# THE INNOVATE ALABAMA TAX CREDIT 2025 REPORT

Alabama Innovation Corporation

Pursuant to ALABAMA CODE SECTION 40-1-50; REPORTING REQUIREMENTS OF STATE AGENCIES ADMINISTERING ECONOMIC TAX INCENTIVES

# Section I- Overview of the Economic Tax Incentive

*Section One - The purpose of the Economic Tax Incentive and shall report whether or not each Economic Tax Incentive has been successful in meeting the purpose for which it was enacted, in particular, whether each Economic Tax Incentive benefits those originally intended to be benefited, and if not, those who have benefited.*

**A description of the Tax Incentive. The description shall include the initial statement of purpose of the Tax Incentive as provided for in the enabling legislation, the name(s) of the agency administering the Tax Incentive, a description of the Tax Incentive and how it is calculated or awarded, the history of the Tax Incentive which shall include when and under what authority the Tax Incentive was created, including any amendments to the statute and any departmental rules associated with the Tax Incentive.**

The Innovating Alabama Tax Credit (the "Tax Incentive") was passed through the Innovating Alabama Act (Act 2023-33). The statement of purpose in the enabling legislation for the Tax Incentive, administered by the Alabama Innovation Corporation ("Innovate Alabama"), is to reestablish the technology accelerator tax credit program. Prior to 2023, the Tax Incentive was managed by the Department of Commerce ("Commerce") as part of its Growing Alabama tax credit program. The legislature, working with Commerce, took the portion of the Growing Alabama tax credit that allowed applicants to seek credits for technology accelerator programs, and transferred those duties to Innovate Alabama.

The Innovating Alabama Tax Credit program is an incentive to Alabama taxpayers to make contributions to Economic Development Organizations ("EDOs") for approved qualifying projects. Approved projects are funded when Taxpayers make contributions to an EDO. Taxpayers receive a tax credit (the Tax Incentive) equal to their contributions. The Tax Incentive can be applied against up to 50% of the Taxpayer's tax liability for the following tax types:

(1) Income tax;
(2) State portion of the financial institution excise tax;
(3) Insurance premium tax; or
(4) State utility license tax.

Qualifying activities include the creation, operation, or support of technology accelerator programs and other programs designed to provide funding, workforce development, or other resources for innovative companies. Tax credits are awarded through a competitive application process.

Over the past three years, demand for the program has increased significantly, with total requests consistently exceeding the amount of tax credits available. In calendar year 2025, Innovate Alabama conducted two open application rounds, during which applicants requested more than $31 million in tax credits despite the statute only providing for $25 million in tax credits.

All applications are evaluated by a review committee using the criteria provided in the statute. Recommended awards from each application round are then presented for approval at a public meeting of the Innovate Alabama Board of Directors, whose members are either ex-officio legislators or are at-large appointees by Governor Kay Ivey.

The Tax Incentive is authorized under Code of Alabama § 41-10-840. The Tax Incentive became effective April 20, 2023.

**The goal of the Tax Incentive and whether or not the Tax Incentive has been successful in meeting these goals. For example, if a job creation incentive includes wage thresholds for a business to qualify, a goal for the tax incentive program would be to create high paying jobs.**

The purpose of the Tax Incentive is to generate private-sector funding for qualifying projects that promote economic growth through technology accelerators and innovative companies. The Tax Incentive has demonstrated effectiveness as a financing mechanism to support and advance these initiatives. It enables individuals and corporations to invest in EDOs, thereby reinvesting capital into their local communities and strengthening regional economic development efforts.

The impact of the Tax Incentive extends across the state, fueling innovation from Huntsville to Mobile and communities in between. In Huntsville, Innovate Alabama awarded $1,215,000 in tax credits to the Huntsville/Madison Chamber of Commerce, where the EDO is positioning the region as a growing hub for educational technology. One such company, **Fluyo**, headquartered in Huntsville, is redefining language learning through a platform that blends structured instruction with social and gamified engagement. Backed by $1.2 million in Kickstarter presales, the highest-funded app in the platform's history, Fluyo launched with more than 150,000 users on its waitlist and a community of one million YouTube subscribers. After completing the gBETA accelerator in Huntsville, Fluyo is now positioned to become a significant player in the global edtech market, building on early traction from 4,000 beta testers.

Innovate Alabama also awarded $2,240,000 in tax credits to Hardware Park, an EDO driving medical technology innovation through companies such as **Fulmer Instruments** and **Electric Indigo**. Fulmer Instruments is developing the next generation of surgical devices, leveraging Hardware Park's Rapid Prototyping and Electronics Center to prepare its first instrument for FDA approval in early 2026, while simultaneously advancing a second device and expanding its team by three full-time engineers. Electric Indigo, a UAB spinout founded by Dr. Rafael Grytz, is developing light-emitting eyewear designed to slow or prevent childhood myopia. With access to Hardware Park's integrated ecosystem of designers and engineers, the company has produced a functional prototype with custom LED filaments, electronics, and frames manufactured on site, with full completion expected in December 2025. Together, these companies highlight Hardware Park's role in providing critical technical infrastructure and positioning Birmingham as an emerging MedTech hub in the Southeast.

In Mobile, Innovate Alabama awarded $1,283,325 in tax credits to Innovation Portal, an EDO fostering a new wave of industrial and healthcare innovation along the Gulf Coast. **Ai-Ops**, headquartered in Mobile and a graduate of the inaugural gBETA Gulf Coast accelerator at Innovation Portal, secured $1.3 million in strategic investment from TriNova in 2024 to scale its AI-powered process control technology. Since that time, the company has launched high-impact pilot programs, delivered measurable efficiency gains for industrial clients, and transitioned to a full-time team. Supported by a national partner and anchored in Mobile's growing innovation ecosystem, Ai-Ops is well positioned to lead the next phase of AI adoption in industrial operations across the Southeast and beyond.

The Mobile region is also seeing meaningful innovation in healthcare services. **Connexus Clinic**, a Baldwin County–based health optimization practice, specializes in medical weight loss, peptide protocols, hormone replacement therapy, and body composition analysis for busy professionals. Through mentorship relationships formed during the HATCH accelerator, founder Blake Martin, a first-time entrepreneur entering an industry where most practices fail within 24 months—gained access to strategic guidance and operational resources critical to early-stage viability. In 2025, this foundation enabled Connexus Clinic to secure a significant private investment from Telomere Enterprises, supporting the integration of services under Telomere Concierge and the expansion of advanced performance optimization offerings. Today, Connexus Clinic serves clients throughout the Gulf Coast while establishing a distinctive, evidence-based model for sustainable healthcare delivery, demonstrating the role accelerator-driven mentorship can play in helping first-time founders succeed in challenging markets.

These examples demonstrate that the Tax Incentive is successfully achieving its core goals: catalyzing private investment, supporting high-growth innovative companies, and translating early-stage capital into tangible outcomes such as job creation, product development, and scalable commercialization. By enabling regionally rooted accelerators to support companies across diverse sectors, the program is fostering sustainable, statewide economic growth and positioning Alabama as a competitive destination for innovation-driven enterprises.

**A description of the intended beneficiaries of the Tax Incentive, including any tax types to which the Tax Incentive applies to or is designated. This description shall include the activities the Tax Incentive is intended to promote and the effectiveness of the Tax Incentive in promoting those activities.**

The intended beneficiary of the Tax Incentive is the taxpayer ("Taxpayer") contributing to the EDO, as well as the EDO itself. The Tax Incentive can be applied against 50% of the Taxpayer's tax liability for the following tax types:

(1) Income tax;
(2) State portion of the financial institution excise tax;
(3) Insurance premium tax; or
(4) State utility license tax.

The Tax Incentive is designed to support the qualifying activities set forth in Code of Alabama § 41-10-842, including initiatives that support technology accelerators and innovative companies within the New Market Tax Credit (NMTC) areas. The program has proven to be an effective mechanism for advancing these activities by leveraging private-sector capital to support locally driven economic development initiatives.

Since inception, the Tax Incentive has provided tax credits to more than 24 EDOs and supported 58 unique projects across the state, spanning 32 (urban and rural) counties. These outcomes demonstrate the Tax Incentive's effectiveness in promoting targeted economic development activities while enabling individuals and corporations with Alabama state tax liability to reinvest in their communities.

**Describe how and why such recipients benefit from such Tax Incentive.**

Taxpayers benefit from the Tax Incentive by receiving a credit equal to their contribution to an EDO. The Tax Incentive can offset up to 50 percent of a taxpayer's annual state tax liability. If the Tax Incentive exceeds this limit, the remaining credit may be carried forward for up to five years. This structure encourages taxpayers to invest in their state and local communities, directly supporting economic growth and innovation in Alabama.

Beyond the benefits to taxpayers, the impact of the Tax Incentive is evident in the success of companies supported through EDOs. For example, **Pye**, headquartered in Birmingham, is transforming automated payments in the restaurant and retail sectors. Founded by former UAB Blazer Jegil Dugger, the Hoover-based company has generated more than $4 million in revenue through self-ordering kiosks and biometric payment solutions designed to address labor shortages. Innovate Alabama provided $575,258 through the Tax Incentive to the Fairfield-based Central Alabama Redevelopment Alliance (CARA), through which Pye received critical financial guidance and investor connections that fueled company growth and job creation in the region.

Similarly, **Yuva Biosciences**, a Birmingham-based UAB spinout focused on mitochondrial science and healthy aging, is advancing research in ovarian aging and women's reproductive health with support from the Tax Incentive. Innovate Alabama provided $3,261,381 to Southern Research's Station 41, which then assisted Yuva to accelerate the development of products targeting the root causes of aging. With its growing Birmingham-based team, Yuva is emerging as a national leader in longevity and women's health innovation.

The Tax Incentive is also driving innovation in rural and regional communities across the state. In the Wiregrass region, Grow Southeast Alabama is leveraging support through the HudsonAlpha Wiregrass Innovation Center in Dothan to launch a Forestry Accelerator focused on early-stage forestry and natural-resource companies. The program will provide founders with mentorship, capital readiness, and industry expertise while serving all 11 counties within Grow Southeast's footprint through a combination of virtual programming and rotating in-person events, with the Wiregrass Innovation Center serving as the program's central hub.

This regional approach mirrors the broader impact of the Tax Incentive across Alabama. In Baldwin County, **LandTrust,** a technology-enabled outdoor recreation marketplace connecting sportsmen with private landowners, was introduced to the Innovate Alabama team through relationships formed at the HATCH accelerator. In 2025, Innovate Alabama invested $500,000 in **LandTrust,** which, when matched with additional local investment, supported the company's continued growth in Alabama and the Southeast while enabling national scale. Today, they provide access to more than 1.5 million acres of private land across more than 40 states, generating new revenue for rural landowners and reinforcing Alabama's role as a home for high-impact, scalable technology companies.

These examples illustrate how the Tax Incentive enables taxpayers to invest in EDOs that provide the capital, guidance, and connections necessary to drive business growth, job creation, and innovation across Alabama.

# Section II- Impact and Benefits

---

*Section Two shall encompass the impact of the Economic Tax Incentive and shall report whether or not the state receives a positive return on investment, specifically the direct and indirect impact on state and local tax revenues, from the business or industry for which the Economic Tax Incentive is intended to benefit and any other economic benefits produced by such Tax Incentive. If applicable, this shall include, but is not limited to:*

**The number of taxpayers applying for, qualifying for and claiming the Tax Incentive, and the Tax Incentive amounts (in dollars) claimed by taxpayers in the reporting year.**

For the 2025 calendar year, forty-six (46) EDO Designation applications were submitted to the Innovate Alabama Tax Credit Program. Of those forty-six (46) EDO Designation applications, twenty-five (25) EDO Designations were awarded.

For the 2025 calendar year, twenty-seven (27) project applications were submitted to the Innovate Alabama Tax Credit Program. Of those twenty-seven (27) project applications, twenty-one (21) project applications were approved to receive the Tax Incentive.

Based on information provided by the Department of Revenue, fifty-six (56) taxpayers claimed $1,566,474.80 in Innovating Alabama Credits against Income Tax under the Innovating Alabama Credit Program during the 2025 calendar year, less than ten (10) taxpayers claimed $5,682,405 against financial institution excise tax (FIET) liability during the 2025 calendar year, and less than ten (10) taxpayers claimed $7,390,000 in Innovating Alabama Credits applied against the Utility 2.2% Gross Receipts License Tax during the 2025 calendar year.

**The number of taxpayers applying for, qualifying for and claiming the Tax Incentive, and the Tax Incentive amounts (in dollars) claimed by taxpayers since the creation of the Tax Incentive, if available.**

Eighty-two (82) project applications have been received since the creation of the Tax Incentive. Of those eighty-two (82) applications, fifty (50) applications have been approved for the Tax Incentive. As the program has matured, it has

become increasingly competitive, with applicants demonstrating stronger project readiness and impact. Demand for tax credits has grown exponentially, significantly increasing the volume and quality of applications submitted each cycle.

Based on information provided by the Department of Revenue, fifty (50) projects have been awarded $64,755,191 in Innovating Alabama Tax Credits since inception. Of the total credits awarded, $18,371,241 were certified to insurance companies. Over the past year, we have focused on continuous improvement and ongoing reassessment of the program to better maximize available tax credits and avoid leaving any credits unclaimed.

**The amount of Tax Incentives that could be carried forward and the length of time the Tax Incentive can be carried forward.**

The amount of the Tax Incentive that can be carried forward is the amount of the Tax Incentive exceeding 50% of the Taxpayer's tax liability. This amount may be carried forward for up to five (5) years.

**The amount of Tax Incentives that have been transferred, if applicable, and the amount that the credit(s) were discounted when they were transferred.**

The Tax Incentive is non-transferable.

**The amount of fees and/or other transaction costs associated with the Tax Incentive, including but not limited to application fees and transferability fees.**

The Tax Incentive does not require an application fee or other transaction costs.

**The estimated cost of administering the Tax Incentive.**

The estimated cost of administering the Tax Incentive is $100,000.

**The number of direct jobs created by the Tax Incentive**

Based off the information contained in the EDO applications received in 2025, it is estimated the Tax Incentive will create 913 direct jobs.

**The timing between awarding the Tax Incentive and creation of jobs and/or investment, and the maintenance of any job creation requirement.**

The timing between awarding the Tax Incentive and the realization of job creation or capital investment is an important consideration. In many cases, particularly for early-stage and small businesses, immediate job creation may be limited. However, the Tax Incentive provides critical early support that enables these companies to establish operations, develop products, and scale over time. As these businesses mature, the long-term economic impact, including job creation, follow-on investment, and community growth, often becomes substantial and sustained well beyond the initial award period.

For example, **City Detect,** an Alabama-based startup founded by Dr. Erik Johnson and Gavin Baum-Blake, leverages artificial intelligence to help municipalities combat blight. By equipping city vehicles with cameras and applying machine learning to identify issues such as illegal dumping, overgrown lots, and graffiti in real time, City Detect enables cities to respond more efficiently and allocate resources more effectively. Since launching commercially in 2023, the company has raised an oversubscribed $2.5 million seed round, scaled to $440,000 in annual recurring revenue, and is

on track to exceed $1 million by the end of 2025. Participation in the gBETA Bronze Valley program, funded $2,500,658 from the Tax Incentive, provided mentorship, early institutional support, and strategic guidance that accelerated the company's growth. While City Detect's workforce spans the U.S., its headquarters remain in Alabama, demonstrating how the Tax Incentive supports companies that retain a long-term presence in the state while generating measurable economic impact over time.

Similarly, **Generational Systems** participated in the Fall 2024 gBETA Gulf Coast program at Innovation Portal, which received $1,283,352 in tax credits from Innovate Alabama. The company's research and development originated during founder Michael Knotts' master's work at Auburn University and evolved into the development of a metal 3D printer. This early-stage support helped position the company for external validation and investment, including a third-place finish at the Halogen Pitch Competition in Tuscaloosa, Alabama, in September 2025, which resulted in a $100,000 funding commitment from Halogen Ventures.

These examples demonstrate that the Tax Incentive plays a critical role in helping smaller businesses establish roots, grow strategically, and generate long-term economic benefits. By supporting early-stage companies and entrepreneurial programs, the Tax Incentive encourages sustained job creation and investment over time, strengthening Alabama's economy well beyond the initial award period.

**Describe any caps associated with the Tax Incentive (identify if fiscal year or calendar year) and whether or not the cap was met for each year the Tax Incentive was in existence. Include the number of taxpayers who were denied a Tax Incentive due to the cap being in place.**

The Tax Incentive is capped at $25 million per calendar year. For the 2025 calendar year, the cap was fully met, with no remaining funds as of December 31, 2025. Due to a significant increase in demand, the total amount of eligible tax credit requests submitted for 2025 reached $31,120,619.59, exceeding the annual cap by approximately $6.1 million. There were additional applicants who wished to apply but could not be accommodated within the 2025 allocation. They were advised to defer their applications to the 2026 calendar year.

**Describe any penalties, including clawback provisions, associated with noncompliance of the Tax Incentive.**

The enabling statute for the Tax Incentive does not include a clawback provision. However, Innovate Alabama requires a recapture provision in its Funding Agreement with each EDO. Under this provision, if an EDO receives and monetizes the Tax Incentive but fails to implement the approved programs, it is required to return all taxpayer contributions to Innovate Alabama. To date, no project has triggered these clawback provisions.

**Provide an estimate of the indirect economic activity stimulated by the Tax Incentive. This shall include an estimate of any tax benefits that have been sourced outside of Alabama.**

This table estimates the permanent jobs created by the Innovating Alabama Tax Credit program. These jobs provide long-term employment through the private sector and stimulate increased economic activity across the state. Alabama's $25 million investment in 2025 in the Innovating Alabama Tax Credit program is estimated to have created nearly 168 indirect jobs across the state. This includes jobs created indirectly from innovation-related spending, and jobs induced by the overall increase in economic activity across the state. Conservatively assuming that these permanent jobs last 10 years, the State will have invested only approximately $11,000 per year per job created, and private industry will have provided wages of almost 5x the State's investment (over $50,000 per year per job).

| Impact Category | Sales | Jobs | Earnings |
|---|---|---|---|
| *INDIRECT* | $2,451,919 | 19 | $970,056 |
| *INDUCED* | $19,370,944 | 149 | $7,264,543 |
| *TOTAL* | $21,822,863 | 168 | $8,234,599 |

The impact of Innovate Alabama's 2025 Tax Credit investments can be measured in the following ways:

- "Sales" - refer to revenue generated by Innovate Alabama's investments.
- "Jobs" - refer to employment positions created by Innovate Alabama's investment.
- "Earnings" - refer to income earned by employees stemming from the impact of Innovate Alabama's investments.

Within each type of impact, there are also estimates provided based on the immediacy of impact – be it the impacts had directly on:

- "Indirect" figures describe when a business or project that is supported by Innovate Alabama spends money on goods and services, thus supporting other businesses.
- "Induced" figures show what happens when the workers from the "direct" and "indirect" activities spend their earnings in the local economy—on things like groceries, housing and entertainment.

Tax Credits broadly impacted the following types of "industries/sectors":

1. Programmatic and Advisory Services
2. Agtech and Forestry
3. Defense Technology
4. Water and Energy Technology
5. Advanced Manufacturing
6. Research & Development in Physical, Engineering, Biotech, and Life Sciences
7. Educational Services
8. Commercial Property Leasing

<u>Tax Credit Economic Development Organizations (EDOs):</u>

- Alabama Artificial Intelligence Center of Excellence (AAICE) *
- Apollo Foundation
- Baldwin County Community & Economic Development
- Bronze Valley Corp.
- Central Alabama Redevelopment Alliance (CARA)
- EDPA and EDPA Foundation
- Grow Southeast Alabama *
- Hardware Park
- Hudson Alpha
- Huntsville Madison County Chamber
- Innovation Depot
- Innovation Portal
- Measured Access *
- Montgomery Area Chamber
- One EAST *
- Opportunity Alabama (OPAL)
- Propel Education *
- Prosper Foundation
- REV Birmingham
- Southern Research Institute
- Tech Birmingham *
- Tuscaloosa County IDA
- Zeitgeist Foundation *

**Notes EDOs that are new or reporting is not due at this time, therefore no companies may be reflected below.*

Small Businesses/Startups impacted through our Tech Accelerators and Innovative Companies by EDO:

**Apollo Foundation**

- Inviktus
- InVis Systems
- nCase
- Qrave Menu Marketing
- Seerletics Human Performance Systems
- A'SHI SKIN
- CheckMySpot
- Happi Pappi
- Intrinsic Methods
- iXpressGenes
- Alset Technologies
- Doctours
- Fluyo
- Neet Sheets
- Player Intro

**Baldwin County Community and Economic Development**

- DNA Nanobots, Inc.
- Avicenna Diagnostics
- Endeavor Orthopedics
- The Shape Sensing Company
- NEMS Recovery
- NEVENT

**Bronze Valley Corp.**

- Kai XR
- Eva AI
- Baby Palooza
- Purposed Wellness
- The Clothing Library
- Backbone Technologies
- Botco.ai
- Generation Conscious
- Acclinate
- City Detect
- Mixtroz, Inc.
- Wears (formerly Loan My Sole)
- EmpowerRX, Inc.
- GLOW
- Companion Candles
- Pay4Me
- Pye POS, Inc.
- Roam
- Adra Corporation
- Yosubi

**EDPA / Innovative Companies**

- Indie Shops
- CrewOS
- Croux
- Equip
- Idyllo

**EDPA / Miles College Accelerator**

- The Audible Creatix
- THS Productions, LLC
- Smooth Salin', Inc.
- Novoprep Inc.
- The Modern Standard
- 21 Twenty Marketing LLC
- Backends Global State Foundation
- FutureSum AI, Inc
- Quick Cart
- Prep Intel Inc.
- Positive Space Media, LLC
- Be Eccentrich Inc
- CLEEN Lyfe Health and Wellness
- Coterie
- The Fluent House for Extraordinary Creatives LLC
- New Breed

- Jolly Cakes, LLC
- Twin Cottages, LLC
- Next Up
- The Sprouted Hub

**EDPA / TechStars**

- Ashipa Electric
- Condoit
- Elektrik
- Energy Hawk
- Project Canary, PBC
- Resilient Power Systems
- Shipshape Solutions, Inc.
- Tru Spin Nanomaterial Innovation Inc
- Virimodo
- Accelerate Wind
- Birdstop Inc.
- Solar Unsoiled
- WhyGrene Inc
- Ai-Ops, Inc.
- Blue Tanks Corp
- Clever Offsets, Inc.
- EarthABC, Inc
- EV Safe Charge, Inc
- SplitEV
- Carpe Manana
- Cogni Tensor
- Dodda AI
- Edenic Entergy
- Eqtrade
- Reverse Energy Solutions Corp.
- Soraytec
- Flux Hybrids, Inc
- Hdata, Inc
- Kheptra, Inc
- Moduly
- Noteworthy AI, Inc
- Solar FI
- Sunario
- Sustaio, Inc.
- Ecolytics
- Eneryield AB
- Hop in Microtransit Technologies, Inc
- Idyllo
- Latimer Controls, Inc
- PowerTechs, Inc
- Rivalia Chemical Co.
- Grid Discovery
- Infranergy
- Maverick IQ
- Meredot, Inc
- Pitch Aeronautics, Inc
- Scoutlt, Inc
- Mempro
- Nimbus Aerospace
- Plug Zen
- REN3for
- TMA

**Hardware Park**

- Electric Indigo, LLC
- Fulmer Instruments, Inc.
- NephSol, Inc.
- OD Revive, Inc.
- Tandem Exosuits, Inc.

**Hudson Alpha**

- Van Heron Labs
- Savantz, Inc.
- Synvivo, Inc.
- Symphony Biosciences
- Score Pharma
- Skyang Bio

**Huntsville Madison Chamber**

- Space Factory
- Ethar
- 6th Dimension
- Brakesens

**Innovation Depot**

- Nimble Technologies, LLC
- BioGX
- Resbiotic Nutrition, Inc
- HData, inc.
- Eva AI
- Accelerate Wind
- Idyllo
- Help Lightning, Inc.
- Cahaba labs
- Milkman Inc
- O3 Insight, Inc.
- Cerebro NeuroTech, Inc.
- Slade Land Use, Environmental
- KnowBra
- Abel Healthcare Enterprises
- TruSpin Nanomaterial Innovation, Inc.
- Arges Incorporated, DBA Condoit
- Immersive Experience Laboratories LLC
- StenCo, LLC
- Quantalytix
- SunFire Biotechnologies LLC
- Tradewinds Software
- Leagues United Inc.
- Ostrich
- Prismm
- Yuva Biosciences
- Stable Biologics
- Essential Strategies Group
- Vendrix
- DevClarity, Inc.
- Amizona Scientific LLC
- Equip
- Instagift
- Moxi
- Covalence
- Stealth
- BZI Pharma LLC
- Immunocreate LLC
- Intelligent Media and Design
- Better Kombucha
- Vulcan Line Tools
- The Orthopedic Marketplace
- OpenVia
- Nia Health
- Croux Inc.
- AI Metrics, Inc.
- Tricorder Array Technologies
- LunarLab Benefit LLC
- SmartWiz
- Nyad
- Local Muslim
- Singular People, LLC.
- ShipShape Urban Farms
- CModel Data, Inc.
- TriAltus Bioscience
- OMA Health
- ProxyLink
- Wyndy.com, Inc.

**Opportunity Alabama (OPAL)**

- KindredOS
- Shellulose
- Bioheal LLC
- VivoSphere LLC
- Score Pharma
- Forsee LLC
- Psigryph Corp
- Johnson Labs, Inc.
- GeneRipple LLC
- Skyang Bio

**Opportunity Alabama (OPAL)**

- KindredOS
- Shellulose
- Bioheal LLC
- VivoSphere LLC
- Score Pharma
- Forsee LLC
- Psigryph Corp
- Johnson Labs, Inc.
- GeneRipple LLC
- Skyang Bio

**Prosper**

- Can We Talk
- NephSol
- Orbdoc
- Ravida

- Ravella Health
- Cerebro Neuro Tech
- Ask Me Your MD
- OrbDoc
- segMedix
- CheckMySpot
- WellThee Living
- Recess Labs
- Dialytix
- Hera Fertility
- Heartful Sprout

**REV**

- Eva AI, LLC
- Fountain Heights Cooperative LLC
- MBA Engineers
- SplitEV
- Moxi Inc.
- Slade Land Use, Environmental and Transportation Planning
- Primordial Ventures, Inc.

**Southern Research**

- HM Bio, LLC
- ImmaPrevBio
- Kalm Therapeutics
- OGB9 (DomaineOne Therapeutics)
- Metaclipse Therapeutics Corporation
- Southern Biologic Solutions
- Yuva Biosciences, Inc.
- Symphony Biosciences
- Vanquish Bio
- Celeste Diagnostics
- CorriXR Therapeautics, Inc.
- Diamond Therapeutics
- Score Pharmaceuticals
- Celestia Diagnostics

**Tuscaloosa County Industrial**

- Electromaim
- Gaia Agricultural Technology
- Hydropool LTD
- Meknology, Inc.
- Moby Filters, Inc.
- Naiad, Inc.
- Water Monster
- AquaOrganix
- Agriwater Corp
- Aabshar
- HydroPhos Solutions
- Nestar Energy Corporation
- SIPP Technologies, Inc.
- Sharyco

**Any other information necessary for Innovate Alabama to comply with the requirements of the Act.**

No.

# Section III – Economic Results

*Section Three shall encompass the economic results of each Economic Tax Incentive, taking into account the extent to which the Tax Incentive successfully changes business behavior, and the unintended or inadvertent effects, benefits, or harm caused by the Economic Tax Incentive, including whether the Economic Tax Incentive conflicts with other state laws or regulations. This shall include, but is not limited to:*

**Any results the Tax Incentive has on Alabama's economy. Indicate whether or not the Tax Incentive is successfully influencing business decisions and describe how this is being determined.**

Yes, the Tax Incentive has influenced business decisions and facilitated the implementation of qualified activities that drive economic activity in Alabama. By providing essential funding to state and local EDOs, the Tax Incentive supports the creation of entrepreneurial programs that benefit small businesses, attract startups, and promote innovation across the state.

For example, **Shipshape AgWorks** is advancing AI-driven vertical farming, precision hydroponics, and renewable energy systems. Innovate Alabama provided $748,309 in tax credits to support REV Birmingham's program that allowed Shipshape to cover essential legal and accounting expenses tied to a Series A raise and multi-state expansion. This assistance freed internal capital to expand the team, including a horticulturist for test farm operations and an engineer for system design at the upcoming flagship farm in Sylacauga, Alabama. The funding also enabled Shipshape to finalize critical legal documents, secure new investments, and launch its first out-of-state vertical farming project, expanding its innovation footprint while maintaining high operational standards.

Similarly, **Ecobrew**, founded by Brian Henderson, is turning an environmental challenge in the brewing industry into a sustainable opportunity. Alabama breweries import nearly all of their $CO_2$, while fermentation-produced $CO_2$ is vented into the atmosphere. Ecobrew's proprietary plug-in carbon capture system allows breweries to capture, clean, and reuse $CO_2$ for carbonation and packaging. Innovate Alabama provided $1,526,566 in tax credits to support the Hudson Alpha AgTech Accelerator, which helped Ecobrew pilot its technology, secure funding, and sign letters of intent with multiple breweries. This innovation keeps capital in-state, reduces emissions, and creates a model that can expand to other industries such as agriculture and pharmaceuticals.

These examples demonstrate that the Tax Incentive is successfully influencing business decisions by enabling critical investments, supporting workforce expansion, and fostering innovation. By providing flexible funding through EDOs, the program allows businesses to accelerate growth, create jobs, and deliver measurable economic and social impacts throughout Alabama. The outcomes of these supported projects highlight the Tax Incentive's effectiveness in stimulating statewide economic activity and positioning Alabama as a hub for innovative enterprises.

**Any evidence that the Tax Incentive is or has changed business behavior, as opposed to rewarding businesses for what they would have done anyway.**

Innovate Alabama believes that, through the Tax Incentive, small businesses and entrepreneurs are changing their behavior by establishing and growing their businesses in Alabama instead of closing operations or relocating elsewhere. The Tax Incentive helps national leaders in startup acceleration, such as TechStars and gener8tor, build a sustainable presence in the state. These programs are instrumental in attracting out-of-state founders who choose to launch and grow their companies in Alabama. With each cohort, more founders are choosing to put down roots in the state, contributing to long-term economic growth.

For example, **Revella Health**, founded by Daniel Yeboah, uses artificial intelligence to help healthcare teams identify and close care gaps before they become crises. Through participation in the Prosper HealthTech Accelerator, which Innovate Alabama provided $1,312,916 in tax credits for its operations, Revella relocated its headquarters from Toronto to Birmingham and refined its model with mentor guidance. The Innovate Alabama Tax Credit Program supported Revella's expansion by providing critical funding for operational growth and strategic partnerships. In 2025, Revella piloted its ARIA platform with healthcare organizations across Alabama, improving patient outcomes such as reducing A1C levels in at-risk patients, while enabling providers to focus more on care and less on administrative tasks. Since relocating, Revella has raised over $50 million and is preparing a six-state rollout of its technology.

Similarly, **NeuralWave** is transforming healthcare with AI that automates inbox management and administrative tasks, freeing up 60-80 hours a month for physicians to focus on patients. After joining the gBETA Gulf Coast program at Innovation Portal, which Innovate Alabama provided $1,273,000 in tax credits for its operations, the company relocated its headquarters from Atlanta, GA to Alabama and began securing pilot partners in the state. NeuralWave's growth and selection for the Bronze Valley Investment Accelerator underscore Alabama's ability to attract and scale the nation's most promising health tech startups.

These examples demonstrate that beneficiaries of the Tax Incentive are not simply being rewarded for existing plans; rather, they are making strategic decisions to locate, grow, and expand their operations in Alabama. Each business contributes to attracting and retaining a specialized workforce from across the country, further strengthening Alabama's innovation ecosystem.

**How the Tax Incentive is affecting businesses beyond those that benefit directly from the Tax Incentive.**

The Tax Incentive generates positive effects that extend beyond the businesses receiving credits directly. By encouraging the formation, growth, and relocation of small businesses and entrepreneurial ventures within Alabama, the program stimulates job creation and retention. These new and sustained employment opportunities generate payroll that is spent throughout the local economy, benefiting a wide range of other businesses, including suppliers, service providers, and retailers. Additionally, the presence of innovative companies helps attract out-of-state talent and investment, as well as retaining in-state talent from our colleges and universities, by fostering a more vibrant entrepreneurial ecosystem that indirectly supports economic activity across multiple sectors.

**Any potential changes to the design or administration of the Tax Incentive that could lead to better results. If possible, indicate if the Tax Incentive could be made more effective through legislative changes.**

None identified at this time.

**State whether or not Innovate Alabama could accomplish the same purpose or goal of the existing Tax Incentive through a non-tax incentive or subsidy, such as a normal budgetary expenditure, and do it more effectively or efficiently. Explain your reasoning.**

No, Innovate Alabama could not achieve the same outcomes of the Tax Incentive through a non-tax incentive or subsidy. While maintaining a competitive tax environment is important, Innovate Alabama believes that targeted incentives such as the Tax Incentive are the most effective mechanism for fostering innovation and supporting the growth of high-potential companies across Alabama. This approach also empowers donors to reinvest directly in their communities, amplifying local economic impact.

**Explain the methodology and assumptions of the review, analysis, and evaluation of the Tax Incentive.**

Innovate Alabama employs a structured review, analysis, and evaluation methodology to assess applications for the Tax Incentive. This analysis considers anticipated economic outcomes, including job creation, private capital investment, and broader community impact.

The evaluation process is grounded in the assumption that supporting small business formation and entrepreneurial activity leads to increased economic output in the communities where these small businesses are located. Innovate Alabama further assumes that early-stage support, when paired with access to follow-on capital and programming, increases the likelihood of long-term business success. Accordingly, the innovative businesses that complete programs supported by the Tax Incentive are intentionally connected to additional Innovate Alabama resources, such as our InvestAL and LendAL, to address remaining funding gaps and advance them through the entrepreneurial pipeline.

In addition to upfront evaluation, ongoing oversight is maintained through required reporting by participating EDOs, which must submit an Initial Report six months after project commencement, a Status Report, a final Impact Report, and audited financial statements upon project completion. These reporting requirements enable Innovate Alabama to monitor performance, measure outcomes against initial assumptions, and evaluate the overall effectiveness of the Tax Incentive over time.