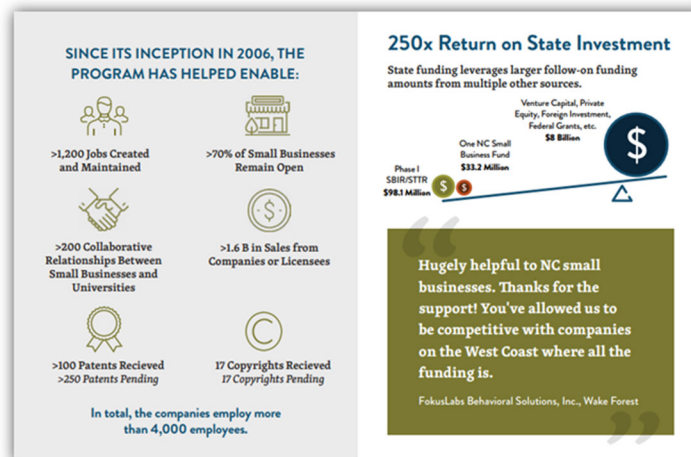
² Descriptions of both programs are provided later in this report on pages 6, and 20, respectively.

PROGRAM IMPACT

Between FY 2006 and FY 2026, 968 One NC Small Business Program grants, totaling more than \$45.3 million, were issued to North Carolina small businesses.³ As measured in a comprehensive evaluation of the Program in 2023,⁴ this support has helped enable:

- The creation and retention of more than 2,000 high-paying private sector jobs statewide – more to come as more companies benefit and grow. Together, the small businesses employ more than 4,000 employees.
- 531 small businesses [as of FY2026] to develop innovative new technologies, most of which have been commercialized, including biotechnologies, nanotechnologies, medical technologies, computer software, military/defense technologies, agricultural technologies, pharmaceuticals, textiles, and other high-tech applications.
- More than 70 percent of the small businesses to remain in operation.
- The small businesses to attract more than \$8 billion in external investment, including follow-on federal funds.
- 60 percent of North Carolina matching grant winners to win Phase II federal grant awards, each with a considerably larger average value of \$1 million (nationally, 54 percent of Phase I award winners graduate to Phase II awards).
- The development of hundreds of items of intellectual property (e.g., patents, copyrights).
- The small businesses to produce more than \$1.6 billion in sales or licenses.
- Hundreds of significant technology/business-development collaborative relationships between North Carolina universities & businesses.

Most of these companies are small and still growing, albeit rapidly. Thus, these impacts will spur expansion.



³ This includes 306 Incentive grants, totaling \$1,820,562.41, and 662 Matching grants, totaling \$43,521,393.64. Information on grants in previous years is available in previously submitted year-end reports.

⁴ The Board of Science, Technology & Innovation conducted a comprehensive, in-depth evaluation of the Program in 2023.

TESTIMONIALS

"The One North Carolina SBIR/STTR Phase 1 Matching Funds Program award is critical for the high-tech startup companies in NC to survive the financially most vulnerable stage and grow their potentially high-impact project in the very early-stage. Without the matching grant, early-stage startup companies may not be able to continue solely depending on the federal fundings. This program also has great positive impacts on local economy. Take our company for example, ~90% of the matching fund was used to rent the facility and pay the local contractors in North Carolina."

DuraVax, Inc., Wilmington, NC – New Hanover County
Received \$275,000 STTR Award from the National Science Foundation

"The One North Carolina SBIR/STTR Phase I Matching Funds Program award has had a material and meaningful impact on our company's ability to continue our research and development efforts. As an early-stage social-impact startup based in Western North Carolina, we operate with limited access to capital and ecosystem support. The non-dilutive funding is helping us extend our financial runway during a critical period, allowing us to maintain momentum while we actively pursue alternative funding opportunities."

Arclet LLC, Asheville, NC – Buncombe County
Received \$274,920 SBIR Award from the National Science Foundation

"The NC Matching program was critical in our ability to survive and thrive as a company during the gap in funding from Phase I to Phase II. Without these funds we would have been stalled in our ability to perform needed research and continue developing our instrument for commercialization. This is an amazing program for hard-tech small businesses. I have recommended to several founders that they move to NC to pursue their startup specifically for access to this grant program and the general NC small business ecosystem."

Sediment, LLC, Greensboro, NC – Guilford County
Received \$174,693 from Department of Commerce (NOAA)

"The One North Carolina SBIR/STTR Phase I Matching Funds Program had a meaningful and direct impact on our company's material development efforts and overall growth trajectory.

Specifically, the funding enabled deeper material optimization, process refinement, and validation activities that would not have been possible under the original Phase I scope alone... As a result, our products progressed from proof-of-concept toward more robust, application-ready materials suitable for broader customer evaluation and industrial engagement.

Beyond the technical advances, the One NC matching funds played a critical role in accelerating company growth. By reducing development risk and extending our technical runway, the program allowed us to maintain momentum, engage more effectively with potential partners and customers, and position our products at a higher level of technical readiness. This progress has

directly supported our ability to pursue follow-on funding, explore new commercial opportunities, and continue scaling the company's core technology platform.

In summary, the One NC Matching Funds program helped bridge the gap between early innovation and practical commercialization, enabling both material-level advancements and sustained company growth.

Multi3D, Inc., Middlesex, NC – Nash County
Received \$199,989 from Department of Energy

“The matching grant program has been beneficial in supporting our research goals. As federal grant funds become more restricted, these state funds will become more and more significant in the hopes of bringing beneficial therapies forward.

Dignify Therapeutics LLC, Research Triangle Park, NC – Durham County
Received \$391,458 SBIR Award from Department of Health & Human Services (NIH)

MATCHING FUNDS PROGRAM

Overview

The North Carolina SBIR/STTR Phase I Matching Funds Program awards matching funds to North Carolina-based small businesses that have received a federal SBIR or STTR Program Phase I award. The North Carolina Board of Science, Technology & Innovation, a division of the North Carolina Department of Commerce, administers the Program.

Under the Program's authorizing provisions, awards can be made to eligible businesses for up to 100 percent of a company's federal Phase I SBIR/STTR Program award, up to a maximum amount of \$200,000, until funds available for the Program have been exhausted.⁵ Applicants who receive Matching Awards receive 75 percent (Stage 1) of the award amount upon receipt of an SBIR/STTR Phase I award and receive the remaining 25 percent (Stage 2) of the award if their Phase I report is accepted by the funding agency and they submit a related Phase II application to the funding agency. Federal Phase II SBIR/STTR awards can have an award ceiling as high as \$2 million.

Purpose

The purpose of the Matching Program is to foster job creation and economic development in North Carolina by increasing the competitive position of North Carolina small businesses in attracting SBIR and STTR grant funding, and to provide an incentive for Phase I award-winning firms to participate in the more substantial Phase II program. The goals of the Matching Program are to:

1. Increase the amount of federal research dollars received by North Carolina small businesses.
2. Increase the intensity of the research conducted under Phase I, making North Carolina small businesses more competitive for Phase II funds.
3. Help North Carolina businesses bridge the funding gap period between the final Phase I payment and the first Phase II payment in the federal SBIR/STTR Program.
4. Encourage the establishment and growth of high-quality, advanced technology companies in the State of North Carolina.

⁵ Due to funding limitations, the FY 2026 solicitation awards were capped at 50 percent of a company's federal Phase I SBIR/STTR Program award, up to a maximum amount of \$75,000.

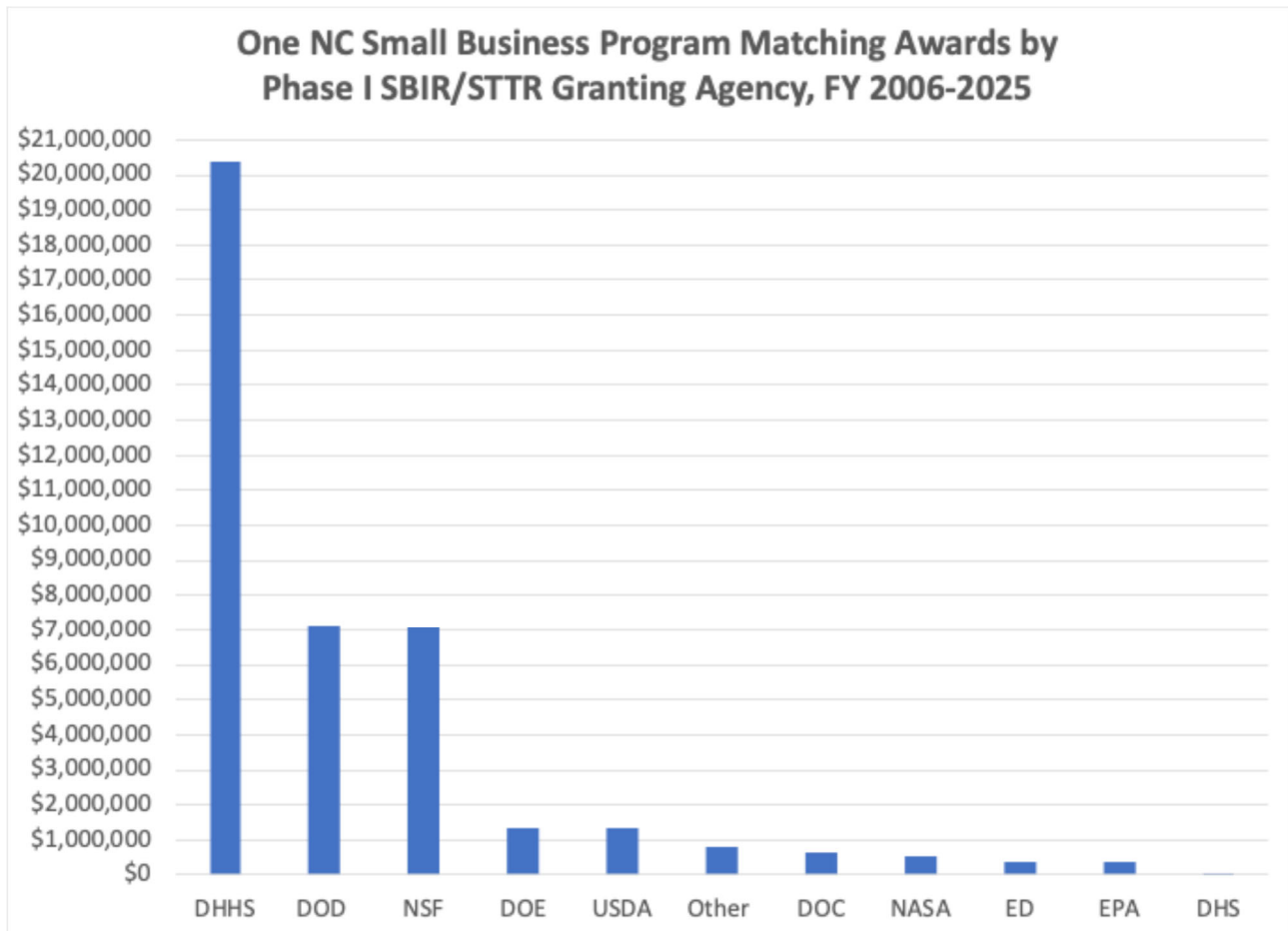
MATCHING FUNDS PROGRAM (CONTINUED)

FY 2026 Summary

- The award ceiling was \$75,000**. In addition, businesses located in Tier 3 areas were eligible only if they had not received more than three previous grants from the One N.C. Small Business Matching Program. Companies in Tier 1 and 2 counties were not subject to the same eligibility restrictions.

**Companies located in Hurricane Helene-impacted counties were eligible for an additional \$25,000. Three companies received this additional funding.

- Restrictions imposed only for applicants from Tier 3 counties reinforce the Board's commitment to a broad reach that includes rural counties throughout the State.
- The One N.C. Small Business Program (ONCSBP) received \$2,000,000 in direct appropriations for the Matching Funds Program. The One N.C. Fund transferred \$400,000 to the ONCSBP. Additional funding also came from previous awards for which grantees were unable to meet the requirements to receive their Stage 2 disbursement. The unused Stage 2 funding is carried forward to support subsequent solicitations
- The Matching Funds Program awarded 32 Matching Grants, totaling \$2,368,506.63 in FY 2026, obligating 118% of direct appropriations.



- *Note: The award amount by agency is highly correlated with the size of each agency's research and development (R&D) budget and the R&D strengths of a state's small businesses.*

TABLE 1: FY 2026 One North Carolina Small Business Matching Funds Program Grantees and Disbursements

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
Aegis Power System Inc.	Wide Bandgap High Power High Density Inverter Ruggedization and Characterization Study	Murphy	Cherokee	\$75,000.00	2005	\$56,250.00
AntiXero, Inc.	“AntiXero: An extended duration solution for cancer-associated dry mouth”	Raleigh	Wake	\$75,000.00	2026	\$75,000.00
Arclet	SBIR Phase I: Health Communication Software Integration with AI and LMLs To Target Localized, High-Quality Health Information Messaging	Asheville	Buncombe	\$75,000.00	2025	\$18,750.00
Atlantic Fish Co	Development of hybrid plant-based fish nugget containing cultivated fish muscle tissue	Raleigh	Wake	\$75,000.00	2025	\$18,750.00
Atlantic Fish Co	SBIR Phase I: Development of Commercially Viable Cell Lines for Cultivated Fish via Bioengineering	Raleigh	Wake	\$75,000.00	2026	\$56,250.00
Atmospheric Plasma Solutions, Inc.	Integrated Cobot and Atmospheric Plasma Surface Preparation System to Enhance Operational Activities	Cary	Wake	\$75,000.00	2026	\$56,250.00
Bedrock Therapeutics	Vector mediated anti-vascular and anti-inflammatory therapy for AMD	Raleigh	Wake	\$75,000.00	2026	\$56,250.00

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
Benanova, Inc.	Next-Gen Biocontrol for Efficient Meloidogyne Enterolobii Management	Cary	Wake	\$60,000.00	2024	\$15,000.00
Blue Ridge Research and Consulting, LLC	Full-Scale eVTOL Cabin Noise Measurements and Analysis	Asheville	Buncombe	\$48,043.00	2025	\$36,032.25
C3I Tech, LLC	Biohaptics for Enhanced Trust Authentication	High Point	Guilford	\$75,000.00	2025	\$18,750.00
Calla Health Foundation	Development and validation of patient-ready Callascope for cervical imaging	Durham	Durham	\$75,000.00	2025	\$56,250.00
Careyaya Health Technologies, Inc.	YayaGuide: AI-Enabled Personalized Training for Caregivers of Older Adults with ADRD	RTP	Durham	\$75,000.00	2026	\$56,250.00
Carolina Instruments	A novel system for tracking arousal-related dynamics in freely moving animals	Chapel Hill	Orange	\$75,000.00	2026	\$56,250.00
Cerulean Scientific, Inc.	Slippery, Omniphobic Coating to Prevent Thrombosis and Biofilm Formation on Peripheral Vascular Grafts	Durham	Durham	\$75,000.00	2025	\$18,750.00
Clearsens, Inc.	Compact Wearable Ultrasonic Monitoring System for In-Suit Venous Gas Emboli Detection	Raleigh	Wake	\$74,307.50	2026	\$55,730.63

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
ColoWrap, LLC	Novel, Non-Manual Solution for Mitigating Endoscope Looping in Riskier Colonoscopies	Chapel Hill	Orange	\$75,000.00	2022	\$18,750.00
Converter Source, LLC	Sensorless Position Estimator for Reciprocating Linear Actuator Hardware	Arden	Buncombe	\$100,000	2026	\$75,000.00
Data Driven Bioscience, Inc.	Clinical validation of Duoseq, a Swiss army knife genomic approach to diagnosis of blood cancers	Durham	Durham	\$75,000.00	2025	\$18,750.00
Deep Creek Pharma, LLC	Modified Thrombin Binding Aptamer Treatment of CRC Metastasis	Yadkinville	Yadkin	\$100,000.00	2026	\$75,000.00
DeIAQUA Pharmaceuticals, Inc.	Triblock copolymer micelles for enhanced drug solubilization and stability	Chapel Hill	Orange	\$75,000.00	2025	\$56,250.00
Delgen Biosciences, Inc.	Novel Polymer-antibody Conjugates as Long-acting Therapeutics for Ocular Diseases	Chapel Hill	Orange	\$60,000.00	2024	\$15,000.00

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
Eydis Bio, Inc.	Development of selective NS5 inhibitors for the broad - spectrum treatment of flaviviruses	Durham	Durham	\$75,000.00	2026	\$56,250.00
Fathom Science, Inc.	Environmental Situational Intelligence for Offshore Platform Systems (ESIOPS)	Raleigh	Wake	\$48,662.00	2025	\$12,165.50
Gateway Bio	Next Generation Stealth Lipid for the Delivery of mRNA	Durham	Durham	\$75,000.00	2026	\$56,250.00
GreenLife Biosciences, Inc.	Developing an RNAi-based biological seed treatment to protect soybeans from the causal agent of Sudden Death Syndrome (SDS) Fusarium virguliforme	Durham	Durham	\$75,000.00	2025	\$56,250.00
H3Pelvic Therapy Systems	Targeted Thermal Modulation with Smart Radiometric Monitoring for Effective and Long-Lasting Opioid-Free Pelvic Pain Relief	Lewisville	Forsyth	\$60,000.00	2024	\$15,000.00
Impulse Wellness, LLC	Home-Based Stroke Rehabilitation: Researching and Developing the Bluetooth Electromyography-Based Stroke Therapeutic (BEST) System	Raleigh	Wake	\$75,000.00	2026	\$0.00
iSimcha, LLC	ISimcha Technology Platform for Recruiting a Diverse Population of Older Adults into Clinical Trials	Durham	Durham	\$60,000.00	2024	\$15,000.00

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
Jericho Sciences, LLC	Translational Development of a Small Molecule for the Treatment of HBV Infection	Durham	Durham	\$75,000.00	2026	\$0.00
Junipero Therapeutics, Inc.	Precision CNS Epigenome Editing by Induced Proximity	Kannapolis	Cabarrus	\$75,000.00	2025	\$56,250.00
Lumeova, Inc.	Ultra-Wideband High-Power Digital Fiber Optic Transmitter Laser	Raleigh	Wake	\$73,102.00	2025	\$73,102.00
Luxbiome, Inc.	Arsenic Removal from the Body Through Mechanism-Guided Gut Microbiome Modulation	Cary	Wake	\$75,000.00	2026	\$56,250.00
Mammae Biosciences, Inc.	Development of an enzymatic method to produce compounds found in human milk at commercial scale	Raleigh	Wake	\$60,000.00	2024	\$15,000.00
Mucommune, LLC	Sustained release of VRC07 from capsule-intravaginal ring for preventing HIV transmission	Durham	Durham	\$75,000.00	2025	\$56,250.00
NabGen, Inc.	Development of an Effective Strategy to Block Nab Activity for AAV Brain Transduction	Durham	Durham	\$69,820.00	2023	\$17,455.00
NeuroGT, Inc.	Develop AAV9 gene replacement therapy for treating MPS I	Chapel Hill	Orange	\$75,000.00	2023	\$18,750.00

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
NeuroGT, Inc.	Protein depleting pre-existing antibodies for viral gene therapy	Chapel Hill	Orange	\$60,000.00	2024	\$15,000.00
NeuroGT, Inc.	Novel AAV gene therapy for treating CNS neuropathy of MPS IIIC	Chapel Hill	Orange	\$75,000.00	2026	\$56,250.00
Novo Heal, Inc.	STTR Phase I: Anti-scarring therapies for vocal fold injury	Durham	Durham	\$75,000.00	2026	\$56,250.00
Olfax, LLC	Development of an intranasal, direct to nerve treatment for headache disorders	Asheville	Buncombe	\$75,000.00	2023	\$18,750.00
OncaBio, Inc.	Segmented In Vitro Translation for Expanding Peptide Library Diversity	Chapel Hill	Orange	\$75,000.00	2026	\$56,250.00
OncoTab, Inc.	Optimized targeted radiotherapy of pancreatic cancer	Marvin	Union	\$75,000.00	2025	\$56,250.00
OsRostrum, Inc.	Low-Cost Mobile Phenotyping Platform to Accelerate Genetic Improvements and Extend The Productive Lives Of Cattle Via 3d Artificial Intelligence	Graham	Alamance	\$62,500.00	2025	\$46,875.00

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
Oxford Defence North Carolina, LLC	Scalable Beamed Energy Laser Concentrator	Wake Forest	Wake	\$37,455.00	2026	\$0.00
Perfusio Corp.	Project MATCH: Multi-spectral AI/ML powered Burn and Wound Evaluation Technology using a Cost-Effective Handheld Device	Greenville	Pitt	\$75,000.00	2026	\$56,250.00
Phase, Inc.	Redefining How PDMS Microfluidics Are Made Through Advanced 3D Printing to Facilitate Complex Biological Mechanism Studies	Cornelius	Mecklenburg	\$75,000.00	2026	\$56,250.00
Piximune, Inc.	Antibody-based gene-agnostic treatment for inherited retinal degeneration	Durham	Durham	\$75,000.00	2025	\$56,250.00
Prevention Strategies, LLC	A Gamified Approach to Adolescent Alcohol Prevention that Strengthens Social Skills and Personal Values	Greensboro	Guilford	\$75,000.00	2025	\$18,750.00
Radiant Dx, Inc.	Claritas: Phenotypic and Multi-Omic Readouts to Inform Rare Cancer Combination Therapy	Durham	Durham	\$75,000.00	2026	\$56,250.00
Ramona Optics, Inc.	Rapid inter-procedural 3D scanning of fine-needle aspiration cytology slides with a parallelized microscope	Durham	Durham	\$75,000.00	2026	\$56,250.00

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
Resolute, Inc.	Local and Sustained Release of Antibiotics in the Surgical Treatment of Diabetic Charcot Foot	Durham	Durham	\$75,000.00	2026	\$56,250.00
Roke Biotechnologies	STTR Phase I: Low-Cost Production of Agricultural Peptides Using Semi-Continuous Fermentation	Durham	Durham	\$73,863.00	2026	\$0.00
Round Table Research	Advancing Extracellular Vesicle Therapy for Brain Cancer	Hillsborough	Orange	\$75,000.00	2026	\$56,250.00
Secmation, LLC	CHISEL - Chiplet-based High-Integrity Secure Embedded Link	Cary	Wake	\$69,919.50	2025	\$52,439.63
Sidetrack Ventures, LLC	Development of an innovative tool to improve mTBI patient-provider communication of visual impairment symptoms	Durham	Durham	\$75,000.00	2026	\$56,250.00
SimplusDx, Inc.	A rapid point-of-care test for therapeutic drug monitoring of tacrolimus	Durham	Durham	\$75,000.00	2025	\$56,250.00
Smart Material Solutions	Light-trapping features made with a scalable nanomanufacturing process	Raleigh	Wake	\$75,000.00	2025	\$18,750.00

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
Smart Material Solutions	Novel Manufacturing Platform for Sub-Wavelength Patterning of Metamaterials	Raleigh	Wake	\$37,471.50	2026	\$0.00
SmartAirway	A Novel Articulating Stylet for Improving First-Pass Intubation Success	Fayetteville	Cumberland	\$75,000.00	2025	\$56,250.00
Sollus Therapeutics, Inc.	Development of a modular customizable screening platform for chimeric antigen receptor optimization	Chapel Hill	Orange	\$75,000.00	2026	\$56,250.00
STEMThread Technologies, LLC	Fiber Lithium-Ion Batteries (LIBs) – Improvements on Capacity, Calendar Life, and Fabric Integration	Apex	Wake	\$75,000.00	2026	\$56,250.00
SynVest Imaging, Inc.	Scalable cGMP production of SV2A PET tracers using photoredox chemistry for applications in clinical trials and early AD diagnosis	Chapel Hill	Orange	\$75,000.00	2026	\$56,250.00
Syzygy Optics, Inc.	Curved Volume Phase Holographic Gratings: Efficient and High-Resolution Hyperspectral Imaging	Chapel Hill	Orange	\$60,000.00	2024	\$15,000.00
Teen Health Research, Inc.	Improving parent-adolescent communication about sexual and reproductive health	Raleigh	Wake	\$60,000.00	2024	\$15,000.00

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
TeleSwivel, LLC	Replacing the Pintle/Lunette:Autonomous Vehicle Towing	Durham	Durham	\$60,000.00	2024	\$15,000.00
Third Floor Materials, Inc.	Compressive hyperspectral imaging with free-form plasmonic filter arrays	Durham	Durham	\$53,919.30	2025	\$40,439.48
TransChromix	Novel therapeutic intervention of early-stage T1D	Chapel Hill	Orange	\$60,000.00	2024	\$15,000.00
Valorous, LLC	Valorous - Autonomous AI Cybersecurity	Chapel Hill	Orange	\$45,409.63	2026	\$0.00
Vigilant Cyber Systems, Inc.	Automated Mission Readiness Assessment of Shipboard Systems (AMRASS)	Mount Airy	Surry	\$60,000.00	2024	\$15,000.00
Vigilant Cyber Systems, Inc.	Automated Tactical Effectiveness Service for Electromagnetic Effectors (aTES-EE)	Mount Airy	Surry	\$69,998	2025	\$17,499.50
Vortant Technologies, LLC	Spatially transparent binaural beamforming for noise reduction in cochlear implant processors	Weaverville	Buncombe	\$100,000.00	2026	\$75,000.00

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
Vulcan Elements, Inc.	Asymmetric Motor Advantage for Army Through Novel Magnetic Coatings	Raleigh	Wake	\$75,000.00	2025	\$56,250.00
Wisely, Inc.	Smart food storage system to enable consumer food waste reduction	Wilmington	New Hanover	\$49,955.00	2023	\$12,488.75
Total Amount Awarded for FY2026 Matching Program (32 Recipients)						\$2,368,506.63
Total Matching Program Funds Disbursed in FY2026						\$2,854,227.74

NOTE: Committed and disbursed amounts in the table above differ because One North Carolina Small Business Matching Funds Program awards are disbursed in two payments, as explained on page 7 of this report. The second disbursement (final 25% of award) most often occurs in a different fiscal year from the year originally obligated.

INCENTIVE FUNDS PROGRAM

Overview

The North Carolina SBIR/STTR Phase I Incentive Funds Program reimburses qualified North Carolina businesses for a portion of the costs incurred in preparing and submitting Phase I proposals for the U.S. Government's SBIR and STTR Programs. Under the Incentive Funds Program, the State issues qualified applicants a grant for approved Phase I Proposal preparation costs, up to \$12,000. These grants are awarded to qualified applicants on a first-come, first-served basis, up to the limits of available funding. The North Carolina Board of Science, Technology & Innovation, a division of the North Carolina Department of Commerce, administers the Program.

Purpose

The purpose of the Incentive Program is to foster job creation and economic development in North Carolina by encouraging North Carolina small businesses to compete for federal SBIR and STTR awards. The goal of the Incentive Program is to increase the number of and strengthen the competitiveness of North Carolina applications for federal SBIR and STTR Phase I awards.

FY 2026 Summary

- The One North Carolina Small Business Program received \$2,000,000 in direct appropriations; all was applied to its Matching Program. The Incentive Funds Program was funded with a portion of funds received from the One North Carolina Fund and voided Stage II disbursements (explained on page 7).
- The Program awarded 18 Incentive grants, obligating \$116,553.37.
- The share of Incentive Funds awards to Tier 1 and 2 counties is higher than the share of Matching Fund awards to Tier 1 and 2 counties resulting in greater geographical fund distribution across the State.

TABLE 2: FY 2026 One North Carolina Small Business Incentive Funds Program Grantees and Disbursements

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
10Kelvin	Facile Fabrication of Optical Metasurfaces	Morrisville	Wake	\$3,664.80	2026	\$3,664.80
Adjuctor Technologies, LLC	Project Title: Decentralized Collaborative Protocol for Air Traffic Management	Canton	Haywood	\$12,000.00	2025	\$12,000.00
Advanced Materials Manufacturing	Lightweight Multifunctional Material to Improve the Safety and Transportation of Microreactors	Raleigh	Wake	\$8,246.43	2025	\$8,246.43
Aegis Power Systems, Inc.	Wide Bandgap High Power High Density Inverter Ruggedization and Characterization Study	Murphy	Cherokee	\$11,164.99	2025	\$11,164.99
Algaen Corporation	Heterotrophic Cultivation of Marine Diatom Haslea ostrearia and Function of the Blue Pigment Marennine	Winston-Salem	Forsyth	\$6,691.95	2025	\$6,691.95
American Droid, LLC	EAF Mobile Airfield Matting Transport and Emplacement Robot (EAF MATer)	New Bern	Craven	\$9,812.62	2026	\$9,812.62
Applied Research Transformation, PLLC	A Physics-Informed Neural Network Supporting Computer Vision for 3DCP Bond Strength	Cary	Wake	\$4,659.47	2026	\$4,659.47
ARIS, Inc.	Mineral Composite Wood for Dry Docking Blocks	Greensboro	Guilford	\$12,000.00	2026	\$12,000.00
Atrevida Science, Inc.	From Data to Decision: A Deployable AI System for Mission-Driven Contextual Insights	Charlotte	Mecklenburg	\$3,904.20	2025	\$3,904.20

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
Biofluids Medical, LLC	Development of a novel approach to rapidly coat an angioplasty balloon in the surgical theater for treatment of vascular disease'	Winston-Salem	Forsyth	\$2,642.18	2025	\$2,642.18
Brilliant Aerospace	Resilient Autonomous Navigation System for the Lunar South Pole: A Multi-Modal Sensing, Distributed Processing, and Machine Learning Approach	Greensboro	Guilford	\$12,000.00	2025	\$12,000.00
Converter Source, LLC	Sensorless Position Estimator for Reciprocating Linear Actuator Hardware	Arden	Buncombe	\$11,169.02	2025	\$11,169.02
Coprata, Inc.	Toilet Seat Device for Self-managed Habit Training in Chronic Constipation	Durham	Durham	\$6,000.00	2025	\$6,000.00
Designing the Mind, LLC	Gamified Growth: Harnessing the Motivational Mechanisms Underpinning Effective Anxiety and Depression Treatment	Brevard	Transylvania	\$5,920.31	2026	\$5,920.31
DotBliss, LLC	Thermoelectric Cooling Film Printed on Textiles	Raleigh	Wake	760.28	2026	\$0.00
Elemance	Design Optimization and Finite Element Analysis of Amphibious Combat Vehicle Design for Weight Reduction	Winston-Salem	Forsyth	\$3,845.00	2025	\$3,845.00
EVA Solutions, Inc.	Revolutionizing Dental Pain Management: A Novel Device Integrating Vibration and Nerve Stimulation for Injection Comfort	Apex	Wake	\$2,778.13	2025	\$2,778.13

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
GreenLifeTech Corp.	Save Airmen's Lives and Win Wars: Revolutionizing the Lifespan, Quality, and Impact of Blood for Transfusions and Other Uses	Banner Elk	Avery	\$3,394.15	2026	\$3,394.15
Inhalon Biopharma, Inc.	Leveraging recent clinical data to develop a physiologically-based pharmaco-kinetic model for distribution of monoclonal antibodies to different parts of the respiratory tract	Durham	Durham	\$7,982.69	2025	\$7,982.69
iSimcha, LLC	Research LinQ- a multi domain multi knowledge medical research chatbot	Durham	Durham	\$5,466.00	2025	\$5,466.00
Mind Circuit, Inc.	Mind Circuit™: A Classroom-Based System to Improve Instructional Continuity Through Rapid Reset Routines	Asheville	Buncombe	\$4,574.06	2026	\$0.00
Mucommune, LLC	Reservoir intravaginal ring for sustained release of glycerin to provide prolonged therapy against vaginal dryness	Durham	Durham	\$5,130.90	2025	\$5,130.90
Mucommune, LLC	Multipurpose intravaginal ring for hormonal contraception and prevention of bacterial vaginosis	Durham	Durham	\$11,437.45	2026	\$0.00
Multi3D, Inc.	Additive Manufacturing of Ka-Band Passive Microwave RF Front-End Modules via Direct Copper Electroplating on Conductive Polymer Composites	Middlesex	Nash	\$571.05	2026	\$571.05

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
MuriPhys, LLC	Targeting Adrenergic Pathways to Mitigate Stress-Induced Neurological Episodes in Familial Hemiplegic Migraine Type 1 (FHM1)	Durham	Durham	\$8,818.48	2025	\$8,818.48
MuriPhys, LLC	Repurposing 1 Adrenergic Blockers to Treat Familial Hemiplegic Migraine Type 1 (FHM1): A Novel Therapeutic Approach to Mitigate Stress-Evoked Paroxysmal Events	Durham	Durham	\$11,337.50	2026	\$11,337.50
NOBiotics, LLC	3xTASH: Advanced Triple-Action Hydrogel Dressing for Rapid Hemostasis, Infection Control, and Comprehensive Wound Healing in Combat and High-Risk Trauma Injuries	Raleigh	Wake	\$10,498.80	2025	\$10,498.80
Novo Heal, Inc.	STTR Phase I: Anti-scarring therapies for vocal fold injury	Durham	Durham	\$12,000.00	2026	\$0.00
Nuream, Inc.	Develop and Validate Novel Fabric System for In Situ Electrophysiological Sleep Monitoring	Wilmington	New Hanover	\$12,000.00	2025	\$12,000.00
OsRostrum, Inc.	Low-Cost Mobile Phenotyping Platform to Accelerate Genetic Improvements and Extend The Productive Lives Of Cattle Via 3d Artificial Intelligence	Graham	Alamance	\$7,395.00	2025	\$7,395.00

Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
Phase, Inc.	Redefining How PDMS Microfluidics Are Made Through Advanced 3D Printing to Facilitate Complex Biological Mechanism Studies	Cornelius	Mecklenburg	\$3,923.00	2026	\$0.00
Quanticision Diagnostics, Inc.	Universal Quantitative Dot Blot Companion Diagnostic Assay for PD-1/PD-L1 checkpoint inhibitors in Non-small cell lung cancer	Chapel Hill	Orange	\$7,000.00	2026	\$7,000.00
Resolute, Inc.	Local and Sustained Release of Antibiotics in the Surgical Treatment of Diabetic Charcot Foot	Durham	Durham	\$10,646.60	2025	\$10,646.60
Silent Crown, LLC	Accelerating Pilot Production with Tactical Onboard Mentor (TOM) for Enhanced Efficiency and Individualized Instruction	Durham	Durham	\$5,897.88	2026	\$5,897.88
Smart Girls HQ, LLC	An interactive platform that enhances discovery and efficacy in upper elementary science with gamified digital twins	Charlotte	Mecklenburg	\$6,189.60	2025	\$6,189.60
Smart Material Solutions, LLC	Novel Manufacturing Platform for Sub-Wavelength Patterning of Metamaterials	Raleigh	Wake	\$5,186.41	2026	\$5,186.41
Smarttrak, LLC	Physics-Informed AI Models for Power Electronics Renewable Energy Systems	Holly Springs	Wake	\$9,000.00	2025	\$9,000.00

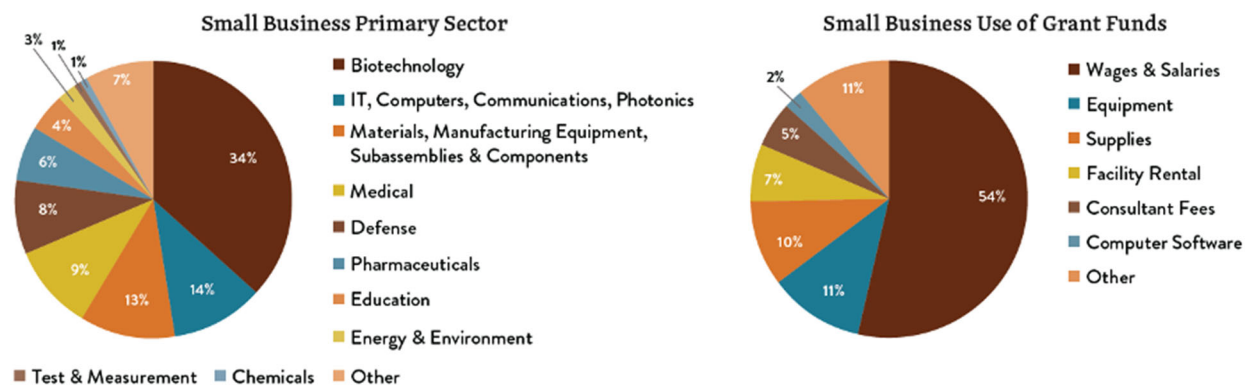
Company Name	Project Title	City	County	Total Grant Amount	Fiscal Year Committed	Amount Paid in FY2026
Soelect, Inc.	Advancing Sustainable Solid-State Lithium-Sulfur Batteries through Low-Tortuosity Ultrathin Lithium Foils and Polysulfide-Shuttling-Blocker Solid Electrolytes	Greensboro	Guilford	\$10,427.79	2025	\$10,427.79
Swabbot Solutions, LLC	Automated Cleaning Validation direct Surface Swab Method for Environmental Monitoring of Biological contaminants in Food Safety Indications	Raleigh	Wake	\$7,000.00	2025	\$7,000.00
SynVest Imaging, Inc.	Development of a Photo-Redox Module for On-Site [18F] SynVesT-2 Synthesis	Chapel Hill	Orange	\$8,500.00	2026	\$8,500.00
Tripill Biotechnology Corp.	Development of 211At-Labeled Radiopharmaceuticals for Melanoma Management	Chapel Hill	Orange	\$5,914.39	2026	\$5,914.39
United Protective Technologies, LLC	Hydrometeor Impact and Peridynamic-fracture in Hypersonics (HIPHY)	Locust	Stanly	\$5,540.01	2025	\$5,540.01
Vitality Robotics	Automated Image-Based Flow Cytometry Platform for Digital Fluorescence	Durham	Durham	\$12,000.00	2025	\$12,000.00
Total Amount Awarded for FY2026 Incentive Program (18 Recipients)						\$116,553.37
Total Amount Disbursed in FY2026 for Incentive Program						\$282,396.35

NOTE: Committed and disbursed amounts in the table above differ because applications received at the end of the solicitation period are paid early in the next fiscal year.

EDUCATION AND OUTREACH

In Session 2021, G.S. 143B-437.80 was modified to enable the use of up to 10% of appropriated funds for education and outreach components. This year, the Office of Science, Technology & Innovation (OSTI) hosted two events.

Due to a temporary, six-month laps in the authorizing legislation for the complimentary federal program, *America's Seed Fund*, between September 30, 2025 and April 2026, the Incentive program did not operate at full capacity. The Board of Science, Technology & Innovation moved allocations for Education and Outreach to fund more grantees in the Matching Program once the program was again operational.



CONCLUSION

A handful of innovative states, including North Carolina, have seen the value of leveraging federal SBIR/STTR funds with State support. North Carolina's entrepreneurial community has enthusiastically heralded the One North Carolina Small Business Program's creation for its impact on growing the state's entrepreneurial economy, and for the fact that it reflects a substantial recognition by lawmakers of the importance of innovation and entrepreneurship to the economic health of the state. As the impact measures above indicate, the Program enables North Carolina's small businesses to generate the kinds of innovation critical for making the state a leader in the global economy.

Table 3: FY 2026 One North Carolina Small Business Program Funding Sheet

APPROPRIATIONS & CARRIED-FORWARD FUNDS	
FY2026 Appropriations	\$2,000,000.00
Transfer from One NC Fund	\$400,000.00
Funds Carried Forward from Previous Years*	\$85,030.00
Total	\$2,485,060.00
FUNDS OBLIGATED IN FY 2026	
Matching Funds Grant Program	\$2,368,506.63
Incentive Funds Grant Program	\$116,553.37
Education and Outreach	\$0.00
Total	\$2,485,060.00
FUNDS DISBURSED IN FY 2026	
Matching Funds Grant Program	\$2,479,227.74
Incentive Funds Grant Program	\$282,396.35
Education and Outreach	\$0.00
Total	\$2,761,624.09

* Funds were de-obligated and carried forward as explained in Program Summaries on pages 7 and 20.