



Arizona Competes Fund

Quarterly Report

October 1, 2025, through December 31, 2025

Arizona Competes Fund

Quarterly Report

January 15, 2026

I. Overview

Pursuant to A.R.S. § 41-1545 et seq., the Arizona Commerce Authority (the “Authority”) administers the Arizona Competes Fund (the “ACF”). In accordance with A.R.S. § 41-1545.02, grants from the ACF may be used for (i) attracting, expanding or retaining Arizona basic enterprises (A.R.S. § 41-1545.02(A)(1)); and (ii) supporting and advancing programs and projects for microenterprises, rural businesses, small businesses, and business development that enhance economic development (A.R.S. § 41-1545.02(A)(2)).

This document constitutes the Authority’s quarterly report regarding ACF activity for the second quarter (October 1, 2025, through December 31, 2025 (“Q2”)) of fiscal year 2026 (July 1, 2025, through June 30, 2026 (“FY2026”)).

II. Grants attracting, expanding, or retaining Arizona basic enterprises – A.R.S. § 41-1545.02(A)(1)

During Q2 of FY2026, the Authority awarded no grants in accordance with A.R.S. § 41-1545.02(A)(1).

III. Grants supporting and advancing programs and projects for microenterprises, rural businesses, small businesses, and business development that enhance economic development – A.R.S. § 41-1545.02(A)(2)

During Q2 of FY2026, the Authority awarded five (5) grants totaling \$250,000 in accordance with A.R.S. § 41-1545.02(A)(2) through the following program and projects that support microenterprises, rural businesses, small business and business development that enhances economic development:

Program	Arizona Innovation Challenge (“AIC”)
Objective:	The AIC is a competitive business plan competition that helps innovative start-up and early-stage companies establish a foundation and grow in Arizona.
Awards:	AIC awards made in Q2 FY2026 aggregated to \$250,000.
Grantee(s):	AIC awards were made in Q2 FY2026 to the following entities in the amount of \$50,000 each: <ol style="list-style-type: none">1. Aduvo, LLC2. DeepLook, Inc.3. DesertLore, LLC4. Ogiso Health Inc.5. Rezliant, Inc.

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IV. Fund Status

Since the inception of the ACF, the ACA has awarded 245 grants through various programs and projects resulting in gross ACF commitments to date totaling \$132,329,528. Under A.R.S. § 41-1545.02(A)(1), 58 grants have been awarded in the cumulative amount of \$95,800,000. Through the other programs and projects under A.R.S. § 41-1545.02(A)(2), 187 grants have been awarded in the cumulative amount of \$36,529,528.

In respect to the 58 grants originally awarded pursuant to A.R.S. § 41-1545.02(A)(1); (i) six (6) grants in an aggregate amount of \$6,950,000 were relinquished by grantees without any payments to the respective grantees, and (ii) the performance periods of ten (11) other grants expired with aggregate remaining payment commitments of \$7,815,489, two (2) of which resulted in repayments by the grantee to the ACA of \$102,491.

In respect to the funding of the programs and projects under A.R.S. § 41-1545.02(A)(2), (i) three (3) grants in an aggregate amount of \$650,000 were canceled without any payment to the awardee, and (ii) the performance period of 12 grants expired with aggregate remaining payment commitments of \$413,458, and (iii) one (1) completed grant was repaid to the ACA per the terms of the grant agreement in the amount of \$150,000.

Taking into consideration the adjustments described in the two (2) preceding paragraphs, the net ACF commitments as of the date hereof total \$116,350,582 (\$132,329,528 in the original gross commitments minus aggregate adjustments of \$15,978,946).

V. Reporting Schedule – FY2026

Report Name	Reporting Period	Date Published
First Quarter (“Q1”)	7/1/25 through 9/30/25	10/13/25
Second Quarter (“Q2”)	10/1/25 through 12/31/25	1/15/26
Third Quarter (“Q3”)	1/1/26 through 3/31/26	4/15/26
Fourth Quarter (“Q4”)	4/1/26 through 6/30/26	7/15/26
Comprehensive Annual Report	7/1/25 through 6/30/26	10/30/26