

## **INDUSTRY MATCHING FUND PROGRAMME**

TIA has launched an **Industry Matching Fund Programme (IMFP)** as a pilot that consists of the following:

- Blended finance/funding model between
  - Funders
  - Commercial Industry
- A risk sharing instrument
  - For co-investment and follow on funding
  - Large investment quantum's' required in some industries
  - Leverage TIA funding
- A commercialization acceleration instrument/initiative with Industry, Private sector with non-financial support such as incubation of investment for market penetration and access.

The current partners under this Programme and those that onboarded on an ongoing basis are targeted based on the following elements:

- Be an investor (Funder)
- Be a potential customer (commercial partner) or industry player
- Skin in the game
  - Funding available to co-invest or follow on fund
  - Track record in technology and product commercialisation
  - Track record in maturing investments

TIA has successfully achieved what it never had achieved ever since its establishment, and that is to attract and leverage co-investment and follow-on funding secured resources with industry and private sector and in so doing proves a market access partnership platform. Currently, the Programme has attracted and has the following partners;

### **1. SA SME Fund**

The SA SME Fund is a private sector led initiative born out of the 'CEO Initiative', a partnership between the SA Government and CEOs to stimulate the economy and create jobs. The shareholders of the Fund are 50 of South Africa's largest corporates with a further 25% being dedicated to Indian and Coloured owned and managed businesses, with the remaining 25% being at the discretion of the fund manager. The businesses that our funds invest in typically have an enterprise value of <R100m. Their primary investment is based on Venture capital fund, that is, Seed, Pre-Revenue and Post Revenue and Growth Fund, that is, Revenue Generative and Profitable and the Public Investment Corporation.

The Fund has R1.2 billion of investable capital, which it invests via partnerships with fund managers. The primary focus areas are venture capital and growth capital. The CEO Circle exists alongside the Fund as a platform to leverage the SA SME Fund shareholders' resources to help scale 5 to 10 black founded and managed high growth, medium sized companies into significant businesses of +R500 million in value in 3 to 5 years.

## 1.1 Venture Fund

One of the key enablers for TIA to deliver on its mandate and its 5-year strategy to support technology-based enterprises, is Strategic partnerships and fundraising: In equally executing this, TIA partnered with the SA SME Fund on the Savant Venture Fund, which is a Venture Capital/Private Equity Fund to support pre-commercialisation and commercialisation of early stage technologies through enterprises. The SA SME Fund has contributed R110 million and TIA has contributed R1.5 million.

Below is a snapshot of media comments from the SA SME Fund on this partnership Fund.



## 1.2 Biotech Fund

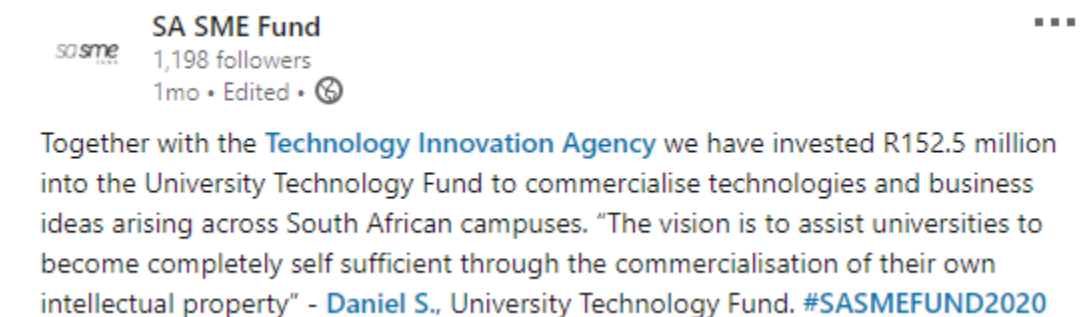
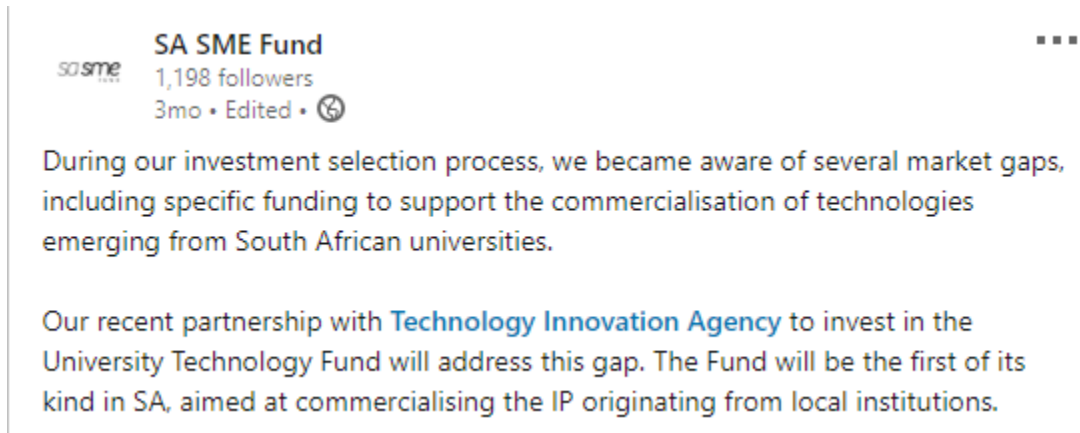
Concerning TIA's support of the Bio-economy, specifically incubation and commercialisation of TIA's biotechnology investments, TIA has selected OneBIO as the implementing vehicle for the Biotechnology Partnership Fund of TIA and the SA SME Fund partnership. Below is a snapshot of media comments from the SA SME Fund on this partnership Fund.



## 1.3 University Technology Fund

In also executing this first pillar, which is intensifying its current efforts to accelerate the translation and commercialisation of publicly-funded research, primarily from Universities and Science, TIA has partnered with the SA SME Fund to establish a **University Technology Fund** with a contribution of R150 million from SA SME Fund and R5 million from TIA. This first of its kind partnership with Private sector also executes the TIA Funding investment capacity for key areas of its mandate and provides market access opportunities and platform through the corporates in the SA SME Fund.

Below is a snapshot of media comments from the SA SME Fund on this partnership Fund.



## 2. Industrial Development Corporation - The Natural Indigenous Products Fund.

Concerning TIA's support of the Bio-economy, specifically incubation and commercialization of TIA's biotechnology investments, TIA partnered with the IDC, DSI, DEFF, DTIC to establish a Natural Indigenous Products Fund to primarily support IK-Based Innovation

TIA and IDC are establishing a fund **The Natural Indigenous Products Fund**. The Fund will enable the South African Natural Product Sector to become more competitive. This industry is based on the development and production of finished products or ingredients for the nutritional, pharmaceutical and cosmetic markets. These products and ingredients are derived from South African indigenous plants and herbs. The objectives of the fund are to provide funding for commercialization and technical assistance for enterprises in the indigenous natural products sector.

## 3. Business Angels and WZ Capital

TIA has partnered with Dazzle Angels, a female owned Angel Fund that exclusively supports women owned or co-owned start-ups and Jozi Angels. This partnership is based on a 1:1 co-investment ratio into deals. TIA also has now partnered with WZ Capital, a black owned boutique to co-invest in small deals together with TIA existing funding instruments.

Below is a table summarising the progress so far.

This is a model we are equally deploying in the Seed Fund, where we have since received approval for sector specific seed fund programmes with industry, namely a water seed fund with WRC and ICT/Digital Bio-economy with Tuksnovation

### TIA INDUSTRY MATCHING FUND PROGRAMME PROGRESS

SA SME Fund			Angel Investors		IDC				WZ Capital
<b>Biotech Fund</b>			Jozi	TIA	<b>Natural Indigenous Products Sector Fund</b>				R1.5 m to co-invested in all TIA instruments
					IDC	TIA/DSI	Dti	DEFF	
R75m (SA SME)	R8.5m (TIA)	R750k (OneBio)	R1.5m	R1.5m	R50m	R1.5m	-	-	
<b>Venture Fund</b>			Dazzle	TIA	TIA – Implementing partner for the technical assistance fund portion				
R110m (SA SME)	R 1.5m (TIA)		R2m	R2m	IDC – Implementing partner for the commercialisation assistance fund portion				
<b>University Technology Fund</b>									
R150m (SA SME)	R5m (TIA)								
Total									
R 335m (SA SME)	R12.5m (TIA)								
<b>WATER RESEARCH COMMISSION and TUKSNOVATION</b>									
<b>Water Seed Fund</b>					<b>Water Research Commission</b>			<b>TIA</b>	
					R500 000			R 500 000	
<b>ICT/Digital Bio-economy</b>					<b>Tuksnovation</b>			<b>TIA</b>	
					R 1 000 000			R 500 000	

#### 4. TECHNOLOGY TRANSFER AND IP COMMERCIALISATION MATCHMAKING PROGRAMME

TIA has a mandate to support the state in developing new technologies and its exploitation thereof. TIA does this by proving (is it proving or providing) early stage innovation funding and non-financial support for technology development and commercialisation. At the Innovation Bridge alone, approximately 64 technologies exhibited, both from Universities and Start-ups funded by TIA.

TIA has and continues to invest in University and Science Council IP and they often struggle to get the technologies to market for various reasons, while SEDA has a plethora of SMEs that are currently trading and require unique IP for competitive and sustainability which they struggle to develop due to lack of R& D resources. This Programme will serve as a platform of matching TIA fund recipients with market players to enable market access, commercialisation and business growth. The establishment of a Technology-Transfer and Commercialization Matchmaking Programme in partnership with the Small Enterprise Development Agency (seda), a platform to link University and council IP with Industry resulted in four commercialization deals facilitated in just one day of its launch in December 2020. The four deals include the following;

- I. ARC has secured a commercial deal with CapeBIO, trading biotech company that has also secured offtakes with the Americans market for antibodies and the Elisa test. This deal won the Technology Transfer Matchmaking IP pitch side event prize of R125 000, with R25 000 cash from TIA towards any activities of progressing the joint venture, and the R100 000 towards IP legal services from Kisch IP.
- II. University of Zululand has secured a license and production deal with Golden goose, a trading entity with products at major retail stores (including SPAR) for sorghum started cultures and flour that Golden goose will ad as a product line. This deal won the Technology Transfer Matchmaking IP pitch side event prize of R125 000, with R25 000 cash from TIA towards any activities of progressing the joint venture, and the R100 000 towards Business Development services from seda.