ANNUAL REPORT 2025/26



science, technology & innovation
Department:
Science, Technology and Innovation
REPUBLIC OF SOUTH AFRICA

15 YEARS OF SUPPORTING INNOVATION

technology innovation AGENCY
Innovating Tomorrow Together

HIGHLIGHTS 2025/26

INNOVATION & IMPACT

KAPA Settlement R1.2bn Recovered

2006 • R24m Investment
- Cape Biotec Trust + KAPA

2015 • Sold 49% ⇨
- Claim USD 39.6m / R757m

Legal Victory Timeline
- July 2024 – Arbitration won
- Dec 2025 – Appeal dismissed
- Jan 2026 – R1.2bn enforcement

Value
- Accountability
- Governance
- Public Funds Protection

Innovation Success

Projects launched and commercialised with TIA Support

Transition to TIA 2.0 10 Year Strategy

Transformation Agenda
- Align units
- Governance
- Delivery

Change Management
- Culture
- Stakeholders
- Communication

Capability Building
- Programme management
- Ecosystem
- Monitoring and evaluation
- Data

Systems Integration
- Planning
- Performance
- Reporting for agility and impact

PROJECT HIGHLIGHTS

The Technology Innovation Agency (TIA) is pleased to highlight innovative projects and developments that were launched or successfully commercialised with the Agency's support during the reporting year.

LEGAL AND FINANCIAL RECOVERY PROCESSES (KAPA BIOSYSTEMS SETTLEMENT)

TIA successfully recovered significant public funds through a rigorous arbitration process, reaffirming its commitment to accountability, good governance, and the prudent stewardship of public resources. KAPA Biosystems (Pty) Ltd was established in 2006 through a joint investment between TIA's predecessor, the Cape Biotech Trust, and KAPA Biosystems Inc., supported by an initial public investment of R24 million to advance biotechnology innovation in South Africa.

Following the sale of its 49% shareholding in 2015, TIA instituted arbitration proceedings against KAPA Biosystems Inc. to recover approximately USD 39.6 million (about R757 million, plus interest) arising from alleged misrepresentation, breach of contract, or both. The arbitration concluded in TIA's favour in July 2024, and the subsequent appeal was dismissed in December 2025. Enforcement proceedings commenced in January 2026, culminating in the successful recovery of approximately R1.2 billion.

The successful resolution of the matter demonstrates the Agency's commitment to protecting public investments and highlights the importance of robust governance, sound legal processes, and effective asset recovery in safeguarding the value of publicly funded innovation investments.

TRANSITION TO TIA 2.0 IMPLEMENTATION COMPLEXITY

The shift to a new 10-year Corporate Strategy and operating model under TIA 2.0 introduces a significant organisational transformation agenda. It requires comprehensive alignment across business units, governance structures, and delivery systems to ensure coherence between strategic intent and operational execution.

This transition demands robust change-management processes, including culture shift, stakeholder alignment, and sustained internal communication to support the adoption of the new operating model. In addition, it necessitates targeted capability strengthening, particularly in programme management, ecosystem co-ordination, monitoring and evaluation, and data-driven decision-making. Ensuring smooth execution across all functions also depends on integrating planning, performance management, and reporting systems to support a more agile, programmatic, and impact-oriented organisation.

NATIONAL ECOSYSTEM CO-ORDINATION AND FLAGSHIP PLATFORM DELIVERY (INAUGURAL SOUTH AFRICAN INNOVATION WEEK (SAIW)



Figure 1: Arrival of the Deputy Minister at the SA Innovation Week Opening





Figure 2: Delegates participating in SA Innovation Week Sessions

As the lead sponsor and strategic partner of the South African Innovation Summit Co., TIA leveraged the final year of the partnership to establish and launch the inaugural **SAIW**, positioning it as a flagship national platform for innovation collaboration, ecosystem development, and technology commercialisation.

Successfully hosted at **Nasrec,** the event attracted approximately **2,000 delegates** and brought together a broad spectrum of participants from the National System of Innovation (NSI), including government, academia, industry, investors, financial institutions, start-ups, incubators, and international stakeholders.

This diverse participation fostered strategic partnerships, investment opportunities, and cross-sectoral collaboration to accelerate innovation and commercialisation. The programme concluded with specialised masterclasses on investor readiness, venture scaling, and emerging technologies, including artificial intelligence (AI), further strengthening innovation capabilities. The successful delivery of SAIW reinforced TIA's leadership role in convening the innovation ecosystem and advancing South Africa's innovation agenda.

LAUNCH OF THE LOCAL INTELLECTUAL PROPERTY-BASED SKIN HEALTH AND PERSONAL CARE TECHNOLOGY INNOVATION CLUSTER (LIPSHTIC) AT THE INAUGURAL SAIW



Figure 3: TIA and Sefako Makgatho Health Sciences University management during the Memorandum of Understanding signing ceremony



Figure 4: Launch of the Indigenous Knowledge-Based Skin Health and Personal Care Technology Cluster at SA Innovation Week

During the inaugural **SAIW 2026**, TIA officially launched LIPSHTIC, a flagship bio-innovation initiative aimed at accelerating the commercialisation of locally developed technologies within the skin health and personal care sector.

Anchored at **Sefako Makgatho Health Sciences University (SMU)** and funded by TIA, the cluster demonstrates the Agency's commitment to strengthening collaboration across the **Quadruple Helix.** It brings together **government,** represented by the Department of Science, Technology and Innovation (DSTI) and TIA; **academia and research institutions**, including SMU, Nelson Mandela University's InnoVenton, and the CSIR; **industry,** including Prime Product Manufacturing and technology-based small, medium, and micro enterprises (SMMEs); and **society**, through the use of Indigenous Knowledge and biodiversity to develop market-ready products that improve livelihoods.

The initiative is expected to accelerate technology commercialisation, strengthen local manufacturing capability, support entrepreneurship, create employment opportunities, and position South Africa as a globally competitive player in the bio-economy.

CONTACTABLE EXIT

Contactable, a leading South African provider of digital identity solutions, has successfully secured US$13.5 million (approximately R230 million) in capital to advance its proprietary technology and execute a strategic expansion across the African continent. The investment round, which was publicly reported in September 2025, was anchored by Venture Capitalworks, with significant contributions from Fireball Capital, Ke Nako Capital, and Mavovo.

Established in 2012, the firm operates an Integrated Identity Platform that offers corporate clients a unified framework for managing critical functions, including compliant customer onboarding, electronic Know Your Customer procedures, identity verification, and sophisticated fraud mitigation. The platform serves a diverse portfolio of sectors, encompassing financial services, telecommunications, insurance, and retail. Its functional capabilities include the orchestration of biometric and document-validation checks, sanctions screening, and continuous regulatory compliance monitoring.

The influx of capital is specifically allocated to facilitating market entry into new African territories and accelerating product development. Future technological enhancements will focus on areas such as Ultimate Beneficial Ownership verification, AI-powered risk signalling, self-sovereign identity architecture, and payments integration. This funding initiative underscores Contactable's commitment to its stated objective of broader digital identity accessibility throughout Africa.

ESTABLISHMENT OF THE HYDROGEN INNOVATION PROGRAMME

In December 2025, TIA was pleased to receive confirmation that the DSTI had approved the establishment of the Hydrogen Innovation Programme (HIP) in partnership with TIA. The programme's primary mandate is to support, facilitate, and promote the commercialisation and sustainable local manufacturing of publicly financed and locally developed intellectual property emanating from the Hydrogen South Africa (HySA) initiative. It also aims to assist South African innovators, researchers, and entrepreneurs in commercialising HySA-derived technologies.

The DSTI has approved funding of R13 million for year one to establish a manufacturing plant and cover the operational expenditure required to produce and supply one tonne of advanced AB2- and AB5-type metal hydride alloys. This will represent a major step towards positioning South Africa as a competitive supplier of advanced hydrogen-storage materials, while fostering energy security, export opportunities, and industrial growth in line with national clean-energy strategies. The HIP funding will assist in co-ordinating the scale-up of metal hydride alloy manufacturing by de-risking the technical and financial aspects of the project.

As a project partner, TIA is expected to provide co-funding of at least R5 million towards the establishment of the HIP. Further funding is expected to be mobilised through DSTI- and TIA-led engagements with development finance institutions to fund the HIP's operational and capital expenditure in subsequent years.

MYCOSURE



Figure 5: Wet myco-protein



Figure 6: Mycosure samples

Mycosure (Pty) Ltd, with support from TIA, has secured R20 million in commercial funding to launch a commercial-scale myco-protein production facility. This significant investment round was led by CSIR C3, the Council for Scientific and Industrial Research's enterprise established to commercialise its intellectual property, with participation from Magnitt Ventures Ltd, Assetup Investments, ProVeg International, and Ntyrely Nsane.

The company's proprietary mycelium-based liquid fermentation technology, developed with funding from TIA, enables the efficient and scalable production of protein-rich ingredients for the nutraceutical, food, and beverage sectors. These myco-proteins offer a complete amino acid profile, positioning them as a sustainable alternative to traditional animal- and plant-based proteins. The technology addresses both the cost and sensory challenges associated with alternative proteins, while promoting circular-economy principles by reducing waste and reliance on imported ingredients.

Through this initiative, Mycosure (Pty) Ltd is advancing sustainable protein solutions, strengthening local manufacturing, and contributing to food security, economic growth, and technological innovation in South Africa.

SWIFTVEE SECURES R173 MILLION SERIES A CAPITAL INJECTION

SwiftVEE (Pty) Ltd is the largest real-time livestock trading platform on the African continent, enabling buyers and sellers to participate in online auctions and trade livestock seamlessly. The platform leverages technology to facilitate efficient and transparent transactions, making it a pivotal resource for the agricultural sector.

The company was initially funded by TIA in 2017 through the Cape Craft and Design Institute. SwiftVEE received funding aimed at optimising the trading platform's performance and capabilities. Building on this foundation, the company later secured additional support to develop new functionalities, particularly features that assist in assessing the creditworthiness of the 20,000 SMMEs actively trading on the platform. This enhancement has strengthened the platform's value proposition, empowering a broader network of SMMEs within the livestock industry.

Most recently, in November 2025, SwiftVEE achieved a significant milestone by raising R173 million in Series A funding from the venture capital fund HAVAÍC. This capital injection is earmarked for the expansion of the platform, with a primary focus on scaling operations to other African countries and further extending SwiftVEE's market reach.

GLOBAL INDUSTRY PARTNERSHIP – TIA AND BIOCUBAFARMA

A partnership was established in June 2025 between TIA and BioCubaFarma, Cuba's biotechnology and pharmaceutical industry group. BioCubaFarma manages the country's efforts to manufacture medicines, diagnostics, and medical equipment, and provides high-quality life-science services aimed at improving people's health. It also serves as a gateway for potential partners and investors interested in accessing Cuba's extensive biopharmaceutical resources. The organisation manages a large portfolio of patented inventions, with 2,438 patents registered outside Cuba and more than 2,640 patent-registration applications pending worldwide.



Figure 7: : TIA and BioCubaFarma signing a co-operation agreement

Following the signing of the Co-operation Agreement, TIA will issue a call for expressions of interest from the biotechnology and pharmaceutical industry to participate in a Technology Transfer Programme with Cuba, including product development and commercialisation.

The significance of signing the Agreement with the Cuban biotechnology and pharmaceutical industry in China also lies in its alignment with South Africa's participation, through TIA, in the multilateral programme on neurodegenerative diseases. Other participating countries include Cuba, China, Russia, Venezuela, and Brazil. This collaboration will help to reduce reliance on funding and product availability from monopoly markets, while opening access to a larger market through the multilateral programme.

BIOTECH GROUP



Figure 8: step-by-step visual detailing the manufacturing process of the reishi mushroom powder-reinforced polylactic acid composite material

TIA provided enterprise support to the Biotech Group through the Forest Bio-economy Innovation Cluster to develop reishi mushroom powder-reinforced polylactic acid (PLA) composites for packaging items. The project involves developing a solid-state fermentation process to produce mycelium packaging. The process involves inoculating biomass waste, such as forestry or paper-mill waste and organic waste, with the reishi mushroom strain or other strains, such as Ganoderma species, to enable the manufacture of biodegradable packaging.

The resultant product offers environmentally sustainable and eco-friendly solutions for various industries and sectors, including packaging, construction, furniture, fashion, and bio composite. In the packaging industry, mycelium can be used to create biodegradable and compostable packaging solutions for food, beverages, and other products, potentially replacing traditional plastic. Mycelium-based insulation panels can offer excellent thermal performance and fire resistance, providing a sustainable alternative for the building and construction sector.

Mycelium biofiltration products can absorb and degrade pollutants and may be used in biofiltration systems for water treatment and air purification. Mycelium also provides an alternative to leather and can be used in the manufacture of various fashion items. The use of this technology would contribute to the circular economy by creating more environmentally friendly materials for these industries.

PLASTECH



Figure 9: Pelletised masterbatch and the final bio-based commercial items produced from the compound

Plastech was funded by TIA to improve the use of waste sawdust residues and recycled polypropylene in the development of bio composite materials suitable for rigid injection-moulding applications. The result was the creation of bio composite pellets suitable for various injection-moulding applications.

Plastech's commitment to environmentally friendly manufacturing could support community awareness programmes, fostering a sense of environmental responsibility and sustainability among the local population. By diverting plastics and sawdust from landfill and incineration, the project contributes to a cleaner environment. This has potential health benefits for surrounding communities by reducing exposure to harmful substances associated with conventional waste-disposal methods.

The project also has the potential to serve as a case study for schools and educational institutions, promoting the importance of circular-economy principles and sustainable manufacturing in the broader community. The establishment and scaling-up of the project to produce bio composite crates are likely to create employment opportunities, including roles in manufacturing, research and development, quality control, and logistics, contributing to local economic development.

CSIR KERATIN BIOPOLYMER INNOVATION





Figure 10: Optimised thermoplastic Keratin (TPK) bioplastic films produced from using CSIR pilot scale blown film extruder

TIA supported the CSIR in developing a novel, cost-effective, and environmentally friendly process for extracting keratin from chicken feathers to produce biodegradable polymer composites. The innovation successfully demonstrated improved material strength, flexibility, thermal stability, and biodegradability, creating opportunities for sustainable packaging, biodegradable films, and 3D-printing applications. The technology supports South Africa's transition to a circular bio-economy by converting agricultural waste into high-value products, while contributing to the National Bio-economy Strategy, the science, technology and innovation (STI) Decadal Plan, and the achievement of the Sustainable Development Goals relating to responsible consumption and climate action.

HIGH-TECH AQUAPONICS PROJECT

Commercialisation of High-Tech Aquaponics: TIA-supported aquaponics technology demonstrated strong commercial traction through supply agreements with major retailers, including Woolworths and Pick n Pay, while achieving an initial **88% Global GAP c**ompliance score. The project expanded market access, created new employment opportunities, and advanced plans to integrate solar energy to improve operational sustainability and scale fish production. These achievements demonstrate the commercial viability of innovative, climate-smart agricultural technologies in strengthening food security and supporting sustainable economic development.




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15
YEARS OF SUPPORTING INNOVATION

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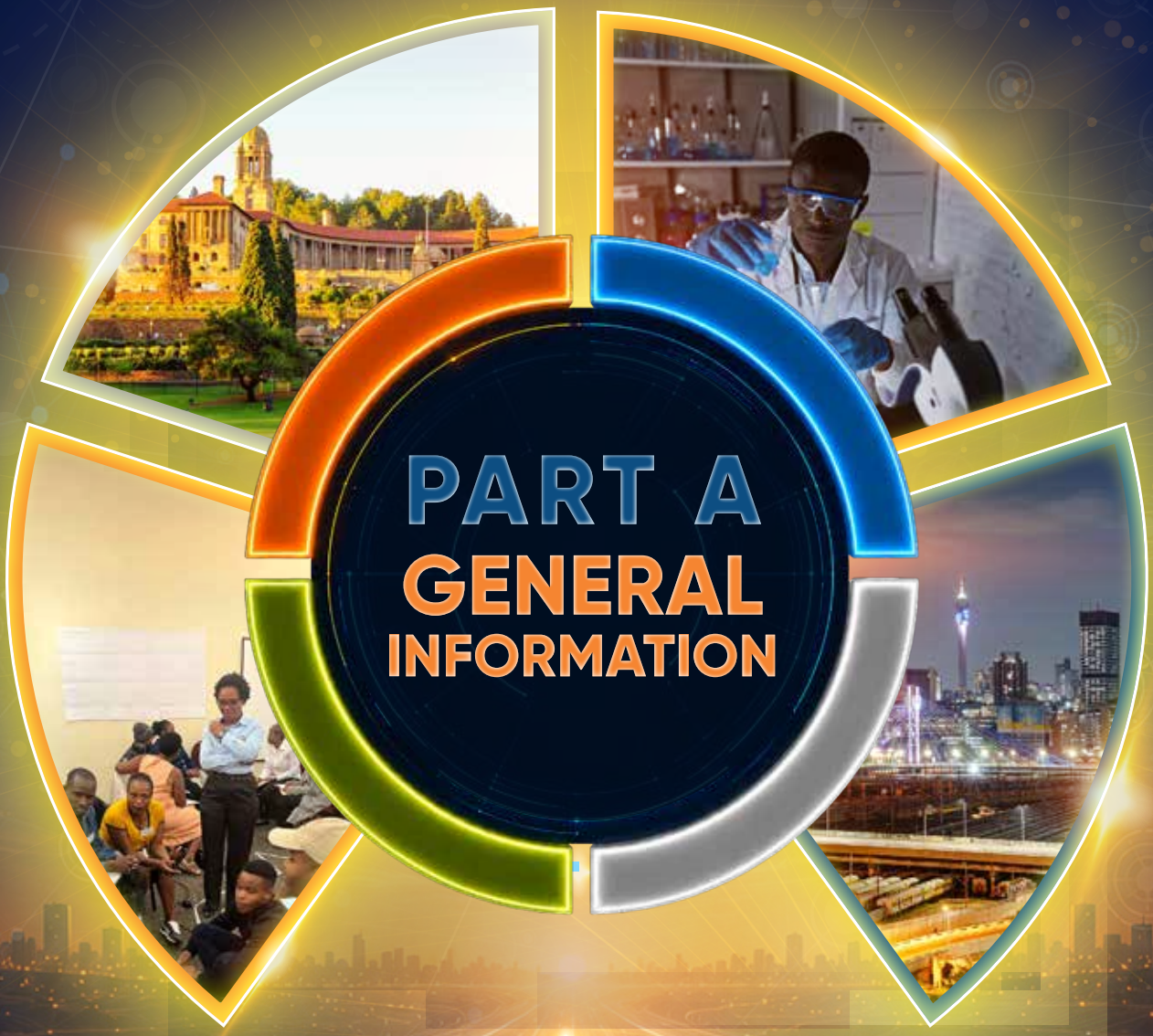
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PART A
GENERAL INFORMATION



Registered name	Technology Innovation Agency
Registration/constitutional information	Technology Innovation Agency Act (No. 26 of 2008), as amended by the Science and Technology Laws Amendment Act (No. 7 of 2014) and the Science and Technology Laws Amendment Act (No. 9 of 2020)
Registered office address	TIA House, 83 Lois Avenue, Menlyn, Pretoria
Postal address	P.O. Box 172, Menlyn, Pretoria 0181
Telephone	+27 (0) 12 427 2700
Email	info@tia.org.za
Website	www.tia.org.za
Social media	www.linkedin.com/company/technology-innovation-agency (LinkedIn) @tiaorgza (Twitter) www.facebook.com/TIAORGZA (Facebook)
External auditor	Nexia SAB&T 119 Witch-Hazel Avenue Highveld Technopark Centurion 0157
Banker	Standard Bank 30 Baker Street, Rosebank 2196, Johannesburg
Company/Board Secretary	Mr Kobus Louw (Board Secretariat)

Note
This report has been prepared based on National Treasury's Annual Report Guide for Schedule 3A and 3C Public Entities of February 2026. It contains unaudited financial and non-financial performance information.

1. LIST OF ABBREVIATIONS AND ACRONYMS

4IR	Fourth Industrial Revolution
ABIPP	Agriculture Bio-economy Innovation Partnership Programme
AFS	Annual Financial Statements
AHRI	Africa Health Research Institute
AI	Artificial Intelligence
AMD	Acid Mine Drainage
APC	Advanced Process Control
API	Active Pharmaceutical Ingredient
APP	Annual Performance Plans
ARC	Agricultural Research Council
B-BBEE	Broad-Based Black Economic Empowerment
Bn	Billion
BTC	Board Technical Committee
CEO	Chief Executive Officer
CFAM	Centre for Advanced Manufacturing
CFO	Chief Financial Officer
CHIETA	Chemical Industries Education and Training Authority
CIE	Centres for Innovation and Entrepreneurship
CIIE	Centre for Inclusive Innovation and Entrepreneurship
CIP	Clean-in-Place
CleanTech	Clean Technology
CSD	Central Supplier Database
CSIR	Council for Scientific and Industrial Research
CTU	Clinical Trials Unit
DFFE	Department of Forestry, Fisheries and the Environment
DFI	Development Finance Institutions
DMPR	Department of Mineral and Petroleum Resources
DSTI	Department of Science, Technology and Innovation
dtic	Department of Trade, Industry and Competition
DTIP	Disability Technology and Innovation Programme
ECDC	Eastern Cape Development Corporation
ECRDA	Eastern Cape Rural Development Agency
ELIDZ	East London Industrial Development Zone
EMTIP	eMobility Technology Innovation Programme
EO	Earth Observation
ERS	Enterprise Resource System
EWSETA	Energy and Water Sector Education and Training Authority
EY	Ernst & Young
FBIC	Forest Bio-economy Innovation Cluster
GCIP-SA	Global CleanTech Innovation Programme South Africa
GDP	Gross Domestic Product
GIP	Grassroots Innovation Programme
GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individual
HEI	Higher Education Institutions
HIP	Hydrogen Innovation Programme
HISFoF	High-Impact Seed Fund of Funds
HIV/AIDS	Human Immunodeficiency Virus Infection Or Acquired Immune Deficiency Syndrome
HPF	Honeybush Processing Facility
HR&REMCO	Human Resources and Remuneration Committee
H3D	Holistic Drug Discovery and Development Centre
HySA	Hydrogen South Africa
ICT	Information and Communication Technologies
IDC	Industrial Development Corporation
IESFoF	Institutional Early-Stage Fund of Funds
IFC	Investment and Finance Committee
IID	Innovation and Institutional Development
IKS	Indigenous Knowledge Systems

IP	Intellectual Property
IPPF	International Professional Practices Framework
IPR-PFRD	Intellectual Property Rights from Publicly Financed Research and Development
ISO	International Organisation for Standardisation
LLM	Large Language Model
MoU	Memorandum of Understanding
MTDP	Medium-Term Development Plan
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
NEFM	New and Emerging Fund Managers
NIPMO	National Intellectual Property Management Office
NIPP	Natural Indigenous Products Programme
NMU	Nelson Mandela University
NSI	National System of Innovation
OTT	Office of Technology Transfer
PFMA	Public Finance Management Act
PLA	Polylactic Acid
POC	Point of Care
R&D	Research and Development
RDI	Research, Development, and Innovation
RMSC	Risk Management Steering Committee
SA	South Africa
SABDI	South African BioDesign Initiative
SAIW	South African Innovation Week
SAHPRA	South African Health Products Regulatory Authority
SAMRC	South African Medical Research Council
SARS	South African Revenue Services
SBIR	Small Business Innovation Research
SBRI	Small Business Research and Innovation
SCM	Supply Chain Management
SET	Science, Engineering and Technology
SETA	Sector Education Training Authority
SFP	Seed Fund Programme
SIH	Space Infrastructure Hub
SIIP	Strategic Industrial Bio-innovation Programme
SIP	Strategic Innovation Programmes
SME	Small and Medium Enterprise
SMME	Small, Medium and Micro Enterprise
STI	Science, Technology and Innovation
TADF	Technology Acquisition and Deployment Fund
TBP	TIA Bioprocessing Platform
TIA	Technology Innovation Agency
TICP	Technology Innovation Cluster Programme
TPP	Technology Platforms Programme
TSP	Technology Stations Programme
TUT	Tshwane University of Technology
TVET	Technical and Vocational Education and Training
UCT	University of Cape Town
UFS	University of the Free State
UJ	University of Johannesburg
UK	United Kingdom
UNIDO	United Nations Industrial Development Organisation
UP	University of Pretoria
UTF	University Technology Fund
UWC	University of the Western Cape
WIL	Work integrated Learning
WIPO	World IP Organisation
WITP	Women Technology and Innovation Programme
YTIP	Youth Technology and Innovation Programme

2. THE TIA BOARD



Mr Loyiso Tyira
Chairperson



Dr Titus Mathe
CEO



Mr Thulani Tshabalala



Ms Bojane Segooa



Mr Vukile Hlongwa



Ms Kholiwe Makhohliso



Ms Mathapelo Mzizi



Mr Lwazi Koyana



Ms Anita Nel

3. FOREWORD BY THE CHAIRPERSON



> **The successful implementation of TIA 2.0 will strengthen governance and organisational capabilities.**

The year under review represents a significant milestone in the Agency's history, marking **15 years of advancing STI** in support of South Africa's socio-economic development. It also marks the first year of implementing the **2025–2030 Strategic Plan,** a new strategic cycle that positions TIA to deliver greater impact through **TIA 2.0**. The Board is encouraged by the progress made in repositioning the Agency as a more programmatic, ecosystem-oriented and high-impact national innovation agency.

The year was one of celebration and reflection. While commemorating 15 years of TIA's contribution to South Africa's innovation landscape, the Board was deeply saddened by the passing of two esteemed Board members, **Dr Renee Thompson** and **Professor Keolebogile ("Keo") Shirley Motaung.** Both served the Agency with distinction, bringing exceptional expertise, wisdom, and unwavering commitment to strengthening governance and advancing TIA's strategic mandate. Their invaluable contributions to the Agency and the broader NSI have left a lasting legacy. On behalf of the Board and Management, I extend our heartfelt condolences to their families, friends, and colleagues. They will be remembered with deep respect, gratitude, and appreciation for their dedicated service to TIA and the people of South Africa.

Despite a constrained fiscal environment and increasing demands on the NSI, the Agency achieved **24 of its 28 annual performance targets**, representing an overall performance achievement of **86%**. The Board is satisfied that management remained focused on delivering against the Agency's mandate while maintaining sound governance, accountability and prudent stewardship of public resources.

During the year, the Agency recorded several notable achievements, including the successful resolution of the **KAPA Biosystems settlement,** the establishment of new **Strategic Innovation Programmes**, the operationalisation of the **Institutional Early-Stage Fund of Funds**, and the successful hosting of the **inaugural SAIW**, which strengthened collaboration across government, academia, industry and investors. These achievements demonstrate TIA's continued commitment to transforming research and innovation into tangible socio-economic impact for South Africa.

The Board recognises that innovation is increasingly driven by collaboration and strategic partnerships. TIA continued to strengthen relationships with the DSTI, government institutions, universities, science councils, industry, development finance institutions, investors and international partners. These partnerships remain essential to building a responsive and globally competitive innovation ecosystem capable of translating research into technologies, enterprises and industries that benefit society.

The Board also remained mindful of the challenges facing both the Agency and the broader innovation ecosystem. Fiscal constraints, growing demand for innovation funding, rapid technological change, and the successful implementation of organisational transformation require continued strategic oversight and effective governance. Throughout the year, the Board focused on strengthening governance, overseeing risk management, supporting organisational transformation, and ensuring that the Agency remains financially sustainable and well positioned to execute its mandate.

Looking ahead, the Board's strategic focus will remain on supporting the successful implementation of **TIA 2.0,**



strengthening governance and organisational capability, expanding strategic partnerships, accelerating technology commercialisation, and mobilising greater investment in innovation. These priorities will enable the Agency to maximise its contribution to inclusive economic growth, industrial competitiveness and sustainable socio-economic development.

On behalf of the Board, I extend my sincere appreciation to the Honourable Minister and Deputy Minister of STI, the DSTI, my fellow Board members, the Executive Management team led by **Dr Titus Mathe,** TIA employees, and our many innovators, researchers, entrepreneurs, investors and strategic partners. Your dedication, expertise and commitment continue to strengthen South Africa's innovation ecosystem and advance the Agency's mandate.

As we celebrate **15 years of innovation**, we do so with confidence that the foundations laid during the year under review have positioned TIA for its next phase of growth and impact. The Board remains committed to providing sound governance and strategic leadership as the Agency continues to drive innovation that contributes to a more competitive, inclusive and prosperous South Africa.

Mr Loyiso Tyira
Board Chairperson
Technology Innovation Agency

4. THE EXECUTIVE MANAGEMENT TEAM



Dr Titus Mathe
CEO



Mr Ismail Abdoola
CFO



Mr Patrick Krappie
Executive Innovation Enabling



Mr Dayanandan Naidoo
Acting Executive Commercialisation



Ms Valentine Malevu
Executive Corporate Services



Mr Sibusiso Manana
Acting Executive Bio Economy

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW



> **"Central to our new strategy is the Quadruple Helix Model, which brings together government, industry, academia, and society to accelerate technology commercialisation."**

The **2025/26 financial year marked a defining milestone** in the evolution of the TIA. It represented the **Agency's 15th anniversary, t**he **commencement of the 2025–2030 Strategic Plan,** and the **transition towards scaling up commercialisation of publicly funded research**, positioning TIA as a thought leader that coordinates catalytic, high-impact interventions capable of driving sustainable economic growth, enhancing competitiveness, and delivering greater socio-economic benefits for current and future generations. TIA has also adopted a **more programmatic and ecosystem-oriented delivery approach**. Central to our new strategy is the **Quadruple Helix Model,** which brings together government, industry, academia, and society in a collaborative framework designed to accelerate technology commercialisation and maximise the socio-economic impact of innovation.

During **2025/26,** TIA continued to bridge the gap between research, technology development, and commercialisation, to enable innovation that responds to national priorities while strengthening the country's global competitiveness. Despite operating within a constrained fiscal environment characterised by increasing demand for innovation funding and limited public resources, the Agency delivered a **strong organisational performance, achieving 24 of its 28 annual performance targets (86%),** representing an **8% improvement** compared to **78% achieved in FY2024/25**. This improvement reflects the resilience of the organisation, the commitment of our employees, and our continued focus on strengthening programme delivery, strategic partnerships and organisational performance.

The year was also characterised by **significant organisational transformation** and the introduction of several strategic initiatives. During the year, the Agency approved and advanced a number of **Strategic Innovation Programmes** focusing on **critical minerals, e-mobility, climate technologies, bioeconomy innovation, health innovation, hydrogen innovation, fluorochemicals and agricultural innovation,** while operationalising the **Institutional Early-Stage Fund of Funds** to strengthen access to venture capital for innovative South African enterprises. The successful hosting of the **inaugural** SAIW further reinforced TIA's leadership role in convening the NSI by bringing together government, academia, industry, investors and entrepreneurs to strengthen collaboration, investment and technology commercialisation.

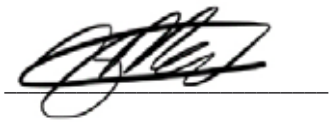
The Agency also successfully concluded the **KAPA Biosystems matter**, resulting in the recovery of **approximately R1.2 billion.** This landmark achievement significantly strengthened TIA's financial position and provides an important opportunity to **accelerate and scale up commercialisation** while expanding investments in strategic national priorities. The achievements of the year would not have been possible without the strategic guidance of the Board, the continued support of the Minister and Deputy Minister of STI, the DSTI, and the dedication of our employees, innovators, researchers, entrepreneurs, investors and strategic partners. I extend my sincere appreciation to all who continue to contribute to advancing South Africa's innovation agenda.



The 2025/26 financial year highlighted both the immense opportunities and the pressing challenges facing the TIA. **Demand for innovation funding continues to far exceed available resources**, while innovators expect **faster funding decisions, improved customer experience, and stronger support to commercialise technologies.** Strengthening collaboration across the NSI, **mobilising greater private sector investment,** and ensuring that innovation translates into **new businesses, quality jobs and inclusive economic growth** remain key priorities. Addressing these challenges requires continued focus on **operational excellence, strategic partnerships and measurable impact** to ensure that TIA delivers greater value to innovators, industry and the people of South Africa.

Internally, the Agency will continue to address operational challenges associated with **turnaround times, organisational capacity, improving organisational efficiency, and the impact of fiscal constraints.** Externally, the Agency will **strengthen partnerships and leverage external funding** to maximise the impact of TIA's work.

As we enter the 2026/27 financial year, our focus is clear: to improve operational excellence, accelerate the commercialisation of innovation, strengthen strategic partnerships, mobilise greater investment into technology development, and deliver measurable impact that contributes to South Africa's industrialisation, economic growth and job creation. We remain committed to ensuring that innovation becomes a powerful catalyst for inclusive and sustainable development.



Dr Titus Mathe
Chief Executive Officer
Technology Innovation Agency

6. CHIEF FINANCIAL OFFICER'S OVERVIEW



> **Sustainable national impact is achieved not only through direct funding, but through the Agency's ability to unlock broader ecosystem participation, mobilise additional capital, and maximise the impact of every rand invested.**

The **2025/26 financial year represented a defining milestone** in the evolution of the TIA, characterised by **strong financial stewardship, organisational resilience, and significant progress in positioning the Agency to deliver on the ambitions of the TIA 2.0 strategy.** During a period of **fiscal constraint and increasing demand for innovation funding,** the Agency maintained its commitment to **sound financial management** while ensuring that resources were strategically directed towards initiatives that advance **innovation, technology commercialisation, and socio-economic development in South Africa.** The year demonstrated not only the Agency's ability to safeguard public resources but also its capacity to **leverage financial strength** in support of a more ambitious and catalytic role within the NSI. The Agency reported a surplus of approximately R1.17 billion and ended the year with cash and cash equivalents of approximately R1.85 billion, significantly strengthening its financial position and long-term sustainability.

As TIA advances the implementation of its **2025–2030 Strategic Plan** and **TIA 2.0,** financial management is increasingly focused on enabling the Agency's transition **from a traditional innovation funder to an Innovation enabler, orchestrator, and catalyst of innovation across the** NSI. This strategic repositioning requires a financial model that not only safeguards sustainability and compliance but also supports greater collaboration, ecosystem enablement, capital mobilisation, and innovation financing leverage. Accordingly, the Agency's financial strategy is increasingly centred on unlocking partnerships, crowding in investment, and deploying capital to maximise developmental impact, while maintaining the highest standards of governance and accountability.

Throughout the year, management maintained **a disciplined approach to financial planning, expenditure management, risk management, and financial governance.** Compliance with the **Public Finance Management Act (PFMA), National Treasury Regulations, and Generally Recognised Accounting Practice (GRAP)** remained a cornerstone of the Agency's financial management framework. Continuous improvements in internal controls, financial oversight, forecasting, and accountability mechanisms further strengthened the Agency's governance environment and its ability to support strategic decision-making. These efforts contributed to **maintaining stakeholder confidence** while ensuring that resources were used efficiently and effectively in pursuit of the Agency's mandate.

A **defining event during the year** was the successful resolution of the **KAPA Biosystems matter,** resulting in the recovery of **approximately R1.2 billion.** While this significantly strengthened the Agency's balance sheet and liquidity position, the strategic significance of the recovery extends well beyond the financial outcome itself. The recovery created a unique opportunity to accelerate the implementation of TIA 2.0 and strengthen the long-term sustainability and impact of the NSI. Management, together with the Board and shareholder representatives, has been deliberate in ensuring that these resources are **not viewed as a one-off financial gain, but as strategic capital** to strengthen innovation financing and unlock future economic value.

In line with this strategic intent, the Agency **approved and contracted commitments totalling approximately R1.5 billion** during the year to strengthen the NSI, expand access to innovation funding, and accelerate technology commercialisation. These commitments support **catalytic innovation programmes, strategic investment initiatives, ecosystem development interventions, and funding mechanisms** designed to leverage additional public- and private-sector participation in innovation. Rather than focusing solely on funding individual innovation projects, TIA is increasingly directing resources towards initiatives that crowd in private investment, develop innovative financing models, build innovation capabilities, and strengthen commercialisation pathways. This approach reflects a fundamental principle of TIA 2.0: sustainable national impact is achieved not only through direct funding but through the Agency's ability to unlock broader ecosystem participation, mobilise additional capital, and maximise the impact of every rand invested.

During the year, TIA continued to fulfil its core mandate through the deployment of **more than R557 million**



in project funding across its portfolio of innovation programmes and initiatives. These investments supported **innovators, technology developers, entrepreneurs, and high-growth enterprises** operating across key sectors of the economy. Through its funding instruments and support programmes, the Agency continued to assist technologies in progressing along the innovation value chain, **from research and development to market entry and commercialisation.** These investments contribute directly to **strengthening South Africa's innovation pipeline and enhancing knowledge-based economic growth.**

A **central pillar of the TIA 2.0 strategy** is the Agency's ability to leverage partnerships to amplify the impact of public funding. During the year, TIA continued to strengthen relationships with government departments, development finance institutions, private investors, venture capital partners, academic institutions, and international collaborators. These partnerships enabled the Agency to **mobilise additional resources, extend the reach of innovation funding, and increase opportunities for innovators to access markets, expertise, and capital.** The Agency remains committed to **increasing the leverage achieved through public investment** and strengthening its role as a catalyst within the innovation ecosystem.

Supply Chain Management continued to play an important role in supporting **organisational effectiveness, compliance, and value creation.** Management remained focused on **strengthening procurement planning, enhancing contract management, and improving procurement governance** to ensure that resources were used efficiently and transparently. Continuous improvement initiatives were implemented to support **operational effectiveness, reduce risk, and reinforce public confidence** in the Agency's stewardship of public resources.

The Agency also continued to strengthen its financial reporting environment through the implementation of GRAP 104 on Financial Instruments. The adoption of the standard has enhanced the Agency's approach to the classification, measurement, and impairment assessment of financial assets, strengthening the quality, transparency, and reliability of financial reporting. These enhancements form part of the Agency's broader commitment to continuous improvement in governance, risk management, and financial accountability.

Looking ahead, **TIA's financial strategy** will focus on **balancing sustainability, impact, and growth.** Particular emphasis will be placed on the **successful execution of the R1.5 billion in strategic commitments,** the continued implementation of TIA 2.0, the mobilisation of additional public- and private-sector capital, and the expansion of catalytic innovation financing mechanisms. Through these interventions, the Agency seeks to maximise the developmental impact of available resources, strengthen the innovation ecosystem, and accelerate the commercialisation of South African technologies. The Agency remains committed to creating a **more sustainable, responsive, and impactful innovation funding landscape** that supports national priorities while contributing to **economic growth, competitiveness, and job creation.**

The Agency enters the next phase of its journey f**rom a position of financial strength,** supported by sound governance, a strengthened balance sheet, and a clear strategic direction. We remain committed to ensuring that the resources entrusted to the Agency are **managed responsibly and deployed in a manner that creates lasting value** for innovators, industry, government, and society.

I extend my sincere appreciation to the Board, the Audit and Risk Committee, Executive Management, the Finance Team, Internal Audit, the external auditors, the DSTI, National Treasury, and all our partners and stakeholders for their continued support, professionalism, and commitment to strengthening innovation through sound financial governance and the responsible stewardship of public resources.

Ismail Abdoola

Mr Ismail Abdoola
Chief Financial Officer

7. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements (AFS) audited by the external auditor.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.
- The AFS (Part F) have been prepared in accordance with GRAP standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the AFS and for the judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the AFS.
- The external auditors are engaged to express an independent opinion on the AFS.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the entity for the financial year ended 31 March 2026.

Dr Titus Mathe
Chief Executive Officer

Mr Loyiso Tyira
Board Chairperson



8. STRATEGIC OVERVIEW

TIA was established to promote, in the public interest, the development and utilisation of discoveries, inventions, innovations, and improvements. The objective of the Agency is to support the state in stimulating and intensifying technological innovation to improve economic growth and the quality of life of all South Africans.

The Agency's 2025–2030 Strategic Plan seeks to position it within the NSI through the pursuit of three outcomes:



OUTCOME 1

Intensified commercialised innovations in support of inclusive economic growth, sustainable development and transformation

TIA aims to commercialise economically sustainable innovations so that they have a positive impact on the lives of all South Africans. The Agency seeks to direct a greater proportion of its resources towards the translation and commercialisation of intellectual property (IP) emanating from publicly funded organisations, such as universities and science councils. The Agency's progress towards achieving Outcome 1 during the 2025–2030 Strategic Plan period will be tracked by reporting on the number of technologies commercialised annually.



OUTCOME 2

Enabling and strengthening the innovation ecosystem

The TIA aims to create a conducive innovation ecosystem that stimulates and supports innovation. The Agency is responsible for developing and implementing instruments that create an enabling environment for innovation through a whole-of-society approach, thereby supporting a coherent and inclusive NSI. The Agency seeks to strengthen its Innovation enablement role in the NSI by ensuring that the system is optimised for innovation.

The Quadruple Helix Model approach to innovation will be implemented to bolster this role. This model recognises four major factors in the innovation system: science, policy, industry, and society. TIA seeks to develop an innovation compact, strengthen relationships with higher education institutions and science councils, build partnerships across the economy, and support previously unsupported innovators. To track its progress towards achieving Outcome 2 during the 2025–2030 Strategic Plan period, the Agency will report on the number of SMMEs receiving Science, engineering and technology (SET) support that are sustainable.



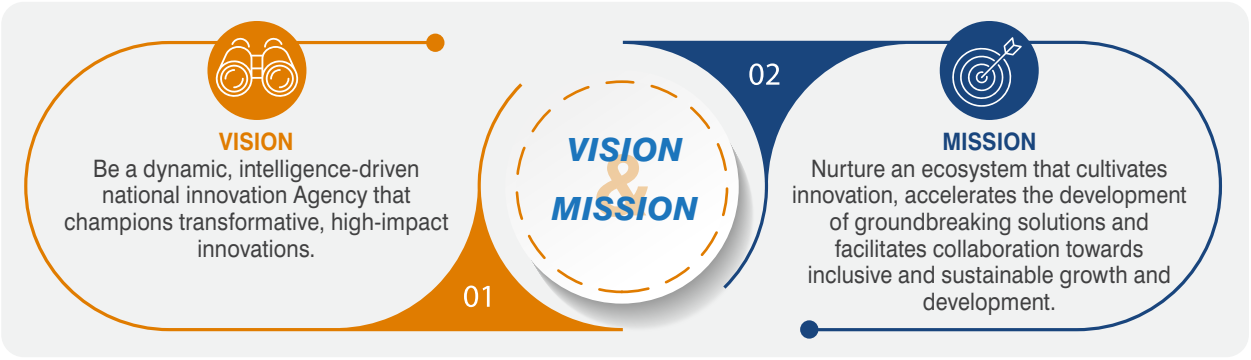
OUTCOME 3

A more capable, scaled-up, agile and sustainable TIA supporting a capable state

This outcome focuses on building TIA's capacity to improve efficiency and increase its impact. It is informed by the broad framework developed for TIA 2.0. The roadmap towards TIA 2.0 involves three phases: Consolidate, Grow, and Scale. The Consolidate Phase aims to strengthen the Agency's capabilities, improve operational effectiveness, and support its long-term sustainability, including reducing its dependence on the fiscus.

Outcome 3 seeks to provide an effective and efficient enabling environment in which TIA can realise its strategies by providing systems, processes, people, and human and financial resources, in accordance with good corporate governance, legislative requirements, and risk management practices. This outcome also seeks to help the government establish a capable, developmental state by deploying cutting-edge innovations in government departments to improve service delivery to citizens.

TIA's vision, mission, and values are as follows:



VALUES

TIA has a set of six core values that guide the organisational culture and inform the ways in which the Agency engages all stakeholders internally and externally. The core values are foundational to the culture and strategic direction of TIA 2.0. TIA values are as follows:



PEOPLE-CENTRIC

This value emphasises interpersonal relationships and fostering a supportive, empathetic and psychologically safe work environment. Respect and trust form the foundation, while collaboration and teamwork highlight collective effort. Inclusivity and mentorship suggest a commitment to diversity and growth, and mindfulness and authenticity add depth by prioritising genuine self-aware interactions.

EXCELLENCE

This value focuses on efficiency, adaptability and delivering quality outcomes. Professionalism and high levels of performance set a standard of excellence, while agility and flexibility reflect responsiveness to change. Seamless systems and service orientation prioritise smooth user-focused processes that drive the TIA to being a modernised organisation that provides consistent, predictable and quality products and services.

ANSWERABILITY

This value centres on ethical behaviour, responsibility and accountability. Integrity and transparency ensure honesty and openness, good governance establishes structured accountability, and stewardship reflects a duty to manage resources and relationships responsibly. Answerability indicates the TIA's commitment to being answerable to its beneficiaries, customers, stakeholders, partners and shareholder.

PIONEERING

This value emphasises progress and intellectual advancement. Innovation drives creative problem-solving and commitment to cutting-edge solutions; continuous learning and improvement foster adaptability and a focus on being a learning organisation; and thought leadership positions the entity as forward thinking, leading the way in how innovation is enabled and commercialised.

RESPONSIVE

This value highlights the importance of the TIA's focusing on its customers, stakeholders and partners and the role it plays in the NSI. Customer focus prioritises user needs and quality service; partnerships emphasise the significance of collaboration in respect of delivery, funding and joint programmes. Communication ensures clarity and connection across all interactions and the promotion of the TIA brand both locally and globally as the trusted partner in all matters innovative.

SUSTAINABILITY

This value sharpens the organisation's focus on delivering solutions that are sustainable in its environmental and societal impact. It means meeting current needs while ensuring longer-term viability by promoting long-term benefits together with short-term gains. Governance showcases the organisation's commitment to compliance, risk management and resilience through practices that respect TIA staff, stakeholders and the communities that the Agency serves.

9. LEGISLATIVE AND OTHER MANDATES

TIA's mandate is derived from the provisions of the TIA Act (No. 26 of 2008),[1] which establishes TIA as an agency to promote the development and exploitation, in the public interest, of discoveries, inventions, innovations, and improvements. TIA's objective is to support the state in stimulating and intensifying technological innovation that improves economic growth and the quality of life of all South Africans.



1 As amended by the Science and Technology Laws Amendment Act (No. 7 of 2014) and the Science and Technology Laws Amendment Act (No. 9 of 2020), with effect from 1 April 2021.

10. ORGANISATIONAL STRUCTURE

The TIA's Board-approved organisational structure as at 31 March 2026 is illustrated below.

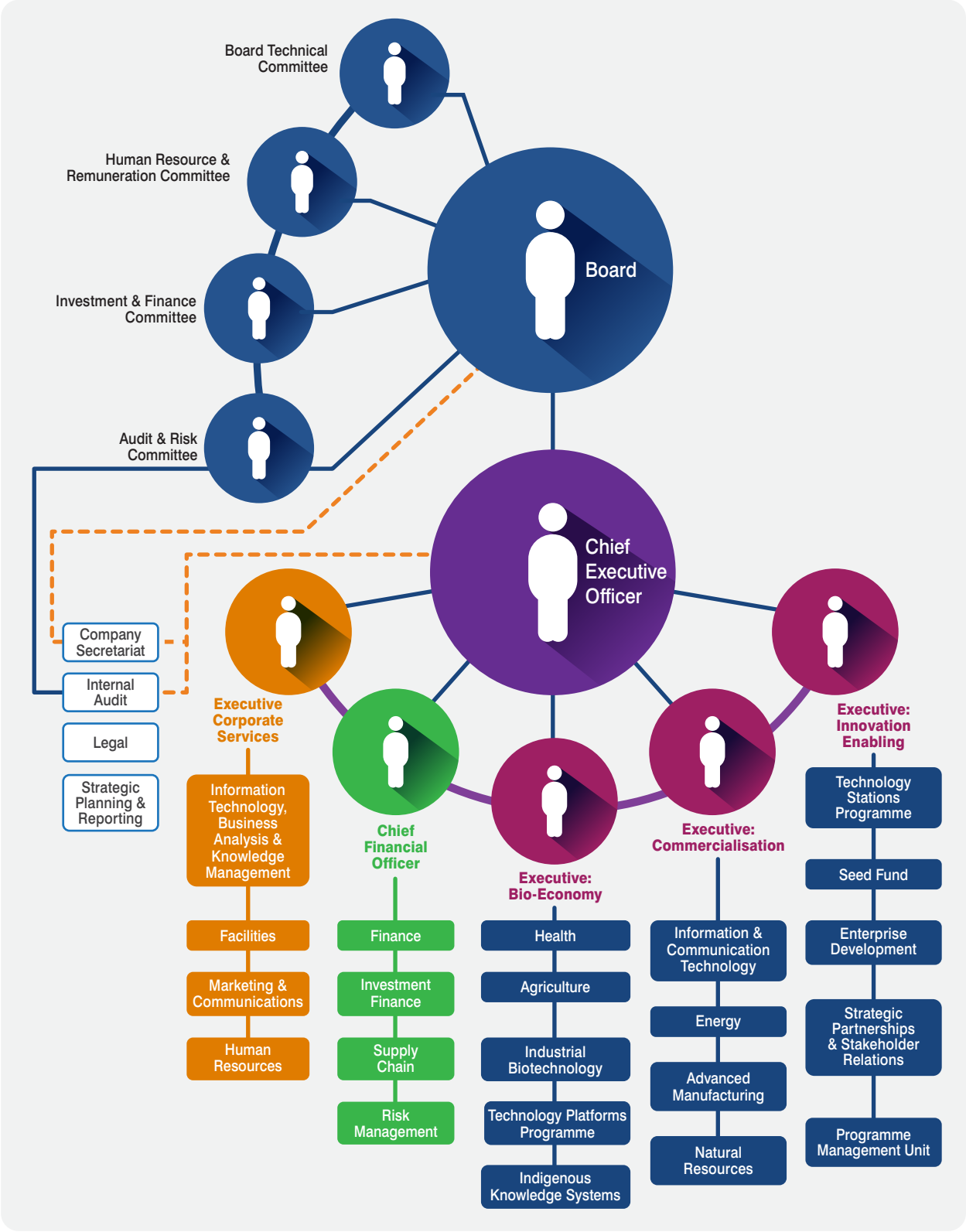


Figure 11: TIA's organisational structure


SMART FARM
Agricultural technology to increase the quantity and quality of production By using resources to benefit and reduce environmental impacts.
FARMING DATA



PART B
PERFORMANCE INFORMATION

11. EXTERNAL AUDITOR'S REPORT AGAINST PRE-DETERMINED OBJECTIVES

The external auditor currently performs certain audit procedures on the performance information. The level of assurance provided may be reasonable (an opinion) or limited (a conclusion) or none (findings) as pre-determined by the Auditor-General of South Africa. Assurance in the form of an audit opinion or conclusion on the usefulness and reliability of the reported performance information is currently included in the management report. Material findings are reported in the auditor's report.

Refer to section 38 for the external auditor's report published in Part F: Financial Information.

12. PERFORMANCE OVERVIEW

12.1 SERVICE DELIVERY ENVIRONMENT

The TIA achieved a year-end output performance of 86%, delivering 24 of its 28 performance indicators during a landmark year that marked 15 years of advancing innovation, technology development, and commercialisation in South Africa. This milestone provided an opportunity to reflect on the Agency's contribution to strengthening the NSI and supporting the government's priorities of inclusive economic growth, industrialisation, job creation, and socio-economic transformation. Over the past 15 years, TIA has established itself as a key enabler of innovation-led development, supporting the translation of research and technological innovation into commercially viable products, services, and enterprises that create both economic and social value.

The service delivery environment during the year under review remained complex and challenging. South Africa continued to grapple with persistent unemployment, poverty, and inequality, while fiscal constraints and competing demands on public resources placed increasing pressure on innovation funding and support mechanisms. At the same time, the accelerating pace of technological advancement, digital transformation, the global energy transition, and the growing imperative for sustainable development reinforced the importance of innovation as a strategic driver of economic competitiveness, resilience, and long-term prosperity. These priorities were echoed in the 2026 State of the Nation Address, in which President Cyril Ramaphosa highlighted inclusive growth, job creation, industrialisation, and investment in the digital and green economy as critical enablers of South Africa's future development and global competitiveness.

Against this backdrop, TIA continued to play a catalytic role across the innovation value chain by supporting the development, demonstration, diffusion, and commercialisation of technologies across priority sectors of the economy. Through strategic investments, ecosystem partnerships, technology platforms, and targeted innovation support interventions, the Agency continued to bridge the gap between knowledge generation and commercial application, enabling innovators, entrepreneurs, and enterprises to transform ideas into market-ready solutions capable of addressing societal challenges while contributing to economic growth and industrial development.

A defining feature of the year was the continued advancement of the TIA 2.0 Initiative, a strategic transformation programme aimed at repositioning the Agency as a more programmatic, ecosystem-oriented, and high-impact national innovation agency. The initiative reflects a deliberate shift towards a more integrated and collaborative approach to innovation support, with a stronger focus on ecosystem development, scaled impact, and responsiveness to national priorities. Significant progress was made in developing a new Corporate Strategy, business model, operating model, and Implementation Roadmap, laying the foundation for a more agile, efficient, and future-ready organisation capable of maximising the impact of public investment in innovation.

As noted by the Board Chairperson, Mr Loyiso Tyira, during the commemoration of TIA's 15th anniversary, the Agency remains focused on supporting innovation that responds to South Africa's developmental challenges while positioning the country for greater global competitiveness. This commitment continues to guide the Agency's efforts to strengthen the NSI, foster strategic partnerships, and support technologies that have the potential to create new industries, generate employment opportunities, and improve the quality of life of South Africans.

The year under review therefore represented both a celebration of TIA's achievements over the past 15 years and a pivotal step towards its future. Through the continued implementation of TIA 2.0, the Agency is laying the foundation for a more integrated, collaborative, and impact-driven innovation ecosystem that will accelerate technology commercialisation, strengthen economic competitiveness, and contribute to a more inclusive and sustainable South African economy.

12.1.1 INDEPENDENT OUTCOME AND IMPACT EVALUATION: VALIDATING TIA'S CONTRIBUTION TO INNOVATION-LED DEVELOPMENT

Innovation creates value that extends far beyond individual technologies. It strengthens industries, enables entrepreneurs, improves public services, and builds national capability. During the year under review, an independent Outcome and Impact Evaluation confirmed TIA's significant contribution to these outcomes, while providing valuable insights to guide the Agency's next phase of growth under TIA 2.0.

INDEPENDENT EVIDENCE OF IMPACT

As part of its commitment to continuous improvement, accountability, and evidence-based decision-making, the TIA commissioned **DNA Economics** to undertake an independent **Outcome and Impact Evaluation** covering the period from **2019/20 to 2023/24**. The evaluation assessed the Agency's contribution to innovation, economic development, and societal outcomes, while benchmarking TIA against leading international innovation agencies and identifying opportunities to strengthen its future impact. The assessment applied internationally recognised OECD-DAC evaluation criteria and drew on an extensive evidence base, including stakeholder interviews, investee surveys, international benchmarking, and detailed case studies.

The independent evaluation confirms that TIA continues to fulfil a strategic and catalytic role within South Africa's NSI. Through its integrated innovation support model, the Agency provides strategic funding, specialised technical expertise, and commercialisation support to de-risk high-potential, early-stage technologies, enabling them to progress from research and development to commercial viability. In doing so, TIA addresses critical financing and capability constraints within the innovation ecosystem, unlocking opportunities for follow-on investment, industrialisation, and market adoption. The evaluation concludes that the Agency remains well aligned with national development priorities and continues to make a meaningful contribution to strengthening South Africa's innovation ecosystem, enhancing technology commercialisation, and supporting inclusive, innovation-led economic growth.

INNOVATION CREATING MEASURABLE VALUE

The evaluation found that TIA generated substantial innovation outputs and outcomes during the evaluation period. Against direct investments of approximately **R2.5 billion**, the Agency leveraged approximately **R3.74 billion** in additional funding, demonstrating its ability to mobilise significant public- and private-sector investment in innovation. During the same period, **256 technologies were commercialised**, while sustained improvements were recorded in product development, technology transfer, knowledge outputs, strategic collaborations, and technology diffusion. The evaluation further recognised TIA's contribution to strengthening innovation capabilities, supporting technology-based enterprises, and expanding participation by women, youth, and historically disadvantaged innovators.

Importantly, the evaluation notes that the true value of innovation extends beyond the number of technologies developed or commercialised. TIA's investments have strengthened South Africa's research capability, expanded innovation infrastructure, fostered collaboration among universities, science councils, industry, and government, and created stronger pathways for translating publicly funded research into commercially viable products, technologies, and services. These systemic investments are expected to generate increasing economic and social returns as supported technologies continue to mature and reach commercial scale.

MEASURING IMPACT BEYOND NUMBERS

Recognising that innovation outcomes often materialise over an extended period, the evaluation complemented quantitative analysis with detailed case studies to understand how TIA investments translate into real-world impact. These case studies demonstrate that the Agency's support extends well beyond financing innovation; it enables technologies that improve healthcare, strengthen food security, promote environmental sustainability, increase industrial competitiveness, and create new economic opportunities.

The evaluation found that technologies supported by TIA are improving lives across multiple sectors. In healthcare, innovations are expanding access to affordable diagnostics, advanced medical devices, and locally developed treatment solutions. In agriculture, supported technologies are improving productivity, strengthening food security, and enabling more sustainable farming practices. Industrial technologies are enhancing manufacturing competitiveness, reducing resource consumption, and supporting the transition towards a greener economy. Digital and AI solutions are improving operational efficiency across the public and private sectors, while Indigenous Knowledge-based innovations are creating new opportunities for inclusive economic participation and the commercialisation of locally developed IP. These case studies provide compelling evidence that TIA investments are translating scientific research into practical solutions that address South Africa's developmental priorities.

EMPLOYMENT AND ECONOMIC DEVELOPMENT

The evaluation also examined TIA's contribution to employment creation. While recognising that direct job creation is not the Agency's primary mandate, it found evidence that supported technologies contribute to employment growth as innovations mature and businesses scale. Available case study evidence estimates that approximately **258 direct jobs** and **1,672 indirect jobs** were created through the evaluated projects, while one Seed Fund investment alone generated **148 jobs** from an investment of **R63 million.** The evaluation concludes that TIA's greatest contribution lies in laying the foundations for long-term employment creation by enabling technology commercialisation, enterprise growth, and industrial development, rather than generating immediate, short-term jobs.

LEARNING TO STRENGTHEN FUTURE IMPACT

Beyond validating the Agency's achievements, the evaluation provides valuable strategic insights that are already informing the implementation of TIA 2.0. **Recommendations** include strengthening commercialisation and scale-up support, improving progression pathways between funding instruments, enhancing monitoring and evaluation systems, accelerating digitalisation, and expanding ecosystem partnerships to improve access to follow-on finance and markets. These recommendations reinforce TIA's

strategic shift towards becoming a more programmatic, ecosystem-oriented, and impact-driven innovation agency capable of delivering greater socio-economic value.

LOOKING AHEAD

The Outcome and Impact Evaluation provides strong independent evidence that TIA continues to create value for South Africa by strengthening the innovation ecosystem, enabling technology commercialisation, and supporting innovation-led development. More importantly, it confirms that innovation is a long-term investment whose benefits extend beyond individual projects to strengthen industries, build institutional capability, improve public service delivery, and create opportunities for future generations. As TIA enters the implementation phase of TIA 2.0, the findings of the evaluation provide an important evidence base for continuously improving the Agency's effectiveness and maximising the impact of public investment in STI.

12.2 ORGANISATIONAL ENVIRONMENT

12.2.1 TIA 2.0 INITIATIVE

During the year under review, the Agency made significant progress in advancing the TIA 2.0 Initiative. Building on the strategic reconfiguration undertaken in the previous year, the focus during the 2025/26 financial year shifted from strategy development to implementation readiness, with particular emphasis on establishing the institutional foundations required to support the Agency's long-term transformation and enhance its contribution to South Africa's innovation and development agenda.

A major milestone achieved during the year was the finalisation and approval of the TIA 2.0 Corporate Strategy, Business Model, and Implementation Roadmap. Collectively, these foundational instruments provide a clear strategic direction for the Agency over the next decade and establish a structured pathway for strengthening organisational effectiveness, enhancing ecosystem co-ordination, mobilising additional resources, and maximising the socio-economic impact of innovation investments. The approved Implementation Roadmap further provides a phased approach to transformation through the Consolidate, Grow, and Scale stages of the TIA 2.0 journey.

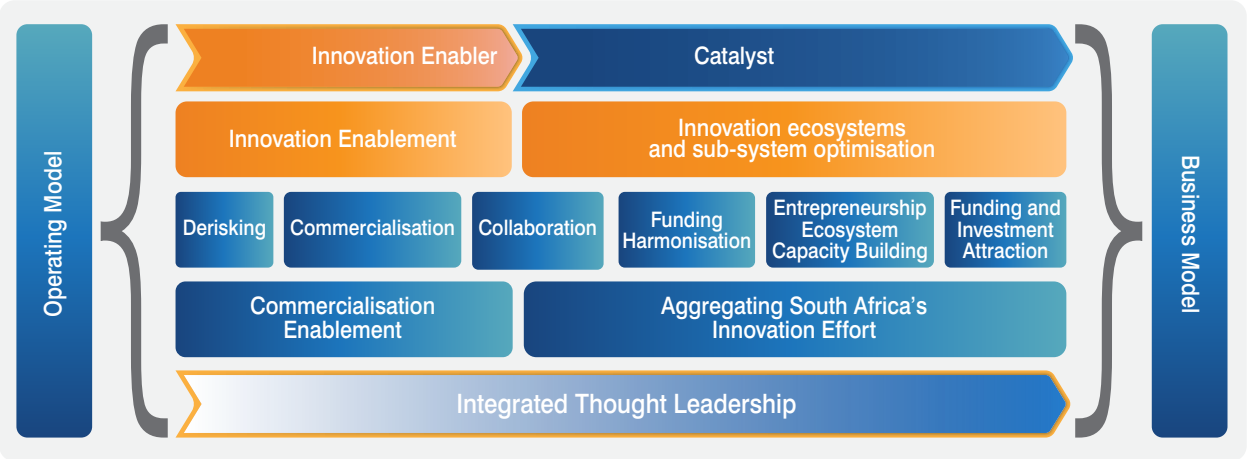


Figure 12: Innovation enabler Role Continuum and Value Proposition Enhancement



As illustrated in Figure 12, TIA 2.0 envisages an evolution in the Agency's value proposition and role within the NSI. While TIA will continue to perform its core function as an innovation enabler through technology de-risking, commercialisation support, and the facilitation of access to markets and investment, the Agency will increasingly assume the role of a thought leader within the NSI. This expanded role positions TIA as a strategic ecosystem orchestrator responsible for catalysing high-impact interventions, fostering collaboration, strengthening partnerships, harmonising innovation funding efforts, supporting the development of the entrepreneurship ecosystem, facilitating capacity-building, and attracting investment into innovation-driven enterprises and sectors.

The enhanced business model recognises that achieving greater innovation impact requires more than supporting individual technologies and enterprises. It requires a co-ordinated and high-performing innovation ecosystem capable of aggregating South Africa's innovation efforts, leveraging resources across institutions, and addressing systemic barriers to innovation and commercialisation. Accordingly, TIA 2.0 places greater emphasis on ecosystem optimisation, collaboration, and integrated thought leadership as key mechanisms for strengthening innovation system performance and improving development outcomes.

The approved operating and business models therefore position the Agency to evolve from a predominantly funding-focused institution towards a strategic catalyst, convenor, and thought leader within the NSI. Through this approach, TIA seeks to strengthen its ability to influence innovation outcomes at scale, facilitate greater public- and private-sector participation, and support the emergence of new industries, enterprises, and technologies that contribute to economic growth, industrial competitiveness, and societal wellbeing.

The progress achieved during 2025/26 represents a significant milestone in TIA's transformation journey. With the Corporate Strategy, Business Model, and Implementation Roadmap now approved, the Agency is well positioned to commence implementation of the Consolidate Phase in 2026/27. The focus during the coming year will be on embedding the new operating and business models, driving organisational change and capability development, strengthening strategic partnerships, implementing priority transformation initiatives, and establishing the governance, systems, and performance mechanisms required to realise the long-term objectives of TIA 2.0. These efforts will lay the foundation for the subsequent Grow and Scale phases and support the Agency's ambition of becoming a leading innovation ecosystem enabler and catalyst for innovation-led socio-economic development in South Africa.

12.2.2 OPERATIONAL STRUCTURE

The organisational structure remains unchanged, with an approved establishment of 193 positions. The 2025/26 financial year marks the beginning of the 2025 – 2030 strategic planning cycle.

This transition from the previous strategic period provides an opportunity to align future planning processes with the new strategic direction, ensuring responsiveness to emerging priorities and critical environmental changes, and supporting the organisation's continued evolution and improved impact.

12.2.3 OPERATING ENVIRONMENT

In response to internal and external forces shaping the innovation landscape, the Agency recognised that the successful implementation of TIA 2.0 requires not only strategic and operational transformation but also a deliberate shift in organisational culture. Accordingly, TIA continued to advance its cultural transformation journey as part of its long-term commitment to building an agile, collaborative, and high-performing organisation capable of supporting its evolution into a programmatic, ecosystem-oriented, and high-impact national innovation agency.

To support the implementation of TIA 2.0, the Agency appointed Ernst & Young (EY) to assist with the development of business processes and the refinement of the organisational design required to support the TIA 2.0 Corporate Strategy. Through extensive stakeholder consultations, leadership engagements, organisational assessments, and change-management interventions, EY will support the Agency in defining its future-state positioning within the NSI and identifying the organisational capabilities, governance arrangements, and operating requirements necessary to deliver on its enhanced mandate.

The transformation process also provided an opportunity to review organisational values, business processes, operational efficiencies, and organisational readiness to ensure alignment with the strategic objectives of TIA 2.0. The outcome of this work informed the finalisation and approval of the TIA 2.0 Corporate Strategy, Business Model, and Implementation Roadmap, providing a clear blueprint for the Agency's transformation over the next decade.

Collectively, these initiatives have established a strong foundation for organisational transformation and enhanced implementation readiness. In 2026/27, the Agency will commence implementation of the Consolidate Phase of TIA 2.0, focusing on embedding the new business and operating models, strengthening organisational capabilities, driving change enablement, and implementing priority initiatives that will position TIA for greater impact, sustainability, and ecosystem leadership.

12.2.4 CUSTOMER SERVICE AND QUALITY MANAGEMENT

In pursuit of service excellence, the organisation reinforces customer responsiveness through clearly defined processes for complaint handling and escalation, promoting trust, efficiency, and continuous improvement in service delivery.

Customer service is grounded in our core values of customer-centricity, transparency, and responsiveness. Our structured Customer Relationship Management system ensures that all customer interactions, including enquiries, applications, and complaints, are recorded, tracked, and managed to support accountability and timely resolution. The customer portal further enhances visibility by providing real-time updates on the progress and status of each case. Customers are also kept informed throughout the process through structured communication channels.

We aim to deliver a positive customer experience throughout the TIA customer journey. Further service improvements will be driven through digitisation and the automation of business processes.

12.2.5 SYSTEMS AND PROCESSES

The organisation's business systems and processes are designed to support integrated, efficient, and strategically aligned operations in fulfilment of its mandate. A business process management approach was adopted to drive end-to-end integration across key functional areas, with a focus on removing inefficiencies, eliminating bottlenecks, and continuously improving operational effectiveness. In support of digital transformation, process automation remains a key enabler of improved productivity and faster turnaround times. Accordingly, digitalisation initiatives were prioritised and implemented during the year under review to enhance business efficiency. The organisation has also initiated a business process re-engineering project to review current processes and identify improvements that will support the achievement of TIA 2.0.

The technology stack includes functional applications, collaboration platforms, digital content management, and business intelligence tools that support operational management, with ongoing enhancements to optimise business excellence.

Within the TIA 2.0 operating model, processes and systems should be integrated through structured co-ordination to improve automation, streamline service delivery, and strengthen organisational agility. This will position the organisation as a strategic enabler within the NSI. Achieving this requires a proactive approach that embeds business capabilities into technology and transforms TIA's operations. The IT digital maturity assessment will evaluate current systems and technologies to identify digitisation opportunities and ensure that fit-for-purpose solutions are implemented to support operations during the 2026/27 financial year.

The digital landscape is evolving rapidly, bringing new challenges and necessitating stronger organisational defences. Cyber threats are becoming more sophisticated, requiring the organisation to strengthen its security defences across its network, people, and user devices to build resilience across the business. Various control measures were continually deployed during the year to protect and safeguard business assets, including staff awareness and training.

12.2.6 BRAND VISIBILITY

The TIA 2020–2025 Strategic Plan identified brand visibility as one of the Agency's key focus areas. During the reporting period, the Marketing and Communications Business Unit continued to play a strategic role in advancing the Agency's mandate by strengthening stakeholder engagement, enhancing brand visibility, and amplifying the impact of innovation across South Africa.

Marketing and Communications

TIA 15-year anniversary campaign

The 2025/26 financial year marked a significant milestone in the TIA's journey as the organisation celebrated 15 years of supporting innovation in South Africa. The Marketing and Communications Business Unit played a central role in conceptualising, co-ordinating, and delivering the Agency's 15th anniversary campaign under the theme '15 years of supporting innovation'. The theme reflected TIA's enduring commitment to nurturing South African innovators, strengthening the national innovation ecosystem, and transforming ideas into impactful solutions that address socio-economic challenges. Through an integrated communications approach, the business unit led the development and execution of anniversary branding, stakeholder engagement initiatives, media relations, and digital campaigns. These activities showcased a decade and a half of innovation impact, highlighting TIA's contribution to technology development, commercialisation, entrepreneurship, job creation, and economic growth.

The anniversary campaign provided a platform to celebrate the achievements of innovators, entrepreneurs, researchers, partners, and employees who contributed to the Agency's success over the past 15 years. Through storytelling and strategic communications, the business unit amplified the voices and successes of TIA beneficiaries, demonstrating the Agency's role in building a more innovative and competitive South Africa.

The campaign strengthened brand visibility, deepened stakeholder engagement, and reinforced TIA's position as a leading catalyst for innovation. It also provided an opportunity to reflect on the Agency's legacy while inspiring confidence in its future role in advancing inclusive innovation and supporting the next generation of technology-based solutions.

Media relations and thought leadership

The business unit continued to strengthen TIA's reputation and visibility through integrated communication initiatives that positioned the Agency as a leading catalyst for innovation-led growth. Strategic media engagement resulted in increased coverage of TIA programmes, success stories, and thought leadership perspectives, contributing to greater awareness of the Agency's role in supporting technology development and commercialisation.

Opinion pieces by TIA representatives, advertorials in key publications, an outside broadcast on SAfm, and

proactive media engagements were among the key mechanisms used to amplify the TIA story. During the year under review, TIA generated 1,236 media clippings, with an advertising value equivalent of R49,634,581.80. The coverage was led by print media, followed by online, broadcast, and social media.

Most of TIA's media coverage was derived from social, online, print, and broadcast sources. By number of clippings, social media led the coverage, followed by online, print, and broadcast media. Sentiment during the period was predominantly positive, followed closely by neutral sentiment, with no negative sentiment towards the brand recorded during the reporting cycle.

Website

The website is the centrepiece of TIA's digital marketing activities and served as a critical digital information hub during the reporting period. It continued to provide timely, accessible, and structured information on TIA programmes, funding opportunities, application processes, and organisational updates.

Social media

TIA strategy utilises social media platforms to foster stronger connections with its target audiences. By sharing compelling content, the Agency aims to enhance brand recognition and cultivate brand advocacy. TIA's social media platforms continued to demonstrate strong growth during the reporting period, strengthening the Agency's digital presence and expanding engagement with stakeholders across the innovation ecosystem. Through strategic content, impactful storytelling, and targeted campaigns, TIA enhanced the visibility of South African innovators, showcased innovation success stories, and fostered meaningful conversations about technology and innovation.

The effectiveness of this approach was recognised at the PRISM Awards, where TIA, in partnership with the public relations agency Alkemi Collective, received two Bronze Awards for its work in amplifying South Africa's innovation story:

- Bronze – Social Media as a Primary Tool: For growing TIA's digital voice and fostering meaningful online conversations around innovation.
- Bronze – Community Relations: For the TIA Grassroots Innovation, spotlighting innovators at community level and providing a platform for homegrown solutions that create real impact.

These achievements reflect the growing influence of TIA's digital communication platforms as strategic tools for stakeholder engagement, brand-building, and advancing the national innovation agenda.

Staff engagements

Staff engagement remained a key internal communication platform, enabling leadership to share organisational updates, strategic developments, and operational priorities. The sessions strengthened employee engagement, promoted transparency, and ensured that employees remained informed, connected, and aligned with the organisation's evolving strategic journey.

Strategic engagements and events

One of the strategies TIA employs to enhance brand awareness and visibility is participation in strategic partnerships, sponsorships, and events. The Agency hosts, sponsors, and partners in major events to reach broad audiences and enhance brand recognition. Events provide an effective platform for continuous engagement with stakeholders in the NSI, industry, the public sector, and higher education institutions (HEIs).

During the year under review, the Agency hosted or participated in 40 local and international industry events as a strategic partner, sponsor, or participant. These events also attracted innovators and government officials.

12.2.7 OFFICE FACILITIES AND REMOTE WORKING

The Agency maintained a balanced approach to remote working through hybrid work arrangements to ensure operational efficiency, employee wellbeing, and effective service delivery. Office facilities were continuously managed and maintained to provide a safe, functional, and conducive working environment for employees and stakeholder.

Digital communication tools and channels were utilised to ensure employees remained informed, connected, and aligned with the organisation's strategic objectives and annual performance targets.

12.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

During the period under review, there were no major amendments to legislation directly affecting the mandate of the TIA. The NSI continued to operate within the existing legislative framework, while ongoing policy reforms, legislative developments, and implementation processes across key sectors continued to shape the broader innovation and development environment.

The year under review also marked the commencement of a new strategic planning cycle across government, with the DSTI and its entities implementing their 2025–2030 Strategic Plans and 2025/26 Annual Performance Plans (APPs). The Department adopted a renewed strategic focus under the mantra, *'Placing STI at the Centre of Government, Education, Industry and Society'*, signalling a stronger emphasis on positioning science, technology, and innovation as key drivers of economic growth, industrialisation, societal development, and improved public service delivery. Despite operating within a constrained fiscal environment, reflected in a reduction in the DSTI budget from R9.468 billion in 2024/25 to R9.0637 billion in 2025/26, government remains committed to advancing scientific research and technological innovation, and strengthening the NSI.

A significant policy development during the period was the publication of the Integrated Resource Plan 2025 (IRP 2025) in October 2025. The IRP 2025 provides an updated national electricity planning framework that guides South Africa's long-term energy

mix, including the balance among coal, renewable energy, gas, and emerging technologies. The plan reinforces government's commitment to energy security, decarbonisation, and the accelerated deployment of renewable energy infrastructure. This policy direction creates expanded opportunities for innovation in renewable energy technologies, energy-efficiency solutions, smart-grid systems, and associated research and development activities within the NSI.

In the public governance and fiscal environment, the **Public Procurement Act, 2024 (Act No. 28 of 2024)**, continued to progress through phased implementation arrangements, including the development of supporting regulations and systems required for full operationalisation. The Act establishes a consolidated national procurement framework aimed at strengthening transparency, efficiency, transformation, and accountability in public procurement. These reforms are intended to enhance governance, reduce fragmentation, and ensure alignment with the constitutional principles of fairness, equity, transparency, competitiveness, and cost-effectiveness.

Within the innovation policy environment, reforms to South Africa's IP regime also progressed through the proposed **Patents Amendment Bill and Designs Amendment Bill**. These reforms seek to modernise the country's IP framework, strengthen protection for innovators, and facilitate the commercialisation of locally developed technologies. Proposed amendments include the phased introduction of a substantive search and examination system for patents, a novelty grace period, post-grant opposition procedures, the establishment of an administrative tribunal for compulsory licences, and the introduction of utility-model protection aimed at supporting incremental innovation and broadening access to IP protection. The proposed Designs Amendment Bill seeks to strengthen South Africa's design-protection framework and align it with evolving international IP standards and treaties. Collectively, these reforms are expected to enhance the accessibility, quality, and competitiveness of South Africa's IP system, while supporting innovation, technology commercialisation, and economic growth.

In the small enterprise development landscape, the **National Small Enterprise Amendment Act, 2024 (Act No. 17 of 2024)**, continued to support institutional restructuring aimed at improving the co-ordination of enterprise support services, access to finance, and the overall effectiveness of SMME development interventions. These reforms remain directly relevant to TIA's mandate of advancing innovation-driven enterprise development, supporting SMME growth, and enabling the commercialisation of technology-based solutions.

The **Electricity Regulation Amendment Act, 2024 (Act No. 38 of 2024)**, which commenced implementation in January 2025, continues to support structural reform of the electricity sector through the gradual development of a competitive electricity market and increased private-sector participation in electricity generation and transmission infrastructure investment. This reform aligns with government's broader energy transition agenda and continues to drive demand for innovation in renewable energy, energy-storage technologies, and associated enabling systems.

In the water sector, ongoing reforms linked to the **Water Services Amendment Bill** and the establishment of the **South African National Water Resources Infrastructure Agency SOC Ltd** continue to advance efforts to strengthen water-infrastructure planning, improve service delivery, and mobilise innovative financing mechanisms. These reforms aim to enhance long-term water security and infrastructure resilience, while creating opportunities for innovation in water management technologies and systems.

Within the broader NSI, continued emphasis has been placed on digital transformation, AI, and emerging technologies, alongside efforts to strengthen co-ordination, efficiency, and impact across the innovation ecosystem. Government continues to refine policy frameworks in these areas, signalling a gradual shift towards more structured governance of digital technologies, including ethical considerations, responsible innovation, and technology enablement.

The **Decadal Plan for STI (2022–2032)** remains the overarching strategic framework guiding the NSI, with continued emphasis on inclusive economic growth, increased commercialisation of research outputs, technology entrepreneurship, and strengthening the innovation system to enhance South Africa's global competitiveness.

Overall, while no new or materially amended legislation directly affecting the Agency's mandate was enacted during the period under review, the NSI continues to evolve through the implementation of existing legislative reforms, strategic policy priorities, and emerging innovation-focused initiatives that collectively shape the innovation landscape in South Africa.

12.4 PROGRESS TOWARDS ACHIEVING INSTITUTIONAL OUTCOMES

TIA's Strategic Plan 2025–2030 seeks to improve the quality of life of all South Africans through innovation. During the year under review, the Agency continued to advance its mandate within the policy framework of the National Development Plan (NDP) 2030, the Medium-Term Development Plan (MTDP) 2025–2030, the White Paper on STI, and the STI Decadal Plan.

The year under review marked the commencement of the implementation of TIA's new five-year Strategic Plan and the broader TIA 2.0 Corporate Strategy. The strategic direction reflects a transition from a predominantly transactional and project-based approach towards a collaborative model that emphasises ecosystem development, strategic partnerships, and the commercialisation of innovations that address South Africa's socio-economic challenges.

Through its interventions, TIA contributed to the Government of National Unity's priorities of inclusive economic growth and job creation, reducing poverty

and tackling the high cost of living, and building a capable, ethical, and developmental state. The Agency continued to support the development, demonstration, diffusion, and commercialisation of innovative technologies, while strengthening collaboration across government, industry, academia, and civil society to unlock the full potential of the NSI. In doing so, TIA sought to enhance the contribution of STI to economic competitiveness, industrial development, sustainable development, and an improved quality of life for all South Africans.

TIA's performance against its three outcomes is presented in Table 1.

Table 1: TIA's performance in 2025/26 against its three outcomes and associated outcome indicators

Outcome	Baseline	Five-year targets	2025/26 Targets	2025/26 Actual	Reasons for deviation
1.1 Number of innovations commercialised	260	600	100	105	Higher-than-anticipated maturation of the existing innovation pipeline, with more supported innovations reaching commercialisation during the year than initially projected.
1.2 Number of commercialised innovations from publicly funded R&D	New Indicator	300	40	44	As a new indicator, actual performance reflects a stronger-than-anticipated pipeline of publicly funded R&D innovations reaching commercialisation, supported by existing research institution and ecosystem partnerships.
1.3 Number of commercialised innovations that improve competitiveness	New Indicator	150	30	47	Higher performance was driven by more commercialised innovations demonstrating competitiveness benefits than anticipated, including improvements in productivity, efficiency, market access or enterprise capability.
1.4 Number of commercialised innovations by designated groups	New Indicator	360	30	59	The significant overachievement reflects stronger-than-anticipated participation and commercialisation outcomes among designated groups within TIA's supported portfolio.
2.1 Number of ecosystem collaborations established	New Indicator	25	5	99	Over-achieved owing to an intensive focus by the TIA on facilitating the commercialised promising R&D results through industry involvement across all TIA's business units.
2.2 Number of initiatives to promote harmonisation of funding in the ecosystem	New Indicator	14	2	14	TIA has signed agreements with the National Empowerment Fund and the Eastern Cape Rural Development Agency in late 2025/26. All the agreements are establishing targeted instruments and initiatives to harmonise, syndicate and leverage innovation funding across different funding asset classes. The partnerships include National Research Foundation as a critical funder in the NSI.
2.3 Number of measures implemented to strengthen the technology entrepreneurship ecosystem	New Indicator	93	16	21	More ecosystem-strengthening initiatives were implemented than initially planned, driven by additional opportunities and interventions undertaken with ecosystem partners during the year.

Outcome	Baseline	Five-year targets	2025/26 Targets	2025/26 Actual	Reasons for deviation
2.4 Number of venture capital funds established	New Indicator	15	3	4	An additional venture capital fund was successfully established during the reporting period, resulting in performance exceeding the annual target.
2.5 Total rand value of funding and investment leveraged	New Indicator	R1.5bn	R320m	R959.51m	The significant overachievement was driven by higher-than-anticipated third-party funding and investment leveraged through TIA-supported initiatives and partnerships.
3.1 Percentage dependency on MTEF Funding	73%	65%	44%	66%	The target was not achieved due to higher-than-planned dependency on MTEF funding during the reporting period, as the anticipated contribution from alternative and non-MTEF funding sources did not materialise at the level required to reduce MTEF dependency to the targeted 44%.
3.2 Good governance in respect of positive audit outcomes	Unqualified external audit outcome	Clean external audit opinion	Clean external audit outcome	Clean external audit outcome	Target achieved
3.3 Increased operational efficiency	New Indicator	Customer satisfaction level averaging between 8 and 10	8	7.4	TIA's Stakeholder Satisfaction Survey reflects a positive satisfaction rate of 74% (the sum of the Very Satisfied and Satisfied categories) equivalent to a score of 7.4 out of 10. Contributing to TIA not meeting its target is the existence of 15% of stakeholders who responded in the "neutral" category which does not contribute to the positive score.
3.4 Expanded business model capacitated	New Indicator	95%	85%	80%	While TIA's actual capacitation rate for the year under review is 80%, the Agency unfortunately did not formally record its decision to place specific roles on hold and therefore can only record a capacitation rate of 80%, below the 85% target. This "strategic pause" to freeze certain positions ensured that all new hires remain fully aligned with the requirements of our newly finalised TIA 2.0 strategy, preventing premature recruitment into legacy structures.
3.5 Number of innovations that contribute to an efficient way of delivering a service by government	New Indicator	30	10	12	Target met

12.4.1 OUTCOME 1: INTENSIFIED COMMERCIALISED INNOVATIONS IN SUPPORT OF INCLUSIVE ECONOMIC GROWTH, SUSTAINABLE DEVELOPMENT AND TRANSFORMATION

Outcome 1 contributes directly to TIA's mandate, which emphasises supporting the development and exploitation of technological innovations by translating knowledge and IP into market-ready products, services, and enterprises. The Agency's 2025–2030 Strategic Plan seeks to strengthen the commercialisation dividend from South Africa's investments in research, development, and innovation (RDI), while supporting industrial competitiveness, sustainable development, economic inclusion, and transformation.

Progress towards this outcome is measured through indicators relating to the number of innovations commercialised, commercialised innovations originating from publicly funded research and development, commercialised innovations that improve competitiveness, and commercialised innovations by designated groups. These indicators measure the Agency's success in translating research, knowledge, and innovation into products, services, and enterprises that generate economic and social value.

During the 2025/26 financial year, the Agency exceeded all four Outcome 1 performance targets. A total of 105 innovations were commercialised against an annual target of 100, demonstrating continued progress towards the five-year target of 600 commercialised innovations. Furthermore, 44 commercialised innovations originated from publicly funded research and development activities against a target of 40, reflecting the Agency's continued focus on translating publicly funded research into market-ready innovations.

The Agency also reported 47 commercialised innovations that contributed to improved competitiveness against a target of 30, demonstrating the contribution of innovation to productivity enhancement, industrial development, and economic growth. In support of transformation and inclusive development, 59 innovations commercialised by designated groups were reported against a target of 30, significantly exceeding the annual target and highlighting the Agency's commitment to broadening participation in innovation-led economic activities.

During the 2025–2030 strategic period, TIA seeks to accelerate the translation and commercialisation of innovations emerging from both publicly funded and private-sector research and development activities. In line with the TIA 2.0 Corporate Strategy, the Agency aims to strengthen its role in supporting the development, demonstration, diffusion, and commercialisation of technologies that address national socio-economic challenges and contribute to inclusive economic growth.

Through this strategic outcome, TIA aims to:

- Increase the commercialisation of locally developed technologies and innovations;
- Strengthen the commercialisation of IP originating from publicly funded research and development;
- Support innovations that improve industrial competitiveness, productivity and economic growth;
- Promote greater participation of designated groups in innovation-led economic activities;
- Mobilise strategic partnerships and investment to accelerate technology commercialisation; and
- Contribute to sustainable development and socio-economic transformation through innovation.

The Agency's evolving business model places greater emphasis on a programmatic and ecosystem-oriented approach to commercialisation, supported by strategic partnerships, innovative funding instruments, and collaborative interventions across the NSI. Through improved investment lifecycle management, market validation support, and commercialisation-enablement mechanisms, TIA seeks to increase the number of innovations reaching the market and generating measurable economic and social impact.

Collectively, these achievements demonstrate sustained progress in strengthening South Africa's innovation pipeline, increasing the commercialisation of publicly funded research, improving industrial competitiveness, and advancing transformation. Through these interventions, TIA continues to enhance the return on public and private investment in innovation, while contributing to job creation, economic growth, and an improved quality of life for all South Africans.

12.4.2 OUTCOME 2: ENABLING AND STRENGTHENING THE INNOVATION ECOSYSTEM

Outcome 2 seeks to create a more co-ordinated, responsive, and inclusive innovation ecosystem capable of supporting the development, commercialisation, and adoption of innovation across South Africa. The outcome reflects TIA's strategic role as an Innovation enabler within the NSI, bringing together government, industry, academia, and society to strengthen collaboration, optimise resources, and improve the effectiveness of innovation support mechanisms.

Progress towards this outcome is measured through indicators relating to:

- Ecosystem collaborations established;
- Initiatives to harmonise innovation funding;
- Measures implemented to strengthen technology entrepreneurship;
- Venture capital funds established; and
- The total value of funding and investment leveraged into the innovation ecosystem.

These indicators measure the extent to which the innovation ecosystem is becoming more connected, collaborative, sustainable, and capable of supporting innovation-led growth and development.

During the year under review, the Agency continued to strengthen the innovation ecosystem through strategic partnerships, collaborative programmes, ecosystem co-ordination initiatives, and investment mobilisation

activities. While three ecosystem collaborations were established against an annual target of five, the Agency made significant progress in advancing collaborative initiatives that strengthen linkages among government, industry, academia, and civil society within the NSI.

The Agency exceeded its target relating to the harmonisation of innovation funding across the ecosystem, recording performance substantially above the annual target of two initiatives. This achievement reflects TIA's ongoing efforts to reduce fragmentation within the innovation funding landscape, improve co-ordination among funders, and create mechanisms that facilitate co-investment, syndication, and improved access to innovation funding opportunities.

Progress was also made in strengthening technology entrepreneurship through the implementation of measures aimed at supporting innovators, entrepreneurs, and innovation-driven enterprises. Performance against this indicator exceeded the annual target of 16 measures, demonstrating the Agency's commitment to strengthening entrepreneurship support systems, innovation capabilities, and enterprise development within the ecosystem.

The Agency also exceeded its target for the establishment of venture capital funds, supporting the establishment of four venture capital funds against a target of three. This achievement contributes to expanding the availability of risk capital within the innovation ecosystem and supports the growth and sustainability of innovation-driven enterprises.

A notable achievement during the year was the mobilisation of R959.51 million in funding and investment against a target of R320 million. This significant over-achievement demonstrates growing investor confidence in the innovation ecosystem and reflects the Agency's success in leveraging public- and private-sector resources to support technology development, innovation commercialisation, and enterprise growth.

Collectively, these achievements demonstrate continued progress towards a more connected, collaborative, and sustainable innovation ecosystem. Through its ecosystem-building interventions, TIA continues to strengthen the capacity of the NSI to support technology development, entrepreneurship, investment attraction, and inclusive innovation-led growth, thereby contributing to South Africa's long-term economic and social development objectives.

12.4.3 OUTCOME 3: A MORE CAPABLE, SCALED-UP, AGILE AND SUSTAINABLE TIA SUPPORTING A CAPABLE STATE

Outcome 3 seeks to strengthen TIA's institutional capability, sustainability, agility, and effectiveness to enable the successful delivery of its mandate and the implementation of the TIA 2.0 Corporate Strategy. The outcome focuses on building a high-performing, resilient, and sustainable organisation capable of responding to the evolving needs of South Africa's innovation ecosystem, while contributing to the development of a capable, ethical, and developmental state.

Progress towards this outcome is measured through indicators relating to financial sustainability, governance, performance, operational efficiency, organisational capacity, and the deployment of innovations that improve public-sector service delivery. Collectively, these indicators assess the Agency's ability to strengthen its internal capabilities, enhance organisational performance, and maximise its impact within the NSI.

During the year under review, the Agency continued to advance the implementation of the TIA 2.0 transformation agenda, aimed at repositioning TIA as a programmatic, ecosystem-oriented, and impact-driven innovation agency. Significant progress was made in strengthening organisational systems, refining business processes, and enhancing the institutional foundations required to support the Agency's expanded strategic role and long-term sustainability.

In pursuit of financial sustainability, the Agency continued to reduce its dependence on Medium-Term Expenditure Framework (MTEF) funding through the mobilisation of alternative funding sources, partnerships, and commercialisation returns. During the year, MTEF dependence was reduced to 21%, significantly outperforming the annual target of 73% and demonstrating continued progress towards the five-year target of 44%. While the KAPA matter was a significant contributor to this performance, progress was also made in leveraging funding and recognising income through royalties from commercialised innovations. This performance reflects the Agency's commitment to strengthening financial sustainability and reducing its reliance on funding from the fiscus over time.

The Agency also maintained its focus on sound governance, accountability, and compliance. Governance structures, risk management processes, and internal control systems continued to support effective oversight, regulatory compliance, and organisational resilience. The Agency remains committed to maintaining high standards of governance and ethical leadership in executing its mandate. The outcome of the external audit process will provide a further assessment of the effectiveness of these governance arrangements.

Progress was also achieved in strengthening operational efficiency and enhancing the stakeholder experience. The Agency recorded a stakeholder satisfaction score of 7.4 out of 10, equivalent to a positive satisfaction rating of 74%. While this performance fell marginally short of the target range of 8 to 10, the results indicate a generally positive perception of the Agency among stakeholders. The outcome was influenced by the proportion of respondents who reported a neutral experience, presenting opportunities for further improvement in stakeholder engagement, service delivery, and customer experience.

The Agency continued to strengthen its organisational capacity in support of the expanded business model envisaged under TIA 2.0. During the year under review, 140 of the 174 approved and funded positions were filled, representing an occupancy rate of 80% against a target of 85%. While the target was not fully achieved, the Agency maintained a stable workforce and continued

to focus on attracting, retaining, and developing the critical skills required to support strategic priorities, operational sustainability, and long-term institutional effectiveness. Ongoing recruitment efforts remain focused on strengthening organisational capability to support the Agency's evolving role as a scaled-up, agile, and impact-driven national innovation agency.

In support of a capable state, TIA continued to facilitate the development and deployment of innovative solutions that improve the efficiency and effectiveness of public-sector service delivery. During the year under review, 12 innovations that contribute to more efficient government service delivery were supported against a target of 10, exceeding the annual target. These innovations demonstrate the value of STI in addressing public-sector challenges, improving service delivery outcomes, and supporting the government's broader developmental objectives.

Collectively, these achievements demonstrate continued progress towards building an institution that is better positioned to deliver impact, strengthen the innovation ecosystem, and contribute to South Africa's long-term economic and social development objectives. Through the implementation of TIA 2.0, the Agency is laying the foundation for a more responsive, sustainable, and high-performing institution capable of maximising the contribution of innovation to national development.

13. INSTITUTIONAL OUTPUT PERFORMANCE

The TIA has 28 output indicators for the year under review based on its 2025/26 APP. TIA achieved 24 of these targets for the year, representing a performance of 86% compared to 79% in 2024/25.

The Agency's historical performance is shown below.

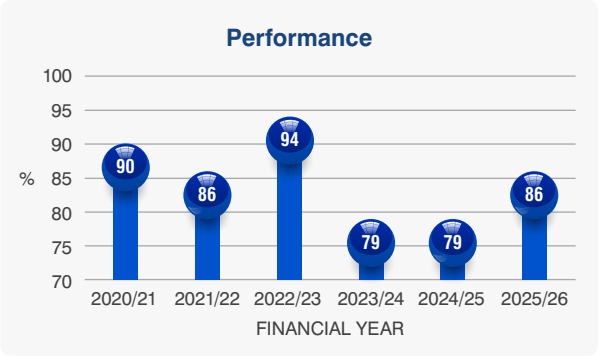


Figure 13: TIA's historical performance against its output indicator targets

Performance improved from **79% in 2024/25 to 86% in 2025/26**, marking a strong start to the new **2025–2030 Strategic Plan** following the conclusion of the previous strategic cycle. The improvement demonstrates enhanced organisational performance during the Agency's transition to TIA 2.0 and reflects renewed momentum in delivering against its strategic objectives.

Table 2: TIA's performance in 2025/26 against Outcome 1: Intensified commercialised innovations in support of inclusive economic growth, sustainable development and transformation

Output (Output indicator)	Audited performance 2024/25	Planned target 2025/26	Actual achievement 2025/26	Deviation for 2025/26	Reasons for deviation
1.1 Joint collaborations between publicly funded research organisations, government, civil society and industry (Number of projects involving industry being executed)	New indicator	58	82	24	Over-achieved owing to an intensive focus by the TIA on facilitating the commercialised promising R&D results through industry involvement across all TIA's business units.
1.2 Technologies diffused for inclusive development (Number of successfully diffused technologies)	34	28	31	3	Target exceeded due to strong contributions from the bio-economy units of Indigenous Knowledge Systems and Agriculture.

Performance met or exceeded | Performance not met | Performance excluded (zero target for the year)

Output (Output indicator)	Audited performance 2024/25	Planned target 2025/26	Actual achievement 2025/26	Deviation for 2025/26	Reasons for deviation
1.3 Products launched (Number of products launched)	56	48	74	26	Over-achieved owing to a higher than anticipated translation of technologies developed into products that were launched.
1.4 Bio-based technologies developed (Number of successfully demonstrated bio-based technologies)	60	40	63	23	Target exceeded due to a stronger contribution than anticipated from the agriculture portfolio.
1.5 De-risking of public funded IP (Number of IP and knowledge-based innovation products produced)	272	250	283	33	The organisation's over-achievement is attributed to the development of more prototypes than anticipated, mostly developed through the Seed Fund showing TIA's strength in product development support.
1.6 Support for underserved provinces (Allocation of funds to underserved provinces)	Allocated 81% of available investment funds	At least 30% of available investment funds allocated	Allocated 69% of available investment funds	39 percentage points	TIA's over-achievement reflects strong progress in advancing implementation within underserved provinces including DSTI-selected district and metropolitan municipalities through a range of approved and implemented innovation and technology diffusion projects.
1.7 Support for designated groups (Allocation of funds to designated groups)	Allocated 54% of available investment funds	At least 50% of available investment funds allocated	Allocated 94% of available investment funds	44 percentage points	TIA's over-achievement demonstrates a strong institutional commitment to supporting black investees especially through the Inclusive Innovation Programme.

Performance met or exceeded | Performance not met | Performance excluded (zero target for the year)

Table 3: TIA's performance in 2025/26 against Outcome 2: Enabling and strengthening the innovation ecosystem

Output (Output indicator)	Audited performance 2024/25	Planned target 2025/26	Actual achievement 2025/26	Deviation for 2025/26	Reasons for deviation
2.1 Leveraged funds (Total rand value leveraged)	R518.5m	R320m	R754.53m	R434.53m	Over-achieved due to growth in the innovation funding landscape where additional investors and institutional funders such as the National Empowerment Fund, venture capital funds development, finance institutions and global funders are increasingly supporting early-stage start-ups and innovation opportunities. This shift indicates stronger market participation in pre-revenue and early-stage innovation spaces influenced by TIA's interventions.
2.2 Collaborations in support of a strengthened NSI (Number of new SIPs developed)	New indicator	1	3	2	TIA has over-achieved on this target as Strategic Innovation Programmes (SIPs) are at the core of implementing the TIA 2.0 Corporate Strategy entailing collaborative technology development and innovation efforts.
2.3 Initiatives to promote public spend towards innovation (Number of government departments and State- Owned Enterprises participating in the SBRI)	New indicator	5	6	1	Target exceeded due to strong participation from the Sector Education Training Authority (SETA) sector and public sector partners in the Eastern Cape province.
2.4 Initiatives to harmonise and streamline innovation funding and processes from Development Finance Institutions (Number of partnerships established)	New indicator	2	14	12	TIA has signed nine agreements with the National Empowerment Fund and the Eastern Cape Rural Development Agency in late 2025/26. All the agreements are establishing targeted instruments and initiatives to harmonise, syndicate and leverage innovation funding across different funding asset classes. The partnerships include National Research Foundation (NRF) as a critical funder in the NSI.

Performance met or exceeded | Performance not met | Performance excluded (zero target for the year)

Output (Output indicator)	Audited performance 2024/25	Planned target 2025/26	Actual achievement 2025/26	Deviation for 2025/26	Reasons for deviation
2.5 Promoting SA as an innovation investment destination (Host annual SA Innovation Week)	New indicator	1	1	0	Target met.
2.6 Thought leadership publications on the SA innovation ecosystem (Publication on innovation topics)	New indicator	3	10	7	Target exceeded due to higher-than-expected contributions from the business units in the Bio-economy Division.
2.7 New centres established and supported (Number of new technology and innovation support centres providing SET support in targeted regions)	9	2	3	1	Target exceeded due to one Living Lab in the energy and water sector and two centres in the bio-economy.
2.8 SET and enterprise development support provided to SMMEs and co-operatives (Number of SMMEs and co-operatives receiving SET and enterprise development support)	3,775	3,600	3,730	130	TIA's robust annual performance highlights an effective scaling of support services and resilient programmatic delivery primarily through TIA's infrastructure programmes specifically Technology Stations, Living Labs and Centres for Innovation and Entrepreneurship (CIEs).
2.9 Support to grassroots innovators (Number of grassroots innovators supported)	New indicator	100	100	0	Target met.
2.10 Partnership for skills and innovation management (Number of beneficiaries accessing support from partnerships established with SETAs, private sector, government and civil society)	New indicator	2,000	2,303	303	Target exceeded notwithstanding the difficulties experienced partnering with the SETA sector with such partnerships being more productive than anticipated. TIA leveraged off programmes where skill partnerships were established e.g. Living Labs, CIEs and Innovation Champions for Local Economic Development.

Performance met or exceeded | Performance not met | Performance excluded (zero target for the year)

Output (Output indicator)	Audited performance 2024/25	Planned target 2025/26	Actual achievement 2025/26	Deviation for 2025/26	Reasons for deviation
2.11 New fund managers established (Number of black or women fund managers established)	New indicator	2	2	0	Target met.
2.12 Number of start-ups and spin-outs from Fund of Funds (Number of start-ups and spin-outs established through fund managers)	New indicator	5	11	6	TIA extended funding to the University Technology Fund (UTF) II platform. Funding was also extended to the University Technology (UT) Seed Fund as an initial investment. Each of the funds are post-first close with UTF II reaching first close in 2025. These two funds have made 11 investments collectively during the year.

Table 4: TIA's performance in 2025/26 against Outcome 3: A more capable, scaled-up, agile and sustainable TIA supporting a capable state

Output (Output indicator)	Audited performance 2024/25	Planned target 2025/26	Actual achievement 2025/26	Deviation for 2025/26	Reasons for deviation
3.1 Improved institutional capacitation towards supporting delivery of TIA 2.0 (Percentage of approved funded positions filled annually)	New indicator	85%	80%	-5 percentage points	While TIA's actual capacitation rate for the year under review is 80%, the Agency unfortunately did not formally record its decision to place specific roles on hold and therefore can only record a capacitation rate of 80%, below the 85% target. This "strategic pause" to freeze certain positions ensured that all new hires remain fully aligned with the requirements of our newly finalised TIA 2.0 strategy preventing premature recruitment into legacy structures.
3.2a Improved investment decision turnaround time for funding applications (Investment decision turnaround time for funding applications <R1m)	New indicator*	70% of applications assessed within 12 weeks	100%	30 percentage points	Target exceeded due to an intensive focus on smaller-value investment applications.

Performance met or exceeded | Performance not met | Performance excluded (zero target for the year)

Output (Output indicator)	Audited performance 2024/25	Planned target 2025/26	Actual achievement 2025/26	Deviation for 2025/26	Reasons for deviation
3.2b Improved investment decision turnaround time for funding applications (Investment decision turnaround time for funding applications >R1m and <R15m)	New indicator*	70% of applications assessed within 15 weeks	54%	-16 percentage points	The turnaround time for investments in this funding range tends to be affected by several factors. This includes delays in concluding the due diligence processes due to incomplete information from the applicants, protracted negotiations between applicants and TIA on investment terms, protracted negotiations between applicants and third parties such as licensors of IP as well as delays due to procurement processes by TIA to obtain external expertise to undertake due diligence on applications.
3.2c Improved investment decision turnaround time for funding applications (Investment decision turnaround time for funding applications >R15m)	New indicator*	70% of applications assessed within 26 weeks	75%	5 percentage points	Target exceeded due to sufficient time being afforded to large-value applications despite the protracted approval processes required for such applications.
3.3 Income raised to reduce reliance on MTEF (Total rand value of royalties, sales and exits)	R31.17m	R20m	R1,245.94m	R1,225.94m	The over-achievement resulted from TIA receiving payments from TIA's Contactable exit and the KAPA settlement.
3.4 Income raised to reduce reliance on MTEF (Total rand value managed from partnerships)	New indicator	R300m	R204.98m	-R95.02m	Target not achieved due to unforeseen developments (leadership instability) within the SETA sector which negatively affected decision-making concerning funding proposals totalling R504m submitted by TIA to various SETAs.
3.5 Measures introduced towards digital transformation and business optimisation (Number of new business processes optimised and digitised)	New indicator	3	4	1	Target exceeded due to the accelerated rollout of the TIA 2.0 Corporate Strategy which has a focus on digitalisation.

Performance met or exceeded | Performance not met | Performance excluded (zero target for the year)

Output (Output indicator)	Audited performance 2024/25	Planned target 2025/26	Actual achievement 2025/26	Deviation for 2025/26	Reasons for deviation
3.6 Number of innovations that improve operations in government departments	New indicator	No target	–	–	–
3.7 Innovations in support of a capable state (Number of innovations that improve service delivery)	New indicator	10	12	2	Target exceeded due to greater than anticipated contributions from the Innovation for Inclusive Development unit.
3.8 A positive TIA brand (Increased TIA brand equity)	New indicator	Brand awareness level averaging between 8 and 10	Brand awareness level averaging 7.4	-0 6	TIA's Stakeholder Satisfaction Survey reflects a positive satisfaction rate of 74% (the sum of the Very Satisfied and Satisfied categories) equivalent to a score of 7.4 out of 10. Contributing to TIA not meeting its target is the existence of 15% of stakeholders who responded in the "neutral" category which does not contribute to the positive score.

** In previous years the target was to assess 100% of all funding applications received within a certain time period (depending on the quantum of funding). For the year under review the target was revised to assessing 70% of all funding applications received within a certain time period. The time period has also changed for 3.2a (from four weeks to 12 weeks). Hence technically KPIs 3.2a, 3.2b and 3.2c are considered new indicators since the targets have changed in 2025/26 and are not directly comparable to the 2024/25 results.*

Legend

Performance met or exceeded	Performance not met	Performance excluded (zero target for the year)



13.1.1 OUTCOME 1: INTENSIFIED COMMERCIALISED INNOVATIONS IN SUPPORT OF INCLUSIVE ECONOMIC GROWTH, SUSTAINABLE DEVELOPMENT AND TRANSFORMATION

TIA achieved all seven of its commercialisation-related targets for the year, resulting in 100% performance under Outcome 1. The Agency continued to direct a greater proportion of its resources towards the translation and commercialisation of IP originating from publicly funded institutions, including universities and science councils, to support economic growth and development, and an improved quality of life.

Selected project examples contributing to the Agency's achievement of the Outcome 1 output targets are presented below.

13.1.2 JOINT COLLABORATIONS

The uYilo eMobility Technology Innovation Programme, hosted by Nelson Mandela University, continued to strengthen strategic industry partnerships aimed at advancing electric mobility technologies in South Africa. Established in March 2013 as a TIA initiative, the programme supports electric vehicles, charging infrastructure, electric powertrains, and battery systems.

As part of these efforts, the programme collaborated with **Isuzu Motors South Africa t**o support the development and commercialisation of electric vehicle technologies, while promoting public awareness, education, skills development, and human capital development within the automotive and electric vehicle sectors. The programme also entered into a collaboration agreement with the **Kelson Motor Group** to undertake charging-load testing activities.

In addition, uYilo partnered with **Gibela Rail Consortium** to provide specialised technical services, including the inspection, electrical testing, and failure analysis of lead-acid battery cells used in the rail-manufacturing sector.

The OneBio Innovation Centre (OBIC) and the **University of Cape Town** (UCT) entered into an agreement that will allow spin-outs from UCT's Life Sciences to access OBIC's facilities and business development support.

The CSIR collaborated with **Aces Defense** on the commercialisation of passive radar technology. The Passive Radar for Air Traffic Control project aims to create affordable radar systems that extend coverage to previously uncovered areas, thereby enhancing air traffic safety.

North-West University, on behalf of the National Metabolomics Platform – Centre for Human Metabolomics (NMP), renewed its Memorandum of Agreement with the **Netcare Group o**f Hospitals. The NMP is a TIA-funded technology platform based at North-West University's Potchefstroom Campus. It is tasked with establishing and growing metabolomics capabilities in South Africa and, over the past ten years, has become a centre of excellence in its service offering.

13.1.3 TECHNOLOGIES DIFFUSED FOR INCLUSIVE DEVELOPMENT

A South African Cotton Standard was developed to regulate the cotton industry and enable farmers to access premium prices in local and international markets. The standard was rolled out to smallholder farmers, who received training and certification in sustainable cotton production, allowing them to brand their produce with the South African Cotton Standard (ZACS) mark as a symbol of quality, sustainability, and traceability.

The agro-processing cluster implemented by the East London Industrial Development Zone (ELIDZ) is fully operational and supports five agro-processing initiatives in the Eastern Cape, an underserved province. Among the supported SMMEs is Zonzaba (Pty) Ltd, which develops and manufactures **baby tonic products**. During the reporting period, Zonzaba successfully transitioned from pre-commercialisation to commercialisation and promoted product diffusion by participating in Innovation and Entrepreneurship Commercialisation Week on 24 November 2025. Through this initiative, baby tonic products were showcased to agro-processing entrepreneurs during a masterclass attended by 10 participants from rural East London, including four young people, thereby contributing to inclusive development and commercialisation.

The CSIR used enterprise development funds amounting to R575,244 to develop an offline clinical support large language model (LLM) for the **Cardioflow Cardiovascular Screening Device** in rural settings. The project focuses on developing Cardioflow, a device that can detect, track, and predict possible cardiovascular disease by extracting, normalising, and interpreting features of characteristic ultrasound signals. The LLM developed for Cardioflow was diffused at the Tongaat Clinic in KwaZulu-Natal (KZN) in March 2026. The system was provided to nurses and clinical managers at the clinic for testing on patients and to assess its suitability for a major clinical rollout. The results were successful.

The Lodox team completed the installation and commissioning of the AI and machine learning (ML) components of the **Xmplar-dr X-ray full-body scanner** at Life Wilgeheuwel Hospital in Gauteng. Client testimony indicates that the AI/ML component saves time during patient diagnosis. This evidence supports the diffusion of the AI/ML technology at the hospital for use with trauma patients. The objective of the project is to develop a new-generation, photon-counting detector-based, full-body X-ray imaging scanner that produces high-resolution, diagnostic-quality images at relatively low doses, with faster acquisition times and lower radiation exposure for both patients and operators. Lodox also aims to include ML as part of the offering, enabling medical specialists to review previous case studies involving similar interventions.

The Medical Diagnostics Devices Cluster was formed to assist medical device innovators with the regulatory and other support required to enter the market with the appropriate accreditation. SmartSpot makes diagnostics more reliable, cost-effective, and accessible, including in

under-resourced areas. At the core of the technology is 'biomimicry', a process that allows researchers to mimic harmful pathogens, such as tuberculosis bacteria or coronaviruses, using genetically modified but harmless bacteria. The team diffused its **Hepatitis C virus control serum and Hepatitis C virus control plasma** to another laboratory for use in client sample testing.

13.1.4 PRODUCTS LAUNCHED

His Way Labs developed **TrackView Devices** for a Railcom Pilot at Retreat in the Western Cape, providing an innovative approach to train detection by monitoring electrical pulses transmitted along railway tracks. The system uses time-of-flight and time-domain reflectometry technologies to determine train positions accurately, while assessing rail conditions.

The uYilo eMobility Technology Innovation Programme (EMTIP) supported the market launch of an **electric safari vehicle prototype** developed by an entrepreneur, start-up, or SMME. This achievement demonstrates EMTIP's contribution to advancing locally developed electric mobility solutions and enabling their entry into the market.

Nothile (Imperium Dynasty) and CHEMIN entered into a formal agreement for the development and manufacture of haircare products. In addition, Nothile BioPharma successfully launched three haircare products on Amazon South Africa: **Bio-Hydrate DHT Blocker Shampoo; Folibuild Intensive Repair, Restore DHT Blocker;** and **Bio-Hydrate Conditioner.**

13.1.5 BIO-BASED TECHNOLOGIES DEVELOPED

The Bio-based Anti-fouling Coating for Marine Surfaces Project focuses on developing cerium nanoparticles biosynthesised using seaweed-associated bacteria for use in advanced nanoparticle-based coating systems. These coatings incorporate biologically derived adhesion and communication inhibitors that prevent the formation of primary biofouling-conditioning films and disrupt the inter-organism communication pathways essential to the development of biofouling communities.

The project further demonstrated that biosurfactants derived from **sea sponge-associated bacteria,** when enhanced with copper, cerium, or chitosan nanoparticles, function as environmentally friendly, broad-spectrum agents capable of inhibiting quorum sensing and biofilm formation. These antimicrobial mechanisms showed strong efficacy against infectious bacteria, highlighting the system's versatility and its potential for targeted applications in the healthcare sector, particularly in addressing antimicrobial resistance.

The South African Biodesign Initiative (SABDI) project, Development of a Bacterial Consortium for Bioremediation of Mine Pit Lakes, focuses on developing a **bacterial consortium for the bioremediation of acid mine drainage (AMD) in pit lakes,** using keystone species capable of tolerating diverse environmental conditions. AMD results from polluted water seeping through sulphide-bearing rocks in abandoned mining areas, often leading to pit lakes contaminated with toxic heavy metals and radioactive substances. Using metagenomics and bioinformatics, the project identified keystone species to design targeted consortia tailored to the composition of contaminated water, providing an effective and environmentally friendly approach to accelerating natural bioremediation processes without genetic modification.

13.1.6 DE-RISKING OF PUBLIC FUNDED INTELLECTUAL PROPERTY

The organisation over-achieved against this output indicator for the year. This was largely attributable to the development of prototypes, demonstrating TIA's strength in product development support. The key contributors were the Innovation Enabling Division, through the Seed Fund instrument and the Technology Stations Programme, with smaller contributions from the Bio-economy Division and the Innovation for Inclusive Development Programme. Although this year's target was higher than those of previous years, TIA achieved it because of increased funding allocated to the Seed Fund by the DSTI, as well as previous year investments progressing through the innovation value chain with the support of implementing partners and Technology Stations.

13.1.7 OUTCOME 2: ENABLING AND STRENGTHENING THE INNOVATION ECOSYSTEM

Under Outcome 2, TIA seeks to strengthen the efficient functioning of South Africa's innovation ecosystem by acting as an Innovation enabler, integrator, and capability builder that aligns funding, infrastructure, skills, partnerships, and market access mechanisms to accelerate the translation of knowledge into inclusive, high-impact innovation outcomes. During the financial year, the Agency achieved all 12 performance targets.

Selected project examples contributing to TIA's output target under Outcome 2 are provided below.

13.1.8 FUNDS LEVERAGED

The Agency significantly surpassed its annual **leveraged funding** target of **R320 million**, mobilising **R754.53 million** in funding and investment from strategic partners during the 2025/26 financial year. This exceptional performance underscores growing confidence and momentum within South Africa's innovation-funding ecosystem and reflects increased participation from a diverse range of public- and private-sector investors.

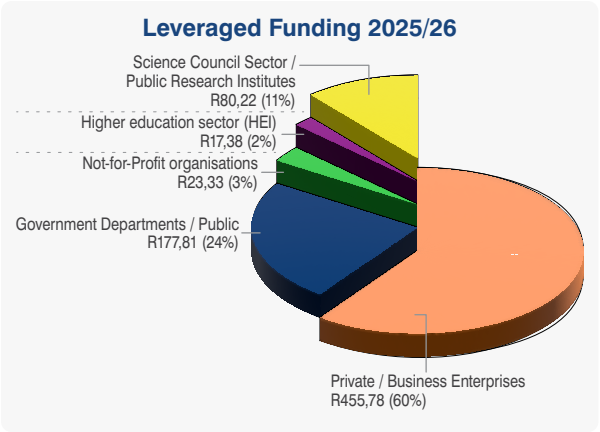


Figure 14: Distribution of Leveraged Funding, 2025/26

As illustrated in the figure above, TIA leveraged **R754.53 million** in funding and investment during the 2025/26 financial year. The largest contribution came from the **private and business-enterprise sector,** at **R455.78 million,** demonstrating increasing private-sector confidence in TIA-supported technologies and innovation programmes. This was followed by **government departments and public institutions,** which contributed **R177.81 million,** while **science councils and public research institutes** contributed **R80.22 million.** Additional contributions were secured from **not-for-profit organisations (R23.33 million) a**nd the **higher education sector (R17.38 million).**

The diversified funding profile reflects TIA's ability to mobilise investment across the Quadruple Helix and strengthen collaboration among government, industry, academia, and civil society. It also demonstrates the effectiveness of the Agency's strategic interventions in crowding in investment, de-risking innovation, and accelerating the commercialisation of technologies that contribute to inclusive economic growth and sustainable development.

13.1.9 COLLABORATIONS IN SUPPORT OF A STRENGTHENED NATIONAL SYSTEM OF INNOVATION

The annual target for SIPs was achieved. The SIPs include an industry–academia programme on Indigenous Knowledge Systems (IKS), through which SMU and TIA partnered to launch the LIPSHTIC. This collaboration aims to foster local innovation, bridge the gap between academic research and industry, and promote economic opportunities through health and personal care products.

The second SIP focuses on mineral beneficiation, particularly fluorspar, which has been classified as a critical mineral in South Africa's Critical Minerals and Metals Strategy. The Fluorochemicals SIP, which builds on the former DSTI Fluorochemicals Expansion Initiative, will support technology transfer and the implementation of the Critical Minerals and Metals Strategy, including its RDI pillar.

13.1.10 INITIATIVES TO PROMOTE PUBLIC SPEND TOWARDS INNOVATION

The annual target was achieved, with TIA establishing strategic partnerships with several entities, including the Energy and Water Sector Education and Training Authority (EWSETA), the Chemical Industries Education and Training Authority (CHIETA), and the Eastern Cape Rural Development Agency (ECRDA), in support of TIA's Small Business Research and Innovation (SBRI) programme. These partnerships contributed to the achievement of the Agency's fourth-quarter target and enabled TIA to exceed its annual target of five government entities participating in SBRI-related activities.

TIA also made significant progress towards institutionalising the SBRI programme. During SAIW, a multi-stakeholder colloquium resulted in the development of a draft policy document aimed at advancing the institutionalisation of the SBRI framework across government.

In addition, a Memorandum of Understanding (MoU) was signed between ECRDA and TIA, formalising a collaborative partnership focused on supporting the growth and sustainability of start-ups and SMMEs in South Africa. The initiative seeks to strengthen the Eastern Cape's industrial base through the development of high-performing, technology-driven industries within the province. Five priority thematic areas were identified: manufacturing, agriculture, ICT and electronics, renewable energy, and automotive.

Furthermore, J-Cred, a project developed by KTO Digital, aims to introduce facial recognition as an enhancement to the existing J-Cred platform for deployment in Nigeria and Ghana. The locally developed J-Cred technology is already used by the South African Revenue Service (SARS) to address service delivery challenges.

13.1.11 INITIATIVES TO HARMONISE AND STREAMLINE INNOVATION FUNDING AND PROCESSES FROM DEVELOPMENT FINANCE INSTITUTIONS

Towards the end of March 2026, TIA signed nine agreements with partners, including the NEF, ECRDA, NRF, and ELIDZ, exceeding the Agency's annual target. The agreements aim to harmonise, syndicate, and leverage innovation funding across different funding asset classes.

The ELIDZ and TIA formalised a Memorandum of Agreement to support technologically advanced industries in the Eastern Cape. The collaboration aims to strengthen the province's industrial base, promote inclusive innovation, enhance capacity-building, and empower young people through sustainable entrepreneurial ventures.

TIA also signed an MoU with 22 On Sloane to develop a technology start-up pipeline and leverage 22 On Sloane as an innovation hub. The partnership includes fund management, ecosystem activation and networking events, digital platforms, and a soft-landing programme, and is intended to support emerging enterprises, inclusive growth, and sustainable job creation.

An MoU was signed between the National Business Initiative and TIA to support township-based and informal retail-market entrepreneurs in expanding their businesses and connecting with local market opportunities that can stimulate demand for skilled labour.

TIA and Takealot established a collaborative relationship to support the growth and sustainability of start-ups and SMMEs. The initial phase will focus on the Township Manufacturing Innovation Challenge, followed by a platform to support South African beauty brands and related products. Further details on the PITCHALOT programme are provided elsewhere in the report.

An MoU between Darkies-in-Tech and TIA was signed to establish a non-exclusive framework for strategic co-operation. The collaboration aims to support early-stage technology ventures through commercialisation, with a focus on development programmes, access to resources for under-represented entrepreneurs, and partner expertise to strengthen innovation.

TIA also signed an MoU to explore co-funding and blended-finance platforms, innovation ecosystem transformation, venture development and investment readiness, IP commercialisation, and township and rural innovation clusters. The collaboration provides a framework for co-funding and supporting SMMEs across the innovation and commercialisation spectrum.

A partnership agreement for the Fund of Funds was also signed, with TIA and the Small Enterprise Development and Finance Agency SOC Ltd (SEDFA) acting as founding limited partners to the fund manager and intermediary fund manager, IESFoF. The purpose of the IESFoF is to unlock and scale early-stage venture capital funding in the STI sectors. The fund will operate exclusively as a Fund of Funds and will not be a retail investment vehicle. Its priorities include transformation, job creation, industrialisation, and commercial sustainability.

13.1.12 PROMOTING SA AS AN INNOVATION INVESTMENT DESTINATION

TIA hosted the inaugural SAIW from 16 to 20 March 2026. A decentralised approach, incorporating provincial activation activities, was used to mobilise innovators across the country. Ecosystem enablers undertook local initiatives, including training entrepreneurs, running pitching competitions, and preparing participants for fundraising, with support provided to enable attendance at the main event at Nasrec.

The final three days, from 18 to 20 March, constituted the main festival at Nasrec, featuring thought-leadership dialogues, innovation showcases, pitching competitions, and specialised training sessions, including masterclasses for targeted segments of the innovation-funding community. Several programmes were launched during the festival, including LIPSHTIC and the NRF PhD programme. The event was officially opened by Deputy Minister Nobuhle Nkabinde and attracted ecosystem participants, including funders, government representatives, private-sector companies, SETA, and other ecosystem enablers.

The event attracted approximately 2,000 delegates and featured curated panel discussions, more than 60 exhibitions by universities, start-ups, SMMEs, funders, and corporates, pitching sessions, and founder and fund manager masterclasses. Participants included representatives from the Johannesburg Stock Exchange (JSE), PetroSA, Absa, FNB, Google, Takealot, Exxaro, and the Airports Company of South Africa (ACSA). Investors included the PIC, SEDFA, the SA SME Fund, the Development Bank of South Africa (DBSA), and Jozi Angels.

13.1.13 THOUGHT LEADERSHIP PUBLICATIONS ON THE SA INNOVATION ECOSYSTEM

The annual target was exceeded, with nine thought-leadership outputs published against a target of three.

The Innovation Bridge website profiled the Passive Radar for Air Traffic Control project and highlighted TIA's contribution to it. The article focused on the development of low-cost radar systems that extend air traffic coverage to previously uncovered areas, thereby improving aviation safety.

The Summer 2025 edition of South Spirit of the Garden Route published an innovation feature titled 'Wellness Reimagined', profiling Megan Steyn, founder of CBD Care, and her work in integrating IKS with modern scientific product development. The article detailed CBD Care's development of CBD-infused balms and topical formulations addressing psoriasis, eczema, pain management, and skin abrasions. It also acknowledged TIA's support in enabling formulation, testing, and commercialisation, thereby contributing to the growth of South Africa's emerging cannabis wellness sector and a woman-led enterprise.

The November 2025 first edition of the Vuk'uzenzele South African Government newspaper featured Shanti Natural Care, founded by Kylie Adam, in an article titled 'Spreading wellness through natural innovation'. The publication recognised the enterprise as one of nine SMMEs supported under TIA's Cannabis and Hemp Industry Innovation Programme. It highlighted how TIA support enabled collaboration with academic institutions to advance product development, dermatological and stability testing, and quality assurance, thereby progressing cannabidiol-based cosmeceuticals from formulation to market readiness. The article documented the resulting product portfolio, which includes CBD-infused temple oil, pain-relief spray, healing salves in vitamin E and jojoba, and eucalyptus and peppermint variants, an all-purpose body lotion infused with rooibos and buchu, wellness drops, shampoo, and a deep-penetrating cream with eucalyptus and peppermint. This recognition demonstrated TIA's contribution to strengthening innovation, validating product testing, and driving commercialisation outcomes within the cannabis wellness sector.

13.1.14 NEW CENTRES ESTABLISHED AND SUPPORTED

In alignment with TIA's commitment to inclusivity and equitable innovation, the organisation adopted a dual model comprising CIEs and Living Labs. This approach is designed to increase participation by marginalised and underserved communities, ensure local access to support, and broaden the distribution of innovation activity beyond traditionally well-resourced provinces. Through this strategy, TIA has invested in 31 Innovation Centres to date and established three additional centres during the year, enabling the organisation to exceed its annual target.

In addition to the CIEs and Living Labs, these facilities include nine delivery partners dedicated to implementing the Cleantech Programme across South Africa, in partnership with the United Nations Industrial Development Organisation (UNIDO). This expansion ensures that innovation and entrepreneurship support is accessible in regions with fewer existing resources, fostering a more inclusive ecosystem and driving sustainable development in line with national priorities.

An agreement was signed between SMU and TIA to anchor and implement LIPSHTIC, which will drive the commercialisation of IP arising from publicly funded research in the cosmetics and personal care sectors. The programme is now in the early stages of implementation.

TIA also entered into a funding agreement with Umbane Energy Investments (Pty) Ltd to establish the Water–Energy – Food (WEF) Nexus Living Lab in Masia Village, Vhembe District, Limpopo. The lab represents the first sector-based Living Lab within the programme and is designed to serve 16 villages in Masia, with the potential to extend to surrounding communities. It is positioned to address integrated water, energy, and food security challenges through innovative, community-driven solutions, while supporting inclusive economic development and strengthening local innovation ecosystems.

13.1.15 SET AND ENTERPRISE DEVELOPMENT SUPPORT PROVIDED TO SMMES AND CO-OPERATIVES

During the financial year, TIA demonstrated its commitment to enabling and strengthening the innovation ecosystem through targeted SET and enterprise development support. The annual performance target of 3,600 was exceeded, with actual performance of 3,730, or 104%. This performance highlights the effective scaling of support services and resilient programmatic delivery. TIA continues to establish technology and innovation support centres to provide SET support to businesses and individuals in targeted regions, with the aim of supporting innovative products and services that improve competitiveness.

13.1.16 SUPPORT TO GRASSROOTS INNOVATORS

The Agency met its annual target of supporting 100 grassroots innovators. TIA onboarded 16 implementing partners in March 2026 to support the investment processes of the Grassroots Innovation Programme (GIP). Following the TIA GIP call issued in November 2025, 578 applications were received, and 529 were assessed by implementing partners. In March 2026, TIA approved 82 GIP projects through the 16 implementing partners, to the value of R24.518 million. These projects, together with the 18 approved in December 2025, enabled the Agency to meet its annual target.

13.1.17 PARTNERSHIP FOR SKILLS AND INNOVATION MANAGEMENT

This indicator relates to the number of beneficiaries accessing support through partnerships established with SETAs, the private sector, government, and civil society for capacity-building, skills development, and innovation management. TIA exceeded the target, supporting 2,303 beneficiaries against a target of 2,000 for the year.

13.1.18 NEW FUND MANAGERS ESTABLISHED

During the period under review, TIA approved investments in two new black fund managers: R40 million in Aions Ventures to establish a R100 million seed fund, and R42.5 million in Mamor Capital to help it reach a first close of R250 million. With TIA support, both Mamor and Aions are expected to close their first seed funds. The two fund managers are black- and women-owned and primarily target black start-ups at the pre-seed, seed, and post-seed stages.

Mamor Capital Ventures Fund is a FAIS-registered, black female-owned, technology-focused seed fund designed to drive digital and financial inclusion and promote broader access to markets for businesses in South Africa. The fund is managed by Mamor Capital Ventures Fund Manager and led by Mamokete Ramathe. Mamor Capital Ventures Fund I focuses on early-stage technology investments in South Africa.

Aions Seed Fund invests in South African venture start-ups that are at least 51% black-owned, with a preference for women-led investments. Aions has positioned itself as a bridge between early-stage entrepreneurs and long-term economic impact. Its target sectors include information and communication technologies, health innovation, smart systems, the digital economy, climate-change solutions, energy innovation, and alternative water solutions.

13.1.19 START-UPS AND SPIN-OUTS FROM FUND OF FUNDS

TIA extended funding to the UTF platform, approving R20.8 million for UTF II to reach a final close of R400 million. TIA also extended R25 million to the UT Seed Fund as an initial investment to help the fund reach approximately R100 million. Both funds are post-first close, with UTF II having reached first close in December 2024 and the UT Seed Fund having reached first close in May 2025. Collectively, the two funds made 11 investments during the financial year, including five spin-outs.

These investments included Sun Dynamics, trading as **Stellenbosch Dynamics,** a pioneering deep-tech start-up spun out of Stellenbosch University. The company specialises in autonomous robotics and the development of high-performance robotic actuators, and is developing South Africa's first custom humanoid robot.

Drive Diva (Pty) Ltd is a women-empowered mobility provider in South Africa, offering inclusive vehicle-subscription and rent-to-own solutions. Its AI-powered platform enables approval regardless of credit history, bundling insurance, maintenance, tracking, and roadside assistance into flexible plans that culminate in vehicle ownership after 60 months.

Fluorobiotech (RF) (Pty) Ltd is a biotechnology start-up and heterologous protein-production platform that aims to supply proteins of interest to local and international markets.

Happy Pay (Pty) Ltd is a South African buy-now-pay-later platform that enables shoppers to split purchases over two pay cheques, interest-free and with no deposit, while boosting sales for merchants. Using AI-driven credit scoring, it delivers instant approvals and supports environmental restoration by planting trees with every transaction.

Metanoia Bio Inc. is a biotechnology company developing regenerative therapies that reverse age-related chronic diseases by reactivating the body's natural cell-renewal processes. Starting with diabetes, its pipeline also targets diabetic retinopathy, pancreatic cancer, and Alzheimer's disease, supported by exclusively licensed UCLA technology and a strong patent portfolio.

My Pinecone Inc. is an AI-driven relationship-intelligence platform that helps users find the right people, personalise outreach, and maintain relationships.

xTenure (Pty) Ltd is a health-span company that helps individuals predict, prevent, and manage health issues to extend their quality of life.

Immobazyme (RF) (Pty) Ltd is a biotechnology innovation company focused on biocatalysis and immobilised-enzyme engineering. The technology involves a novel protocol for immobilising enzymes simply and affordably, allowing for the large-scale application of industrially important enzymes.

CubeSpace Satellite Systems (RF) (Pty) Ltd is a spin-out from Stellenbosch University that specialises in attitude determination and control systems for nanosatellites. The company manufactures electromechanical components used in satellites globally.

Jem HR Ltd is a South African HR-technology start-up that uses WhatsApp to deliver payslips, leave requests, benefits, and communications to deskless workers, streamlining HR processes and improving engagement.

Zawadi Distributors (Pty) Ltd is a South African company specialising in the direct distribution of digital products and services, with a primary focus on the informal market. Beyond SIM card distribution, Zawadi offers a wide range of digital solutions aimed at improving access to quality products and services.

13.1.20 OUTCOME 3: A MORE CAPABLE, SCALED-UP, AGILE AND SUSTAINABLE TIA SUPPORTING A CAPABLE STATE

Outcome 3 focuses on enabling TIA to deliver its strategy through appropriate systems, processes, people, and resources, in line with good governance, legislative requirements, and risk management practices. It also supports the development of a capable state through innovations that improve public-sector service delivery. During the year, TIA maintained a stable operational foundation while aligning its human capital with TIA 2.0. Key priorities included stabilising leadership and supporting the appointment of the new Board. Key appointments included the Chief Executive Officer and the Executive: Corporate Services.

TIA achieved five output targets for the year. It did not achieve its targets for the percentage of approved and funded positions filled annually, the total rand value managed through partnerships, increased TIA brand equity, and the investment-decision turnaround time for funding applications valued between R1 million and R15 million.

13.1.21 IMPROVED INSTITUTIONAL CAPACITATION TOWARDS SUPPORTING DELIVERY OF TIA 2.0

TIA's actual capacitation rate for the year under review was 80%. Certain roles were deliberately placed on hold to ensure that future appointments aligned with TIA 2.0. This decision was not formally recorded, and the Agency therefore reported the actual capacitation rate.

A key priority for the period was the stabilisation of executive leadership. To this end, the following appointments were concluded:

- Chief Executive Officer;
- Executive: Corporate Services; and
- Fund Principal.

The filling of these flagship positions provides the organisation with the governance, oversight, and strategic direction required to navigate its next phase of growth.

13.1.22 INVESTMENT DECISION TURNAROUND TIME

The TIA measures investment-decision turnaround time as the period between the receipt of a complete funding application and the date on which an investment decision is made. The Agency has established differentiated turnaround time standards based on the value and complexity of funding applications: 12 weeks for applications below R1 million, 15 weeks for applications between R1 million and R15 million, and 26 weeks for applications above R15 million.

The performance target is to achieve these turnaround times for at least 70% of eligible applications. To strengthen performance management and facilitate earlier intervention, turnaround time is monitored and reported on a bi-annual basis.

Table 5: TIA's investment decision turnaround time for 2025/26

Category and range of applications for funding	Eligible applications received	No. of applications which met the target	% of applications which met the target	No. of applications approved	% of applications approved
3.2(a) <R1m	4	4	100%	4	36%
3.2(b) ≥R1m and <R15m	35	19	54%	23	38%
3.2(c) ≥R15m	8	6	75%	4	33%

During the 2025/26 financial year, the Agency exceeded the turnaround time target for applications below R1 million, achieving 100%, and for applications above R15 million, achieving 75%, both exceeding the target of 70%. Performance for applications between R1 million and R15 million remained below target at 54%. This funding category accounted for the highest number of eligible applications and continues to present the greatest operational challenge owing to the complexity of technical, commercial and financial due diligence processes.

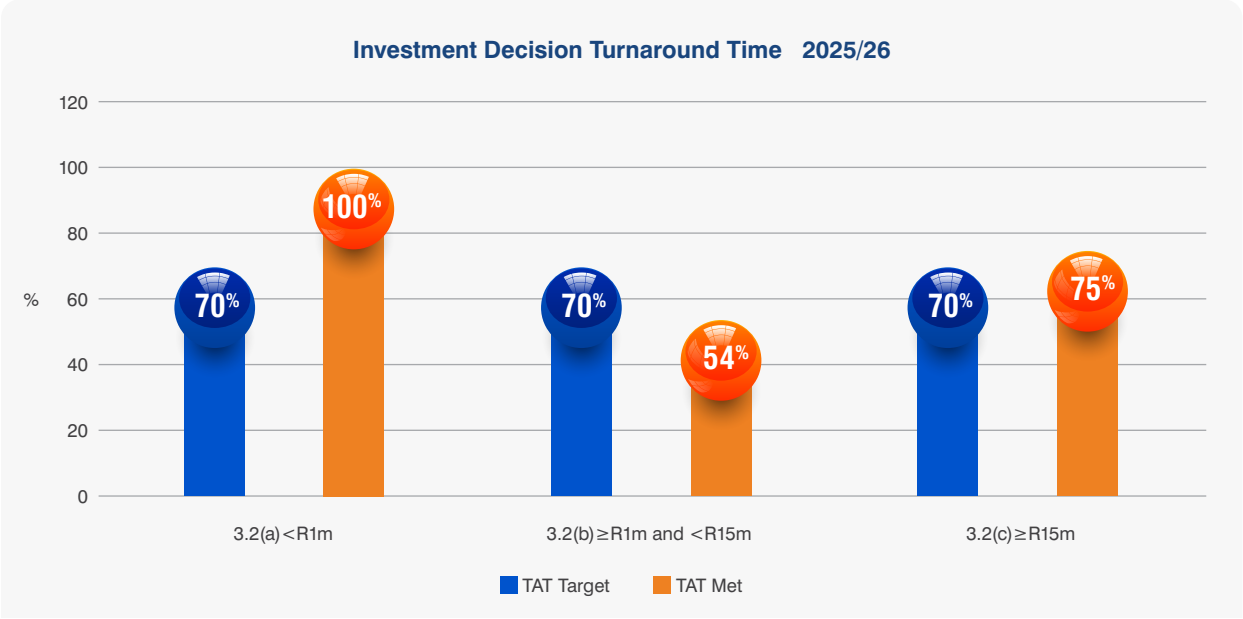


Figure 15: TIA's investment decision turnaround time

The Measures to Improve Investment Decision Turnaround Time

To improve investment decision turnaround times and strengthen the efficiency of the investment approval process, the Agency has initiated several interventions as part of TIA 2.0. These include:

- Transitioning to a **Fund of Funds** model and expanding the use of implementation intermediaries to improve the efficiency and scalability of innovation funding.
- Expanding the **Enterprise Resource System (ERS)** to support a broader range of TIA funding instruments and strengthen programme performance monitoring and reporting.
- Driving organisational culture change to improve the utilisation and adoption of digital systems and data-driven decision-making.
- Digitising and automating key investment and approval processes to reduce manual interventions and improve processing times.
- Reviewing and optimising business processes to eliminate bottlenecks, simplify workflows and enhance operational efficiency.
- Expanding and making greater use of TIA's panel of external technical and commercial experts to expedite due diligence processes and improve decision-making capacity.

These interventions are expected to improve turnaround times, enhance client experience and strengthen the Agency's ability to deliver timely investment decisions.

13.1.23 INCOME RAISED TO REDUCE RELIANCE ON TIA'S BASELINE ALLOCATION

For TIA, innovation is not merely about developing new technologies; it is about creating enduring national value. The KAPA Biosystems settlement demonstrates how strategic public investment in innovation can generate long-term returns that are reinvested to strengthen the NSI, develop future industries, support the next generation of innovators, and improve the quality of life of all South Africans.

From recovery to reinvestment: How the KAPA settlement is advancing South Africa's innovation and service delivery

One of the defining milestones of the 2025/26 financial year was the successful recovery of approximately **R1.2 billion** through the settlement of the long-standing **KAPA Biosystems** matter. The settlement represents the culmination of an investment originally made by the TIA to support the commercialisation of biotechnology IP. More importantly, it demonstrates the long-term value of public investment in innovation and the Agency's commitment to ensuring that returns generated from successful commercialisation are strategically reinvested for the benefit of South Africa.

Rather than treating the proceeds as a one-off financial gain, TIA adopted a deliberate strategy to redeploy the recovered funds into catalytic programmes that strengthen the NSI, accelerate the implementation of **TIA 2.0,** and address national development priorities. The strategic deployment focuses on expanding innovation infrastructure, supporting emerging industries, enabling commercialisation, strengthening innovation financing, and investing in technologies that directly improve service delivery and the quality of life of South Africans.

The recovered funds are enabling TIA to invest across the innovation value chain, from research infrastructure and technology development to commercialisation, venture capital, entrepreneurship, and strategic national programmes. This balanced investment approach ensures that innovation is not only supported at its earliest stages but is also provided with the infrastructure, financing, partnerships, and market access required to transform ideas into commercially successful products, thriving industries, and measurable socio-economic impact.

Building a stronger innovation ecosystem

A significant investment of **R277.4 million** has been allocated to expanding South Africa's innovation infrastructure through the strengthening of Technology Stations, **Technology Platforms, and commercialisation capabilities.** These investments will enhance specialised research facilities, engineering support, rapid prototyping, product testing, and technology-validation services that enable innovators, universities, science councils, and SMMEs to accelerate technology development and reduce commercialisation risks. By expanding access to these national innovation assets, TIA is strengthening South Africa's capacity to develop locally relevant technologies that improve healthcare, agriculture, manufacturing, mining, water, and energy services, while increasing industrial competitiveness.

To ensure that promising innovations continue to progress from research to market, **R137.3 million** has been committed to strengthening the commercialisation pipeline through **Seed Fund Partners, university commercialisation hubs, and technology development programmes.** These investments will accelerate the development of investable technologies, improve commercial readiness, and increase the number of South African innovations reaching the market.

Recognising that innovation should benefit all South Africans, **R233.1 million** has been allocated to expanding **grassroots innovation and entrepreneurship.** This investment broadens participation by women, young people, rural communities, and historically disadvantaged innovators, supporting locally developed solutions that address community challenges, while stimulating enterprise development, job creation, and inclusive economic growth.

Catalysing innovation finance

The KAPA settlement is also transforming how innovation is financed in South Africa. Through a catalytic allocation of **R300 million,** TIA is establishing a **Fund of Funds** model designed to mobilise significantly greater private-sector investment in technology-based enterprises. This forms part of a broader **R473 million innovation-financing portfolio** comprising the Fund

of Funds, the UTF II, Seed Fund investments, and strategic partnerships with specialist fund managers. Together, these initiatives are expanding access to risk capital, supporting emerging black- and women-owned fund managers, strengthening the commercialisation pipeline, and creating a more sustainable innovation-financing ecosystem capable of supporting successive generations of high-growth South African technology companies.

Investing in South Africa's future industries

The recovered funds have also enabled TIA to establish several **SIPs** that respond directly to national priorities and emerging global opportunities. Through investments of **R220 million,** the Agency is advancing programmes focused on **Critical Minerals, Climate Change, Hydrogen Innovation, Fluorochemicals, and Electric Mobility.** These programmes support mineral beneficiation, food security, climate resilience, localisation, clean energy, and industrial development, while positioning South Africa to compete in rapidly growing global markets.

Recognising AI as a strategic national capability, TIA approved **R61.8 million** over three years for the development of the **Mzansi Mind LLM.** This initiative will strengthen local AI infrastructure, support indigenous-language technologies, build national AI capability, and enable public-interest applications across government, education, healthcare, and industry. Together with the **R100 million** expansion of the uYilo Electric Mobility Programme, these investments position South Africa to lead in emerging technologies, while supporting a greener, digitally enabled economy.

Innovation improving service delivery

The strategic deployment of the recovered funds is already translating into innovations that improve the daily lives of South Africans. Technologies supported by TIA continue to address service delivery challenges across water, health, agriculture, energy, education, and digital services.

Projects such as the **VulAmanzi** decentralised water filtration system are improving access to safe drinking water in schools, creating healthier learning environments for learners in underserved communities. The **CIPSense** industrial optimisation system is enabling manufacturers to reduce water and electricity consumption significantly through intelligent process monitoring, contributing to more sustainable industrial production. Investments in healthcare technologies, precision agriculture, IKS, renewable energy, electric mobility, and digital innovation are similarly improving public services, while strengthening local industries, creating employment opportunities, and enhancing South Africa's global competitiveness.

Creating a lasting legacy

The KAPA Biosystems settlement represents far more than the recovery of financial resources. It validates TIA's investment philosophy that successful commercialisation should create a virtuous cycle in which returns generated from innovation are strategically reinvested to support future innovators, strengthen national innovation capability, and address South Africa's developmental priorities.

By investing simultaneously in innovation infrastructure, commercialisation, entrepreneurship, venture capital, strategic industries, and technologies that improve service delivery, TIA is creating a **self-sustaining innovation ecosystem** in which today's successful investments become tomorrow's opportunities. The KAPA settlement therefore demonstrates TIA's role as a catalyst for innovation-led development, transforming the success of one investment into a lasting national asset that will continue to drive industrialisation, economic growth, job creation, and an improved quality of life for generations of South Africans.

13.1.24 MEASURES INTRODUCED TOWARDS DIGITAL TRANSFORMATION AND BUSINESS OPTIMISATION

The TIA 2.0 transition requires the implementation of the new operating model across the organisation. The Work-study and Business Process Management project was initiated to assess operations, work methods, human resource capabilities, systems, and technologies, with a view to improving efficiency and effectiveness through digitisation. The initiative is underpinned by a change-management programme and will run for 12 months. EY was appointed to deliver the project milestones.

During the period under review, TIA optimised and digitised key business processes in alignment with TIA 2.0 deliverables. These projects improved business efficiency, service responsiveness, and organisational agility, enabling the Agency to achieve its quarterly and annual performance targets.

A Central Supplier Database (CSD) report was developed on Sage 300 to extract employee master data monthly for submission to the CSD. National Treasury requires all state-owned entities using the CSD to submit basic employee information each month. The automated report improves accuracy, aligns with CSD reporting standards, and reduces the risk of rejection when the report is uploaded.

The ABIPP process was digitised on the ERS portal and internal system to enable the full sourcing and management of applications. The ABIPP programme standard operating procedure was developed and approved in conjunction with the DSTI. In line with this procedure, a call for proposals was digitised on the ERS system to improve operational efficiency, manage applications, and communicate with applicants. The call was published in December 2025 and closed on 30 January 2026.

A three-segment accounting structure was developed in Pastel Evolution to support detailed reporting and account reconciliations. This enables the Finance unit to provide more detailed management reports and supports the validation of indirect cost allocations to business units' investment expenses, thereby improving TIA's efficiency ratio and reconciliation processes.

13.1.25 INNOVATIONS IN SUPPORT OF A CAPABLE STATE

TIA contracted 10 service delivery innovations following a competitive call for proposals targeting health, sanitation, waste management, cleaning solutions, ICT-based interventions, and energy. The call attracted 94 applications, of which 10 projects were approved by the Investment Assessment Committee and contracted for R500,000 each. These are:

i. CableGuard: The CableGuard project proposes a solar-powered motion and sound-sensor system with GPS capabilities aimed at preventing cable theft and protecting public-infrastructure assets.

ii. **On-site** Rural Sanitation Solutions **(ORUSS):** ORUSS is an environmentally friendly biodigester sanitation solution designed to replace pit latrines and septic tanks in rural and off-grid areas.

iii. Innotebo (Pty) Ltd – Smart Bin Lid: Innotebo proposes a low-technology smart bin lid that enables hands-free operation, odour control, and waste-level monitoring to improve waste-management efficiency.

iv. Well N Well (Pty) Ltd – Plant-Based Probiotic Foods: Well N Well is a township-based food innovation company producing plant-based probiotic yoghurt alternatives using locally sourced, sustainable ingredients. The solution has strong potential for government procurement programmes, including school nutrition schemes, hospitals, and correctional facilities, particularly as demand grows for dairy-free, healthy food options that support national nutrition and wellness goals.

v. JFF Plant Shop (Pty) Ltd – Sustainable Urban Greenery and Eco-consumables: JFF Plant Shop proposes an integrated solution combining biodegradable gardening consumables and indigenous fruit-tree greening initiatives to support urban sustainability.

vi. LignOrganic (Pty) Ltd – LignoClean Eco-Friendly Cleaning Products: LignOrganic proposes the commercialisation of 100% natural antibacterial cleaning products derived from waste macadamia nutshells through its biorefinery process.

vii. Fusion Garden Foods (Pty) Ltd – NutriBite Food Solutions: Fusion Garden Foods is a black-owned food-processing start-up developing nutrient-dense, shelf-stable food products using low-technology processing techniques, such as solar drying. The innovation has strong applicability to government feeding and welfare programmes, including the National School Nutrition Programme, clinics, and social development initiatives aimed at improving access to nutritious food in underserved communities.

viii. Tlotlokgolo Business Investments (Pty) Ltd – Mighty House of Soap: Tlotlokgolo Business Investments proposes the production of eco-friendly soaps and cleaning products made from recycled used cooking oil.

ix. Tech-Hubris Africa (Pty) Ltd – Biodegradable Cleaning Tablets: Tech-Hubris Africa proposes low-cost, biodegradable cleaning tablets manufactured from invasive plant species, such as water hyacinth and lantana.

x. Bella Legacy (Pty) Ltd – Sanitary Pad Dispenser: Bella Legacy proposes the development of an automated sanitary pad dispensing machine designed to improve access to menstrual hygiene products in public spaces.

Alongside these contracted projects, the portfolio also included initiatives that achieved notable milestones during the fourth quarter. Several projects were successfully deployed in schools and other sectors, demonstrating measurable impact and progress towards improved service delivery.

GrooveTech, a GIP-funded project, manufactures cost-effective and durable polymer-modified bitumen and cold-mix asphalt derived from recycled materials for pothole applications. These products enable municipalities, road agencies, contractors, and private commercial property owners to build and maintain climate-resilient road infrastructure. Following a successful soft launch on 21 November 2025, a full-scale pilot project for pothole patching and crack sealing took place on 15 January 2026 in the presence of senior City of Tshwane officials, including the Mayor. A section of J Letwaba Street in Mamelodi West was selected for the pilot demonstration.

Mindblown League (Deployed in Mpumalanga)

The Mindblown League (MBL) project was implemented in three schools in Mpumalanga, introducing a gamified learning model to improve Grade 10 performance in Mathematics and Science. The programme enhanced learner engagement through interactive learning, coaching, and inter-school competitions. Feedback from the three schools highlighted increased learner confidence.



Nka'Thuto EduPropeller (Deployed in KwaZulu-Natal)

The Nka'Thuto EduPropeller project was deployed across four schools in KZN, using an Ideas to Concept (I2C) incubation model to empower learners through problem-based learning. The programme developed research, innovation, and entrepreneurial skills, with learners addressing real-world challenges. Feedback from all four schools highlighted strong engagement, improved critical thinking, and increased interest in science, technology, engineering, and mathematics fields, such as coding and robotics. Schools also noted enhanced teamwork, leadership, and practical learning outcomes. In addition, the programme hosted an annual awards luncheon at which top-performing learners and teams were formally recognised. This further reinforced motivation and showcased the programme's impact.



Learn Base Energy (Deployed in Limpopo)

The Learn Base Energy project focused on improving service delivery through real-time energy monitoring and a pay-as-you-use hybrid solar model. Implemented in Limpopo, the project successfully deployed monitoring systems that identified inefficiencies and provided actionable insights. Feedback from one participating school confirmed an early positive impact, particularly in improving energy awareness and supporting more efficient and sustainable operations, with strong potential for scalability.



Across the projects, eight feedback letters were received, all reflecting positive stakeholder experiences. Common themes included enhanced learner engagement, improved confidence, the development of critical thinking and problem-solving skills, and the successful introduction of innovative learning approaches. Overall, the projects demonstrated effective implementation, strong stakeholder satisfaction, and meaningful contributions to education and sustainable development outcomes.

13.1.26 A POSITIVE TIA BRAND

During 2025/26, TIA continued to improve brand awareness through marketing, communications, and public relations activities. As the brand-visibility initiatives, social media performance, and PRISM Awards are discussed under section 11.2.6, this section focuses on the measured outcome.

The DSTI-commissioned brand-awareness survey indicated that TIA's brand awareness increased from 6% in 2021/22 to 10% in 2022/23 and 16% in 2023/24, placing TIA among the four best-known DSTI entities.

Despite this progress, TIA did not meet its performance target for improved brand equity, as reflected in TIA's Stakeholder Satisfaction Survey. The survey recorded a positive satisfaction rate of 74%, being the sum of the 'very satisfied' and 'satisfied' categories, and equivalent to a score of 7.4 out of 10 against a target of 8 out of 10. The 15% of stakeholders who selected 'neutral' contributed to the underachievement.

13.2 TRANSFORMATION AND INCLUSION

13.2.1 SUPPORTING TRANSFORMATION THROUGH DIRECTING TIA'S INVESTMENT BUDGET

TIA has strategically chosen to set aside a portion of its available investment budget for recipients or investees in the Northern Cape, Limpopo, Free State, Eastern Cape, North West, and Mpumalanga. The target for 2025/26 is to allocate a minimum of 30% of available funds to these provinces. Preference is also given to the DSTI's selected district and metropolitan municipalities, which have historically included Ugu, Zululand, and Ekurhuleni. During the three years in which TIA has had formal output measures, it has consistently exceeded the targets set, demonstrating its contribution to transformation through the deployment of available investment funds. TIA's performance for 2025/26 is shown in Figure 16.

Funds Spent Towards Underserved Provinces

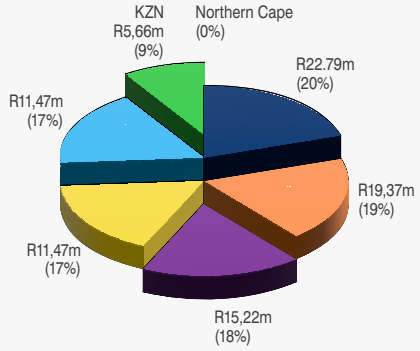


Figure 16: The TIA's performance against its transformation-related performance targets by deployment of its investment funds

TIA significantly exceeded its transformation and regional development target for directing investment funding towards underserved provinces during the 2025/26 financial year. Against a target of R37.43 million, representing the minimum requirement to allocate at least 30% of available investment funds to underserved provinces, the Agency disbursed R85.87 million, more than double the targeted amount.

This performance demonstrates TIA's continued commitment to promoting inclusive, innovation-led development and addressing historical geographic disparities in access to innovation funding and support. By directing a substantial proportion of its investment resources to underserved provinces, the Agency contributes to broadening participation in the innovation economy and ensuring that innovation opportunities are not concentrated in the country's traditional economic centres.

The concentration of approximately half of the disbursed funding in Limpopo and North West indicates strong project demand and investment readiness in these regions. It also reflects TIA's efforts to identify and support innovation opportunities in areas that have historically received lower levels of RDI investment.

The achievement further demonstrates alignment with the government's broader transformation, spatial development, and inclusive growth objectives, including support for underserved communities, rural development, and economic participation by historically disadvantaged groups.

From a strategic perspective, this performance contributes directly to the Agency's objective of strengthening the NSI by expanding its geographic footprint, supporting innovation capacity development across provinces, and increasing the commercialisation potential of technologies emerging from underserved regions. It also reflects the effectiveness of TIA's targeted investment approach and its commitment to ensuring that innovation contributes meaningfully to equitable socio-economic development across South Africa.

13.2.2 ALLOCATION OF FUNDS TO TRANSFORMED RECIPIENTS

In line with its commitment to supporting innovation and development in underserved provinces, TIA seeks to advance transformation by directing a significant portion of its available investment funding towards black beneficiaries. This strategic focus supports the government's broader objectives of economic transformation, inclusion, and equitable participation in the innovation economy. Eligible beneficiaries include black entrepreneurs, enterprises with a minimum of 30% black ownership, and innovation projects led by black researchers and principal investigators at universities and science councils.

The Agency's performance for 2025/26 demonstrates strong progress towards achieving this objective. During the year under review, TIA disbursed R117.40 million to black beneficiaries against a target of R62.38 million, significantly exceeding the target. This achievement reflects the Agency's continued commitment to broadening participation in innovation-led economic activities and supporting the development, commercialisation, and scaling of innovations led by HDI and institutions.

Beyond direct investment funding, TIA continues to promote transformation across the innovation ecosystem through targeted interventions aimed at increasing the participation of designated groups in innovation financing and entrepreneurship. In this regard, the Agency aims to support the establishment of black- and women-owned fund managers, thereby contributing to a more diverse, inclusive, and representative innovation-funding landscape.

Transformation objectives are further embedded across a range of the Agency's programmes and performance indicators to ensure equitable access to the opportunities and benefits arising from STI. Through these interventions, TIA continues to contribute to the transformation of the NSI, while advancing inclusive economic growth and sustainable development.

13.2.3 SUPPORT TO WOMEN, YOUTHS AND PERSONS WITH DISABILITIES

At the outcome-performance level, sub-targets are set for women, youths and persons with disabilities. TIA remains committed to transformation and inclusive innovation and seeks to invest in a developmental manner that supports these designated groups. Its performance against its 2025/26 outcome sub-targets for the proportion of women, youths and persons with disabilities supported is presented in the table below.

Table 6: The TIA's performance against its demographic outcome sub-targets for the period 2025/26

Outcome	Outcome indicator	Target	2025/26
Outcome 1: Intensified commercialised innovations in support of inclusive economic growth, sustainable development and transformation	1.1 Number of technologies commercialised	Women: ≥20% Youths ≥5% Persons with disabilities: ≥10%	Women: 64% Youths: 63% Persons with disabilities: 0%
	1.2 Number of commercialised innovations from publicly funded R&D	Women: ≥20% Youths ≥5% Persons with disabilities: ≥10%	Women: 23% Youths: 27% Persons with disabilities: 1%
	1.3 Number of commercialised innovations that improve competitiveness	Women: ≥20% Youths ≥5% Persons with disabilities: ≥10%	Women: 31% Youths: 28% Persons with disabilities: 1%
	1.4 Number of commercialised innovations by designated groups	Women: ≥20% Youths ≥5% Persons with disabilities: ≥10%	Women: 28% Youths: 28% Persons with disabilities: 0%

Outcome	Outcome indicator	Target	2025/26
Outcome 2: Enabling and strengthening the innovation ecosystem	2.1 Number of ecosystem collaborations established	HDIs ≥80% Women ≥45% Youths ≥40% Persons with disabilities ≥3%	HDIs: 100% Women: 29% Youths: 0% Persons with disabilities: 0%
	2.2 Number of initiatives to promote harmonisation of funding in the Ecosystem	HDIs ≥80% Women ≥45% Youths ≥40% Persons with disabilities ≥3%	No data
	2.3 Number of measures implemented to strengthen the technology entrepreneurship ecosystem	HDIs ≥80% Women ≥45% Youths ≥40% Persons with disabilities ≥3%	No data
	2.4 Number of venture capital funds established	HDIs (80%) Women ≥45% Youths ≥40% Persons with disabilities ≥3%	HDIs: 50% Women: 50% Youths: 0% Persons with disabilities: 0%
	2.5 Total rand value of funding and investment leveraged	No target	No target
Outcome 3: A more capable, scaled-up, agile and sustainable TIA supporting a capable state	3.1 Percentage dependency on MTEF Funding	HDIs ≥80% Women ≥45% Youths ≥40% Persons with disabilities ≥3%	HDIs: 102% Women: 43% Youths: 67% Persons with disabilities: 0%
	3.4 Expanded business model capacitated	HDIs ≥80% Women ≥45% Youths ≥40% Persons with disabilities ≥3%	Women : 64% Youths : 17.6% Persons with disabilities: 6.3%
	3.5 Number of innovations that contribute to an efficient way of delivering a service by government	HDIs ≥80% Women ≥45% Youths ≥40% People with disabilities ≥3%	HDIs: 61% Women: 27% Youths: 32% People with disabilities: 0%

The Agency continued to advance transformation by promoting the participation of **historically disadvantaged individuals (HDIs), women, youth and persons with disabilities** across its programmes. Overall, performance against the demographic sub-targets was encouraging, with HDIs exceeding targets across several indicators, demonstrating TIA's continued commitment to inclusive innovation and broadening participation within the NSI.

Positive progress was also recorded for **women and youth,** particularly within commercialisation and entrepreneurship initiatives, where several targets were met or exceeded. While participation by **persons with disabilities** remained below target across most indicators, the results highlight opportunities to strengthen targeted interventions and improve inclusivity. This progress was supported by TIA's establishment of dedicated, standalone, and bespoke funding instruments for these designated groups.

At the output performance level, sub-targets are set for women, youths and persons with disabilities. The TIA's performance against these targets for 2025/26 in Table 7.

Table 7: The TIA's performance against its demographic output sub-targets for the period 2025/26

Outcome	Output indicator	Target 2025/26	Actual 2025/26
Outcome 1: Intensified commercialised innovations in support of inclusive economic growth, sustainable development and transformation	1.1 Number of projects involving industry being executed	Women: ≥30% Youth: ≥20% Persons with a disability: ≥10%	Women: 34% Youth: 31% PWD: 0%
	1.2 Number of successfully diffused technologies	Women: ≥30% Youth: ≥20% Persons with a disability: ≥10%	Women: 29% Youth: 29% PWD: 0%
	1.3 Number of products launched	Women: ≥30% Youth: ≥20% Persons with a disability: ≥10%	Women: 35% Youth: 34% PWD: 0%
	1.4 Number of successfully demonstrated bio-based technologies	Women: ≥30% Youth: ≥20% Persons with a disability: ≥10%	Women: 43% Youth: 34% PWD: 2%
	1.5 Number of IP and knowledge-based innovation products produced	HDIs: ≥80% Women: ≥45% Youth: ≥40% Persons with a disability: ≥3%	HDIs: 59% Women: 32% Youth: 30% PWD: 2%
Outcome 2: Enabling and strengthening of the innovation ecosystem	2.8 Number of SMMEs and co-operatives receiving SET and enterprise development support	HDIs: ≥80% Women: ≥45% Youths: ≥40% Persons with disabilities: ≥3%	HDIs: 43% Women:26% Youth: 31% PWD: 0%
	2.10 Number of beneficiaries accessing support from partnerships established with SETAs, private sector, government & civil society	Women: ≥30% Youth: ≥50% Persons with a disability: ≥10%	Women: 29% Youth: 37% Persons with a disability: 0%
	2.11 Number of black or women fund managers established	HDIs: ≥100% Women: ≥50%	HDIs: 83% Women: 67%

In line with its commitment to inclusive innovation, TIA continued to advance demographic transformation by integrating designated-group targets across its commercialisation and innovation support programmes. **Women and youth** exceeded targets across several commercialisation indicators, including projects involving industry, products launched, and successfully demonstrated bio-based technologies.

However, performance against **HDI** targets remained below expectations for certain indicators, particularly those relating to knowledge-based innovation products, SMME support, and the establishment of fund managers. Participation by **persons with disabilities** also remained limited across most programmes, highlighting the need for more targeted interventions to strengthen inclusion. Key interventions will include the continued implementation and scaling of the Women Technology and Innovation Programme, **Youth Technology and Innovation Programme (YTIP),** and **Disability Technology and Innovation Programme (DTIP).** These programmes are designed to identify, support, and accelerate innovations led by designated groups, while addressing barriers to participation within the innovation ecosystem.

Through TIA 2.0, the Agency will strengthen its ecosystem-curation role by expanding strategic partnerships with universities, science councils, incubators, Technology Stations, sector departments, and industry partners to improve the pipeline of innovations led by designated groups. It will also continue to support blended-finance mechanisms that improve access to funding for black- and women-owned enterprises and promote the establishment of additional black- and women-owned fund managers.

14. DIVISIONAL PERFORMANCE

The Agency delivers its mandate through three operational divisions: Bio-economy, Innovation Enabling, and Commercialisation. These divisions collectively support the development, de-risking, commercialisation, and adoption of innovation and technology-based solutions, while strengthening the NSI. Through a combination of financial and non-financial support interventions, strategic partnerships, infrastructure platforms, and commercialisation support, the divisions contribute towards TIA's strategic objectives of advancing innovation, strengthening the technology entrepreneurship ecosystem, and driving inclusive economic growth, sustainable development, and transformation.

14.1 COMMERCIALISATION DIVISION

14.1.1 OVERVIEW

The purpose of the division is to accelerate the commercialisation of innovative technologies through financial and non-financial support, enabling innovators and technology-based enterprises to progress from technology development to market adoption and scale.

TIA supports commercially sustainable innovations that have the potential to improve the quality of life of South Africans and contribute to economic growth. The division also focuses on translating and commercialising IP from publicly funded organisations, including universities and science councils.

The division's portfolio grew from 120 active projects, with a total value of just over R1 billion, to 131 projects, with a total value of R1.31 billion during 2025/26. The Space Programme also approved five new projects. Several deviations, equity conversions, and loan requests were considered during the period.

In addition, and in alignment with TIA 2.0, the division has several programmatic initiatives under way in the areas of space innovation, nuclear skills training, hydrogen innovation, critical minerals, and climate-change innovation. Funding approvals obtained in the fourth quarter for programmes and flagship projects are summarised below:

Table 8: Funding approvals obtained in the fourth quarter for programmes and flagship projects

Initiative	Funding approved	Progress update
uYilo eMobility Programme	R20m x 5 years = R100m	Pre-planning held; updated business plan awaited
Critical Minerals Programme	R20m x 3 years = R60m	Strategy and detailed budget completed; business plans concluded; disbursement of the first-year tranche pending
Climate Change Programme	R20m x 3 years = R60m	Strategy and detailed budget completed; business plans concluded; disbursement of the first-year tranche pending
Hydrogen Innovation Programme	R13m	Contracting complete
Mzansi Mind LLM (Flagship AI Project)	R62m over 3 years	CP condition under way; expected completion: end May 2026
Fluorochemicals Strategic Innovation Programme	R1.5m x 3 years = R4.5m	MoU between TIA, NMU (InnoVenton) and Fluorochemicals SA signed; funding agreement between TIA and NMU (InnoVenton) signed, enabling implementation to commence in line with the approved project execution plan

Critical Minerals Programme

Funding of approximately R60 million has been approved for the Critical Minerals Programme over three years. The programme will address the value chain from exploration to final products, with an emphasis on circularity and beneficiation. The Department of Mineral Resources and Energy, the Mandela Mining Precinct, mining houses, and development finance institutions (DFIs) are expected to be integral partners, and the programme will be modelled on the uYilo EMTIP. This programme is significant because it enables TIA to lead the Critical Minerals Programme in South Africa.

Climate Change Programme

The Climate Change Programme has been approved for R60 million over three years. It will bring together the University of Johannesburg (UJ), the Department of Forestry, Fisheries and the Environment (DFFE), industry partners, DFIs, and government stakeholders to support carbon-registry development, climate mitigation, and climate-resilient technologies across health, agriculture, water, energy, and manufacturing.

Fluorochemicals Strategic Innovation Programme

The Fluorochemicals Strategic Innovation Programme was approved in March 2026 as a structured, programme-based intervention aimed at developing a fluorochemicals innovation ecosystem in South Africa. It responds to a strategic gap in the downstream beneficiation of locally produced fluorspar, much of which is currently exported in raw or minimally beneficiated form. Through this intervention, TIA seeks to support the progression of the fluorochemicals value chain towards higher-value research, technology development, demonstration, and commercialisation opportunities, while strengthening collaboration among research institutions, industry, and government.

uYilo Programme

Funding of approximately R100 million has been approved for the uYilo Programme over five years. This funding will support the expansion of uYilo's national footprint, including offices in Durban, Pretoria, and Cape Town, and enable investment in second-life battery initiatives, RDI in battery materials, and broader circularity efforts.

The Hydrogen Innovation Programme

The HIP has been approved and will be managed by TIA. The first project funded under the HIP is the metal hydride alloy project, which marks a significant milestone for HySA and TIA. The DSTI has invested R1.4 billion in the HySA programme to date, and TIA has been given responsibility for managing the commercialisation pathways of the technologies emanating from this pivotal programme to create local economic opportunities that will deliver significant economic benefits for South Africa.

Mzansi Mind LLM (Flagship AI Project)

TIA approved R62 million to establish Mzansi Mind LLM as Africa's first sovereign AI platform, expanding access to secure, locally relevant AI designed for South Africa's languages, culture, and regulatory requirements.

The platform was established to address three structural barriers preventing the meaningful and widespread adoption of AI in South Africa: data sovereignty and compliance; linguistic and cultural inclusion; and affordability constraints.

14.1.2 BUSINESS UNIT OVERVIEWS

The Commercialisation Division consists of the following business units.

Table 9: Commercial Division Business Units Overview

Business unit	Purpose
Natural Resources	Supports the development and commercialisation of technologies that promote the sustainable utilisation, management and beneficiation of natural resources, with a focus on responsible mining, environmental sustainability, water and sanitation, the circular economy and resource efficiency
Energy	Supports the development and commercialisation of innovative energy technologies in eMobility, hydrogen, battery systems, renewables and energy efficiency that contribute to energy security, sustainability and the energy transition
Information Communication Technology (ICT)	Supports the development and commercialisation of digital technologies and ICT-based innovations that enhance economic competitiveness, service delivery and digital transformation
Advanced Manufacturing	Supports the development and commercialisation of advanced manufacturing technologies that improve industrial productivity, competitiveness and the localisation of innovation
Space Innovation Programme	Supports the development, demonstration and commercialisation of space technologies and applications. The unit facilitates strategic partnerships, mobilises investment and strengthens the national space innovation ecosystem. It supports technologies that address national priorities such as Earth observation, satellite applications, climate resilience, agriculture and security, while promoting industrialisation and economic growth

The Commercialisation Division contributes primarily to:

Outcome 1: Intensified Commercialised Innovations in Support of Inclusive Economic Growth, Sustainable Development and Transformation

This outcome is achieved through:

- Supporting the development and commercialisation of technology-based innovations;
- Advancing technologies from proof-of-concept to market readiness;
- Facilitating the creation of new products, services and enterprises;
- Leveraging strategic partnerships and funding mechanisms to support innovation-led growth; and
- Supporting the implementation of Decadal Plan priorities through targeted investments in strategic technology sectors.

The division also strengthens South Africa's innovation capability by supporting innovation projects aligned to the Agency's thematic impact areas, including advanced manufacturing and industrial modernisation, energy sustainability, environmental innovation, the digital economy and inclusive innovation.

ADVANCED MANUFACTURING

The purpose of the Advanced Manufacturing Business Unit is to support TIA's vision by building a quality portfolio of flagship projects and programmes that contribute to transforming South Africa's manufacturing industry into a competitive, high-tech, and high-value-creating sector. Its objectives and operating model ensure that selected projects align with national manufacturing priorities.

During the year under review, the Advanced Manufacturing Business Unit continued to strengthen South Africa's manufacturing sector by supporting the development, demonstration, and commercialisation of technologies that enhance industrial competitiveness, productivity, and value creation. The unit's work is closely aligned with the STI Decadal Plan 2022–2032, which prioritises the modernisation of manufacturing and the advancement of high-tech industrialisation as key drivers of inclusive and sustainable economic growth.

In giving effect to this national agenda, the unit supported interventions that enable small businesses to adopt advanced technologies, promote new technology-based industries, and revitalise established industries through innovation. Its portfolio spans radar technology, automation, advanced electronics, medical devices, advanced processes, nanotechnology, photonics, additive manufacturing, and production technologies. Collectively, these focus areas support manufacturing firms and innovators in improving processes, developing new products, strengthening local technological capability, and moving technologies closer to market adoption.

During the year, the Advanced Manufacturing Business Unit advanced projects across technology development, commercialisation readiness, licensing, market demonstration, clinical validation, and investment conversion. The portfolio reflects the unit's role in supporting technology-based industrial development across priority manufacturing subsectors.

Continuous Super Critical Fluid Extraction: The Continuous Super Critical Fluid Extraction project reached a key commercialisation milestone through the signing of a licence agreement between North-West University (NWU) and the Centre for Advanced Manufacturing (CFAM). The technology supports the cleaner extraction of vegetable oils from seeds by eliminating the use of toxic chemicals. With the partnership terms accepted by the relevant parties, CFAM continued further development work to improve the technology's commercial viability and prepare it for market adoption.

ArcAqua: ArcAqua advanced the commercialisation of its proprietary ozone-based sanitisation solution for post-harvest processing and packaging environments. The technology improves food safety and shelf life, while reducing reliance on conventional chemical-based systems. In February 2025, TIA converted ArcAqua's R12.87 million investment obligation into a 14.7% equity stake, thereby strengthening TIA's participation in the company's future commercial growth. The technology has since been successfully installed at several food-processing plants.

Novelquip: Novelquip recorded substantial commercialisation progress with its mechanised forestry-planting technology. The multi-head planter was successfully demonstrated in Brazil with São Paulo State University, Suzano Forestry, Ponsse, and other forestry stakeholders, exceeding market expectations and enabling the project to progress to the pre-production phase. Three Engineering Development Models were completed, signed off, and paid for by Ponsse. Novelquip expects Ponsse to place an order for three pre-production models in 2026.

The project was formally closed during the year, and the Advanced Manufacturing Business Unit secured Board approval to convert Novelquip's R44,672,936 investment obligation into a 39.1% shareholding, subject to final ministerial approval.

PNC for 3D Printing: The Functional Polymer Nanocomposites for Low-cost Additive Manufacturing Solutions project, led by the CSIR, received approval for approximately R4.7 million to develop nanomaterials for 3D-printed electromagnetic-interference shielding components for niche South African industries. The project was signed off and commenced during the year, establishing the foundation for the further development of locally relevant additive-manufacturing materials and applications.

PNC Barrier Film: The Polymer Nano Composite Barrier Film project, managed by the CSIR, was successfully concluded following the development and licensing of two advanced packaging-film technologies to Matongoni Plastics. These included a nylon nanocomposite film with enhanced oxygen-barrier properties for food applications and an active polyethylene film capable of

generating CO_2 upon contact with wine. The project was officially closed in May 2025, marking the completion of its technology development and commercialisation phase.

Cardioflow: Cardioflow advanced the development and validation of a diagnostic device that uses ultrasound-signal features to support the detection, monitoring, and interpretation of possible cardiovascular disease. The project progressed through the third phase of its clinical trial, with further patient recruitment and significant progress towards finalising the last trial phase. During the fourth quarter, the project developed an offline, locally deployable LLM-based clinical-support assistant integrated into the Cardioflow system to support safe use, interpretation, and adherence to workflows in rural and underserved healthcare settings. The model was deployed at a rural hospital in KZN.

Lodox: The Lodox project continued to support the development of a next-generation photon-counting detection system for full-body X-ray imaging. The system is intended to produce high-resolution diagnostic images with faster acquisition times and lower radiation exposure for patients and operators. During the year, the TIA team participated in the commencement of the Lodox internal audit process and visited the Xmplar-dr machine installed at Life Wilgeheuwel Hospital in Gauteng, where the technology contributes to the faster processing of trauma patients.

Metal Heart: The Metal Heart project was approved during the fourth quarter to support the development of bespoke titanium implants produced directly from patient-imaging data. The technology is intended to improve anatomical fit, reduce surgical time, and contribute to improved clinical outcomes compared with standard, off-the-shelf implants. The project received approval for R8,790,836, with the first disbursement of R4 million released during the quarter.

ENERGY

The Energy Business Unit supports the development and commercialisation of energy technologies that respond to energy security, environmental sustainability, and long-term economic resilience. The unit brings together expertise, funding, partnerships, and market access to support promising energy innovations from concept to commercial deployment.

The unit operates across five core technology verticals: eMobility, hydrogen, battery systems, renewable energy, and energy efficiency. These areas are strategically important to South Africa's energy transition and the development of technologies that improve how energy is produced, stored, and consumed.

The Energy Business Unit is both an innovation enabler and a commercialisation engine, working with start-ups, research institutions, industry partners, and government to bring transformative energy solutions to scale. During the year, the unit supported projects including Helio and Balancell, which recently built an R80 million factory in Cape Town.

The Climate Change Programme, approved for R60 million over three years, will bring together the UJ, the DFFE, industry partners, DFIs, and government stakeholders. The programme will focus on carbon-registry development, climate mitigation, and the development of climate-resilient technologies across health, agriculture, water, energy, and manufacturing. Given the significance of climate change, both globally and locally, and the implementation of the carbon tax, the programme positions TIA to support climate technologies that can assist industry in reducing its carbon footprint.

In December 2025, TIA received confirmation that the DSTI had approved the establishment of the HIP in partnership with TIA. The programme's primary mandate is to support, facilitate, and promote the commercialisation and sustainable local manufacture of publicly financed and locally developed IP emanating from the HySA initiative. It also aims to assist South African innovators, researchers, and entrepreneurs in commercialising HySA-derived technologies.

Virtual Nuclear Learning Programme

The Virtual Nuclear Learning Programme is a collaboration among Eskom, NECSA, the South African Institute of Electrical Engineers, the South African Institute of Chemical Engineers, the South African Institute of Mechanical Engineers, and TIA. It seeks to establish a pilot programme for nuclear skills development through a virtual learning platform. The programme aims to decentralise nuclear education and provide equal opportunities across African countries.

TIA will contribute R1 million a year over a five-year period, while Eskom, NECSA, and the three engineering institutes have each committed R1.6 million a year to support the pilot training programme. The programme management structures will engage the relevant SETAs, including EWSETA, on support and scaling options as the programme gains traction during the pilot phase.

The uYilo Programme remains the flagship programme in eMobility and has gained national recognition as the only battery-testing facility in South Africa. The programme is currently working on circularity in second-life batteries and the recovery of rare-earth metals.

INFORMATION AND COMMUNICATION TECHNOLOGIES

The TIA ICT Business Unit drives the development and deployment of digital innovations that deliver broad socio-economic impact. Its mandate is aligned with reducing unemployment, inequality, and poverty, while enhancing South Africa's competitiveness in the Fourth Industrial Revolution and advancing the Sustainable Development Goals.

The unit focuses on strengthening industry competitiveness, accelerating commercialisation, and mobilising strategic funding to support ICT innovation within the NSI. This is achieved through ecosystem collaboration, support for product development and market entry, and the leveraging of local and international funding partnerships.

During the current MTEF period, the ICT Business Unit prioritised key technology domains, including AI, advanced communication systems, cyber infrastructure and cyber security, and digital-economy solutions. These areas underpin digital transformation across priority sectors, such as agriculture, energy, health, manufacturing, mining, and the green economy.

The ICT portfolio comprises a diverse mix of deep-tech and market-ready innovations developed by start-ups, universities, and science councils. During the period under review, the portfolio continued to progress steadily towards commercialisation despite sector-specific challenges.

Portfolio Highlights

- In the AI domain, several new investments were onboarded, spanning applications in generative AI, AI-driven infrastructure, fintech, insurtech, education, e-commerce, and rural digital services.
- TrackView, developed by HisWay Labs, is a smart railway-sensor system addressing vandalism and capacity-management challenges. The solution has progressed to commercialisation, with initial sales secured and further funding being raised to support market expansion.
- PAISA Technology is advancing a high-performance collision-avoidance system for mining vehicles designed to meet EMESRT Level 9 safety standards. The solution enhances operational safety through multi-layered detection and automated-intervention capabilities. A pilot with a leading Chilean mining company presents a significant opportunity to demonstrate the system's effectiveness in complex environments and scale its adoption.
- Ann Connect delivers a hybrid digital-assessment platform that enables secure, invigilated examinations without requiring continuous internet connectivity. The solution improves access to quality education in underserved areas, while supporting compliant and scalable assessment processes aligned with national skills development priorities.
- LocumBase, now evolving into the broader FlexBase platform, provides a software-as-a-service (SaaS)-based digital workforce solution that enables real-time matching, scheduling, and verification across multiple sectors. The platform is expanding beyond healthcare into industries such as logistics, construction, and mining, demonstrating growing traction and improving workforce efficiency.
- Jobox addresses youth unemployment through a structured digital platform that links students, academic institutions, and industry. The platform supports job placements, skills development, and data-driven insights to improve employability outcomes, with increasing commercial traction and programme-based engagements.
- The iGen Stokvel Platform is a fintech solution aimed at modernising community-based savings schemes. The platform enables the secure management of contributions and integration with financial services providers. The project has progressed to pre-commercialisation, with pilot implementations under way.

NATURAL RESOURCES

The Natural Resources Business Unit supports TIA's vision by building a focused portfolio of technologies and strategic interventions that promote the sustainable utilisation, management, and beneficiation of South Africa's natural resources. The unit's work is concentrated in areas where resource constraints, environmental pressures, and industrial competitiveness intersect, including water and sanitation, responsible mining, mine water treatment, the circular economy, resource efficiency, climate resilience, and minerals beneficiation.

During the year under review, the Natural Resources portfolio demonstrated progress across the technology development and commercialisation continuum. The portfolio included projects involving active industry collaboration, technologies diffused into operational environments, products launched, and technologies generating commercial revenue or progressing towards broader uptake. This reflects the unit's role in supporting innovations that not only respond to environmental and resource challenges but are also being tested, deployed, and adopted in real operating contexts.

A key feature of the portfolio was its emphasis on water security and circular water use. Projects such as cloSURE®, ECT Smart Water Tanks and Trucks, VulAmanzi, EDC Tanks, and KSBA1000 Commercial Aquaponics demonstrate different pathways through which innovation can support more efficient water management, reuse, monitoring, and access. These interventions range from the biological treatment of BILLIN for potential agricultural reuse to AI- and IoT-enabled municipal water monitoring, decentralised filtration, rainwater harvesting, and closed-loop food production systems.

The portfolio also continued to support responsible mining and mineral-processing innovation. Through projects such as cloSURE® and Stone Three's Smart Sensor Process Advisory Dashboard, the unit supported technologies that improve mine water management, mineral-processing efficiency, operational control, and the commercialisation of locally developed mining-related technologies. These interventions align with the Decadal Plan's emphasis on modernising mining, digitalisation, extending the life of mines, and improving competitiveness in resource-based sectors.

The unit also advanced a more programmatic approach to natural-resource innovation through the Fluorochemicals Strategic Innovation Programme and Critical Minerals Programme, both of which are discussed elsewhere in the report. These programmes support co-ordinated interventions to build capability, strengthen partnerships, and address value chain gaps.

cloSURE® Mine Water Treatment: The cloSURE® project, led by Mintek, continued to advance the demonstration of a biological sulphate reduction process for treating AMD and sulphate-rich, mining-influenced water. The technology is designed as a low-cost, low-maintenance, and semi-passive treatment process suitable for post-mining and mine-closure environments in which conventional active-treatment systems may

not be appropriate. During the year, the demonstration plant achieved good treatment performance, including sulphate reduction, metals removal, and the neutralisation of acidic mine water.

EDC Tanks Rainwater Harvesting System: The EDC Tanks project advanced a modular rainwater harvesting and distribution system designed to reduce reliance on potable municipal water for non-potable household uses, such as toilet flushing. During the year, the project moved closer to manufacturing readiness through design-for-manufacture and design-for-assembly optimisation, which reduced component complexity and improved the manufacturability of the tank and rain-distribution module.

ECT Smart Water Technology Project: The project progressed from technology development to operational municipal uptake through Johannesburg Water, with 16 water tankers brought online during the year. The AI- and Internet of Things (IoT)-enabled solution supports real-time monitoring of tanker operations through sensor probes, IoT hubs, cloud-based data platforms, and mobile applications. This enables improved visibility of water levels, water quality, and tanker movements, supporting more efficient co-ordination of water-distribution services and strengthening data-driven decision-making in a live municipal service delivery environment.

KSBA1000 Commercial Aquaponics: The project continued to demonstrate the commercial potential of closed-loop, water-efficient food production. The system integrates aquaculture and hydroponics by using fish waste as a nutrient source for crop production, while plants assist in filtering water for recirculation into the fish system. The project developed a commercial demonstrator comprising 1,000 specialised buckets, together with supporting infrastructure, including a fish packhouse, hatchery, and training centre. During the year, the project gained market traction through commercial supply engagements, including approval to supply formal retail channels, while continuing to position aquaponics as a scalable model for climate-smart agriculture, water efficiency, and sustainable livelihoods.

VulAmanz Water Filtration Units: The VulAmanz water filtration initiative supported the deployment of decentralised water-treatment solutions for schools and community facilities with limited access to reliable potable water. The technology is designed to remove microbial contamination and suspended solids from stored water, offering an interim solution in areas where reticulated supply or treatment infrastructure is constrained. Demonstrations and deployments in schools supported public-sector engagement and provided practical evidence of the technology's potential to improve access to safe drinking water in underserved environments.

Stone Three Smart Sensor Process Advisory Dashboard: Stone Three Digital continued to build on earlier TIA-supported smart sensor and process advisory technologies by advancing an integrated advanced process control (APC) and process optimisation platform for mineral-processing applications. The platform brings together smart-sensing capability, flotation and grinding-process knowledge, AI-enabled analytics, and Stone Three Intelligence to improve real-time measurement, reagent control, plant stability, and metallurgical recovery in mineral-processing circuits.

During the year ended 30 June 2025, Stone Three Digital recorded audited revenue of R112.9 million, reflecting continued commercial traction and market adoption of its industrial digital-productivity and workplace-safety solutions. The new development phase focuses on enhanced APC controllers for flotation-reagent control, the integration of online X-ray fluorescence sensing capability, the development of a slurry particle-size analyser, and further enhancements to the Stone Three Intelligence optimisation platform. This positions the project as an important example of locally developed digital-mining innovation supporting the modernisation, efficiency, and competitiveness of the mineral-processing sector.

Municipal Ops App: The Municipal Ops App project continued commercialisation and market validation activities within the municipal sector. The solution is a digital platform designed to support municipal operations through integrated service management, including infrastructure monitoring, service-request management, and operational-planning tools. During the reporting period, the project focused on stakeholder engagement and market access, including engagements with municipalities and sector stakeholders. Demonstration materials and customised application interfaces were developed to align with municipal requirements, with invitations secured for formal presentations to municipal portfolio committees.

Fluorochemicals Strategic Innovation Programme: As noted above, the Programme was approved as a structured intervention to develop South Africa's fluorochemicals innovation ecosystem. Its focus is technology localisation, research and development, stakeholder co-ordination, and skills development across the fluorspar value chain.

CIPSense Pilot (PCS Global + 4T2 Sensors)

The clean-in-place (CIP) optimisation project, implemented under the UK–South Africa Water Innovation Lead Customer Programme, focuses on improving industrial water and energy efficiency within South Africa's beverage-manufacturing sector. The technology, branded CIPSense, was developed by 4T2 Sensors in partnership with PCS Global and is designed to monitor and optimise automated cleaning processes on production lines.

Conventional CIP systems in food and beverage plants often use excessive water, chemicals, and energy because of fixed-time cleaning cycles. By applying sensor-based monitoring and data analytics, the CIPSense system dynamically adjusts each cleaning phase, reducing rinse durations and ensuring that cleaning is based on actual process conditions rather than conservative estimates.

The programme supported a pilot at Coca-Cola Beverages South Africa's Wadeville plant to demonstrate measurable resource savings, operational reliability, and return on investment. The results confirmed that the CIPSense system reduced CIP cycle times by 15%, saving an estimated 4,000 m³ of water and 31 MWh of electricity annually per line, with an expected two-month payback period. The project exceeded expectations by securing follow-on pilots with Dairymaid, Woodlands Dairy, and AB InBev, while Coca-Cola is considering adoption at its Midrand high-speed bottling facility.

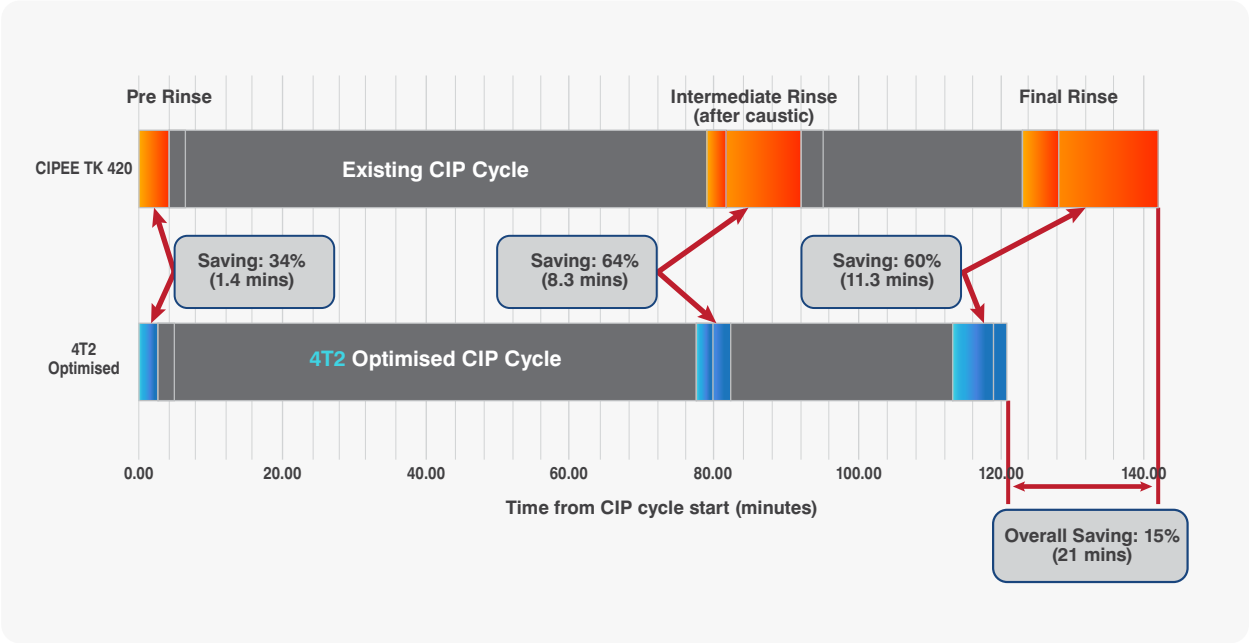


Figure 17: Comparison of the existing CIP cycle with the optimised cycle during the Coca-Cola Wadeville pilot

Space innovation initiative

The rapid advancement of space technologies, urbanisation, and climate change have increased the need for technologies that support evidence-driven, sustainable decision-making on a global scale. Space-science artefacts and insights derived from critical Earth observation (EO) satellite data can transform industries and help to address societal needs globally. These include combating climate change, monitoring the environment, ensuring food and water security, addressing growing pressures on natural resources, and mapping urbanisation, spatial-planning, and infrastructure needs in a rapidly growing society.

The DSTI and the National Space Infrastructure Hub (SIH) have partnered with TIA to implement the Space Innovation Initiative, which aims to accelerate the growth and transformation of the South African space economy by supporting the development and commercialisation of space technologies. The initiative is expected to contribute to the creation of new space ventures, products, and services that respond to national challenges, create jobs, modernise existing industries, and support transformation through black- and women-owned SMMEs in the South African space economy.

The Space Innovation Initiative invested in high-tech upstream Space subsystems, Nanosatellite subsystems, Space Propulsion systems, Energy-efficient satellite solutions, and remote-sensing technologies, including downstream EO solutions that support national priorities, promote global trade co-operation, and respond to climate-change imperatives. In the downstream space sector, the initiative prioritises EO solutions that support evidence-driven decision-making for service delivery; industrial modernisation in mining and agriculture; food security; water sustainability; early-warning disaster-management systems; environmental monitoring; maritime safety; sustainable land monitoring; and spatial development. These priority areas are aligned with the Decadal Plan and the National SIH's mandate to advance the development of satellite infrastructure, satellite-based augmentation systems, and EO systems that strengthen domestic access to infrastructure and capabilities.

The Space Innovation Initiative investment portfolio strengthens South Africa's space-science capabilities by supporting locally developed IP, niche competencies, and specialised expertise. These are key enablers of national sovereignty, transformation, and global competitiveness. The initiative advances transformation in the space sector by supporting emerging black- and women-owned enterprises and enabling new entrants to participate in South Africa's space economy. Through the current portfolio, TIA has supported three black-owned enterprises in Gauteng and the Western Cape.

Furthermore, two of the five approved Space Projects are Youth-Owned Start-up enterprises focusing on Satellite Propulsion Subsystems and EO Agricultural solution, known as FarmVision, that supports farmer digitisation, profiling, compliance monitoring, and market access for marginalised farmers in South Africa. We Earth has launched its space-enabled digital platform to digitise, validate, and trace agricultural produce for 400,000 farmers and integrate them into commercial value chains. The FarmVision platform assists rural

and small-scale farmers in building verified profiles, demonstrating traceability and compliance, and meeting the requirements for structured offtake opportunities in local and regional African agricultural markets and global export value chains.

The current EO solutions call for proposals focuses on extending the application of space systems and solutions in remote-sensing technologies and EO satellite data insights developed by local innovators, SMMEs, research and development organisations, universities, and TVET colleges. The objective is to harness local opportunities in downstream space-data applications across vertical markets to create new socio-economic opportunities, support national service delivery, and advance industrial development in South Africa.

These downstream space applications and products are positioned as a key means of extending the South African space ecosystem's regional footprint in support of the District Development Model, the National Spatial Development Strategy, industrial development, and digital transformation in marginalised communities. This will be pursued in partnership with industry leaders and national, regional, and local government stakeholders to identify service delivery needs and new industrial opportunities within their communities.

The Space Innovation Initiative also promotes capacity-building by integrating space engineers and technicians into active TIA-funded projects, supporting skills transfer, project sustainability, and the development of future entrepreneurs within the global space ecosystem. This approach helps South African talent to remain competitive and equipped with the skills needed to expand national expertise, generate high-value IP, and deliver impactful space solutions with socio-economic benefits.

14.1.3 BUDGET AND EXPENDITURE

A comparison of the budget and actual expenditure of the Commercialisation Division is presented in Table 10.

Table 10: Budget and expenditure of the Commercialisation Division for 2024/25 and 2025/26

	2024/25			2025/26		
Sub-programme	**Budget (R'000)**	**Actual expenditure (R'000)**	**(Over)/under expenditure (R'000)**	**Budget (R'000)**	**Actual expenditure (R'000)**	**(Over)/under expenditure (R'000)**
Advanced Manufacturing	R15,369	R2,083	R13,286	R7,178	R7,819	-R641
Energy	R14,442	R12,234	R2,208	R17,925	R 555	R17,370
ICT	R23,799	R22,737	R1,062	R14,931	R17,640	-R2,709
Natural Resources	R11,693	R11,794	-R101	R6,181	R4,976	R1,205
Journey to TIA 2.0	R5,000	R4,158	R842	R5,225	–	R5,225
Stakeholder Events	R1,000	–	R1,000	R1,045	R1,000	R45
Total	**R71,303**	**R53,006**	**R18,297**	**R52,485**	**R31,990**	**R20,495**



14.2 BIO-ECONOMY DIVISION

14.2.1 OVERVIEW

The aim of the division is to support the development, validation, de-risking and commercialisation of bio-economy-based innovations that contribute to improved health outcomes, food security, industrial competitiveness, environmental sustainability and socio-economic development.

Institutional Outcomes Supported

- Intensified commercialised innovations in support of inclusive economic growth, sustainable development and transformation;
- Strengthened innovation capabilities in the bio-economy sector; and
- Improved translation of research and innovation into market-ready products and services.

14.2.2 BUSINESS UNIT OVERVIEWS

The division consists of the following business units. The division also hosts several contracted programmes namely, SABDI, ABIPP and SIIP.

Table 11: Bio-economy division business units overview

Business unit	Purpose
Agriculture	Supports the development and commercialisation of innovative technologies and solutions that improve agricultural productivity, food security and sustainability.
Industrial Biotechnology	Supports the development and application of biotechnology-based innovations that improve industrial processes, resource efficiency and sustainable production.
Health Innovation	Supports the development and commercialisation of innovations in pharmaceuticals, diagnostics, medical devices and healthcare technologies.
Technology Platforms	Provides access to specialised scientific infrastructure, equipment, technical expertise and technology support services for innovators and researchers.
Indigenous Knowledge Systems	Supports the protection, validation, development and commercialisation of Indigenous Knowledge-based innovations and technologies.

Agriculture

The Agriculture business unit supports the development of high-growth and high-impact technologies, products and services that contribute to a competitive, broad-based, inclusive and sustainable agricultural sector in South Africa, Africa and globally. Its focus areas include breeding and production technologies in livestock and field crops, animal and plant health, nutrition, agro-processing and post-harvest technologies.

The business unit also supports smart agriculture technologies that improve climate resilience, farmer competitiveness, food safety and security, rural and township development and employment creation across the agriculture value chain. This work is aligned with the Decadal Plan's priority to modernise strategic sectors such as manufacturing, agriculture and mining and is implemented through co-ordinated partnerships with key strategic stakeholders.

TokaBio, a South African biotechnology start-up supported by TIA, specialises in 4IR-enabled **POC diagnostic test kits.** Its technology provides rapid, decentralised testing for animal and human health, enabling immediate field results without sending samples to a traditional laboratory.

TIA's investment will enable TokaBio to further develop its 4IR-enabled platform. The device allows farmers to obtain diagnostic results in under an hour. Test results are immediately transmitted to mobile devices and linked to government regulators' databases to enhance live disease surveillance.



Figure 18: 4IR-enabled point-of-care mobile truck

Agriculture Bio-economy Innovation Partnership Programme

Established in 2017/18, the Agriculture Bio-economy Innovation Partnership Programme (ABIPP) is a DSTI Programme implemented by TIA. It seeks to advance the Bio-economy Strategy and continues to play a major role in supporting small-scale farmers and the broader agricultural sector in South Africa.

In the 2025/26 financial year, ABIPP advanced transformation and skills development by supporting 25 postgraduate students, of whom 24 were black and 14 were female. The programme also created 41 employment and training opportunities for unemployed graduates, all of whom were black and 44% of whom were female, through internships, technician placements, research-assistant roles, and postdoctoral fellowships. Over the past three financial years, five of the 25 supported interns and technicians secured permanent employment. These achievements reflect ABIPP's focus on building inclusive STI capabilities and strengthening the agricultural innovation skills pipeline.

Seven technology prototypes and demonstrations were completed, including six prototypes under the 4-in-1

Seed Oil Press project: a modified hydraulic press, a soap prototype, hemp seed oil, baobab seed oil, grape seed oil, and a grape seed oil candle.

Under ABIPP, the DSTI, in partnership with TIA, supported the **South African System of Systems for Agricultural Modernisation (SASSAM),** a flagship agritech initiative designed to digitise smallholder and commercial farming. By integrating climate, soil, satellite, and crop data, SASSAM provides actionable, data-driven insights to help farmers optimise production and mitigate climate-related risks. The ecosystem is led by TerraClim, in partnership with the DSTI, the CSIR, and the Agricultural Research Council (ARC). The programme was initially implemented successfully in the Eastern Cape and has since been rolled out to KZN.

During the 2025/26 financial year, ABIPP supported 16 multi-stakeholder platforms across strategic agricultural commodities and themes, including wheat, climate resilience, digital agriculture, cassava, and biosecurity. These initiatives contribute to the implementation of the DSTI Decadal Plan (2022) and the Agriculture and Agro-processing Master Plan (AAMP) (2022).

Beef Genomics Programme

The Beef Genomics Programme (BGP) is an ongoing South African initiative funded by TIA since its inception in 2025, implemented by the ARC, and supported by the Red Meat Producers Organisation and key livestock industry participants. It aims to enhance the global competitiveness and sustainability of the local beef industry through cutting-edge DNA testing and genomic selection.

The BGP is in its second phase and attracted leveraged funding of R30.3 million in the 2025/26 financial year through its strategic partnership with ARC Kaonafatso ya Dikgomo (KyD), a special-purpose vehicle for smallholder-farmer development and commercialisation funded by the Department of Agriculture.



The second instalment of year two of BGP II contributed to the 2025/26 performance highlights. Breeding and selection technology was successfully diffused to small-scale farmers in support of inclusive development. A total of 71 farmers attended the training, of whom 44 were male, 29 were female, and 15 were youth from the rural community of GaMaseleama in Limpopo.

As a significant strategic outcome of the BGP, an International Climate-smart Beef Production Workshop was convened at the University of Pretoria on 4 and 5 March 2026. The workshop aimed to strengthen collaboration among stakeholders to advance low-emission, climate-resilient livestock-production systems and address the challenges posed by climate change within the sector.

The workshop brought together industry partners, including representatives from Armidale, Australia, the International Livestock Research Institute in Kenya, and the University of Brazil in Asa Norte, Brazil. Their participation underscored global interest in developing sustainable solutions for the beef industry through innovative and climate-smart approaches.

The ARC Gamete-Tek Cryo-mobile Laboratory, launched in 2012, is a TIA-funded initiative aimed at enhancing livestock-reproduction technologies in South Africa. Originally established to support the Nguni cattle-breeding project, this 4x4 mobile unit delivers advanced assisted reproductive technologies directly to farmers. Its core services include on-site semen collection, evaluation, and artificial insemination, which are accessible to both emerging and commercial farmers.

In 2025/26, the mobile laboratory continued to contribute to the BGP through its integration into the KyD programme. It provides bull testing and evaluates economically important livestock traits, specifically supporting smallholder farmers. The continued use of the mobile laboratory through the BGP and KyD demonstrates the link between TIA's earlier investments and current shared value in the livestock sector, enabling the implementation of advanced reproductive and genomic technologies that drive industry-wide transformation.

Site visit at ARC Bull testing station for post-weaning Feed and Growth Testing, 12 March 2026

HEALTH

The Health Business Unit aims to strengthen South Africa's global competitiveness in the health sector by driving technological innovation that delivers meaningful socio-economic impact. It focuses on supporting the development of healthcare products and services for the prevention, diagnosis, and treatment of priority diseases affecting South Africa and the broader sub-Saharan African region. These include communicable diseases, such as HIV/AIDS, tuberculosis (TB), malaria, and respiratory infections, as well as the increasing burden of non-communicable diseases, including diabetes, cardiovascular diseases, cancer, and mental health conditions.

To achieve this, the business unit seeks to stimulate and support the development, regulatory approval, local manufacture, and commercialisation of innovative health technologies and solutions. In doing so, it aims to address national health priorities, improve health outcomes, and contribute to the growth, sustainability, and global competitiveness of South Africa's health innovation ecosystem.



A significant milestone during the 2025/26 financial year was the official launch of the **University of KwaZulu-Natal (UKZN) Clinical Trials Unit (CTU)** on **28 July 2025,** marking an important step in strengthening the University's clinical-research capacity. Established to enhance the quality and throughput of investigator-initiated and industry-sponsored clinical research, the CTU made substantial progress in preparing for future clinical studies. Regulatory submissions were completed for the **VENTUS** and **Atlantis (Sanofi)** studies, while study-specific operational tools and trial-management processes were developed to support the efficient execution of future clinical trials.

Although the CTU was unable to participate in the VENTUS study because of regulatory approval timelines, it successfully concluded two Clinical Trial Agreements, securing reimbursement of start-up costs from Sanofi and support funding for VENTUS-related activities. The unit's growing research capability was further demonstrated through its pre-selection for additional industry-sponsored and investigator-led clinical trials, including studies on **asymptomatic cryptococcal meningitis, asthma, cutaneous lupus,** and the **repurposing of metformin for the management of hypertension in pregnancy.** Collectively, these achievements position the CTU as a strategic platform for advancing South Africa's clinical-research capacity, attracting future clinical-trial investment, and strengthening health innovation within the NSI.

Progress was also achieved in developing innovative medical technologies. **Liqid Medical** advanced the clinical evaluation of its OptiShunt glaucoma implant through the GOSSIP 2 clinical trial. Since the first implantation in August 2024, 13 patients have been enrolled and treated. Early clinical outcomes have shown promising reductions in intraocular pressure, with sustained improvements observed in patients who have reached six-month follow-up assessments. While longer-term monitoring remains necessary, preliminary findings indicate strong potential for OptiShunt as a novel treatment option for glaucoma patients.

Altis Biologics continued to expand its portfolio of regenerative medical devices through the development of fully synthetic alternatives designed for patients seeking non-animal-derived treatment options. The company investigated multiple synthesis pathways to develop a cost-effective synthetic bone substitute with high biocompatibility, osteoconductive properties, and mechanical strength. These innovations respond to growing global demand for synthetic regenerative solutions and will complement the company's existing biologically derived products, providing healthcare professionals with a broader range of treatment options for bone regeneration and soft-tissue repair.

The **Active Pharmaceutical Ingredients (API) Cluster** continued to advance its mandate to strengthen South Africa's pharmaceutical-manufacturing and innovation capacity. Three funding calls were issued to support research, development, and industry-driven innovation within the API sector. Several applications were received, reviewed by the Scientific Advisory Committee, and approved for funding. The successful projects commenced technical activities aimed at advancing API development and strengthening local pharmaceutical-manufacturing capabilities. The cluster also progressed the development of a new identity to enhance collaboration, innovation, and localisation within the pharmaceutical value chain.

New approvals during the year included funding support for two innovative South African health-technology companies. Funding of R999,485.84 was approved for **Ultrapure® HOCL (Pty) Ltd,** a youth-led and black-owned SMME, to support Conformité Européenne (CE) marking and European Union Medical Device Regulation (EU MDR) registration of its HOCL Noxmaria® wound- and burn-care product. The medical-grade hypochlorous acid solution is designed to treat acute and chronic wounds, burns, ulcers, abrasions, and surgical wounds. The project will advance the product towards Class IIb medical device registration and strengthen the company's readiness to access European markets.

Funding of R3.26 million was also approved for **Senso (Pty) Ltd** to develop and commercialise further its assistive technology for people who are deaf or hard of hearing. Senso is a wrist-worn alerting device that converts environmental sounds into vibration patterns and colour-coded visual signals, enabling users to detect and respond to important auditory cues. The technology is designed to enhance accessibility, independence, and safety for people with hearing impairments, while creating opportunities for local manufacturing and commercialisation.

INDUSTRIAL BIOTECHNOLOGY

During the year under review, the Industrial Biotechnology portfolio supported a diverse range of bio-based innovations spanning lignin valorisation, bioplastics, biomanufacturing, waste-to-value technologies, forest biotechnology, biorefinery development, and sustainable food ingredients. The portfolio contributed to technology demonstration, SMME support, market validation, leveraged funding, industry partnerships, circular-economy outcomes, and manufacturing competitiveness.

LignOrganic (Pty) Ltd advanced its lignin valorisation technology, which extracts high-value lignin from waste biomass, including black liquor and macadamia-processing residues. The technology attracted commercial interest from Sappi Southern Africa and LignoPure, with initial uptake comprising 20 kg of soda lignin purchased by LignoPure and 5 kg purchased by Sappi. During the third quarter, TIA approved R1 million in bridge financing to support the completion of downstream product development activities under the NatUVCare and O'Phyll streams, the fulfilment of a 2,000 kg lignin purchase order from Sappi, and associated marketing and operational activities.

The CSIR developed and demonstrated a fed-batch fermentation process using Micrococcus luteus to produce polyhydroxybutyrate (PHB), a biodegradable bioplastic. The PHB was processed into granules, injection-moulded into a denture-bath prototype, and evaluated by Ductile Plastics and Extruders (Pty) Ltd for thermal stability, mechanical strength, biodegradability, and compostability. The results confirmed PHB's potential as a sustainable alternative to selected petroleum-derived plastics in appropriate applications.

The SMRI Sugar Diversification Project contributed to the G20 Initiative on bio-economy by supporting policy discussions on agro-processing biorefineries, bio-economy development, and bioenergy research. In the fourth quarter, the Sugar Milling Research Institute entered into an agreement with Future Market Insights to obtain updated intelligence on product pricing, market volumes, demand for bio-based products, and sustainability-certification requirements. The market study strengthens the evidence base for prioritising investable sugarcane-based biochemical opportunities for further development and commercialisation, aligned with industrialisation, beneficiation, and localisation objectives.

Strategic Industrial Bio-innovation Programme (SIIP)

Within SIIP the portfolio advanced a pipeline of biomanufacturing, biocatalysis, and circular-economy technologies aimed at strengthening local production capability and reducing reliance on petroleum-derived inputs. The following projects illustrate this progress.

Recobre (Pty) Ltd, in partnership with the CSIR, developed a technology to produce fatty acids and fatty alcohols from plant oils and soapstock, a by-product of the edible-oil industry. These renewable and biodegradable products can be used in mineral-processing applications and provide an alternative to petroleum-derived chemicals, while supporting the beneficiation of industrial by-products and circular-economy outcomes.

Mycosure (Pty) Ltd, in collaboration with the CSIR, developed a mycelium-based liquid fermentation technology to produce myco-protein ingredients for food, beverage, and nutraceutical applications. Mycosure subsequently secured R20 million in commercial funding, anchored by CSIR C3 (SOC) Ltd, with participation from Magnitt Ventures, ProVeg International, Ntyrely Nsane, and Assetup Investments, to support the establishment of a commercial-scale myco-protein production facility. The technology supports local manufacturing, food security, and sustainable protein production.

Immobazyme, supported through the Biomanufacturing Enterprise Development Initiative, completed bench-scale production of Fibroblast Growth Factor 2 (FGF2) using genetically modified Escherichia coli. The project delivered a validated FGF2 prototype and completed techno-economic and technical assessments. The technology enables the local production of a high-value biomanufacturing input for regenerative medicine, cell therapy, tissue engineering, and cultivated-meat applications, strengthening South Africa's bio-economy and reducing import dependence.

The Industrial Biocatalysis Hub, hosted by the CSIR, received R2.7 million in leveraged funding through the CSIR Parliamentary Grant to support year-three programme activities. The Hub continued to advance the development and adoption of greener biocatalytic technologies to modernise manufacturing and support the transition towards a sustainable, low-carbon bio-economy.

The waste-to-value pipeline also gained momentum through technologies focused on organic waste conversion, biomass valorisation, and the higher-value use of industrial residues.

Khepri Innovations advanced its black soldier fly bioconversion and waste-management model through pilot development, partnership activity, and market engagement. During the year, the company strengthened its commercialisation pipeline through participation in IFAT Africa 2025, the Indalo Symposium, GovTech 2025, the Smart City Innovation Challenge, and the Just Energy Transition Financing Programme. In the fourth quarter, Khepri received first-place recognition in the 2025/26 City of Johannesburg Smart City Community Innovation Challenge and Awards, securing a R300,000 prototyping grant and a potential pathway to a City pilot. Khepri also signed a service-level agreement with Growers Connect for food waste collection and processing and initiated a pilot with RCL to assess value addition opportunities from baking-paper waste.

PyrolTech (Pty) Ltd, a KZN-based company, received R12,972,793 in funding from TIA to develop and commission a pilot plant for pyrolysis-derived products, including biochar, PyrolWood, wood vinegar, and bio-oil fractions from biomass waste. The off-grid pyrolysis technology supports waste valorisation, circular-economy objectives, and lower-carbon production pathways. PyrolTech also participated in SAIW 2026, where it generated commercialisation leads for PyrolCrete, PyrolWood, and adapted pyrolysis applications for non-recyclable plastic waste.

CSIR Keratin

The TIA-supported Keratin Biopolymer project, managed by the CSIR, received R690,000 in leveraged funding through the CSIR Parliamentary Grant to support second-year implementation. The project focuses on converting waste chicken feathers into specialised, higher-value

bioproducts, thereby reducing the environmental burden of poultry-sector waste and supporting higher-value beneficiation pathways.

TIA funded the CSIR to develop an improved, cost-effective, efficient, and less toxic method for extracting keratin from chicken feathers. This method offers advantages over traditional chemical approaches. The innovation addresses a key challenge in the application of keratin in thermoplastics: its inherent incompatibility with hydrophobic thermoplastic materials and its tendency to degrade in terms of its physical and mechanical properties. Through a novel two-step pre-formulation process, the method enables the production of thermoplastic keratin with enhanced structural integrity, paving the way for broader industrial applications.

During the current phase of the project, the team aimed to extract keratin from chicken feathers and characterise it using various analytical techniques. The extracted keratin would then be evaluated for its effectiveness in developing a bio-based, biodegradable polymer-composite product.

The team successfully converted the extracted keratin into thermoplastic keratin and blended it with biodegradable plastics, such as PLA and polybutylene adipate terephthalate (PBAT), to produce stronger, more flexible, and more environmentally friendly materials. The keratin blends processed well at pilot scale, demonstrated good thermal stability, and showed improved melt flow. In other formulations, the material demonstrated better strength and flexibility than conventional polyethylene. The best-performing blends also showed improved biodegradation, meaning that they are more likely to break down under composting conditions.

Overall, the work demonstrates that keratin derived from chicken-feather waste has strong potential as a low-cost, sustainable additive for biodegradable films, packaging, and 3D-printing materials. The CSIR keratin-extraction process also appears to be more cost-effective than alternative methods. In addition, process optimisation is expected to result in more economical compostable keratin biopolymer granules for supply to large-scale plastic-product manufacturers, thereby making biopolymers more commercially attractive.

In line with the National Bio-economy Strategy (2013) and the STI Decadal Plan (2022–2032), which identifies the circular economy as one of its key thrusts, this innovation addresses important local and global environmental and economic imperatives. It also contributes to Sustainable Development Goals 12 and 13: Responsible Consumption and Production, and Climate Action, respectively.

The success of this technology will contribute to the development of a national bioplastics sector. The non-exclusive licensing of the technology will expand the production of compostable keratin biopolymer granules for supply to existing plastics enterprises.

The Global GAP Journey

Demonstrating its commitment to international food safety and sustainable farming standards, the project recently underwent its first Global Good Agricultural Practices (GlobalG.A.P.) inspection. The operation achieved an initial score of 88%. As GlobalG.A.P. certification requires 100% compliance, the team is using the available 21-day period to implement minor adjustments and submit the final documentation. Securing certification is an important step towards accessing premium domestic and international markets and validating the project's quality control and operational standards.

Commercial Traction in Supply Agreements with Retail Giants

The project's operations are already generating commercial returns. The farm has secured approval from Woolworths and its designated packhouse, resulting in consistent weekly commercial deliveries of high-quality pak choi. In addition, the project has secured an established market for its lettuce yields, which are being supplied to major retailers, such as Pick n Pay. These revenue streams demonstrate the commercial viability of high-tech aquaponic systems in meeting stringent corporate supply requirements.

Human Capital and Future Outlook

As operations expand, the project is also contributing to job creation. The team recently appointed three key employees: a bookkeeper, a sales specialist, and an administrative secretary. With system orders expanding to areas including Newcastle and Bushbuckridge, and export interest received from Rwanda, the project has strong growth prospects. Once full fish production has been achieved through the planned transition to solar energy, the project intends to host an official launch and open day to demonstrate the model to the Department of Agriculture and industry stakeholders.

The Next Phase of Innovation: Solar Integration and Scale

To optimise operational costs further and enhance sustainability, the project is embarking on a significant energy transition. High electricity costs currently affect water-temperature regulation, which is vital for optimal aquaculture. To address this, the innovator is finalising a financing application for an R800,000 solar-power installation.

Once the solar array is operational, it is expected to reduce overhead costs significantly and provide the sustainable energy required to heat the water in the fish dams. Heating the water will enable the fish production component of the ecosystem to reach full scale, aligning it with the established plant-production component and realising the project's closed-loop potential.

Through strategic funding, technical oversight, and commercialisation support, TIA remains a partner in this initiative, demonstrating how STI can contribute to a sustainable and food-secure future.

Forest Bio-economy Innovation Cluster (FBIC)

In November 2025, TIA approved R33,634,760 in follow-on funding for phase two of the FBIC. The investment supports the continuation of Programmes 1 and 2 and introduces the Solid Timber Competitiveness Programme as Programme 3, hosted by the University of

Pretoria. The programme strengthens competitiveness, innovation, and downstream value addition in South Africa's timber industry and aligns with the Commercial Forestry Sector Master Plan.

FBIC Programme 1, hosted by the University of Pretoria, made significant progress in genomics-enabled tree improvement and forest-health research. The programme's scientific leadership and international standing were reinforced through Professor Sanushka Naidoo's invited keynote address at the 8th IUFRO International Workshop in Canada and her subsequent invitation as one of nine featured speakers at the 2025 Marcus Wallenberg Prize Symposium in Sweden.

The programme also completed field trials at Mondi's KwaMbonambi demonstration site near Richards Bay from 26 October to 5 November 2025. The trials included the inoculation of Eucalyptus trees with the fungal pathogen Chrysoporthe austroafricana, tissue sampling, and phenotypic assessments. The broader objective is to improve productivity, resilience, and feedstock quality for pulp and paper, sawn timber, engineered wood products, biomass energy, and emerging bio-based materials. By reducing disease-related losses and improving plantation performance, these advances are expected to strengthen forestry value chains, enhance grower and processor profitability, and support employment and economic activity in forestry-dependent rural communities.

Programme 1 also established strategic partnerships with Macadamia South Africa and York Timbers, enabled through leveraged co-funding. These agreements included a phase two macadamia-genomics agreement valued at R943,641 and York Timbers agreements valued at R180,000 and R92,500 to identify genetic markers associated with resistance to Fusarium disease and cold tolerance, respectively.

The programme also hosted a joint symposium with the Tree Protection Co-operative Programme at the University of Pretoria's Future Africa campus, convening more than 300 delegates and reinforcing pathways from funded research and development to industry-relevant forestry outcomes.

FBIC Programme 2, hosted at the CSIR Biorefinery Industry Development Facility, received R3.55 million in leveraged funding through the CSIR Core Parliamentary Grant and an additional R4.9 million from the DSTI to support SMME technology demonstration and pilot-scale development of bio-based products. The programme aims to drive biorefinery innovation by developing and commercialising technologies for the production of high-value bioproducts from waste forestry biomass. The following SMMEs were supported through the programme.

Plastech Industrials CC: Plastech developed and demonstrated a technology to convert waste sawdust residues and recycled polypropylene into biocomposite pellets for rigid injection-moulding applications. The innovation transforms waste into value-added materials for products such as pallets, crates, furniture components, and construction materials, supporting circular manufacturing, resource efficiency, and local economic development.

Boom Organix (Pty) Ltd: Boom Organix developed and demonstrated a bioaugmentation technology that uses biochar as a bio-additive to enhance biogas and biofertiliser production from food waste. The technology reached Technology Readiness Level 6 (TRL 6) and was transferred to the SMME. This innovation supports waste valorisation, reduces disposal costs, and promotes more sustainable agricultural and waste-management practices.

BioTech Group: With support from the CSIR, BioTech Group demonstrated a solid-state cultivation process *using Ganoderma lucidum* to produce mushroom-derived biomaterials for sustainable packaging applications. The technology provides a renewable alternative to conventional plastic packaging and creates opportunities for biodegradable packaging materials for the food, consumer-goods, and logistics sectors, supporting circular economy and waste-reduction objectives.

On 3 February 2026, the CSIR Biorefinery Industry Development Facility convened a Biorefinery Stakeholder Engagement Session to align industry, SMMEs, national government, universities, and the CSIR on a shared biorefinery STI agenda. The engagement positioned a national biorefinery initiative as a strategic mechanism for co-ordinating capability development, de-risking scale-up, and accelerating the translation of research into commercial and industrial uptake, with an emphasis on the circular economy, beneficiation, manufacturing competitiveness, green growth, and job creation.

INDIGENOUS KNOWLEDGE SYSTEMS

During the 2025/26 financial year, the IKS Business Unit supported various entities in developing and commercialising projects and implementing programmes in the thematic areas of African traditional medicine, cosmetics, herbal infusions, and nutraceuticals, with an expanding focus on cannabis- and ethnoveterinary-related projects. These interventions focus on valorising South Africa's biodiversity and biotrade sectors for commercial benefit, enabling South Africans to improve their socio-economic conditions and access local and international markets through TIA's support.

Abalimi BoMya Association NPO: Cannabis Oil Extraction Facility

In April 2025, funding support of R4.95 million was approved for Abalimi BoMya Association to implement Phase 1 of the CIE in Port St Johns, Eastern Cape. The project aims to establish a cannabis oil extraction facility along the Mpondoland Cannabis Belt in the Eastern Cape. The centre will support innovation, processing, product development, and skills training for SMMEs in the cannabis sector.

This initiative aims to advance rural economic development through new processing technologies. A significant constraint on the growth and development of the local cannabis industry is the scarcity of processing facilities. Currently, most farmers in Port St Johns are involved only in growing cannabis and do not have the tools or facilities to convert the plant into higher-value products, such as extracts, oils, or medicines. This limits the income they can generate from their crops and constrains the growth of the cannabis industry in the area. TIA's intervention supports the Decadal Plan's goals of assisting with the implementation of the Cannabis Master Plan and improving the meaningful participation of marginalised communities in the cannabis value chain.



Figure 19: Community engagement facilitated by the Abalimi Bomya Association of legacy farmers in the region. TIA, dtic, ECRDA, and ECDC were in attendance

The facility will focus on using cannabis biomass for both traditional and modern applications. These include home-based human health remedies, oil pressing, and the development of building materials from waste generated by the centre. The CIE will connect traditional farming methods with new processing technologies to create long-term economic opportunities.

Its activities will include value-adding processes designed to maximise the economic potential of cannabis biomass, including oil extraction for product development, converting leaves into nutrient-rich compost, and processing flowers into oil for cosmetic applications. The extracted oil will also be refined for medicinal use. This will support the commercial valorisation of indigenous cannabis for the benefit of the region.

TIA also held a stakeholder engagement session at the Port St Johns Town Hall with members of the Abalimi BoMya Association and potential co-funders, including the ECRDA, the Eastern Cape Development Corporation (ECDC), and representatives of the Department of Trade, Industry and Competition (the dtic). The purpose of the engagement was to outline the commencement of the initiative and explain how stakeholders could participate. The event was attended by approximately 120 people, most of whom were legacy growers in the region who could potentially supply biomass to the CIE.

CBD Care Pty Ltd

CBD Care completed its product development phase and officially launched four new balm products – Sensitive Balm, Essential Balm, Relief Balm, and Afra Balm – on 10 July 2025 in George, Western Cape. The formulations incorporate medicinal plants, such as Artemisia afra and cannabis, with demonstrated potency against a range of skin-related conditions. The launch event introduced the products to stakeholders and the public through product demonstrations and panel discussions on IKS, aligning the initiative with broader national priorities in health innovation and the emerging cannabis economy.

Following the launch, the products were showcased on several platforms to increase their visibility and market positioning. Notably, they were exhibited at the African Biotrade Festival 2025, held from 18 to 20 September 2025 at the Sandton Convention Centre. The exhibition provided an opportunity to engage industry stakeholders and highlight the role of locally developed, plant-based products in advancing South Africa's biotrade and health innovation sectors.

Honeybush Processing Facility

Approval for the establishment of the Honeybush Processing Facility (HPF) as a CIE was obtained on 10 December 2025. A total allocation of R4.5 million, including VAT, was made to the ARC over 18 months for Phase 1.

The ARC has continued its active involvement in honeybush cultivation with the Langkloof community in the Tsitsikamma area and the Southern Cape. With support from the DSTI and TIA, the ARC facilitated the establishment of four SMMEs – Kuyasa Amamfengu (Pty) Ltd, Thornham Heuningbos (Pty) Ltd, Clarkson Heuningbos (Pty) Ltd, and Sonskyn Heuningbos (Pty) Ltd – and established nurseries to support the sustainable cultivation of honeybush species in response to growing demand from the herbal-infusion and cosmeceutical industries.

To address critical gaps in the honeybush value chain, the ARC submitted an application for the HPF in the Tsitsikamma area, designed to enable harvesters and entrepreneurs to add value and access local and international markets.

The HPF will serve as the CIE, providing essential processing infrastructure and technical expertise for the processing and product development of Cyclopia intermedia, *Cyclopia subternata, Cyclopia longifolia,* and *Cyclopia genistoides*, while creating employment and enhancing regional competitiveness.

LIPSHTIC



The **LIPSHTIC** was approved by ExCo on **11 December 2025.** TIA approved funding of **R14.8 million,** complemented by **R6 million** in co-funding, bringing the total value of the cluster to **R20.8 million.** As the cluster is discussed elsewhere in this report, this section focuses on its strategic contribution to advancing **IKS** and strengthening South Africa's bio-economy.

Implemented by **SMU,** the cluster leverages more than three decades of research expertise in photobiology and operates through a **Quadruple Helix** collaboration model. This model brings together **government,** represented by the DSTI and TIA; **academia and research institutions,** including SMU, the CSIR, and Nelson Mandela University's InnoVenton; **industry,** including Prime Product Manufacturing and technology-based SMMEs; and **communities,** particularly Indigenous Knowledge holders.

This collaborative approach is designed to accelerate the commercialisation of IP derived from Indigenous Knowledge and indigenous biological resources, while strengthening partnerships across the innovation ecosystem.

The cluster aims to bridge the gap between publicly funded research and commercial-market success by translating research outputs into safe, scientifically validated, and market-ready skin health and personal care products. In doing so, it seeks to unlock new value chains, expand opportunities for technology-based SMMEs, strengthen local manufacturing capability, and promote inclusive participation by Indigenous Knowledge holders. Collectively, these interventions contribute to job creation, industrial development, and South Africa's competitiveness in the high-value global cosmetics and personal care industry.

During the inaugural **SAIW 2026** in March 2026, LIPSHTIC was officially launched as one of TIA's flagship bio-innovation initiatives. The launch was marked by the signing of a funding agreement between TIA and SMU and brought together representatives from government, academia, industry, and the research community under the theme '**Innovate – Connect – Transform'.**

The event showcased technologies ready for commercialisation and highlighted the importance of collaborative innovation platforms in accelerating technology transfer, regulatory readiness, commercialisation, and industrialisation. In opening the event, Deputy Minister Dr Nomalungelo Gina emphasised that initiatives such as LIPSHTIC play an important role in addressing fragmentation within South Africa's innovation ecosystem, while strengthening collaboration across the NSI.

North-West University: International Conference on Green and Sustainable Development

The TIA IKS business unit collaborated with NWU on the implementation of the International Conference on Green and Sustainable Development, held from 8 to 12 March 2026 in Stellenbosch. Together with local partner institutions, including Tshwane University of Technology and the University of Fort Hare, and African partners, including the University of Kigali in Rwanda and KCA University in Kenya, the event brought together thought leaders, researchers, innovators, and changemakers to engage in transformative conversations on the future of sustainability.

With a focus on reimagining sustainability through the integration of IKS, emerging technologies, and Afrocentric innovation, the event provided a dynamic platform for cross-sector collaboration and practical dialogue. TIA curated a panel discussion on IKS-based innovations for human and animal health and showcased innovative research outcomes from three TIA-funded investees in the IKS sector: Professor David Katerere of TUT, Professor Lyndy McGaw of the University of Pretoria, and Ms Philasande Mahlakatha of ABA.

Product Molefe: Tshwane University of Technology

During the third quarter, preclinical development advanced with the successful completion of in vitro toxicity and safety assays, enabling the commencement of in vivo studies in collaboration with the South African Medical Research Council (SAMRC) through its Biomedical Research and Innovation Platform. This marked a critical step in assessing the safety and efficacy of the prototypes.

Product Molefe, a formulation developed by Dr Molefe, was studied by the Tshwane University of Technology (TUT) team to assess its safety, efficacy, and posology. Knowledge exchange was prioritised, with Dr Molefe delivering a lecture to 30 staff and students from the University of Eastern Finland, Helsinki, Harare Institute of Technology, and TUT as part of the Team Finland Knowledge-funded ToxiSA programme, which ran from September 2024 to July 2025.

The project's visibility was further enhanced through participation in conferences. At PharmaConnect Africa 2025, held from 14 to 16 October 2025, eight students and three staff members, including TIA-funded interns, presented findings on Product Molefe.

At the SAMRC Regional Conference at SMU, held from 21 to 23 October 2025, three students and one staff member attended, with student Phatho Ramantswana winning the Best Poster Award. International collaboration was strengthened through the University of Eastern Finland, where Professor Katerere leads a module on the use and safety of herbal medicines.

On 5 November 2025, Professor Katerere's research group won two awards at the TUT Academic Excellence Awards, highlighting its contribution to the project. TUT has also partnered with Kiara Health, a collaboration that will strengthen commercialisation opportunities with industry partners.

Product Nkabinde Project: Africa Health Research Institute (AHRI)

The objective of the Product Nkabinde project, funded by the TIA Technology Innovation Fund and co-funded by the SAMRC, is to demonstrate clinically the safety and efficacy of an Indigenous Knowledge-based solution for the treatment of HIV/AIDS in Phase 1 clinical trials. The project commenced in April 2024 under the leadership of Professor Nceba Gqaleni and aims to strengthen research capacity, generate robust evidence for effective Indigenous Knowledge-based HIV/AIDS interventions, and contribute to improved health outcomes in the region and beyond.

The initiative is also dedicated to developing local expertise and infrastructure in clinical research, thereby supporting the development and assessment of innovative healthcare solutions for HIV/AIDS. During the 2026/27 financial year, the AHRI obtained approval from the district Department of Health to conduct the clinical trial.

In addition, the Community Advisory Board in kwaSomkhele, northern KZN, approved AHRI's engagement with the community as part of the clinical-trial process. The clinical-trial dossier was also submitted to the South African Health Products Regulatory Authority (SAHPRA) for evaluation and approval.

TECHNOLOGY PLATFORMS PROGRAMME

During the year under review, the Technology Platforms Programme (TPP) supported a portfolio of 13 technology platforms spanning genomics, proteomics, bioprocessing, biosafety, biofoundry capabilities, and nanotechnology. These platforms collectively serve as the country's centralised, multi-disciplinary capability base for catalysing science-based technology development across the bio-economy.

Through the portfolio, TIA continues to provide technical services that reduce the cost and risk of innovation for universities, science councils, SMMEs, and industry. The platforms contributed to TIA's key performance indicators, including funds leveraged, IP generated, bio-based products developed, and SET support provided to SMMEs.

One of the key achievements during 2025/26 was the formal onboarding of three new nanotechnology platforms hosted by the UJ, the University of the Western Cape (UWC), and Rhodes University. The UJ platform focuses on water-treatment solutions using nanoparticles; the UWC platform uses green nanotechnology to develop nanoparticle-based disinfectants, wound-healing agents, and cosmetic products; and the Rhodes platform develops nano-based biosensors for the early detection and treatment of cancer, as well as the treatment of antimicrobial resistance.

The Nanotechnology Platform at UWC also secured a Tier 1 South African Research Chairs Initiative research chair during the year, strengthening research capacity through a multi-million-rand award.

The TPP played a visible role in supporting South Africa's G20 Presidency in 2025, particularly through the G20 Initiative on Bio-economy (GIB). Biosafety South Africa supported the DSTI in hosting the Bio-economy Working Group, which translated the 10 High-Level Principles on bio-economy into practice within an African context by addressing common needs relating to standards and metrics, bio-economy financing, and a delivery platform for bio-economy development in Africa.

TIA delivered a presentation titled *'Centralised Platforms for Catalysing Science-based Technology Development'* at the first GIB meeting, held at the University of the Free State in Bloemfontein, showcasing TIA's centralised platforms model to international G20 delegates and partners. This participation positioned the TPP as a recognised reference model in international bio-economy policy dialogue.

The TPP conducted a systematic evaluation of the technology platforms during 2025/26 to assess their relevance in supporting the bio-economy. The evaluations are intended to ensure that the platforms are optimally configured to address current and historical operational inefficiencies arising from their positioning within TIA.

Findings from the external review and the individual platforms' business plans will inform an *expansion plan* for the portfolio. This will include formalising a partnership with the dtic to support product development, spin-out creation, and industry linkages, beginning with the nanotechnology platforms as a pilot before extending the approach to other platforms in subsequent years.

The TPP piloted the joint TIA Bioprocessing Platform (TBP) and UVU Bio incubation programme. The programme operates as a shared laboratory and structured incubation initiative designed to accelerate the growth of approximately 10 emerging biotechnology enterprises. It bridges the divide between scientific excellence and commercial application by combining UVU Bio's enterprise development experience with TBP's bioprocessing infrastructure and technical expertise.

During the year, TBP and UVU Bio jointly ran an intensive boot camp for emerging enterprises. The late approval of the broader UVU Bio Biomanufacturing Programme also contributed to the pipeline of bio-based technologies developed in subsequent quarters. The initiative extends geographic reach beyond the Western Cape, where UVU Bio is based, and KZN, where TBP is based.

A landmark portfolio investment in 2025/26 was the approval of R48,794,621 over three years to establish the Stellenbosch Biofoundry Platform. The Stellenbosch Biofoundry is a high-throughput, highly automated facility combining computational biology, synthetic biology, analytics, and automation to accelerate the design-build-test-learn cycle for microbial and other biological production systems.

Its commissioning will provide the country with a much-needed capability for rapid prototyping in synthetic biology. The feasibility review projected a benefit-to-cost ratio of nearly 3:1 and meaningful contributions to job creation, SMME growth, and the broader bio-economy.

The TPP supported Stellenbosch University in hosting the SWEAT Africa conference, a purpose-driven, experiential start-up and venture-building engagement held during the year under review. The event connected founders, researchers, investors, and universities in a curated, action-oriented setting and, unlike a traditional conference, was structured as a community accelerator. It provided early-stage and deep-tech start-ups with direct access to local and international investors and world-class acceleration programmes, with participants gaining practical insights into funding, commercialisation, and technology scaling. SWEAT Africa complemented other high-value engagement activities convened by the platforms during the year, including the Biosafety South Africa and OneBio showcase event on 16 March 2026 and the participation of eight technology platforms in the SAIW programme from 18 to 20 March 2026.

A comparison of the budget and actual expenditure for the Bio-economy Division is presented in Table 12.

Table 12: Budget and expenditure for the Bio-economy Division for 2024/25 and 2025/26

Sub-programme	2024/25			2025/26		
	Budget (R'000)	Actual expenditure (R'000)	(Over)/under expenditure (R'000)	Budget (R'000)	Actual expenditure (R'000)	(Over)/under expenditure (R'000)
Health	R15,679	R8,676	R7,003	R8,688	R9,359	-R671
Agriculture	R20,630	R5,579	R15,051	R17,419	R38,042	-R20,623
Industrial Biotech	R18,230	R9,706	R8,524	R20,108	R7,347	R12,761
IKS	R20,790	R9,510	R11,280	R12,648	R21,262	-R8,614
TPP	R55,500	R59,760	-R15,448	R42,564	R72,204	-R29,640
TICP	R15,679	R22,950	-R7,271	R24,384	R41,016	-R16,632
Bio-Entrepreneurship	R5,250	–	R5,250	R3,486	–	R3,486
Journey to TIA 2.0	R6,751	R5,711	R1,040	R7,000	R1,681	R5,319
Stakeholder Events	R3,000	R2,026	R974	R3,135	R297	R2,838
GCIP-SA	R2,500	–	R2,500	–	–	–
Specific contracts (SIIP, ABIPP & SABDI)	R35,000	R26,525	R8,475	R36,575	R52,508	-R15,933
TOTAL	**R199,009**	**R150,443**	**R48,566**	**R176,144**	**R243,716**	**R67,709**



14.3 INNOVATION ENABLING DIVISION

14.3.1 OVERVIEW

The Innovation Enabling Division is responsible for strengthening the NSI by developing innovation capabilities, expanding access to technology and innovation support infrastructure, fostering strategic partnerships, and promoting entrepreneurship and technology-based enterprise development. Through targeted interventions, the division creates an enabling environment that supports the development, diffusion, adoption and commercialisation of innovative technologies, while enhancing the capacity and competitiveness of innovators, entrepreneurs and enterprises. The business units are as follows:

Table 13: Innovation Enabling Division Business Unit Overview

Business Unit	Purpose
Technology Stations Programme (TSP)	Provides technology support, specialised equipment, technical expertise and product development services to SMMEs, entrepreneurs and innovators to improve competitiveness, productivity and technology adoption.
Innovation Skills Development (ISD)	Develops innovation, entrepreneurship, technology management and commercialisation skills to strengthen human capital and innovation capabilities within the ecosystem.
Innovation and Institutional Development (IID)	Supports the development and strengthening of innovation support institutions, technology entrepreneurship programmes, incubation initiatives and ecosystem-building interventions that enhance the effectiveness and sustainability of the innovation ecosystem.
Strategic Partnerships	Establishes and manages local and international partnerships that leverage resources, expertise and opportunities to strengthen the NSI and support innovation-led development.
Seed Fund	An early-stage funding instrument designed to help innovators, entrepreneurs and start-ups transform promising ideas into viable technologies, products or businesses. Its primary purpose is to bridge the gap between research and commercial investment by reducing the technical and commercial risks associated with early-stage innovation.

The Innovation Enabling Division contributes primarily to: **Outcome 2: Enabling and Strengthening the Innovation Ecosystem**

- This outcome is achieved through:
- Strengthening innovation support institutions and ecosystem actors;
- Promoting innovation, entrepreneurship and commercialisation skills development;
- Expanding access to technology and innovation support infrastructure;
- Supporting technology entrepreneurship and enterprise development;
- Facilitating strategic partnerships, collaboration and knowledge sharing within the NSI; and
- Enhancing the efficiency and capability of the research, innovation and technology entrepreneurship ecosystems.

Through these interventions, the division supports innovators and entrepreneurs throughout the innovation value chain, thereby contributing to increased innovation capacity, technology adoption and economic development.

14.3.2 BUSINESS UNIT OVERVIEWS

Seed Fund Programme

The Seed Fund Programme was established in the 2013/14 financial year to address a persistent gap in the NSI, whereby many technologies remain stagnant at the proof-of-concept and market-assessment stages and do not progress to commercialisation or further funding. The programme assists innovators, researchers, and SMMEs in overcoming early-stage development barriers by providing support for prototype development, technical feasibility, market validation, and commercialisation readiness.

The programme deploys funding through an implementing-partner model involving universities, science councils, technology transfer offices, incubators, and regional development agencies. This model extends TIA's reach, strengthens assessment and oversight capabilities, and enables faster support for qualifying early-stage innovation projects.

The programme currently operates through 33 active implementing partners, comprising 23 HEIs, four science councils, one national research facility, two regional development agencies, and three technology incubators. This partner network enables national reach, institutional pipeline development, and decentralised project oversight.

The Seed Fund Programme closed the 2025/26 financial year with a stronger portfolio, increased commitments, and continued evidence of its catalytic role in supporting early-stage technology development. At year-end, the active portfolio comprised 186 projects.

With R74 million in DSTI funding, the programme advanced the implementation of the restructured Seed Fund model, which categorises implementing partners according to maturity, capability, and resources. During

the year, **51 applications were approved** across the pre-seed and seed instruments, mainly through the Matured Partner and Co-funding Partner delivery models.

Portfolio Composition and Outlook

- Among the funded applications, HEIs accounted for 60.8% and SMMEs for 39.2%, confirming the continued importance of universities in generating the Seed Fund pipeline, while also indicating improved SMME participation. The funded applications also contributed to transformation objectives: approximately 73% of recipients were previously disadvantaged individuals, while participation by women and youth reached 35% and 20%, respectively.
- The funded applications were aligned with Decadal Plan priorities, with a strong concentration in health- and agriculture-related innovation. The active portfolio remains concentrated at early technology readiness levels, with Technology Readiness Level (TRL) 3 and TRL 4 projects accounting for **approximately 86% of the portfolio.** This confirms that the Seed Fund continues to function primarily as a pre-seed de-risking mechanism, supporting proof-of-concept, prototype development, and early validation.

Key Highlights of the year

- The programme secured approval for **R156 million in funding allocations** to 22 Seed Fund implementing partners. This is a two-year allocation to support implementing partners over the 2026/27 and 2027/28 financial years. The allocation includes R20 million for UNISA, matched by an equivalent R20 million contribution from UNISA, to strengthen the commercialisation of research outputs and improve their conversion into viable products and services.
- TIA further strengthened support for HDIs through Innovation Challenges, approving **R1.08 million** for the University of Venda, Mangosuthu University of Technology, and the University of Zululand. These institutions have had limited participation in the Seed Fund to date, with 23 projects funded since inception at a total value of R10.6 million. The initiative aims to raise awareness of innovation, build institutional capacity, and improve the quality of future applications. It has already resulted in the funding of seven early-stage student and researcher projects, which are expected to progress to pre-seed and seed projects in the new financial year.





Selected Project Highlights

- **Bolivia Technologies/Roomza:** Approved for R652,800 in TIA pre-seed funding, with R136,000 co-funding from **TuksNovation,** to develop a cloud-based student accommodation platform linking students, providers and institutions through verified listings, bookings, payments and compliance management.
- **Chacks Creative Tech / ESPANENG:** Supported through TIA pre-seed funding and **Innovation Hub** co-funding to develop an AI-driven WIL platform that connects students with supervised SME project opportunities.
- **Mia Healthcare (MIA):** Supported through Savant Foundry, MIA manufactures clear aligners and operates a mobile dental clinic to improve access to affordable orthodontic care. In February 2026, the company secured R12 million in follow-on funding from the Vumela Enterprise Development Trust.

Programme Performance

In the 2025/26 financial year, the Seed Fund portfolio produced 74 knowledge-innovation products, comprising 50 prototypes, 20 patent registrations, three technology demonstrations, and one certification. The portfolio also supported four technologies that reached the market.

In addition, approximately R191.8 million was leveraged through projects and partners, with the largest contribution coming from one start-up that secured international venture capital funding to scale outside South Africa. This performance confirms the programme's catalytic value, while highlighting the need to strengthen post-funding support, industry linkages, and follow-on funding pathways to convert early-stage outputs into sustainable commercial outcomes.

Implementing Programme Review Recommendations

During the financial year, the Seed Fund Programme completed an independent review of its relevance, effectiveness, efficiency, impact, and sustainability from 2017 to 2022. Based on interviews with 42 stakeholders, 162 beneficiary surveys, and benchmarking against relevant programmes, the review found that the programme had been instrumental in moving early-stage innovations towards market readiness within South Africa's NSI.

It highlighted successes such as technology licensing, spin-out creation, and follow-on funding, while also identifying challenges, including budget constraints, disbursement delays, procurement bottlenecks, and sustainability risks linked to limited MTEF allocations and DSTI co-funding.

Seed Fund Programme Review and Impact Study | 2017–2022
Programme performance, impact outcomes, and commercialisation gaps

378 Projects supported		**R192m** Funding deployed during the review period	
610 Knowledge products developed	**51%** Advanced to proof-of-concept and prototype phases	**29%** Reached pre-commercialisation stage	**28** Technologies introduced to market ≈14% commercialisation rate
15 Technologies profiled for impact assessment	**206** Direct jobs created	**142** Indirect jobs created	**R38m** Annual revenue generated by profiled technologies

Key impact insight
The programme created a broad early-stage innovation pipeline and measurable socio-economic value; however, progression from prototype to scalable commercialisation remains constrained

Commercialisation gaps
Only 11,76% of investees reported reaching commercialisation, while 79% did not receive follow-on funding, limiting scale-up, market entry and broader commercialisation potential

System-level constraints
Output variability among implementing partners, limited support for new ventures from universities and science councils, difficulty attracting external support, and insufficient pre-, post- and follow-on support point to the need for differentiated partner models

Table 14 below summarises the nine key recommendations made by the report and progress on their implementation.

Table 14: SFP Review and Impact Recommendations and Progress

Impact recommendation	Progress on implementation	Ranking/ weight
Increase financial support and expand funding mechanisms	KAPA funds will cover the programme for the next two years. Ongoing engagement with DSTI and other organisations continues to leverage funding	High
Introduce flexible funding mechanisms aligned with pre-seed and seed support	The pre-seed and Seed instruments have been designed and implemented, with four delivery models aligned to implementing partners' readiness, capability and needs	High
Enhance SFP resourcing, operational efficiency, and programme redesign-inclusion of pre and post training and support	**Redesign** and remodelling completed, approved by the BTC and implemented. Twenty per cent **Operational efficiency:** 20% of the project budget has been allocated to pre- and post-support activities, enabling activities and management fees. **Operational efficiency:** proposal has been submitted to DSTI to use funds for additional programme managers to support programme scale and improve efficiency	High

Impact recommendation	Progress on implementation	Ranking/ weight
Develop a comprehensive M&E framework for the SFP	In progress, aligned with TIA 2.0 outcomes and outputs	High
Streamline the SFP application process and digitisation	Processes and SOPs have been updated. **Digitisation:** ERS customisation has begun but is constrained by funding	Medium
Strengthen capacity-building and knowledge sharing for implementing partners	A series of webinars for knowledge sharing and mutual learning among implementing partners is being planned	Medium
Improving coherence(seed/TDF)	TIA 2.0 implementation is expected to support coherence	Medium
Adopt the proposed enhanced Theory of Change (ToC) Framework	The SFP will adopt the ToC proposed by the service provider	Medium
Expand Outreach and Awareness Initiatives	The programme is working with marketing and communications to increase Seed Fund awareness through channels such as LinkedIn and to clarify funding requirements and processes	Low

SMME support programme: SET support infrastructure

The TSP comprises a network of 15 operational Technology Stations hosted by 11 HEIs. The programme provides technology support, specialised equipment, technical expertise, and product development services to SMMEs, entrepreneurs, and innovators to improve competitiveness, productivity, and technology adoption.

Grant funding for the Technology Stations: Total grant funding for the Technology Stations in the 2025/26 financial year was R94,553,424. This included R32,728,638 from DSTI Programme 5, R51,160,000 in MTEF ringfenced funding for the TSP, and a rollover of R1,271,362 held by TIA from the previous financial year, totalling R85,160,000 for contracting and disbursement to the Technology Stations.

A further R339,973 was allocated and disbursed to support operational requirements, including participation and exhibition at the inaugural SAIW. An additional R9,000,000 was released through an internal TIA reallocation. The allocation reflected a committee decision and represented a 10% reduction compared with the 2024/25 financial year. The additional funding was provided to address identified shortfalls for 2025/26.

Other income: In 2025/26, the Technology Stations leveraged R35,157,283 in supplementary income, excluding deferred funds. Industry contributions accounted for the largest proportion of income, at 43%, followed by preferential cost recoveries from SMMEs, at 30%, and other grant income, at 27%. Other grants may include funding from government departments, SETA discretionary grants, or university grants.

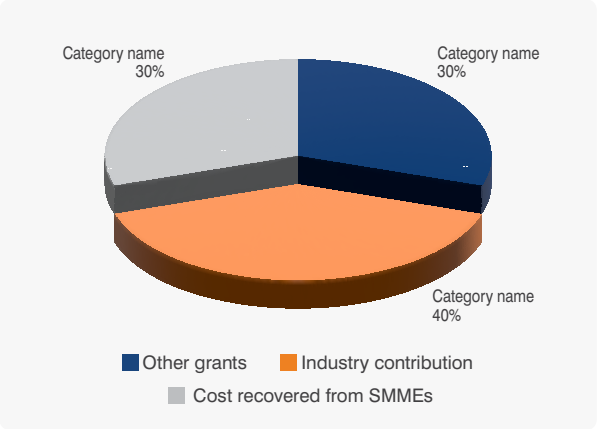


Figure 20: High-level breakdown of other income TSs

Funding Distribution by Province: Figure 20 shows the distribution of allocations to TSs across South Africa's provinces for 2020-2025. A total of R94 553 424 was disbursed, with Gauteng receiving 45% (R42,611,271). The numbers in parentheses next to each province indicate the number of TS within that province.

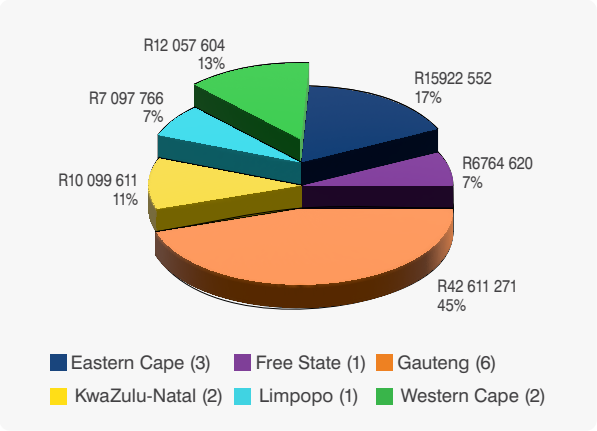


Figure 21: Investments to TSs per Province for FY2025/26

The 2025/26 Allocation per Technology Station: Total disbursements for 2025/26 amounted to R94.553 million against reviewed funding requests of R152.448 million from the Technology Stations. This represented a funding gap of approximately R26.329 million, as assessed through the programme's allocation process.

The total monetary value of services provided to SMMEs, used as a value-for-money measure, was R91,429,474. Operational efficiency was assessed by considering how effectively Technology Stations balance revenue against fixed, recurring, and variable expenditure. The efficiency ratio includes indirect and non-billable costs, such as administration, operational support, and equipment expenditure, and applies a target transaction cost of 15% of operating expenditure.

Performance on Technology Assistance and Support: In 2025/26, the evidence-validation and verification process confirmed that 674 reported beneficiaries received technical assistance and support. A further 2,381 clients were validated as having received support through short learning programmes, training, and technology demonstration activities delivered by the Technology Stations. Reported beneficiaries included individuals and registered companies supported through these interventions.

A total of 115 tailored training and demonstration interventions were offered, of which 69, or 60%, were fully accredited by the relevant authorities, including ECSA, SETAs, and other recognised industry bodies authorised to confer accreditation.

Demographic profile of enterprises supported by the Technology Stations: The demographic profile of clients supported during the period reflected strong inclusion of historically disadvantaged beneficiaries, who accounted for 3,097 clients. Support for youth was also notable, with 2,041 beneficiaries, or 66% of the total, followed by women, with 1,694 beneficiaries, or 55%. However, support for persons with disabilities remained very low, at 13 beneficiaries for the year, highlighting an area requiring targeted intervention to improve accessibility and participation.

Competitiveness Improvements: Technology Stations network made a significant contribution to improving competitiveness and helping SMMEs to secure and retain contracts during 2025/26. Across all reporting Technology Stations, 496 competitiveness improvements were achieved through product- and process-improvement interventions, prototypes, technology assistance packages, and demonstrators developed with TSP support.

In addition, 80 enterprise solutions were taken up in the market, contributing to contracts being secured or retained. This underscores the role of the Technology Stations in fostering economic growth by providing innovative solutions and technical services to businesses, thereby contributing to job creation and market access.

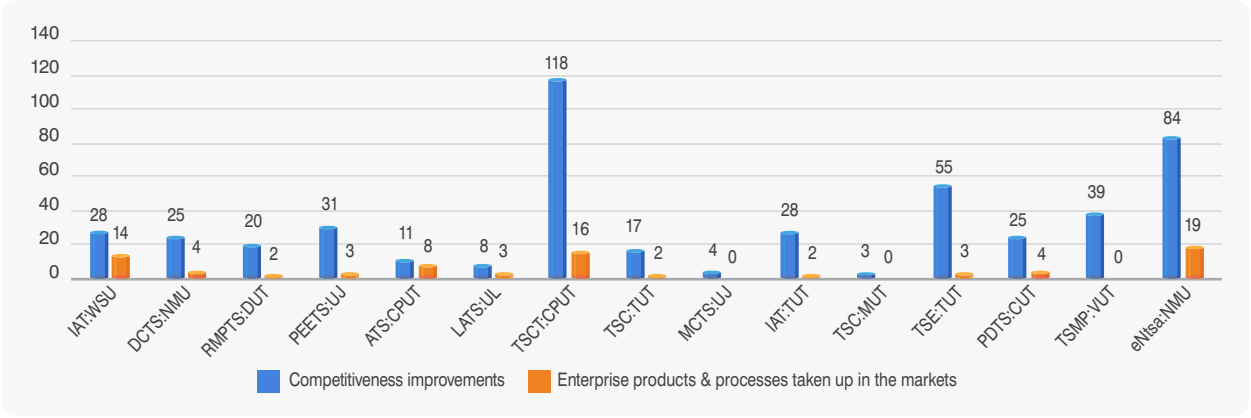
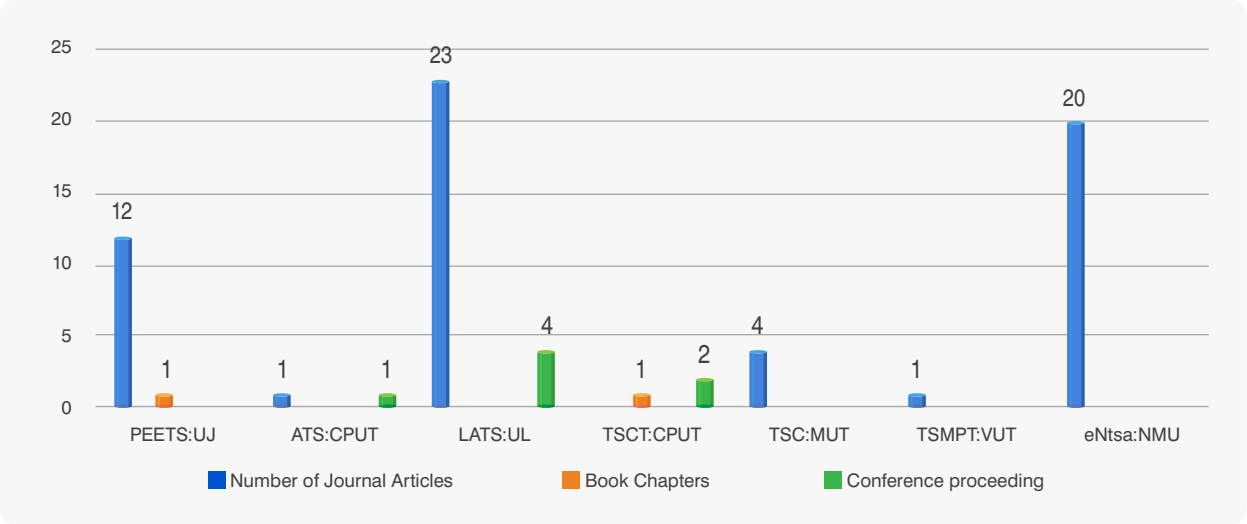


Figure 22: Competitiveness improvements and solutions commercialised

Tests and Analysis Services: In 2025/26, the TSP recorded more than 1,700 testing and analytical services for SMMEs, including materials testing, behaviour analysis, and quality testing. These services also included R&D-related analytical reports and routine testing conducted in accordance with existing standards or client specifications using advanced software and equipment.

These services are critical to enabling market access and stability for SMMEs, as the Technology Stations network provides access to accredited facilities and world-class infrastructure that would otherwise be inaccessible or prohibitively expensive. Testing and analysis services also enable local manufacturers to unlock localisation and export opportunities, particularly by meeting the rigorous quality standards associated with industry master plan localisation targets.

Disclosures and IP: During the financial year, the Technology Stations network reported 61 journal articles, nine conference proceedings, and two book chapters. In accordance with the Intellectual Property Rights (IPR) Act governing publicly funded R&D, 24 disclosure reports were submitted through technology transfer offices during the same period, together with patent filings and two registered designs.



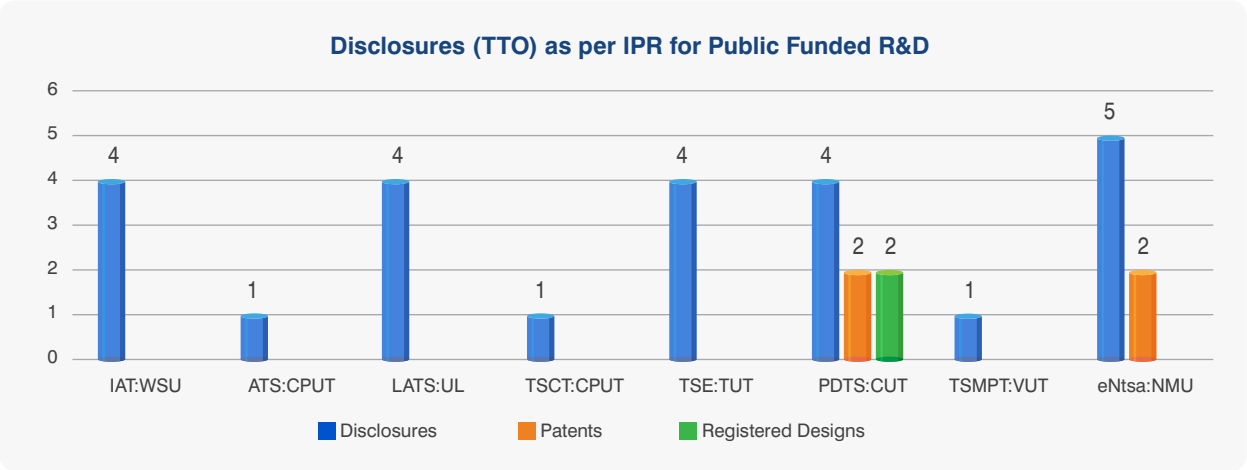


Figure 23: Scientific Outputs and Disclosures for IP

Knowledge-Based Products: The TSP delivered 52 knowledge-based products, including prototypes, demonstrators, and technology assistance packages, to accelerate commercialisation and generate IP. This reflects the programme's continued emphasis on applied innovation, product development, and industry-oriented technology solutions, contributing to the strengthening of the NSI through the commercialisation of locally developed technologies.

High-Level Postgraduate Participation: The TSP continued to contribute to human capital development through postgraduate student support and research capacity building across the network. During the 2025/26 reporting period, 107 postgraduate students and researchers were supported, exceeding the annual target of 97 by 10 beneficiaries and representing an achievement of 110%.

The cohort comprised 57 women and 50 men, including 88 youth beneficiaries, and included 40 master's and 38 PhD candidates. Postgraduate research activities were concentrated in frontier technology domains identified by the World IP Organization. A total of 66 students were engaged in physical technologies, including advanced manufacturing, materials science, green technologies, nanotechnology, and 3D printing, while 41 students were involved in biological technologies, including biotechnology and smart agriculture.

The programme further contributed to knowledge generation and dissemination through research outputs produced by Technology Station staff, postgraduate students, and associated researchers.

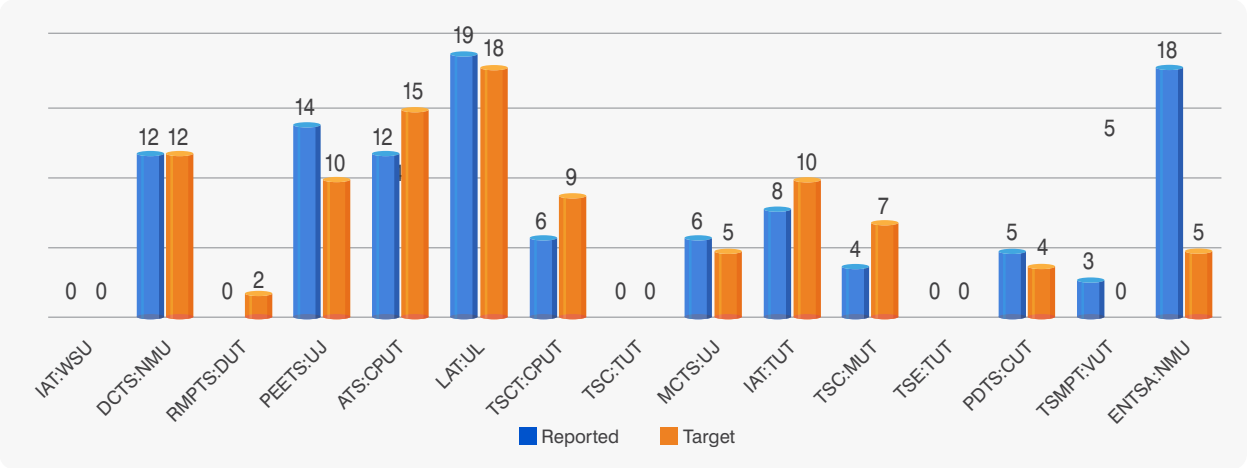


Figure 24: Postgraduate Students Supported by Technology Station Against Annual Targets

Green Economy and Circular: The TSP continued to support South Africa's transition towards a green economy through technology development, innovation and industry-support projects focused on sustainability and resource efficiency. During the 2025/26 reporting period, the programme supported 41 projects in the green economy, renewable energy, and energy efficiency against a target of 38, achieving 108% of the annual target.

Waste beneficiation accounted for the largest proportion of projects, at 13, followed by renewable energy and water efficiency, with six projects each. A further five projects were implemented in transportation and five in advanced materials and chemicals, while four focused on energy efficiency and two on agro-processing. No projects were reported under the green buildings category during the reporting period. Collectively, these initiatives contributed to resource efficiency, circular economy practices, environmental sustainability, and the development of innovative technologies that support South Africa's green industrialisation agenda.

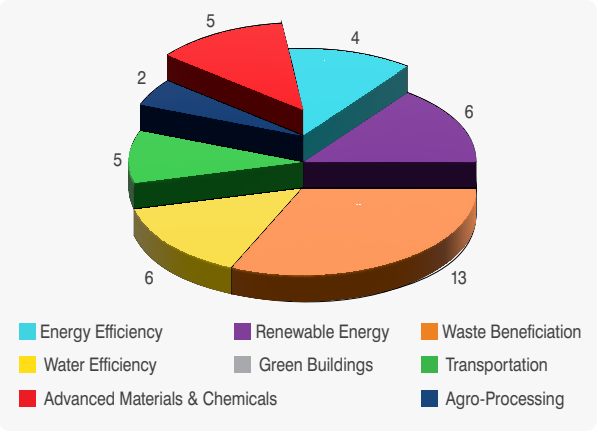
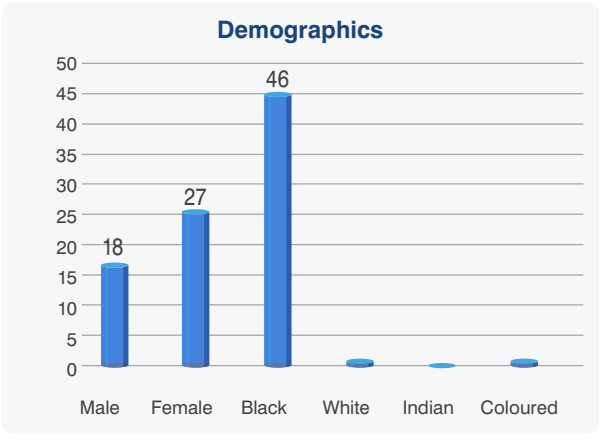


Figure 25: Distribution of Green Economy Focus Area

Demographics and Transformation: The Technology Stations are supported by a core staff complement of 157 employees, of whom 54% are male and 46% are female. This workforce is diverse in skills, experience, and perspectives, strengthening the programme's ability to achieve its objectives. Demographic data indicates that most staff members are black, followed by white and coloured staff members, with an average age of 40.

The Technology Stations are further supported by 179 Management Committee members, who are primarily staff members from HEIs. The demographic profile of the Management Committees indicates that most members are male and black.

Interns and WIL Participants: Figure 26 provides a high-level overview of the number of interns and WIL participants supported across the Technology Stations network, contributing to skills development, experiential learning, and future technical capacity within the network.



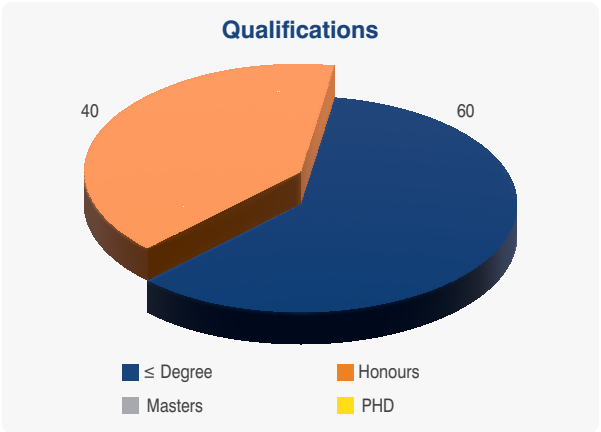


Figure 26: Profile of Interns Participants in Work integrated Learning (WIL)

Innovation skills and enterprise development

The Innovation Skills and Enterprise Development sub-programme continued to advance TIA's innovation-enabling mandate during the 2025/26 reporting period. Its work focused on strengthening innovation skills, expanding enterprise development support, deepening partnerships across the NSI, and supporting the translation of research outputs and innovative ideas into commercially viable technologies, products, and services.

During the year, the sub-programme demonstrated steady progress in building a more inclusive and responsive innovation ecosystem. Key achievements included sustained internship placements, increased absorption of interns into permanent employment, stronger collaboration with SETAs, expanded support for cleantech entrepreneurs through the Global Cleantech Innovation Programme South Africa (GCIP-SA), and continued enterprise development interventions through platforms such as the Leaders in Innovation Fellowship and the Gauteng Accelerator Programme.

Innovation Skills Development

TIA strengthened the innovation skills pipeline through its internship and work-exposure programmes. The year began with 49 interns actively placed, including 35 within TIA and 14 across external ecosystem partners, Offices of Technology Transfer, incubators, and regional nodes.

These placements reflected strong transformation outcomes, with women accounting for 54% of participants and designated black groups accounting for 92%. In addition, 82% of placements were funded through SETA partnerships, particularly with EWSETA and BANKSETA.

By year-end, the function had supported 69 learners through strategic collaborations within the NSI ecosystem. This included 51 individuals placed in work-exposure environments and 18 participants in South African Institute of Welding masterclasses.

SETA Partnerships and Ecosystem Alignment

A major focus during the year was strengthening partnerships with SETAs to position innovation skills development as a shared national priority. TIA convened a high-level strategic engagement with SETAs to align the skills development ecosystem with the national innovation agenda.

The session affirmed the importance of treating SETAs as strategic partners rather than solely as funders, with collaboration centred on co-creation, pooled resources, ecosystem engagement, and a value chain approach to innovation and skills. The engagement also reinforced TIA's role in curating innovation skills development and contributing to the implementation of high-impact areas identified through the SETA Skills Summit.

Key priorities included public–public partnerships, strengthening Centres of Occupational Excellence and Technology Stations, supporting sectoral specialisation, such as green hydrogen, and developing broader access points for innovation support.

During the year, TIA deepened its SETA engagement base through signed and planned agreements. Memoranda of Understanding were concluded with MICT SETA and Insurance SETA (INSETA), bringing the total number of MoUs secured to four, with MICT SETA, INSETA, CHIETA and EWSETA.

Enterprise Development

TIA's enterprise development work continued to build entrepreneurial capability and strengthen the commercialisation pathway for researchers, innovators, start-ups, and SMMEs. The Leaders in Innovation Fellowship Global programme remained a key intervention for developing entrepreneurial and commercialisation skills, while enabling international partnership opportunities.

In partnership with the Royal Academy of Engineering, TIA hosted the LIF Community Alumni Africa Connect event in Cape Town in May 2025. The event brought together 35 alumni from South Africa, Kenya, and Namibia and created a platform for peer learning, storytelling, networking, and collaboration.

Site visits to the UWC Digital Innovation Centre and the Fourth Industrial Revolution Incubator provided practical exposure to innovation infrastructure. Alumni emerging from these accelerator programmes secured R11 million in follow-on support funding, demonstrating the tangible value of TIA's enterprise development interventions.

TIA also strengthened its enterprise development footprint through the Gauteng Accelerator Programme, hosted by The Innovation Hub in partnership with TIA and NIPMO. The 15th Annual GAP Awards, held in March 2026, provided a high-visibility platform for recognising early-stage science and technology innovations with commercial potential.

Two TIA beneficiaries received awards for breakthrough contributions, reinforcing the programme's role in identifying and nurturing high-potential innovators. TIA's support for GAP evolved beyond sponsorship towards a more active funder model focused on participant viability, ecosystem sustainability, and stronger commercialisation outcomes.

This included efforts to bridge funding gaps, reduce overheads through subsidised operating spaces, expand sustained mentorship and sector-based support, and attract private-sector participation before and after the accelerator cycle.

Global Cleantech Innovation Programme South Africa

The Global Cleantech Innovation Programme South Africa remained a flagship enterprise development platform during the year, with TIA serving as the National Project Executing Entity for UNIDO. The programme supported cleantech entrepreneurs working in renewable energy, energy efficiency, water conservation, waste management, green buildings, and sustainable agriculture, with a focus on building investment readiness and contributing to South Africa's green economy.

The 2025 call for applications closed on 19 June 2025 and attracted more than 320 entries nationally. Of these, 125 applicants were shortlisted for the first round of judging, with a further group earmarked for participation in the National Academy.

The National Academy, scheduled for 17 to 20 July 2025, was designed to provide expert-led training in innovation, business modelling, investment readiness, value proposition development, and pitching. GCIP-SA selected 40 semi-finalists from diverse regions. The cohort included 24 participants under the age of 35, representing 60% of the group, and 13 women. Most semi-finalists were concentrated in economic centres, with approximately 45% from Gauteng. The dominant cleantech focus areas included energy efficiency and waste beneficiation.

The cohort completed the 2025/26 GCIP-SA main accelerator cycle in January 2026, with 35 of the 38 semi-finalists presenting their ventures to an independent panel of experts in commercialisation, IP, and business development. The evaluation considered customer discovery, traction, go-to-market strategies, technology and IP validation, environmental and social contributions, team capability, and financial scalability.

The National Gala Dinner, held on 19 March 2026, recognised the top 10 finalists and awarded R1 million in cash prizes to high-potential start-ups and micro, small, and medium enterprises (MSMEs). Vonnie Baloyi was announced as the overall winner, with Tumisang Maramane and Leigh Waters-Maine named as runners-up.



Special-category awards recognised youth-led, women-led, social impact, and most-improved ventures. Leigh Waters-Maine of Phoka M Holdings represented South Africa at Cleantech Days 2026 in Vienna, where she showcased her sustainable AquaFusion360 water-treatment technology and received the Special Recognition Award for Social Impact.



In partnership with Impact Amplifier, GCIP-SA also progressed preparations for the Advanced Accelerator and Post-Accelerator initiatives. These initiatives are intended to bridge the last-mile gap between investment readiness and capital acquisition for cleantech start-ups and MSMEs.

The Advanced Accelerator is structured as a six-month development programme, while the diagnostic-led Post-Accelerator may extend for up to eight months. It will be complemented by a GCIP-branded online mentorship and learning platform, together with AI-generated ecosystem mapping.

The 2026/27 period will focus on scaling the innovation skills and enterprise development platform through expanded SETA partnerships, the approval and implementation of discretionary grant-funded projects, increased geographic reach of internship placements, and stronger alignment among Technology Stations, Centres of Excellence, and sector-specific innovation priorities.

TIA will also continue to strengthen the commercialisation pipeline through sustained mentorship, accelerator support, investment-readiness interventions, and stronger linkages with private-sector partners. GCIP-SA will prioritise the implementation of the Advanced Accelerator and Post-Accelerator, while progressing the proposed no-cost extension to ensure continuity of support for cleantech enterprises and regional hubs.

Innovation for Inclusive Development

The IID Programme is one of TIA's flagship interventions for advancing transformation, inclusivity, and equitable participation across South Africa's innovation ecosystem. The programme broadens access to innovation support for historically underserved constituencies, including youth, women, persons with disabilities, grassroots innovators, and communities located outside traditional innovation hubs.

Through a portfolio of targeted programmes, regional innovation infrastructure, and implementation partnerships, IID enables innovators to develop, test, commercialise, and scale locally relevant solutions that contribute to inclusive economic growth and social impact.

Grassroots Innovation Programme

To date, TIA has invested in a cumulative portfolio of 292 projects through the GIP, with more than 50 projects successfully commercialised. During the reporting year, TIA set a target to support an additional 100 innovators, increasing the total portfolio to 392 projects.

The current cohort is funded directly through TIA's MTEF allocation and builds on the historical portfolio supported through contracted funding from the DSTI.

To strengthen programme delivery, increase reach, and improve effectiveness, TIA adopted an implementing-partner model that enables ecosystem partners to deliver support at grassroots level. These partners are responsible for scouting innovators, managing calls for applications, facilitating assessments and contracting, providing project management support, and co-ordinating business-development services for innovators.

TIA has onboarded 16 implementing partners, each managing a regional portfolio of grassroots innovators, and has committed three-year funding of R116 million, supported by funds recently secured through the KAPA settlement.

GIP Implementing Partners

Eastern Cape:
- T3 INCUBATION HUB NPC

KwaZulu-Natal:
- DIDS CIE (iMali Wealth)
- SA Rebuilders
- Durban Technology Hub (SmartXchange LL)
- Eco Agro Enterprise CIE

Limpopo:
- Abiri Innovations(Pty) Ltd (Tsebo Pele CIE)
- Inchub Polokwane (Pty) Ltd

Free State:
- Imali Wealth Group – A Division of Nkahlotha Solutions (Pty) Ltd

Mpumalanga:
- VINP NPC (Vuligqondo)

Western Cape:
- 3PV Labs (Red Cup Village)
- ShonaQuip

Northern Cape:
- Red Village Trading (Pty) Ltd CIE
- Live Love Believe NPO

North west:
- Mafikeng Digital Innovation Hub LL

Gauteng:
- T3 Incubation Hub NPC
- Saturated Holdings (Pty) Ltd
- Innovate Durban LL
- Imali Wealth –Nkahlotha Solutions (Pty) Ltd (DIDS Incubator CIE) Group
- Shudu Connections (Pty) Ltd (Yanda CIE)
- AlgorhythmLab Pty Ltd



This decentralised delivery model enables innovators to access practical support closer to their communities, while improving TIA's ability to provide follow-on assistance, technical support, and portfolio management at scale. It also addresses the capacity constraints associated with managing a large national portfolio through a centralised approach.

The third iteration of the Grassroots Innovation Awards was held at the Science Forum on 26 November 2025. The evening's highest honour, awarded in memory of the late Professor Keolebogile Shirley Motaung, recognises an exceptional innovator whose journey reflects excellence, resilience, and meaningful impact. The 2025 Professor Keolebogile Shirley Motaung Grassroots Innovator of the Year Award was presented to Namhla Dotwana of Namhla Collection in the Eastern Cape. The award pays tribute to Professor Motaung's legacy and celebrates an innovator whose work embodies the spirit of inclusive innovation by advancing solutions that uplift communities and strengthen South Africa's innovation landscape.





Figure 27: GCIP awards held at CSIR Conventional Centre

TIA also celebrated the graduation of 20 innovators from its co-funded partnership with the Insurance SETA Grassroots Innovation Pilot Programme. The graduation took place at the INSETA Annual General Meeting. In December 2025, TIA signed a new MoU with INSETA to build on the success of the pilot.

Innovation Centres

TIA continued to expand its national portfolio of Innovation Centres through a range of delivery models, including CIEs, Living Labs, and Cleantech Hubs under the UNIDO-supported Clean Technology Programme. During the reporting period, TIA invested in the establishment of eight new centres against an annual target of one. This included two centres focused on energy innovation and other strategic priority areas, further strengthening TIA's commitment to inclusive development, regional innovation capacity, and community-level impact.

To sustain and scale this portfolio, TIA approved a three-year funding allocation of R64.104 million for 15 CIEs, supporting four phases of implementation. While the initial investments have prioritised provinces with comparatively limited innovation infrastructure, TIA intends to expand similar models to regions such as the Western Cape and Gauteng, where stronger innovation ecosystems already exist. Future efforts will focus on replicating and scaling the impact of Living Labs, CIEs, and Cleantech Hubs to ensure broader access to innovation opportunities across all provinces.

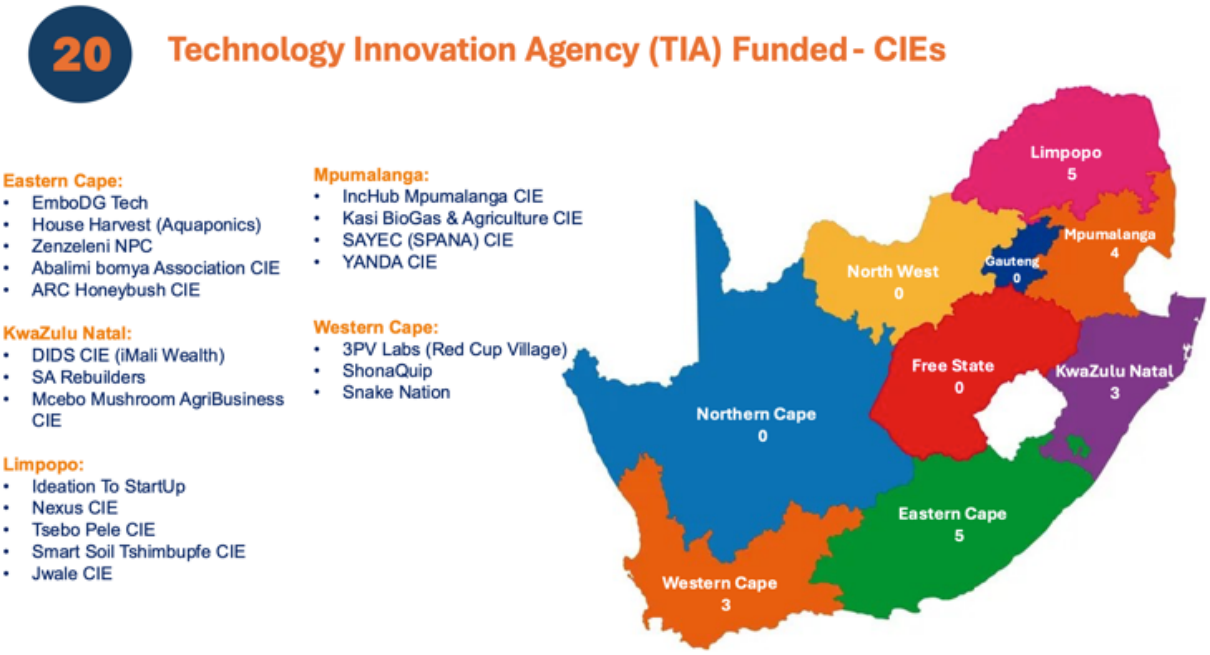


Table 15: Villages and communities supported through Centres for Innovation and Entrepreneurship

CIE	Villages/Communities Supported
EmboDGTech	Nyandeni Local Municipality and surrounding villages
House Harvest	Grahamstown and Makana Local Municipality
Zenzeleni NPC	Mankosi and Zithulele Villages
Abalimi Bonya Association	Port St Johns
ARC Honeybush	Tsitsikamma region (Koukamma Municipality)
DIDS CIE	KwaMashu, Umlazi, Clermont, Inanda,Ntuzuma,Phoenix, Verulam, Umzumbe-Nhlangwini Highflats, St Faiths, uMnziyathi District Municipality (Bergville, Bulwer, Sahlumbe, Weenen)
SA Rebuilders	Mayville, Cator Crest, Bonela
Mcebo Agribusiness	Msunduzi Municipality, EMaswazini, KaZayeka, EMaqekeni, Mbali Township
Ideation to Start-up	Lebowakgomo Zone F Sahlokoe Village, GaMphahlele Seleteng
Nexus CIE	Tlhabine, Mopani, Greater Tzaneen,
Tsebo Pele	Mmamatlakala, Lesodi Motlana, Makekeng, Phatsane, Mohlakeneng, Basterspad, Kabeane, Nkgoro, Bakenberg (Lyden, Mabuela, Marulaneng, Pudiakgopa,Taulome), all Mapela villages
Smart Soil Tshimbupfe	Dzundeni Tshimbupfe Limpopo Province Vhembe District Municipality
Jwale Farms	Semaneng Village Ga-Matlala Capricorn District Municipality
IncHub Mpumalanga	Matibidi, Leroro, Moremela, Leboeng and Graskop
Kasi BioGas	Springgrove Estate Msukaligwa Local Municipality Lothair
SAYEC (Spana)	Farm and mining communities in Lekwa Local Municipalities
Yanda CIE	KwaMhlanga, Siyabuswa, Witbank, Delmas, Middleburg, Thembisile Hani, Dr JS Moraka, Emakhazeni
Red Cup Village	Dunoon, Slovo, Khayelitsa, West Coast
Shonaquip	Has a National footprint -Based in Ottery, serving Khayelitsha, Nyandeni Municipality (EC), uMshwathi, Msunduzi, and Amaoti in KZN, Thabazimbi
Snake Nation	Based in Western Cape with National operations

- **Case Study: Building** Africa's Inclusive Innovation Ecosystem

"Innovation only changes lives when it reaches the people who need it. The CIIE exists to help turn great ideas into practical, market-ready solutions that improve independence, dignity and opportunity."– Shona McDonald, Founder

More than 40 years ago, Shona McDonald encountered a challenge that continues to affect many families today. When appropriate equipment was not available for her daughter, Shelly, she designed and built a wheelchair herself. That experience highlighted the importance of appropriate assistive technology and revealed the barriers faced by innovators in developing, testing, and bringing practical solutions to the people who need them most.

Over the years, Shonaquip Social Enterprise has worked alongside thousands of people with disabilities, clinicians, engineers, and innovators. A consistent lesson has emerged: Africa has no shortage of promising ideas. What has often been missing is an enabling ecosystem that provides innovators with the specialist support required to translate ideas into practical, validated, and market-ready solutions. With support from TIA, Shonaquip Social Enterprise established the Centre for Inclusive Innovation and Entrepreneurship (CIIE) to help bridge this gap.

The CIIE supports assistive-technology innovators across the innovation value chain, including design, clinical validation, prototyping, testing, manufacturing readiness, and commercialisation. By bringing together engineers, clinicians, manufacturers, researchers, business-development specialists, and end users, the Centre creates a collaborative environment in which locally led innovation can progress from concept to market with confidence.

A key component of the Centre is the Research, Assessment and Development Test Laboratory, which evaluates assistive technologies against international standards, while also testing products under the real-world conditions in which they will be used across Africa. Through advanced testing capabilities, including the Universal Testing Machine, and progress towards SANAS accreditation, the Centre is building long-term testing infrastructure that will benefit innovators, manufacturers, and researchers.

The CIIE currently supports a growing portfolio of locally developed innovations, including the NAVU prosthetic knee, the LITA Chair, Pad Perch, and other emerging technologies designed to improve mobility, independence, and participation. Each project contributes not only to the development of new products but also to a stronger innovation ecosystem capable of supporting future innovators across South Africa and the continent.

TIA's investment in the CIIE is therefore helping to build more than individual innovations. It is strengthening the partnerships, expertise, and infrastructure required for African innovators to develop inclusive solutions that improve lives, support local manufacturing, and contribute to a more inclusive future.

Living Labs Programme

The ***Living Labs*** Programme comprises a network of 13 active laboratories across the country, primarily located in townships and rural areas. The laboratories provide grassroots innovators with access to activation programmes, innovation support services, and a dedicated 12-month innovation support programme.



Innovators are recruited through open calls and first participate in activation activities before being selected for the 12-month innovation support programme. Support includes training, design thinking, prototyping, coding, IP advisory services, enterprise development, market readiness, investor readiness and access to spaces conducive to innovation.

The first five labs were established in 2019, with additional labs added to the portfolio over time. To date, the Living Labs have supported 4,475 beneficiaries through activation programmes and 305 grassroots innovators through the dedicated 12-month innovation support programme.

The 305 grassroots innovators supported through the programme reflect the following profile:

- 71% (217) Black African innovators
- 22% (66) Coloured innovators
- 4% (12) White innovators
- 2% (7) Indian innovators
- 60% (184) youth innovators
- 35% (109) female innovators
- 1% (4) innovators with disabilities

Innovation Champions for Local Economic Development

The Innovation Champions for Local Economic Development (IC4LED) Programme is a place-based implementation programme aimed at embedding innovation capability within municipalities and district ecosystems. It seeks to institutionalise innovation as a core element of municipal operations and service delivery by enabling municipalities to integrate innovation approaches into their strategies, systems, and decision-making processes. Through strengthened partnerships, practical problem-solving, and the application of science, technology, and local knowledge, IC4LED supports sustainable local economic development and improved community outcomes.

The programme recruits, employs, trains, and deploys local graduates to municipalities, where they serve as Innovation Champions responsible for driving the integration of innovation into municipal operations, strategies, and service delivery processes. These Innovation Champions work with municipalities, local institutions, communities, and ecosystem participants to identify opportunities, strengthen innovation networks, improve planning, and catalyse locally relevant development interventions.

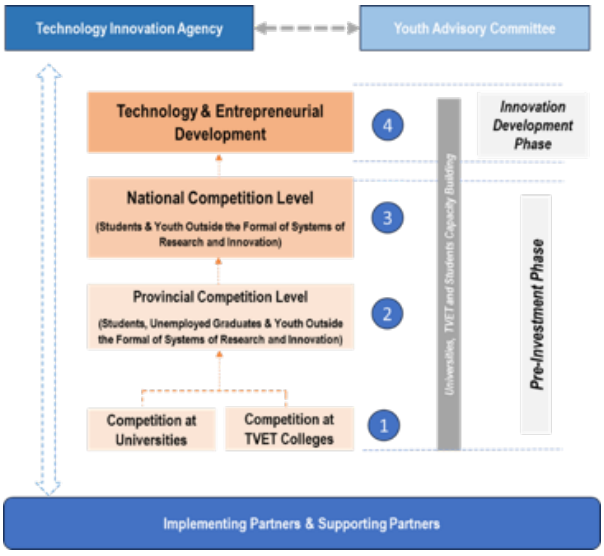
To date, TIA has supported three districts and their local municipalities – OR Tambo, Vhembe, and Namakwa – through the deployment of 22 Innovation Champions. The programme has also created a platform for mapping innovation within district and local municipalities and has supported the development of innovation-led local economic development strategies for each district.

Transformation Programmes

- Youth Technology Innovation Programme

The ***YTIP*** is one of TIA's Transformation Programmes and is designed to address systemic gaps in the innovation ecosystem by creating an enabling environment for young innovators. The programme supports youth participation in the economy through techno-entrepreneurship, self-employment, job creation, income generation, and improved livelihoods.

YTIP is implemented through an Implementation Delivery Partner model in collaboration with implementing and supporting partners. The programme includes an Innovation Competition phase, which recruits and identifies youth innovators between the ages of 18 and 35, followed by an Innovation and Entrepreneurial Development phase, during which selected innovators receive support and funding for innovation development, entrepreneurial development, commercialisation, and impact creation.



TIA implemented the Youth Technology Innovation Competition at the provincial level in March 2026, with support from five onboarded YTIP Implementing Partners and three supporting partners across all nine provinces. Ninety youth innovators were selected by the partners to compete at the national level. The national leg of the competition was hosted during SAIW on 19 March 2026, where 81 innovators pitched their ideas to panels of judges. The top 35 winners were selected to receive prizes valued at R6.5 million, aimed at supporting the innovation and entrepreneurial development of their ideas.

Through its distributed provincial delivery model, YTIP seeks to mobilise provincial governments and partners to co-fund and support young innovators, while contributing to the development of provincial innovation ecosystems. To capitalise the programme, the TIA Board approved a multi-year commitment of R47.9 million, ending in 2028/29, for capacity-building, innovation competitions, and technology development support for nine YTIP Implementing Partners across the NSI, covering all provinces.

- Women Technology and Innovation Programme (WITP)

The WITP, established to address systemic inadequacies relating to the funding gap, enabling environment, and development support available to women entrepreneurs. Launched in March 2025, the programme has approved and onboarded 12 projects to date, four of which fall under the Go-to-Market Pillar for commercialisation support.

The approved projects relate to solutions that address challenges faced by women, including maternal health, menstrual health, gender-based violence, and reproductive health – that is, challenges specific to women that can be addressed through innovative solutions.

While the programme had a slow start owing to funding constraints and the need to establish governance structures, it gained momentum in the fourth quarter, when eight of the 12 projects were approved and contracted.

- Innovation for Persons with Disabilities

On 4 August 2025, under the theme: Innovation for All, The Deputy Minister of STI, Honourable Nomalungelo Gina, officially launched locally developed assistive technologies at the Central University of Technology in Bloemfontein. This marked a milestone in South Africa's efforts to advance accessibility, dignity, and inclusion.

The technologies include real-time interpreting for deaf users through Virecom; sign-language translation applications through WeSignIt; wearable smartphone tools for people who are visually impaired through Ka-dah; and audio descriptions for blind users through ShazaCin. These technologies were designed by South Africans for South Africans, with disability inclusion at their core.

Launched during Psycho-Social Disability Awareness Month, the technologies were developed through the DSTI's flagship support instruments, the Technology Acquisition and Deployment Fund (TADF) and the GIP, which are implemented by TIA. The technologies align with South Africa's G20 theme of solidarity, equality, and sustainability.

At the event, Ms Sebenzile Matsebula launched TIA's DTIP, focusing on TIA's role as a state agency within the NSI and acknowledging that innovation systems and technologies for persons with disabilities have been slow to develop and implement.

TIA recognises that a concerted effort is required to ensure that inclusion is at the forefront of innovations designed to promote and support meaningful lives for persons with disabilities. The launch of DTIP signals a strong commitment to making innovation more accessible to all, particularly persons with disabilities who have historically been excluded from the innovation economy.

TIA champions inclusive innovation by investing in entrepreneurs from marginalised communities and supporting technologies that address real-world challenges and improve people's quality of life. Through strategic partnerships, including with the SAB Foundation, and a focus on lived experience, TIA is helping to build a collaborative ecosystem in which inclusive ideas can be funded, scaled, and celebrated. Together with the four innovators whose technologies were launched, TIA's Acting Chief Executive Officer demonstrated the technologies and their impact to date.

Small Business Research and Innovation Programme

The SBRI Programme was established in August 2023 as a dedicated mechanism to advance the funding and development of innovative solutions for service delivery. The programme is aligned with the objectives of the White Paper and the Decadal Plan and is informed by international benchmarks for similar programmes.

SBRI also consolidates previous investments and initiatives, including the TADF and the Verification and Validation of Innovation for Service Delivery Programme (VVISDP), which are managed on behalf of the DSTI, into a unified programme focused on demonstrating tangible impact and directing resources towards a targeted innovation agenda.

TIA concluded 10 SBRI contracts during the financial year following a competitive call that attracted 94 applications. The approved projects, each funded at R500,000, span key service delivery areas, including infrastructure protection, sanitation, waste management, food innovation, environmentally friendly cleaning products, urban greening, and menstrual hygiene.

TIA hosted the SBRI Colloquium as a central event during SAIW on 18 March 2026, with sponsorship of R300,000 from the British High Commission. The event brought together diverse stakeholders for a full-day programme that included showcases by innovators from TIA's portfolio; exchanges of experience among implementation partners, such as SANEDI, the Water Research Commission, and the CSIR; and a keynote address by Innovate UK's SBIR Manager, who shared lessons and practical insights from the United Kingdom's experience.



The planned outcome of the colloquium is a policy brief capturing key insights from the session and incorporating foundational research to be completed by Professor Rendani Mamphiswana of the UJ. Overall, the SBRI Colloquium represented a significant step towards fostering innovation-led procurement that can deliver tangible public value and support inclusive economic development in South Africa.

Partnerships and strategic engagements

Strategic partnerships and ecosystem engagement

During the year under review, TIA strengthened its role as a national innovation enabler by expanding strategic partnerships, deepening provincial ecosystem engagement, and positioning South African innovators on national, regional, and global platforms. The engagements and agreements outlined in this section demonstrate how TIA translated its mandate into practical ecosystem-building activities by connecting innovators to markets, funders, infrastructure, technical expertise, and policy platforms that support inclusive, innovation-led growth.

TIA 2.0 stakeholder engagements

Northern Cape stakeholder engagement

TIA visited the Northern Cape for stakeholder engagement sessions in the Upington and Kimberley regions on 18 and 20 August 2025, respectively. Key stakeholders included civil society and church leaders, local economic development officials, innovation hubs, incubators, and support agencies, such as SEDFA and the Namakwa Digital Hub.

The Northern Cape Innovation Platform, hosted at Sol Plaatje University's Upington Campus, supported the organisation of the engagements. Given the province's vast geography, two sessions were convened in Upington and Kimberley to enable broader stakeholder participation.

The engagements highlighted several priority areas for strengthening TIA's regional presence and relevance in the Northern Cape. Stakeholders identified the need for improved awareness of TIA opportunities, stronger collaboration with TVET colleges, and the practical use of the Northern Cape Innovation Forum as a platform through which TIA could enhance its regional footprint.

Agriculture, tourism, and ICT were identified as priority sectors for future innovation programmes. As a follow-up, the Northern Cape Innovation Forum invited TIA to support the Northern Cape Innovation Ecosystem Workshop, held from 16 to 17 October 2025 at Sol Plaatje University, to help shape a common provincial innovation strategy.

Eastern Cape innovation and industry roundtable

The TIA Eastern Cape Innovation and Industry Roundtable brought together government, industry, innovators, academia, and funding partners to explore how the province could convert innovation potential into practical development outcomes. The innovator panel showcased research, hubs, and incubators developing solutions with the potential to transform communities, while also highlighting the challenges innovators face in moving from the laboratory or prototype stage to market.

The funders and investors panel emphasised the importance of investment-ready enterprises and accessible funding pathways for start-ups and SMMEs. The industry panel reinforced the need for stronger collaboration between innovators and market participants to unlock commercialisation opportunities and open new markets.

The discussions underscored a clear message: the Eastern Cape has the talent, ideas, and industrial base required to support inclusive innovation, but this potential must be converted into co-ordinated programmes and market-linked opportunities. TIA's participation therefore focused on strengthening partnerships, unlocking opportunities, and building an inclusive regional innovation ecosystem.

As a follow-up, TIA partnered with the United Nations Development Programme and the East London IDZ, through the Regional Innovation Forum and its members, to launch and implement an innovation challenge and programme aimed at supporting innovation-led industrialisation in the Eastern Cape.

TIA contribution to the G20 Presidency

TIA supported several initiatives under South Africa's G20 Presidency in 2025, using these platforms to profile South African innovation capabilities, strengthen international ecosystem linkages, and support innovators, start-ups, and MSMEs in accessing broader markets, networks, and technical opportunities.

Startup20 engagement

Startup20 is an official G20 engagement group focused on start-ups and SMMEs. Launched under India's G20 Presidency in 2023 and continued under South Africa's leadership in 2025, Startup20 provides a global forum for entrepreneurship-ecosystem stakeholders from G20 countries, invited nations, and international organisations to discuss support mechanisms for start-ups and SMMEs.

TIA sponsored and participated in the G20 Startup20 Summit and Awards in November 2025 under the theme 'Empowering Start-ups and SMMEs: Championing Resilience, Innovation and Sustainable Growth'. The Agency's participation positioned TIA as a thought leader, connector, and innovation enabler within South Africa's innovation ecosystem on a global platform.

At the summit, TIA's Board Chairperson, Mr Loyiso Tyira, participated in a panel discussion on **'Enhancing Trade and Market Access: Building Inclusive and Standardised Frameworks for SMMEs and Start-ups'.** The discussion highlighted the importance of harmonised policies, inclusive trade systems, and strategic partnerships that enable emerging businesses to access global markets.

Three TIA-supported companies – Stone Three, ElectriCoal Technologies, and eWaste Africa – exhibited at the summit. Following their participation, the companies reported several follow-up engagements, indicating that the platform created opportunities for market exposure, networking, and potential collaboration.

The summit also included activities that recognised leading start-ups and ecosystem enablers across G20 countries, alongside the integration of South Africa's Presidential SMME Awards.

G20 Digital Innovation Alliance Innovation Challenge

TIA supported the G20 Digital Innovation Alliance Ministerial Summit and the G20 MSME Digital Challenge and Awards, led by the Department of Communications and Digital Technologies and held from 26 to 29 September 2025 at the Cape Town International Convention Centre.

On the margins of the event, TIA's Board Chairperson, Mr Loyiso Tyira, participated in Google's Funders and Founders Roundtable, which focused on innovation for impact and social impact funding.

In preparation for the SA Tech Challenge, TIA partnered with the CSIR Innovation Bridge Portal, the Department of Small Business Development, the Department of Communications and Digital Technologies, Tshimologong Precinct, The Innovation Hub, and the Companies and IP Commission.

Through this collaboration, TIA contributed to the design and implementation of the challenge by serving on the steering committee, providing access to industry experts as panellists and judges, and supporting the process that selected the South African finalist to compete against finalists from the G19 and invited G20 countries.

TIA is also exploring possible support for the top 24 South African finalists through existing co-operation agreements with entities such as SEDFA and relevant SETA. The SA Tech Challenge winners were presented with prizes totalling R3 million.

G20 Research and Innovation Working Group Hackathon

TIA supported the DSTI in co-ordinating and hosting the G20 Research and Innovation Working Group Hackathon on Disaster Risk Reduction. The initiative was delivered in collaboration with the CSIR National Integrated Cyberinfrastructure System, the NRF South African Environmental Observation Network, the AUDA-NEPAD Networks of Water Centres of Excellence, Partners Enhancing Resilience of People Exposed to Risks, the African Open Science Platform, and Digital Earth Africa.

G20 member and guest countries were invited to participate through a call published by TIA on 11 July 2025. To prepare participants, Digital Earth Africa provided online training attended by representatives from 23 countries. The hackathon commenced on 3 September 2025 and concluded on 12 September 2025.

The hackathon attracted 110 registered participants from 30 countries, with submissions received from entities in 10 countries: Canada, China, Ethiopia, Japan, Malawi, the Republic of Korea, Saudi Arabia, Singapore, South Africa, and Türkiye.

The hackathon results were confirmed at the Research and Innovation Working Group Ministerial Meeting on 23 September 2025 at the CSIR. The best-performing solutions were submitted by teams from South Africa, Singapore, and China. Discussions with the Department are ongoing regarding the possible diffusion and application of the hackathon solutions in relevant regions, including eThekwini Municipality and Mozambique.

Strategic Partnerships

Beyond convening stakeholders and contributing to national and global innovation platforms, TIA also formalised strategic relationships through targeted memoranda of understanding and partnership agreements. These agreements are intended to strengthen implementation capacity, broaden access to markets and infrastructure, and create practical pathways for innovators and enterprises to progress from early-stage development to commercialisation and scale.

TIA – LEDA MoU

The MoU between the Limpopo Economic Development Agency and TIA establishes a strategic partnership to strengthen innovation-led enterprise development in South Africa. By leveraging their respective mandates, resources, and networks, the parties aim to support start-ups and MSMEs through applied research, technology development, innovation commercialisation, and ecosystem collaboration, with the broader objective of contributing to regional economic growth, industrial development, and job creation.

TIA – CEMI MoU
The Strategic Alliance Agreement between TIA and the Centre for Excellence in Mining Innovation in Canada establishes a framework for collaboration in mining innovation, commercialisation, and sustainable economic development. The agreement focuses on joint technology pilots, cross-border commercialisation, knowledge sharing platforms, and co-hosted events aimed at strengthening mining innovation ecosystems in both countries.

It also provides for mutual access to international networks, infrastructure, and funding opportunities, while addressing IP protection, confidentiality, governance, resource allocation, and termination arrangements over a three-year term.

TIA – NEF MoU
The MoU between the National Empowerment Fund and TIA establishes a strategic partnership to support innovation and commercialisation projects, with a focus on co-funding and supporting SMMEs across the business cycle, from ideation to commercialisation.

The collaboration aims to strengthen localisation, promote transformation in the innovation ecosystem, and enhance black economic empowerment through targeted funding, mentorship, and resource sharing. A joint steering committee will oversee implementation, supported by agreed principles of co-operation and provisions relating to IP rights.

TIA – 22 On Sloane MoU
The MoU between 22 On Sloane and TIA establishes a strategic partnership to support emerging enterprises, strengthen South Africa's innovation pipeline, and promote inclusive growth and job creation. The collaboration leverages the parties' respective resources, networks, and expertise to advance applied research, technology development, and the commercialisation of innovations.

Key areas of co-operation include fund management, ecosystem activation, digital platforms, and a soft-landing programme that enables TIA-funded start-ups to access structured mentorship, market linkages, and support within the 22 On Sloane ecosystem.

TIA – NBI MoU
The MoU between the National Business Initiative and TIA establishes a collaborative framework to support installation, repair, and maintenance enterprises, skills development, and innovation in South Africa. The partnership aims to promote youth employment and entrepreneurship in artisanal occupations through IRM hubs, enterprise incubation, workforce development, and innovation support.

It also seeks to unlock funding, strengthen the entrepreneurial ecosystem, and align vocational training with market demand, thereby contributing to sustainable socio-economic growth and job creation.

TIA – ECRDA MoU
The MoU between the ECRDA and TIA establishes a collaborative framework to support rural development and the growth of start-ups and MSMEs. The partnership focuses on improving access to finance, markets, technology, product development infrastructure, and business-development services.

Key areas of co-operation include a blended-finance scheme for innovation in sectors such as agriculture, renewable energy, and natural products, as well as the establishment of CIEs and shared pilot-scale manufacturing facilities.

TIA – Darkies-in-Tech MoU
The MoU between Darkies-in-Tech NPC and TIA establishes a strategic co-operation framework to support the development, maturation, and commercialisation of early-stage technology ventures in South Africa. The collaboration aims to foster inclusive innovation and enterprise development by improving access to skills, networks, markets, and funding for under-represented technology entrepreneurs.

The parties will work together to design, pilot, and evaluate programmes that strengthen founder development, technology commercialisation, and ecosystem impact.

TIA – Takealot partnership
Takealot partnered with TIA to deliver the PITCHALOT Competition, a three-day innovation and entrepreneurship programme held from 18 to 20 March 2026 during the inaugural SAIW. The programme was designed to strengthen innovators' pitching capabilities, improve market readiness, and expose participating enterprises to practical commercialisation opportunities through a workshop, pitch competition, and market-place masterclass.

The workshop supported participants in refining their pitch readiness and market positioning, culminating in the shortlisting of nine innovators. These finalists submitted three-minute video pitches and progressed to the competition round, where they presented to a four-judge panel.

Each finalist delivered a four-minute pitch followed by a three-minute question-and-answer session, with judges assessing innovation, desirability, feasibility, and pitch quality, while providing immediate feedback.

Three winners were selected from the nine finalists and awarded a support package designed to improve market access and strengthen their commercial readiness. The package included:

- Free or discounted access to the Takealot marketplace;
- Twelve months of dedicated account management support;
- Advertising and marketing assistance; and
- Direct entry into the Takealot Innovation Challenge, including the eight-week Heavy Chef development programme;

Ongoing mentorship opportunities; and

- Proudly South African membership for qualifying enterprises.

The final day featured a one-hour marketplace commercialisation workshop led by the Takealot Marketplace Team and targeted at innovators and founders interested in e-commerce. The session provided practical guidance on marketplace opportunities, selling on the Takealot platform, and strategies for successful product commercialisation, while also offering participants direct engagement with the team and clear next steps for marketplace participation.

The MoUs and partnership agreements signed during the year strengthen TIA's role as a connector and ecosystem enabler across the innovation value chain. Together, they expand access to co-funding, technical expertise, incubation, market pathways, skills development, and commercialisation support for start-ups, MSMEs, and under-represented innovators.





14.3.3 BUDGET AND EXPENDITURE

A comparison of the budget and actual expenditure for the Innovation Enabling Division is presented in Table 16.

Table 16: Budget and expenditure for the Innovation Enabling Division for 2024/25 and 2025/26

Sub-programme	2024/25			2025/26		
	Budget (R'000)	Actual expenditure (R'000)	(Over)/under expenditure (R'000)	Budget (R'000)	Actual expenditure (R'000)	(Over)/under expenditure (R'000)
Youth Technology Innovation Programme	–	R35	–R35	–	–	–
Innovation Skills and Enterprise Development	R2,000	R282	R1,718	R1,357	R675	R682
TSP	R14,862	R61,142	-R46,280	R94,160	R95,273	-R1,113
IID	R22,000	R41,699	-R19,699	R32,990	R45,322	-R12,332
Innovation Fund	–	R115,538	–R115,538	–	R37,084	-R37,084
GCIP-SA	R11,583	R7,922	R3,661	R12,260	R10,364	R1,896
Strategic Partnerships and Stakeholder Relations	R1,950	R998	R952	R4,946	R4,898	R48
Centre for Innovation and Entrepreneurship	R8,000	R2,462	R5,538	R5,000	R4,750	R250
Small Business Innovation Research programme (SBIR)	R10,000	–	R10,000	R5,000	R4,500	R500
Transformation Programmes	R14,000	R1,592	R12,408	R8,620	R6,812	R1,808
Grass Roots innovation programme	–	–	–	R8,549	–	R8,549
Africa Programme	R9,600	R4,030	R5,570	R10,032	R2,374	R7,658
Stakeholder events	R2,000	R2,026	-R26	R3,034	R3,065	-R31
Journey to TIA 2.0	R1,249	–	R1,249	R1,305	R40	R1,265
Seed Fund Programme	R6,033	R49,964	-R43,931	R74,000	R21,587	R52,413
Total	**R103,277**	**R287,690**	**-R184,413**	**R261,254**	**R236,069**	**R24,509**

15. SPECIAL FOCUS: FUND OF FUNDS

The Fund of Funds is a key pillar in repositioning TIA under TIA 2.0. It is intended to broaden the participation of fund managers in advancing innovation across sectors of the economy, with particular emphasis on the key sectors identified in the DSTI Decadal Plan.

During the year under review, TIA established the Fund of Funds office, appointed the Fund Principal, and began recruiting the technical and support roles required to operate the office. The team is building on previous TIA initiatives, particularly the Industry Matching Fund, which has supported the establishment of key ecosystem participants since the 2019/20 financial year.

The Fund of Funds is collaborative by design: the greater the number of contributors, the greater the potential impact. In TIA's context, active DSTI interventions have stimulated the ecosystem and enabled impact through TIA and implementing partners, such as the SA SME Fund. Collectively, these efforts have leveraged private-sector funding and broader support from the start-up, small business, innovation, and early-stage venture ecosystems.

Earlier industry collaborations included commitments to the UTF I, Savant Venture Fund I, and OneBio Seed Investment Fund I in 2019/20. The Industry Matching Fund was later a key partner in the High-Impact Seed Fund of Funds (HISFoF), implemented through the SA SME Fund, supporting four fund manager transactions, with 50% of the funding allocated to black fund managers.

Table 17: TIA Fund of Funds portfolio at 31 March 2025

Fund Portfolio – FY2024/25	Fund Size	TIA Contribution	TIA Share of Fund Size
UTF I	R230m	R15.5m	7%
Savant Venture Fund I	R155m	R1.5m	1%
OneBio Seed Investment Fund I	R99.25m	R8.5m	9%
SA SME Fund HISFoF*	R600m	R100m	17%
Total	**R1,084.25m**	**R125.5m**	**12%**

** TIA HISFoF contribution was invested in four funds. Overall number of investments is seven funds.*

Table 18: TIA Fund of Funds portfolio growth in FY2025/26

Fund Portfolio – FY2025/26	Fund Size	TIA Contribution	TIA Share of Fund Size
Opening Portfolio	R1,084.25m	R125.5m	12%
New Approvals			
UTF II	R400m	R20.8m	5%
UT Seed I	R100m	R25m	25%
Mamor Capital Ventures I	R550m	R42.5m	8%
Aions Seed Fund I	R100m	R40m	40%
IESFoF#	R600m	R150m	25%
Total Additions in the Year	R1,750m	R278.3m	16%
Total Portfolio at End of Year	R2,834.25m	R403.8m	14%
Portfolio Growth Between Periods	161%	222%	

 # The IESFoF will be invested in 10 fund managers, with a new Fund of Funds (FoF) manager deploying the funds. Overall number of investments is 14 funds and one FoF manager.

The combined impact of the activities in the period is to grow the FoF portfolio to R403.8m, and number of individual investments from and 22 different investments. Of the stated funds, IESFoF, Mamor and Aions will be implemented in the new financial year. This implies as follows:

Transactions approved to date	22
Transactions implemented to date	9
Transactions to be implemented in 2026/27	13

Considering the overall progress in the implementation of the portfolio, and potential pipeline, the volume of approvals in 2026/27 is expected to double the portfolio. The advanced execution on the New and Emerging Fund Managers (NEFM) of R200m and the overall appetite for new transactions, will likely see 2026/27 close with a total portfolio size of at least R800m in approved funds.

Future Strategic Intent

The TIA FoF function initiated several processes to advance the inclusive expansion of the sector, with wholesale projects designed to bring more black fund managers into the system. These included:

- NEFM Programme: A fund of approximately R200 million designed to develop five new black fund managers by seeding their funds through a warehousing facility. This facility would enable fund managers to demonstrate their funds' value propositions to investors and raise additional funding to create sustainable fund sizes. It would create a virtuous cycle of fund manager growth, with TIA's seed funding enabling fund managers to demonstrate experience in fund execution and gain credibility with other investors.
- **Institutional Early-Stage FoF:** The Institutional Early-Stage Fund of Funds (IESFoF) is a partnership between TIA and multiple institutional investors aimed at raising a fund of approximately R600 million. The fund will support the establishment of a black FoF manager, which will, in turn, support sustainable investment in black fund managers within the innovation ecosystem. These could include established or new fund managers raising sustainable funds in which TIA is not the sole investor, as well as other black fund managers pivoting into the innovation value chain. Pursuant to the MoU signed by TIA and SEDFA in August 2025, SEDFA has committed to joining the partnership, with TIA and SEDFA serving as anchor investors in this FoF model.

The FoF model enables TIA to:

- Provide support beyond its usual early-stage interventions through fund managers, leveraging follow-on funding to support downstream value chain investments, increasing the likelihood of TIA participating in high-value liquidity events, and strengthening TIA's financial sustainability;
- Collaborate with other stakeholders to design and guide strategic priority interventions, particularly those focused on the inclusive growth of the sector and strengthening deep-tech interventions that deliver society-wide outcomes; and
- Enable the use of venture funds as risk-absorption instruments across multiple sectors of the economy, in partnership with public- and private-sector participants, particularly policy departments that can curate nationally relevant sector priorities. This is important because the venture capital landscape remains nascent, with limited appetite from the more mature private equity and banking sectors.

Innovation Fund

The DSTI established the Innovation Fund to enhance South Africa's capacity to commercialise technological innovations. The Fund is designed to de-risk investments through technology development, demonstration, and commercialisation and to catalyse co-investment and follow-on investment from public sources, the venture capital industry, and the private sector.

HIGHLIGHTS

Before 2020, South Africa's venture-funding market was insignificant, if not non-existent, with institutional investors favouring later-stage private equity over venture capital. SAVCA reported venture-funding activity of R1.23 billion across 169 deals[2] in 2019. By 2024, this had grown to R13.35 billion across 1,325 deals[3], representing a tenfold increase in value over the five-year period.

This growth reflects increasing market maturity and significant interest from key participants, such as the DSTI, which has leveraged its strategic intent and committed billions in annual allocations to fund managers, funding programmes, and start-ups. TIA's early investments in UTF I and OneBio Seed Investment Fund I have come full circle, with the respective fund managers successfully raising second funds, as outlined below.

UTF Platform

The UTF Platform, comprising multiple UTF funds, is South Africa's leading venture capital platform dedicated to commercialising technologies, IP, and research originating from the country's universities and their alumni ecosystems. The platform was established to bridge the critical funding gap between academic innovation and commercial success, providing capital and strategic support to businesses capable of addressing global challenges while delivering attractive long-term returns. The UTF Platform is managed by Stocks and Strauss Fund Manager (Pty) Ltd.

The UTF Platform currently manages more than R700 million across three complementary funds, providing continuous funding throughout the innovation lifecycle. The UT Seed Fund, valued at R86 million, supports proof-of-concept development and company formation. UTF I, valued at R230 million and now fully deployed, successfully validated the investment strategy by backing a portfolio of high-potential university spin-outs and technology businesses. UTF II, valued at R400 million, provides growth capital to post-revenue, high-growth companies with demonstrated commercial traction and international scaling potential.

OneBio Venture Studio

OneBio is a specialist biotechnology venture capital firm based in Cape Town. It invests in South African life sciences companies developing globally relevant therapeutics and enabling technologies and works with founders from the earliest stages to help them attract international follow-on capital and achieve clinical and commercial outcomes.

OneBio's investment strategy responds to a gap in the local biotechnology ecosystem: South Africa has strong scientific talent and research capabilities but often lacks the capital, expertise, and global networks required to translate research into successful biotechnology companies. Through its investment activities and the OneBio Innovation Centre, OneBio provides scientific, commercial, and strategic support from company formation onwards.

TIA has supported OneBio as an investor in its inaugural fund and through the OneBio Innovation Centre. Together with other ecosystem partners, TIA and OneBio are helping to strengthen South Africa's biotechnology ecosystem by supporting researchers, entrepreneurs, and emerging companies at the earliest stages of development.

OneBio also seeks to ensure that innovation reflects the diversity of the populations it serves. Several technologies in its portfolio aim to improve understanding of the African genome, supporting a more representative evidence base for drug discovery and precision medicine.

Since the launch of OneBio Seed Fund I, valued at R100 million, OneBio has built a portfolio of companies addressing major unmet medical needs, while attracting international investors, strategic partners, and pharmaceutical interest. OneBio has reached the first close of its second seed fund, which is expected to reach R350 million at final close. This was supported by the TIA–SA SME Fund HISFoF and strengthens the broader OneBio Venture Studio, including the OneBio Innovation Centre.

2 SAVCA 2020 Venture Capital Survey
3 SAVCA 2025 Venture Capital Survey



PART C
GOVERNANCE

Corporate governance embodies the processes and systems through which public entities are directed, controlled, and held to account. In addition to the legislative requirements arising from a public entity's enabling legislation and the Companies Act, corporate governance in public entities is applied through the prescripts of the PFMA, together with the principles contained in the King Report on Corporate Governance.

TIA was established by, and derives its mandate from, the Technology Innovation Agency Act 26 of 2008, as amended (TIA Act). TIA is a Schedule 3A public entity under the PFMA. In terms of the TIA Act, the Agency's objective is to support the state in stimulating and intensifying technological innovation to improve economic growth and the quality of life of all South Africans through the development and exploitation of technological innovations.

16. PORTFOLIO COMMITTEE

Parliament exercises oversight by evaluating the performance of public entities through their AFS, annual reports, and other documents tabled from time to time. The Standing Committee on Public Accounts reviews the AFS of all public entities and the audit reports of their external auditors. The Portfolio Committee on STI reviews the non-financial performance information contained in public entities' annual reports and is concerned with service delivery and economic growth. TIA is accountable to Parliament through the Portfolio Committee on STI. During the year under review, TIA appeared before the Portfolio Committee five times, as follows:

- **22 April 2025:** TIA presented its 2025–2030 Strategic Plan and 2025/26 Annual Performance Plan.
- 1**3 May 2025:** TIA briefed the Committee on programmes and initiatives that support youth innovators and on the Innovation Fund.
- **17 October 2025:** TIA presented its Annual Report.
- **14 November 2025:** TIA participated with the CSIR in a joint presentation on the Agriculture Cluster, covering animal health, beef and dairy genomics, and agro-processing.
- **24 February 2026:** TIA briefed the Committee on the TIA 2.0 strategy, stabilisation of Executive Management, the appointment of the CEO and progress with implementation of its Audit Action Plan.

17. EXECUTIVE AUTHORITY

Oversight by the Executive Authority is governed by the PFMA. The Executive Authority appoints and may dismiss the Board of a public entity and must ensure that Board members with an appropriate mix of skills are appointed to guide the entity.

The Executive Authority is accountable to Parliament for the achievement of TIA's goals and objectives. The Executive Authority also takes an interest in risk management to the extent necessary to obtain assurance that properly established and functioning risk management systems are in place to protect TIA against significant risks. TIA's Executive Authority is the Honourable Minister of STI, Professor Bonginkosi Emmanuel Nzimande.

The following statutory reports were submitted to the Executive Authority:

- 2025/26 Quarter 1 Performance Report (21 July 2025);
- 2025/26 Quarter 2 Performance Report (20 October 2025);
- 2025/26 Quarter 3 Performance Report (20 January 2026);
- 2025/26 Quarter 4 Performance Report (20 April 2026);
- 2024/25 Annual Report (16 September 2025);
- 2024/25 AFS and Annual Performance Report (31 May 2026); and
- 2026/27 Annual Performance Plan and revised 2025–2030 Strategic Plan (25 February 2026).

18. ACCOUNTING AUTHORITY

As a public entity, TIA's Board serves as its Accounting Authority. The Board constitutes a fundamental basis for the application of corporate governance principles within the entity. Public entities should be led and controlled by effective and efficient boards comprising an appropriate mix of executive and non-executive directors who possess the skills required to provide strategic guidance.

Most Board members should be independent non-executive to ensure independence and objectivity in decision-making. The Board bears ultimate responsibility for the performance of the public entity and is fully accountable for that performance. It is also responsible for providing strategic direction to the entity.

The Minister of STI, Professor Bonginkosi Emmanuel Nzimande, appointed the Board with effect from 1 November 2025 in terms of section 8(4) of the TIA Act. During the reporting period, the Board was strengthened through the appointment of a diverse cohort of highly accomplished professionals with extensive expertise in governance, technology, finance, academia, entrepreneurship, and public policy.

Ms Bojane Segooa was appointed as a Board member, contributing her experience as an entrepreneur, senior academic, and strategic leader. Her background in business leadership, financial reporting, and education, coupled with her recognised contribution to society and innovation in the education sector, adds significant value to the Board's governance and strategic oversight functions.

Ms Kholiwe Makhohliso, a seasoned technology executive with close to three decades of experience, was appointed to the Board. Her leadership in business transformation, consulting, governance, and financial oversight enhances the Board's strategic direction, particularly in the areas of technology and organisational sustainability.

Mr Lwazi Koyana was appointed, bringing strong expertise in investment management, financial analysis, and corporate leadership. As a co-founder and former Managing Director of an asset-management firm and a qualified Chartered Accountant, his insights strengthen the Board's financial governance and oversight capabilities.

Dr Renee Thompson joined the Board with more than two decades of experience in legislative processes, parliamentary affairs, and government relations. Her expertise in regulatory frameworks and stakeholder engagement enhances the Board's ability to navigate complex policy and governance environments.

Mr Thulani Samuel Tshabalala was appointed, contributing his experience in education, training, and enterprise development. His background in skills development and community-based initiatives supports the Board's focus on capacity-building and inclusive development.

Mr Vukile Hlongwa joined the Board, bringing extensive experience in finance, accounting, and governance. His executive and board-level experience, including roles in audit and risk oversight, strengthens the Board's financial management and accountability functions.

Ms Mathapelo Mzizi was also appointed, adding substantial expertise in the ICT sector, strategic partnerships, and innovation. Her leadership in global technology initiatives, as well as her advocacy for inclusion and digital transformation, contributes to the Board's strategic positioning in a rapidly evolving technological landscape.

Ms Anita Nel joined the Board, bringing more than 17 years of experience in the ICT sector, with a strong focus on AI, business transformation, and strategic leadership. Her expertise supports the Board's agenda of driving innovation, market growth, and digital advancement.

Collectively, these appointments have enhanced the Board's diversity, technical expertise, and strategic depth, positioning it to discharge its oversight responsibilities effectively and support the Agency in achieving its mandate.

In terms of section 5 of the TIA Act, the Board is responsible for managing and controlling the Agency. Board members are appointed by the Minister based on their knowledge and experience in technological innovation, technology management, IP and its commercialisation, and business skills which, when considered collectively, should enable them to attain the objectives of the Agency.

The Board considers good corporate governance to be fundamental to TIA's success. In pursuing the highest standards of governance, the Board provides strategic oversight and effective direction by adhering to relevant codes of best practice and the principles of fairness, integrity, responsibility, accountability, and transparency.

18.1 BOARD CHARTER

A Board Charter is in place that sets out the roles and responsibilities of the Board in relation to the Agency and governs the Board's conduct. It determines how the Board interacts with management, the shareholder, and other stakeholders. Board members' responsibilities and limitations are also set out in the TIA Act, the PFMA, the King Report on Corporate Governance, and the common law of South Africa.

The Board is responsible for:

- acting as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholder and other stakeholders of the Agency in accordance with sound corporate governance principles;
- providing effective leadership on an ethical foundation;
- appreciating that stakeholders' perceptions affect the Agency's reputation;
- adopting strategic plans;
- appointing a suitably skilled and qualified CEO through a transparent and competitive selection process;
- retaining full and effective control over the Agency and monitoring management in implementing Board plans and strategies;
- monitoring operational performance and management;
- ensuring that the Agency complies with all relevant laws, regulations and codes of business practice;
- ensuring that the Agency communicates with its internal and external stakeholders openly and promptly, with substance prevailing over form;
- developing a Code of Conduct that anticipates and deals with conflicts of interest, particularly those relating to Board members and management;
- ensuring an appropriate balance of power and authority on the Board so that no individual or select group of individuals can dominate Board decision-making;
- defining and monitoring the information needs of the Board;
- identifying and monitoring the non-financial aspects relevant to the Agency's business; and
- through its sub-committees, prioritising and managing risks that may impede the business of TIA.

18.1.1 COMPOSITION OF THE BOARD

Table 19 provides a detailed list of TIA Board members.

Table 19: TIA Board members and their particulars

Full name and designation	Dates of appointment and resignation	Qualifications	Area of expertise	Board directorships	Other committees or task teams
Mr Loyiso Tyira (Chairperson)	14 June 2024 (appointed as Board member) 20 December 2024 to date (appointed as Board Chairperson)	Postgraduate Diploma in Digital Business (Wits) Programme for Management Excellence (GIBS) Management Development Programme (Unisa)	ICT industry Strategy Business development Governance	Board member: Broadband Infraco SOC MICT SETA (until March 2025) B-BBEE ICT Sector Council	KasiTel Future Business Consulting Tyira Enterprises ICT SMME Chamber Protea Domains and SAMDDRA
Ms Anati Judith Canca (BTC Chair)	1 November 2021 to 31 October 2025	BSc (Microbiology) BSc (Hons) (Human Genetics) MSc (Technology Management) Coaching for Development Professional Coaching Certificate	IP management Strategy formulation and execution of innovation strategies for revenue generation and social benefit Leadership development and coaching	Malangana Innovation Advisory (Pty) Ltd Mazangani Solutions (NPC) Ruliv (NPO)	Associate: Nurturing Growth Trading (Pty) Ltd
Dr Revel Iyer (member)	1 November 2021 to 31 October 2025	BSc BSc (Hons) MSc PhD (Botany) LLB LLM (IP) MBA	Technology transfer IP management Technology innovation Technology commercialisation Biotechnology strategy	Aonyx Holdings Aequorea Aonyx Foods Aonyx Venture Builder	
Ms Edith Lindiwe Matlali (member)	1 November 2021 to 31 October 2025	BCom (Economics and Statistics) Foundation Programme for Private Equity (GIBS) Graduate Certificate Innovation and Entrepreneurship Graduate Certificate Social Entrepreneurship Master's in Innovation (Wits)	Techno-entrepreneurship Social entrepreneurship	Africa Teen Geeks Apodytes (Pty) Ltd	Presidency (Commissioner 4IR) Member: World Economic Forum Global Future Council on the Future of Cybersecurity (2023–2024 term)

Full name and designation	Dates of appointment and resignation	Qualifications	Area of expertise	Board directorships	Other committees or task teams
Mr Butana Andrew Mboniswa (IFC Chair)	8 August 2019 to 31 October 2025	MSc Biochemistry BSc (Hons) Biochemistry LLB Certificate Financial Modelling and Analysis	Executive leadership Investment management Technology management Technology development Business development Global systems of innovation SME incubation	Inqaba Biotechnical Industries (Pty) Ltd Sereko Technology & Innovation Advisers	
Prof. Shirley Caroline Keolebogile Mamotswere Motaung (member)	14 June 2024 to 12 November 2025	DTech Biomedical Technology MTech. Biomedical Technology BTech. Biomedical Technology & N Dip. Medical Technology	Teaching External Examiner / Assessor & Research Entrepreneurship and Research Commercialisation	Board member: NIPMO	Director: Global Health Biotech



Full name and designation	Dates of appointment and resignation	Qualifications	Area of expertise	Board directorships	Other committees or task teams
Ms Joy Sebenzile Patricia Matsebula (HR&REMCO Chair)	1 May 2017 to 31 October 2025	MSc Biometrics BSc Natural Sciences, Environmental Sciences & Biometrics	Business development Social justice & human rights Disability inclusion & mainstreaming Governance & leadership Statistics & scientific research	Dempower Divuseni Trading and Investments ICT SMME Chamber Johannesburg International Airport Kuzuko Lodge Lanseria Airport 1993 Lanseria Airport Investments Lanseria Holdings Lanseria International Airport Lindandanda Consulting Investments & Trading. Motswako Office Solutions Petatex Taquanta Securities Taquanta Asset Managers Taquanta Investment Holdings	Disability Economic Empowerment Trust. South African Development Trust for Disabled People. Presidential Working Group on Disability. The Sebenzile Matsebula Foundation

Full name and designation	Dates of appointment and resignation	Qualifications	Area of expertise	Board directorships	Other committees or task teams
Mr Thabiso Gerald Ramasike (Audit and Risk Committee Chair)	1 May 2017 to 31 October 2025	BCom BANKSETA International Executive Development GIBS Senior Executive Leadership Development Programme Certified Associate (CAIB (SA))	Business Investing & Private Equity Strategy Governance Public speaking Executive coaching Leadership development	Transform Ministries Global Tuleka Group (Pty) Ltd Kwena Fund Managers (Pty) Ltd Kwena Franchise Fund (Pty) Ltd EIC Wealth Investors (Pty) Ltd Ramasike Investment Club NPC Villa De Rama (Pty) Ltd Thatir Group (Pty) Ltd Willrod Holdings (Pty) Ltd Tshepe Foundries International (Pty) Ltd Mould Empower Serve NPC African Unity Life Ltd Leadership Circle (Pty) Ltd Ramasike Family Trust Khula Trust MaxwelL Mahole Morapeli Trust Mosotho Trust	Chairman: Audit and Risk Committee – African Unity Life Ltd Chairman: Audit and Risk Committee – MES NPC Chairman: Remuneration & Nominations Committee – African Unity Life Ltd Member: Audit and Risk Committee – Office of Tax Ombud (South Africa)
Dr Renee Thompson (HR&REMCO Chair)	1 November 2025 to 19 December 2025	PhD in Public & Development Management focused on Parliamentary Committees	Expertise in parliamentary affairs legislative processes and government relations	Susters 4 Life	None

Full name and designation	Dates of appointment and resignation	Qualifications	Area of expertise	Board directorships	Other committees or task teams
Mr Vukile Hamilton Hlongwa (Member)	1 November 2025 to date	Chartered Global Management Accountant (ACMA (UK) CGMA) Member for CIMA Bachelor of Commerce in Management Accounting B-BBEE Management Development Programme Post Graduate Diploma in Higher Education Management	Financial governance, risk management, corporate strategy, compliance and full operational leadership, with In-depth knowledge in the PFMA (PFMA), Municipal Finance Management Act, and the King Code of Corporate Governance	Founder of GCI Advisory Group Non-Executive Director - Johannesburg Development Agency (JDA) Co-Founder and President - Progressive Professional Council of Southern Africa (PPCoSA)	Member – CIMA Southern Africa Area Committee
Mr Lwazi Mandisi Koyana (Audit and Risk Committee Chair)	1 November 2025 to date	CA(SA) BCom (Accounting) B Compt (Hons) with CTA	Investment Analysis Finance & Investment Management Governance Accounting & Auditing Entrepreneurship, Lead adviser on major infrastructure projects	The Spar Group Ltd AIP Capital Management Concor Construction Effectus Capital Management Nations Capital Holdings/Projects Yana Estate Homeowners Association Rhodes University Council Steve Biko Academic Hospital Revolut – South Africa	

Full name and designation	Dates of appointment and resignation	Qualifications	Area of expertise	Board directorships	Other committees or task teams
Ms Kholiwe Makhohliso (IFC Chair)	1 November 2025 to date	GIBS Global Executive Development Programme B.Compt (Accounting, Auditing & Information Systems) (Walter Sisulu University) Programme for Leadership Development (PLDA) (Harvard Business School) Executive Leadership Programme (Cranfield School of Management & IESE Business School)	Spanning technology finance audit governance and consulting	Welanga Investments (Pty) Ltd Kagiso Tiso Holdings (KTH)	
Ms Mathapelo Mzizi (Member)	13 March 2026 to date	Executive Masters in business administration (Hult International Business School) Diploma in Marketing (International Marketing Institute of South Africa)	ICT Industry leading Global business & strategic initiatives Artificial Intelligence Leadership Technology, Inclusion Innovation, Strategic Planning Digital Transformation Sustainability	Broadband Infraco African Layers Alliance South African Philanthropy Foundation	Chair of Human Resources and Remuneration Committee (Broadband Infraco) 2Growth Committee (SAPF)

Full name and designation	Dates of appointment and resignation	Qualifications	Area of expertise	Board directorships	Other committees or task teams
Ms Anita Nel (Member)	24 February 2026 to date	MSc (Psychology) Stellenbosch University Higher Education Diploma (Maths Advanced Maths Science) Stellenbosch University BSc (Physics) Stellenbosch University Matric 1988 (Dux Student) Outeniqua High School Registered Technology Transfer Professional (RTTP)	Technology transfer venture capital innovation and commercialisation	AI Coaching (Pty) Ltd Phagoflux (Pty) Ltd Nanosene (Pty) Ltd) CubeSpace Satellite Systems (Pty) Ltd Phagoflux (Pty) Ltd BioCODE (Pty) Ltd Geosmart Space (Pty) Ltd Stellenbosch Business School Executive Development (Pty) Ltd SUN Magnetics (Pty) Ltd Custos Media Technologies (Pty) Ltd AquaStel (Pty) Ltd University of Stellenbosch Enterprises (Pty) Ltd Urobo Biotech (Pty) Ltd Terraclim (Pty) Ltd Unistel Medical Laboratories (Pty) Ltd Ecomaties (Pty) Ltd Biotrac (Pty) Ltd	None
Ms Bojane Segooa (BTC Chair)	1 November 2025 to date	CA(SA) Bachelor of Accounting Science (University of South Africa); BCompt Honours (University of South Africa) Master of Innovation Management (Wits Business School)	Technology, financial management, corporate tax, risk management and corporate governance	Broadband Infraco Medicare Hospital Level Up Careers Foundation Level Up Careers Mokone Business Group	

Full name and designation	Dates of appointment and resignation	Qualifications	Area of expertise	Board directorships	Other committees or task teams
Mr Thulani Samuel Tshabalala (HR&REMCO Chair)	1 November 2025 to date	Post graduate Diploma in Disability Studies, a Diploma in Occupational Development and Training Practices and Certificates in Management of Non-Profit and Community-Based Organisations Business Administration and Project Management	Governance, empowerment and the inclusion of person with disabilities Research and policy developments	Disabled Empowerment Concerns Trust	
Mr Ismail Abdoola (Acting CEO and ex officio Board member)	1 February 2025 (ex officio) to 31 March 2026	CA(SA) BCom (Acc) (Hons)	Strategy and execution Governance Financial Modelling Risk Management Venture Capital	Ex officio (TIA)	-

The Board convened for a total of 14 meetings during the period under review. The dates of the meetings and Board member attendance are provided in Table 20.

Table 20: Board dates of meetings and attendance record

Member	No. of Meetings Attended	17 Jun	24 Jun	6 Aug	28 Aug	23 Oct	28 Oct	11 Nov	9 Dec	23 Dec	14 Jan	29 Jan	2 Feb	9 Mar	26 Mar
Mr Loyiso Tyira	14	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Anati Canca	6	✓	✓	✓	✓	✓	✓								
Dr Revel Iyer	6	✓	✓	✓	✓	✓	✓								
Ms Lindiwe Matlali	6	✓	✓	✓	✓	✓	✓								
Ms Sebenzile Matsebula	6	✓	✓	✓	✓	✓	✓								
Mr Butana Mboniswa	6	✓	✓	✓	✓	✓	✓								
Mr Thabiso Ramasike	6	✓	✓	✓	✓	✓	✓								
Mr Lwazi Mandisi Koyana	8							✓	✓	✓	✓	✓	✓	✓	✓
Mr Thulani Samuel Tshabalala	8							✓	✓	✓	✓	✓	✓	✓	✓

Member	No. of Meetings Attended	17 Jun	24 Jun	6 Aug	28 Aug	23 Oct	28 Oct	11 Nov	9 Dec	23 Dec	14 Jan	29 Jan	2 Feb	9 Mar	26 Mar
Prof. Shirley Caroline Keolebogile Mamotswere Motaung	2							✓	✓						
Dr Renee Thompson	2							✓	✓						
Mr Vukile Hamilton Hlongwa	8							✓	✓	✓	✓	✓	✓	✓	✓
Ms Bojane Segooa	8							✓	✓	✓	✓	✓	✓	✓	✓
Ms Mathapelo Mzizi	1														✓
Ms Kholiwe Makhohliso	8							✓	✓	✓	✓	✓	✓	✓	✓
Ms Anita Nel	0														X
Mr Ismail Abdoola	11	✓	✓		✓		✓	✓	✓	X	✓	✓	✓	✓	✓

Legend

✓	*In attendance*
X	*Apologised*
	Not required
	Not appointed/member

The Board reaffirmed the strategic importance of the TIA within the NSI and continued to prioritise initiatives aimed at strengthening the fulfilment of its mandate. In this regard, emphasis was placed on the acceleration of commercialisation activities the effective implementation of the Bio-economy Strategy and the targeted support of SMMEs and co-operatives. These priorities were considered essential to enhancing innovation uptake driving inclusive economic participation and ensuring sustainable impact across the innovation value chain.

18.1.2 COMMITTEES

TIA's Audit and Risk Committee, Investment and Finance Committee (IFC), Human Resources and Remuneration Committee (HR&REMCO), and Board Technical Committee (BTC) are mandated to assist the Board in discharging its responsibilities effectively. Readers are directed to section 22 for a description of the Audit and Risk Committee and to section 23 for the Audit and Risk Committee Report for 2025/26.

18.1.3 INVESTMENT AND FINANCE COMMITTEE

The IFC provides oversight and advice to the Board on matters central to the Board's core mandate. The Committee makes funding decisions in pursuit of TIA's mandate and strategic objectives, within the thresholds set out in the Investment Framework Policy and as prescribed by section 5(3) of the TIA Act.

The IFC considers investment proposals where TIA's exposure per project exceeds R15 million but is equal to or less than R30 million. It also oversees the management of financial resources within its delegated authority and considers ad hoc matters delegated to it by the Board from time to time.

During the reporting period, the Committee approved investments totalling R1,124,463,315. The Committee convened 12 times during the period under review, as shown in Table 21.

Table 21: IFC dates of meetings and attendance record

Member	No. of Meetings Attended	15 May	14 Aug	18 Sep	13 Oct	23 Oct	24 Feb	6 Mar	17 Mar	24 Mar	25 Mar	26 Mar
Mr Butana Mboniswa	5	✓	✓	✓	✓	✓						
Ms Lindiwe Matlali	5	✓	✓	✓	✓	✓						
Dr Revel Iyer	5	✓	✓	✓	✓	✓						
Mr L Tyira	12	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms K Makhohliso	7						✓	✓	✓	✓	✓	✓
Mr L Koyana	6						✓	✓	✓	✓	X	✓
Mr V Hlongwa	7						✓	✓	✓	✓	✓	✓

Legend

✓	*In attendance*
X	*Apologised*
	Not required
	Not appointed/member

18.1.4 HUMAN RESOURCES AND REMUNERATION COMMITTEE

The HR&REMCO derives its authority from the Board and was established to oversee and provide advice to the Board on matters central to TIA's HR capability, design, and strategy, as well as remuneration and succession planning.

The Committee is responsible for ensuring that TIA develops a framework, policies, guidelines, and an environment that enable the Agency to employ, reward, and retain dedicated, motivated, efficient, and loyal employees in order to achieve TIA's long-term strategic goals. The social and ethics functions of a Social and Ethics Committee, as envisaged in the Companies Act 71 of 2008, are incorporated into the Terms of Reference of the HR&REMCO and include matters such as the environment, health and safety, consumer relationships, labour, and employment.

During the period under review, the Human Resources and Remuneration Committee remained focused on strengthening TIA's human capital framework to support the effective delivery of its mandate. The Committee prioritised the alignment of the organisational structure, talent management, and remuneration practices with strategic objectives, while ensuring compliance with applicable governance frameworks.

Particular emphasis was placed on enhancing leadership capacity, driving performance management and accountability, and promoting a culture of ethical conduct and organisational resilience. The Committee further oversaw initiatives aimed at attracting and retaining critical skills, fostering employee engagement, and ensuring that remuneration practices remained fair, transparent, and aligned with market benchmarks. These efforts were considered essential to enabling TIA to build a capable, high-performing workforce to deliver on its strategic priorities.

The Committee convened eight times during the review period, as shown in Table 22.

Table 22: HR&REMCO dates of meetings and attendance record

Member	No. of Meetings Attended	15 Apr	23 Apr	6 Jun	12 Aug	21 Oct	29 Oct	25 Feb	24 Mar
Ms Joy Sebenzile Matsebula	6	✓	✓	✓	✓	✓	✓		
Ms Anati Canca	6	✓	✓	✓	✓	✓	✓		
Mr Thabiso Gerald Ramasike	5	✓	✓	✓	✓	X	✓		
Mr L Tyira	8	✓	✓	✓	✓	✓	✓	✓	✓
Mr Thulani Tshabalala	2							✓	✓
Ms K Makhohliso	2							✓	✓

Legend

✓	*In attendance*
X	*Apologised*
	Not required
	Not appointed/member

18.1.5 BOARD TECHNICAL COMMITTEE

The BTC provides high-level strategic and technical advice to the Board and management. It serves as a convening platform for thought leaders within the NSI and globally, supporting TIA in considering its strategic positioning and contribution to national and international innovation discourse. The Committee also advises the Board on strategic priorities to be adopted in the context of the NSI, the South African Government's objectives, and TIA's objectives as set out in the TIA Act.

During the period under review, the Committee provided oversight of the advancement and implementation of TIA 2.0, with a focus on strengthening the Agency's impact within the NSI. It guided the refinement of the TIA 2.0 Corporate Strategy, monitored implementation priorities, and considered feedback from the DSTI.

Key focus areas included stakeholder engagement and relations; the development of enabling frameworks, such as the Monitoring, Evaluation and Learning Strategy and Customer Experience Management; and the assessment of stakeholder consultation outcomes. The BTC also oversaw initiatives aimed at strengthening the innovation ecosystem, including the Gap Analysis, Quadruple Helix Model, and IP Leakage Study, while supporting thought-leadership programmes in areas such as climate resilience.

The Committee monitored programme performance and impact through evaluation updates and outcome assessments and provided oversight of strategic initiatives, including transformation programmes, Innovation Districts, and partnerships. It also reviewed its Charter and annual work plan to ensure alignment with evolving strategic priorities and governance requirements.

The Committee convened six times during the review period, as shown in Table 23.

Table 23: BTC dates of meetings and attendance record

Member	No. of Meetings Attended	29 May	24 Jun	20 Aug	22 Oct	27 Oct	23 Feb
Ms Anati Canca	5	✓	✓	✓	✓	✓	
Ms Sebenzile Matsebula	5	✓	✓	✓	✓	✓	
Dr Revel Iyer	4	✓	✓	✓	✓	X	
Mr Ismail Abdoola	6	✓	✓	✓	✓	✓	✓
Ms Bojane Segooa	1						✓
Mr Thulani Tshabalala	1						✓

Legend

✓	*In attendance*
X	*Apologised*
	Not required
	Not appointed/member

18.1.6 REMUNERATION OF BOARD MEMBERS

Board members receive fees for services rendered to the Board and the Executive Authority in accordance with the relevant tariffs determined by National Treasury and approved by the Minister. These tariffs are regulated and updated from time to time.

Board members' travel costs incurred in executing their duties, including airfares and car hire, are paid by TIA. Members are also reimbursed for incidental expenses relating to parking, tolls, and transfers. When using their personal vehicles for TIA business, members are reimbursed per kilometre in accordance with TIA's Travel Policy.

The breakdown of each member's remuneration, excluding ex officio TIA staff, is presented in Table 24: Remuneration of Board members. Remuneration is determined in accordance with the Board Remuneration Policy, which is aligned with the National Treasury framework applicable to public entities. It comprises meeting fees and an annual Board fee. Meeting fees are calculated hourly for attendance at Board and Committee meetings, subject to prescribed limits, while the annual Board fee is paid as a percentage of the applicable remuneration band. This fee compensates members for broader governance responsibilities, including training, document review, and other related duties performed throughout the financial year.

The Agency reimburses Board members for reasonable and pre-approved expenses incurred in performing official duties. These include travel, accommodation, and subsistence costs, which are governed by TIA's Travel Policy and aligned with SARS rates. Board members may also be compensated for formally approved attendance at stakeholder engagements, strategic sessions, and official events, based on rates prescribed by National Treasury.

Table 24: Remuneration of Board members

Member	Remuneration	Other allowance	Other reimbursement	Total
Mr Loyiso Tyira	R763,577			R763,577
Ms Anati Canca	R257,879			R257,879
Dr Revel Iyer	R217,016	R2,550		R219,566
Ms Lindiwe Matlali	R247,365			R247,365
Ms Sebenzile Matsebula	R310,752	R6,474		R317,226
Mr Butana Mboniswa	R242,796			R242,796
Mr Thabiso Ramasike	R279,334			R279,334
Mr Lwazi Koyana	R198,139			R198,139
Mr Thulani Tshabalala	R133,676			R133,676
Prof. Keolebogile Motaung	R271,494			R271,494
Dr Renee Thompson	R28,371			R28,371
Mr Vukile Hlongwa	R196,949			R196,949
Ms Bojane Segooa	R154,995			R154,995
Ms Mathapelo Mzizi	R6,948			R6,948
Ms Kholiwe Makhohliso	R179,063			R179,063

19. RISK MANAGEMENT

The Agency maintains a proactive and accountable risk management environment to support its strategic and operational objectives. Risk management is integrated into governance, planning, decision-making, and operational processes and is aligned with applicable legislative and governance frameworks, including the PFMA, the National Treasury Public Sector Risk Management Framework, ISO 31000, and King V.

The Agency's risk management documentation, including the Risk Management Policy and Strategy, Risk Management Implementation Plan, Strategic Risk Register, and Risk Appetite and Tolerance Framework, was reviewed, maintained, and implemented through the relevant governance structures during the year. The Risk Appetite and Tolerance Framework supports risk-informed decision-making by guiding acceptable risk exposure across strategic and operational activities.

Strategic and operational risk assessments are conducted regularly to identify, assess, monitor, and respond to existing and emerging risks that may affect the achievement of organisational objectives. Risk identification and assessment include management engagement, workshops, reviews of internal and external developments, environmental scanning, and ongoing monitoring of the operating environment. Risks and mitigation measures are reported through established governance and management structures, with escalation mechanisms in place to ensure appropriate oversight and intervention.

19.1 GOVERNANCE

The Board has overall responsibility for risk management and for ensuring that it is embedded within the Agency's governance and operations. Oversight is provided through management committees, the Risk Management Steering Committee (RMSC), the Audit and Risk Committee, and the Board. Executive Management is accountable for implementing, monitoring, and integrating risk management into day-to-day activities.

The RMSC provides oversight, guidance, and direction on risk-related matters within the combined-assurance approach, while the Audit and Risk Committee independently oversees the effectiveness of the Agency's risk management system and internal control environment and provides guidance to the Board.

During the year under review, the Agency strengthened its risk management practices through enhanced governance oversight, improved strategic risk monitoring, and the ongoing integration of risk management into decision-making. Further initiatives include enhancing the risk culture, strengthening monitoring and reporting capabilities, operationalising the Risk Appetite and Tolerance Framework, and improving system-enabled risk management processes.

19.1.1 RISK CATEGORIES

TIA manages risk at three levels: strategic, operational, and project.Strategic risks are those most consequential to the Agency's ability to execute its strategy and fulfil its statutory mandate. These risks may affect the Agency's shareholder value and long-term sustainability.

Operational risks are inherent in the Agency's operations and processes. They may arise from internal factors, such as people, systems, legal and compliance matters, or fraud, or from external factors, such as suppliers, political developments, and economic conditions.

Project risks are those that could hinder the progress, results, or outcomes of a specific project funded by the Agency. They may result in deviations from expected returns or affect the planned outcomes of value-creating initiatives.

19.1.2 STRATEGIC RISKS

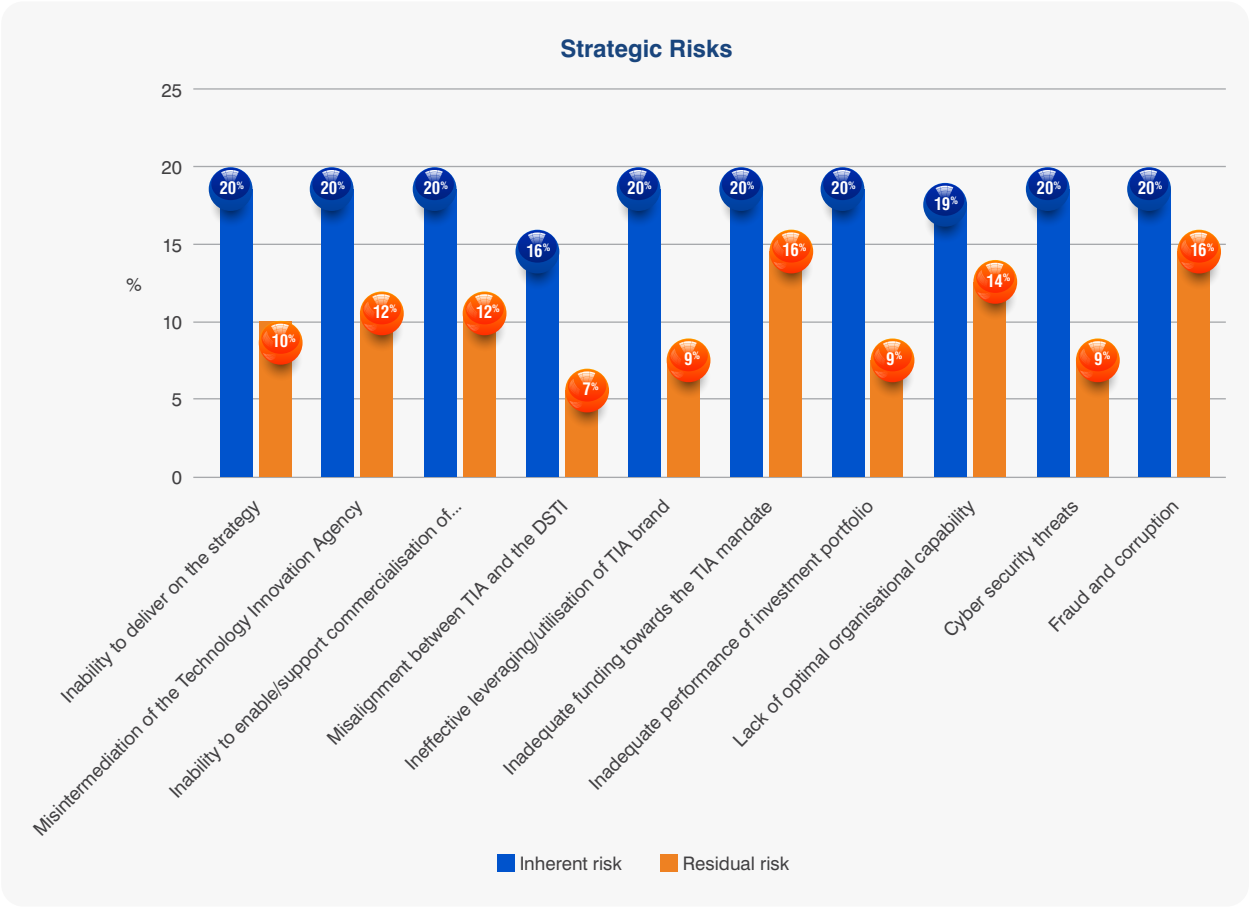
The Strategic Risk Register, which incorporates risks that could affect business operations, is approved by the Board and monitored throughout the year. Adjustments are made as issues or challenges arise. The Board and Executive Management continuously review principal risks to ensure that they remain aligned with the operating environment and that internal controls are in place to mitigate risks to an acceptable residual level. In total, 10 strategic risks and 41 root causes were identified and are listed in Table 25.

Table 25: Strategic risks and associated root causes

Strategic risk	Root cause
Inability to deliver on the strategy	Inadequate Board capacity or composition
	Political misalignment and volatility
	Strategic imperatives do not embrace inclusiveness
	Funding/product instruments do not redress systemic challenges in NSI
	Inadequate co-ordination and disconnectedness between funding programmes
	Ministerial Review Action Plan/response not optimally implemented
Disintermediation of TIA	DSTI directing or engaging other entities to undertake activities traditionally part of the TIA's mandate
Inability to enable or support commercialisation of publicly funded IP	Inadequate internal commercialisation capacity and capability
	Lack of commercialisation capabilities in publicly funded IP space
	Systemic weaknesses (system is fragmented no traction around commercialisation agenda)
	Poor pipeline quality
	Inadequate investment philosophy towards identification and promotion of commercially ready projects
	Low market uptake of and access to funded innovations
	Other entities developing their own innovation and commercialisation programmes
Misalignment between the TIA and the DSTI	TIA Strategy not aligned to the Decadal Plan
	TIA's strategic positioning deficiencies
	Key deliverables or measurements from a shareholder perspective not fully defined (shareholder expectations of TIA not met)
	Lack of effective communication between TIA and DSTI
Ineffective leveraging or use of the TIA brand	Lack of visibility in the NSI
	Lack of awareness of TIA services and offerings in the market
	Ineffective communication and consultation with stakeholders
	Ineffective stakeholder relations and stakeholder management
	Poor service delivery due to prolonged turnaround times
Inadequate funding towards the TIA mandate	Adverse economic conditions and fiscal pressures
	Funding approach (use of equity as funding instruments)
	Reliance on the DSTI as a single source of substantial funding

Strategic risk	Root cause
Inadequate performance of investment portfolio	Inadequate post-investment monitoring
	Changes in the environment (micro and macro)
	Inadequate resourcing of projects
	Limited capability and capacity in TIA
	Non-compliance with processes and contracts by TIA
Lack of optimal organisational capability	Loss of critical skills required in the organisation or inability to attract talent
	Remuneration and benefits are not market-related
	Operational inefficiencies
	Lack of capacity with vacancies at various levels, including leadership levels
Cyber security threats	Increasing sophistication of cyber attacks
	Virus infection and illegal network access
	Phishing attacks ransomware
Fraud and corruption	Lack of adherence to and implementation of internal controls and oversight mechanisms
	Limited awareness of and training in anti-fraud and corruption policies
	Unethical conduct by investees

The table above reflects the inherent risk and residual risk rating per risk after taking existing controls into account.



High	Medium	Moderate	Low
17-25	11-16	7-10	1-6

Figure 28: TIA's Strategic Risks

19.1.3 RISK MANAGEMENT

Risk management is implemented at the strategic, operational, and project levels to support the achievement of strategic objectives and enhance organisational resilience.

At the strategic level, the Board, Executive Management, and governance structures provide oversight and direction. This includes defining the Agency's risk management approach, determining risk appetite and tolerance levels, approving risk management policies and frameworks, and ensuring that appropriate systems, controls, and mitigation measures are in place to maintain risk exposure within acceptable levels.

At the operational level, the enterprise risk management function facilitates and co-ordinates enterprise-wide risk management activities across the Agency. Business units are responsible for identifying, assessing, managing, and monitoring risks within their respective operational areas, supported by approved policies, procedures, operational controls, and delegated authority frameworks. Risk management activities are integrated into business processes, planning, reporting, and decision-making.

Project-risk assessments identify risks that may affect the implementation, performance, or outcomes of projects. Mitigation measures are developed, implemented, and monitored throughout the project lifecycle. Strategic, operational, and project risks are monitored through established governance and reporting structures, with mitigation actions tracked to assess progress and effectiveness. Continuous monitoring of the internal and external operating environment helps the Agency to identify emerging risks and respond proactively.

The Agency continues to strengthen its risk management maturity through enhanced monitoring, reporting, awareness initiatives, and the integration of risk management into strategic and operational processes.

20. INTERNAL CONTROL UNIT

While the Agency does not have a separate Internal Control Unit, TIA's management has established and maintained an effective system of internal controls. The objectives of the system of internal control are to ensure that:

- risks are properly managed;
- assets are safeguarded;
- financial and operational information is reliable;
- operations are effective and efficient; and
- laws, regulations and contracts are complied with.

Internal Audit assesses whether the internal controls upon which management relies to mitigate risks to acceptable levels are appropriate and functioning as intended. It also develops recommendations for enhancing or improving TIA's overarching control environment.

21. INTERNAL AUDIT

The internal audit function (IAF) is a fundamental component of the public entity's governance and accountability system. The IAF is established in terms of section 51(1)(a)(ii) of the PFMA, read together with Treasury Regulation 27.2.2.

In line with Treasury Regulation 27.2.6, which stipulates that internal audit must be conducted in accordance with the standards set by the Institute of Internal Auditors, the IAF is required to comply with the International Professional Practices Framework (IPPF), comprising the Global Internal Audit Standards, Topical Requirements, and Global Guidance published by the Institute of Internal Auditors.

The IPPF establishes the foundation upon which the IAF acts independently and objectively in providing assurance and advisory services in respect of the public entity's overall governance, risk management, and internal control processes. The IAF is led by the Head of Internal Audit and operates in terms of the Internal Audit Charter, which is approved by the Audit and Risk Committee and endorsed by the Accounting Authority.

The IAF functions independently from management, with a functional reporting line to the Audit and Risk Committee and an administrative reporting line to the Chief Executive Officer. The functional reporting line to the Audit and Risk Committee, prescribed in section 51(1)(a)(ii) of the PFMA, protects the independence and objectivity of individual internal auditors. The Head of Internal Audit has unrestricted access to the Chairperson of the Audit and Risk Committee. The independence of the IAF is actively protected through safeguards that are formally documented, monitored, and reviewed by the Audit and Risk Committee to ensure that the IAF remains free from undue influence in executing its mandate.

The IAF remains in-house, with established processes and procedures supported by a sound internal audit methodology. The purpose, authority, and responsibility of Internal Audit are set out in the Internal Audit Charter, which is approved periodically by the Audit and Risk Committee to ensure that:

- Risk areas are adequately identified and dealt with;
- Breakdowns in key internal controls are identified and reported on and in response to these instances appropriate refinements can be recommended and agreed on with management for implementation; and
- Instances of non-compliance with TIA's corporate governance, policies and procedures applicable regulations and statutory requirements are identified and implementation plans are put in place to redress and resolve these matters.

Key activities and objectives of the internal audit function:
The primary scope of the IAF is to provide TIA with an independent capability to perform assurance audits that are consistent with relevant legislation, respond to the Agency's priorities, and are aligned with its objectives.

The function provides value-adding assurance, supports positive change within TIA, and promotes stewardship and accountability in the expenditure of public funds. In addition to satisfying the requirements set out under the PFMA, the purpose of Internal Audit is to provide value and demonstrate impact by partnering and collaborating with management to improve the internal control environment and risk management and governance processes.

Internal Audit follows a risk-based, systematic, and disciplined approach to evaluating and improving the effectiveness, efficiency, and adequacy of TIA's internal controls and risk management and governance processes. In this regard, the following should be noted:

- Internal Audit's (IA) work conforms with the Global Internal Audit Standards;
- The IA Strategy has been aligned with TIA's Annual Performance Plan objectives and key performance indicators, including the objective of building 'a more capable, scaled-up, agile and sustainable TIA supporting a capable state'. The plan will be adjusted should aspects of TIA's Corporate Strategy change in the coming months;
- The primary scope of the IAF, as further described in its Internal Audit Charter, is to provide TIA with an independent capability to perform audits that are consistent with relevant legislation and respond to TIA's priorities;
- The IA Charter, rolling three-year Strategic IA Plan, and Annual IA Plan were reviewed and approved by the Audit and Risk Committee;
- The IAF operated freely in exercising its independence and maintained objectivity when conducting audit services;
- The IAF's total budget was sufficient to perform all planned and unplanned audit activities. The IAF had one vacancy as at 31 March 2026, which is planned to be filled during 2026/27;
- A Quality Assurance and Improvement Programme has been developed, and an external assessment was performed within the required five-year period;
- IA works closely with the external auditors to improve combined-assurance efforts by leveraging expertise, discussing current and emerging risks affecting TIA, and considering how Internal and External Audit can assist management and the Board in establishing mitigating controls to address operational and strategic risks; and
- IA performed its activities in consultation with various internal and external stakeholders and sought to build a resilient control environment through proactive assurance, with increased emphasis on preventative measures.

Summary of audit work done:
In accordance with National Treasury requirements, an Annual IA Plan was prepared and approved by TIA's Audit and Risk Committee. The plan was developed to enhance organisational value by providing risk-based and objective assurance, advice, and insight through professional practices that respond to emerging challenges.

During the period under review, resources were allocated to audit activities based on a systematic, risk-based assessment, taking into account governance structures; financial, operational, and strategic risks; internal and external risks; policies and processes; and the requirements of the PFMA and Treasury Regulations.

In line with the approved Annual IA Plan, IAs were conducted across various TIA functional areas. Capacity was also allocated to ad hoc audit assignments, including audits of the Agency's investments, projects, and programmes; special investigations; and requests from management, the Audit and Risk Committee, and the Board.

During the period under review, IA completed all planned audit activities for the year, including internal assurance audits, project and programme audits, advisory assignments, and ad hoc requests. No evidence was presented to suggest material breakdowns in, or threats to, the internal control environment, and the most significant risks at TIA were assessed as being at acceptable levels.

A year-on-year comparison by IA showed a marginal improvement in the control environment. However, there was a regression in the adequacy and effectiveness of controls in certain functional areas, including the identification of irregular expenditure amounting to R496,071.

The Agency has developed and implemented more stringent controls to ensure that the key matters identified are appropriately resolved, consequence management is demonstrated, and controls are strengthened to reduce the likelihood of recurrence. The recommendations provided by the IAF have been accepted and adopted by TIA's management, where applicable.

22. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is established by the Accounting Authority as prescribed by the PFMA. The Audit and Risk Committee assists the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and control processes, and the preparation of accurate financial reporting and statements in compliance with applicable legal requirements and accounting and auditing standards. The ethical function of a Social and Ethics Committee, as envisaged in the Companies Act 71 of 2008, is incorporated in the Terms of Reference of the Audit and Risk Committee.

The Audit and Risk Committee is properly constituted, with a balanced representation of independent members and an appropriate mix of qualifications, expertise and experience to fulfil its mandate, considering the size, geographic dispersion, supply chain and general complexity of the public entity. A report on Audit and Risk Committee meeting attendance during the reporting period is provided in the next section.

The Committee's core functions and responsibilities are set out in the Treasury Regulations and the Audit and Risk Committee Terms of Reference (Charter) approved by the Accounting Authority. The Audit and Risk Committee plays a pivotal role in assessing operations and advising the Accounting Authority on the effectiveness of the public entity's overall governance, risk management and internal control system; the effectiveness of the IAF; the adequacy, reliability and accuracy of financial and performance information produced by the public entity; accounting and auditing concerns identified through internal and statutory audits; and the public entity's compliance with legal and regulatory provisions. The Audit and Risk Committee therefore assists the public entity in enhancing its integrity and operational effectiveness through good governance and adherence to legislative, accounting and auditing frameworks.

The Audit and Risk Committee Chair is an independent Board member and provides an account of the Audit and Risk Committee's work, meetings, key findings and recommendations at every regular Board meeting. The Audit and Risk Committee operated freely in exercising its independence during the reporting period and did not need to meet with the Executive Authority to communicate any concerns. The Audit and Risk Committee did not raise concerns with the Accounting Authority, Executive Authority, relevant Treasury or Auditor-General during the reporting period.

The Audit and Risk Committee reviewed the organisational positioning and all aspects related to the independence of the IAF, including safeguards, risk mitigation mechanisms and controls to protect the independence of internal auditors and the IAF from threats and victimisation. The Audit and Risk Committee did not identify any material concerns relating to the independence of the IAF during the financial year under review.

The support and co-operation of key stakeholders, including the external and IA functions, risk function, Chief Financial Officer, Company Secretary and others, was sufficient to enable the Audit and Risk Committee to fulfil its purpose.

During the reporting period, the Committee reviewed and monitored TIA's quarterly and annual performance, including the 2025/26 quarterly reports and the 2020–2025 Strategic Plan End-term Report, to ensure alignment with strategic objectives.

The Audit and Risk Committee supported the entity's combined assurance approach and reviewed the report on the effectiveness of combined assurance. While improvements were identified, the Audit and Risk Committee is satisfied with the maturity of combined assurance in the organisation.

In overseeing internal assurance, the Committee approved the IA Rolling Three-Year Plan and the Five-Year Strategy, and regularly reviewed IA reports on work performed, findings registers and progress updates. Particular attention was given to audit findings, irregular expenditure reviews and the implementation of corrective actions through the Internal Control Action Plan and Resolution Matrix.

The Committee engaged with external auditors on audit planning, progress and outcomes, including the 2024/25 AFS, Annual Performance Report and audit opinion. It closely monitored significant audit matters, including the risk of a qualified audit opinion, and ensured that management implemented appropriate remedial actions.

Governance and compliance oversight included the review of key frameworks such as the Delegation of Authority, Fixed Asset Policy, Ethics Policy, Materiality and Significance Framework and Compliance Strategy. The Committee also considered risk management reports, the Strategic Risk Register and the King IV Gap Analysis to assess the effectiveness of risk management processes.

Technology, legal and operational matters were addressed through quarterly IT reports, governance reporting, litigation registers and updates on the internal control environment. The Committee further reviewed the Annual Report, external audit management reports and its own evaluation report to support continuous improvement.

The Audit and Risk Committee conducts an annual evaluation of its own performance and effectiveness. The most recent evaluation for the reporting period was conducted in September 2025, at the end of the previous Board's term. A 360-degree assessment involving key stakeholders was not conducted during the reporting period.

The members of the Committee are remunerated in terms of TIA's Board Remuneration Policy at the applicable National Treasury rate, which provides for an hourly tariff paid for preparation time and sitting hours. None of the Audit and Risk Committee members worked for an organ of state.

The Audit and Risk Committee is satisfied with how its recommendations are received and implemented, and confirms that it has fulfilled its functions and responsibilities as set out in the PFMA, Treasury Regulations, Global IA Standards and the Audit and Risk Committee Charter.

The Committee is satisfied that it has effectively discharged its duties and contributed to strengthening governance, internal controls and risk management within TIA.

23. AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (the Committee) is appointed in terms of section 51 of the PFMA, read with Treasury Regulation 27.1. The Committee has performed its duties and carried out its responsibilities in accordance with its regularly reviewed Charter and has executed the specific duties delegated to it by the Board. Among other things, the Charter empowers the Committee to:

- Examine and review the AFS and the report on the financial results;
- Appoint and evaluate the qualifications, appropriateness, eligibility and independence of the external auditor and recommend the audit fees for Board approval;
- Approve the IA plan annually and the IA Charter periodically;
- Evaluate the scope and effectiveness of the IAF to ensure that effective internal controls have been identified and are in place;
- Ensure TIA complies with legal and financial regulatory requirements;
- Evaluate the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes applied in the management of TIA;
- Discharge its duties relating to the safeguarding of assets, the implementation of adequate IT systems, effective control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards; and
- Monitor financial and all other risks ensuring that mitigating action plans are in place.

We are pleased to present our report for the financial year ended 31 March 2026.

23.1 REFLECTIONS

The Committee reports that it has complied with its responsibilities arising from section 51(1)(a)(ii) of the PFMA and Treasury Regulation 27.1, in that a system of internal audit under the control and direction of an audit committee is in place and complies with, and operates in accordance with, regulations and instructions issued in terms of the PFMA.

The Committee is established as a subcommittee of the Board, with a Chairperson who is independent, knowledgeable about the position, and has the requisite business, financial, and leadership skills. The Chairperson is not the Chairperson of the Accounting Authority and does not fulfil an executive function within the public entity. All Committee members are non-executive members appointed by the Accounting Authority.

The Committee has adopted formal Terms of Reference in the form of its Audit and Risk Committee Charter, which is reviewed at least annually to ensure its continued relevance. The Committee has satisfied its responsibilities for the year in compliance with its Charter.

The Committee takes care to maintain its independence and strategic focus. Processes are in place to confirm independence, monitor conflicts of interest within its own ranks, manage stakeholder relationships, protect the independence of the IAF, and safeguard the objectivity of Internal Audit staff and the Head of Internal Audit's role beyond internal auditing.

During the period under review, the Committee consistently reported to the Accounting Authority on its meetings, the main issues deliberated, challenges identified, and proposed solutions. The Committee did not meet with the Executive Authority to provide briefings.

The Committee assessed its own performance towards the end of the previous Board's term through an externally facilitated process conducted in September 2025. The assessment returned a rating of 3.9 out of 4, indicating a strong perception among its members that its performance was effective and highly satisfactory.

The Committee recognises its duty to serve the public interest and confirms that it has diligently upheld this responsibility. Throughout the period under review, it functioned without hindrance, limitation, or threat to its independence.

The Committee confirms that it applied professional scepticism in executing its duties by critically evaluating information placed before it, requesting additional information when necessary, and continuously assessing whether IA, management, and other assurance providers maintained high ethical and professional standards.

23.1.1 COMPOSITION AND MEETING ATTENDANCE

During the period under review, the Audit and Risk Committee consisted of three members during both the term of the previous Board, which expired on 31 October 2025, and the term of the current Board. A fourth member joined the Audit and Risk Committee after the reporting period.

None of the Committee's members has been, or is currently, employed by the state. The Committee is properly constituted, with a balanced representation of independent members and a diverse and appropriate mix of qualifications, expertise, and experience.

The Committee convened 13 times during the year, four of which were ordinary meetings and the remainder special meetings. The relevant information concerning Committee members is disclosed in Tables 26 and 27.

Table 26: Audit and Risk Committee membership and attendance for 2025/26

Name (Full name and surname including professional titles)	Qualifications	Professional affiliation	Appointment: term of office (start and end dates)	No. of meetings attended 2025/25		Has the Audit and Risk Committee member declared private and business interests in every meeting?	Is the Audit and Risk Committee member an employee of an organ of state?	No. of other ARCs that the member served on during the reporting period	No. of other governance structures the member served on during the reporting period
				Ordinary meetings	Special meetings				
Mr Thabiso Ramasike	BANKSETA International Executive Development GIBS Senior Executive Leadership Development Programme	Certified Associate (CAIB (SA))	1 May 2017 to 31 October 2025	3	7	Yes	No	Three	Two
Ms Lindiwe Matlali	BCom (Economics and Statistics) Foundation Programme for Private Equity (GIBS) Graduate Certificate Innovation and Entrepreneurship Graduate Certificate Social Entrepreneurship Master's in Innovation (Wits)	None	1 November 2021 to 31 October 2025	3	7	Yes	No	None	Two
Mr Butana Mboniswa	MSc Biochemistry BSc (Hons) Biochemistry LLB Certificate Financial Modelling and Analysis	None	8 August 2019 to 31 October 2025	3	7	Yes	No	None	Two
Mr Lwazi Koyana	CA(SA) BCom (Accounting) B Compt (Hons) with CTA	CA(SA)	1 November 2025 to date	1	2	Yes	No	None	Two

Name (Full name and surname including professional titles)	Qualifications	Professional affiliation	Appointment: term of office (start and end dates)	No. of meetings attended 2025/25		Has the Audit and Risk Committee member declared private and business interests in every meeting?	Is the Audit and Risk Committee member an employee of an organ of state?	No. of other ARCs that the member served on during the reporting period	No. of other governance structures the member served on during the reporting period
				Ordinary meetings	Special meetings				
Mr Vukile Hlongwa	Chartered Global Management Accountant (ACMA (UK) CGMA) Bachelor of Commerce in Management Accounting	Member for CIMA	1 November 2025 to date	1	2	Yes	No	None	Two
Ms Bojane Segooa	Bachelor of Accounting Science (University of South Africa); BCompt Honours (University of South Africa) CA(SA) Master of Innovation Management (Wits Business School)	CA(SA)	1 November 2025 to date	1	2	Yes	No	None	Two

Table 27: Audit and Risk Committee dates of meetings and attendance record

Member	No. of Meetings Attended	22 Apr	25 Apr	20 May	27 May	21 Jul	27 Jul	7 Aug	14 Aug	26 Aug	20 Oct	20 Jan	12 Feb	17 Mar
Mr Thabiso Gerald Ramasike	10	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Ms Lindiwe Matlali	10	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Mr Butana Mboniswa	10	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Mr Lwazi Koyana	3											✓	✓	✓
Mr Vukile Hlongwa	3											✓	✓	✓
Ms Bojane Segooa	3											✓	✓	✓

Legend

✓	*In attendance*
X	*Apologised*
	Not required
	Not appointed/member

23.1.2 FOCUS AREAS

The Audit and Risk Committee's focus areas for the year under review are set out below.

Management's approach to maintaining an effective internal control system was reviewed and found to be effective. The Committee is satisfied that relevant policies and procedures are in place, are reviewed and approved periodically, and that appropriate processes are in place to evaluate compliance with legislation and key policies. An Internal Control Action Plan is in place to ensure that key internal and external audit findings are addressed, with progress monitored regularly.

The Audit and Risk Committee exercised oversight over the IA function and confirmed that it operated consistently throughout the year in terms of its mandate, strategy and annual plan. The Audit and Risk Committee approved the Internal Audit coverage plan and reviewed quarterly reports presented by the IA function, including the effectiveness of management's responses to audit findings.

The Audit and Risk Committee reviewed reports on significant reviews and investigations, as well as management's responses to specific recommendations. The Committee is satisfied with the independence and objectivity of the IA function, and the Head of Internal Audit has confirmed the adoption of the Global Internal Audit Standards™. As part of its review of the IA Plan, the Audit and Risk Committee confirmed that the IA function was adequately capacitated throughout the year, both in terms of the number of personnel and the mix of skills and experience.

The Committee is satisfied with the level of management support for the IA function and has confirmed that the IA function co-ordinated its activities with other assurance providers. The Head: IA, the Auditor General of South Africa (AGSA) representative, the external auditors and the Enterprise Risk Manager attend all regular Committee meetings to ensure that there are no unresolved issues of concern.

During the year under review, the Committee exercised oversight over TIA's enterprise risk management framework and processes to obtain assurance on the effectiveness of the overall risk management system. The Committee received and considered quarterly reports on the risk management implementation plan, strategic and operational risks, progress on the implementation of risk mitigation actions, emerging risks, changes in the risk profile, and risk appetite and tolerance. The Committee reviewed the Strategic Risk Register and recommended it to the Board for approval, and monitored management's response to significant risk exposures throughout the year.

Based on the reports received from management, the work performed by IA and the assurance provided by external audit, the Committee is satisfied that the Agency maintained an effective and appropriate risk management system during the year under review. The Committee further satisfied itself that the IA Plan and external audit approach considered the Agency's key strategic and operational risks, and that the management of financial and non-financial risks affecting the integrity of external reporting was appropriately overseen.

Through regular reporting and oversight, the Audit and Risk Committee has satisfied itself as to the adequacy, reliability and accuracy of the financial and performance information produced.

The Audit and Risk Committee has satisfied itself as to the adequacy and effectiveness of the Agency's ICT governance frameworks, policies and controls in supporting the protection, integrity and availability of electronic information systems and infrastructure. In doing so, the Audit and Risk Committee considered controls relating to ICT resources, access management, incident and problem management, change management and patch management.

ICT-related business risks, including information security and cybersecurity risks, are appropriately identified, managed and mitigated, and are subject to regular assurance through IA and other relevant assurance providers. The Audit and Risk Committee also confirms that a Disaster Recovery Plan and Business Continuity Plan are in place, aligned with the Agency's broader business continuity management framework and tested periodically.

Internal and external audit findings are reported to the Audit and Risk Committee. The Audit and Risk Committee confirms that any material issues identified by internal or external audit receive the requisite attention from management, with quarterly monitoring of plans to resolve audit findings. Two instances of irregular expenditure, amounting to R496 071, were identified. Management provided the Audit and Risk Committee with assurance that controls had been strengthened to reduce the likelihood of recurrence and that consequence management had been effected in line with the requirements of the PFMA.

The Committee further notes that management has undertaken the requisite assessment of the identified irregular expenditure in accordance with the PFMA and applicable National Treasury prescripts. Where appropriate, applications for condonation have been, or will be, submitted to the relevant authority for consideration. The Audit and Risk Committee has received assurance that each matter has been investigated, that no losses were incurred by the Agency as a result of the identified irregularities, where applicable, and that appropriate corrective and consequence management actions have been implemented. The Committee will continue to monitor the progress and outcome of all condonation processes to ensure compliance with legislative and governance requirements.

TIA reported quarterly to National Treasury, as required by the PFMA.

The Committee evaluated TIA's AFS, including the external auditors' management report and management's response thereto, for the year under review. In doing so, the Committee considered whether there were any changes in accounting policies and practices;

the Agency's compliance with legal and regulatory provisions; the information on pre-determined objectives to be included in the Annual Report; any significant adjustments resulting from the audit; the quality and timeliness of the financial information made available to the Committee for oversight purposes; and whether significant financial reporting issues for the reporting period had been resolved between management and the internal and external auditors.

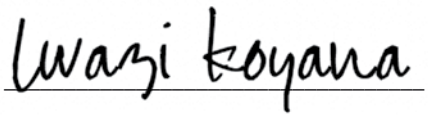
The Audit and Risk Committee recommended that the AFS be approved by the Board after considering the audit opinion, its impact on the operations of the public entity, and management's commitment to addressing audit outcomes.

The Audit and Risk Committee satisfied itself as to the independence and objectivity of the external auditors.

There were no issues raised by the external auditors that had not been adequately addressed by the Agency.

The Audit and Risk Committee has reviewed the Agency's implementation plan for audit issues raised in the previous year and is satisfied that the matters have been adequately resolved except for the following:

The Committee concurs with and accepts the conclusions of the external auditors on the AFS and is of the opinion that the audited AFS be accepted and read together with the report of the external auditors.



Mr Lwazi Mandisi Koyana
Audit and Risk Committee Chairperson
Technology Innovation Agency

24. COMPLIANCE WITH LAWS AND REGULATIONS

TIA has implemented adequate processes, procedures, policies and frameworks to ensure compliance with legislative and regulatory requirements that affect the Agency. The IA planning process identifies audit areas in a manner that supports compliance with legislative requirements and adds value to the audit process. Information relating to compliance matters is submitted to the Audit and Risk Committee and the Board quarterly. Instances of non-compliance with applicable regulations and statutory requirements are identified, and guidance is provided on implementation plans to address and resolve these matters. During the year under review, specific instances of non-compliance were identified through an organisation-wide compliance review proactively commissioned by TIA management to support compliance improvements.

25. FRAUD AND CORRUPTION

The provisions of section 51(1)(a)(i) of the PFMA stipulate that the Accounting Authority is responsible for ensuring that an organisation has in place and maintains an effective, efficient and transparent system of controls in respect of finance, risk management and internal matters. For this purpose, the TIA has implemented a Fraud and Corruption Prevention Policy.

Fraud means making an unlawful and intentional misrepresentation which causes actual prejudice or which is potentially prejudicial to another. It includes offences such as corrupt activities as defined in the Prevention and Combating of Corrupt Activities Act 12 of 2004 and cybercrime as defined in the Electronic Communications and Transactions Act 25 of 2002.

Corruption is any conduct or behaviour where a person accepts, agrees to or offers any gratification for themselves or for another person where the purpose of doing so is to act dishonestly or illegally. Such behaviour also includes the misuse of materials or information, the abuse of a position of authority, a breach of trust or a violation of duty.

25.1 PROCEDURE FOR DISCLOSURE

In terms of the amended Act, an employer is required to implement internal procedures for receiving and dealing with information about improprieties. They must do so as follows:

- Any disclosure must first be raised with the employee's line manager, either verbally or in writing.
- Should the employee feel uncomfortable or if the line manager is party to the disclosed facts, the disclosure may then be raised with:
  - the Executive: Corporate Services;
  - any other executive or manager;
  - the Company Secretary;
  - the CEO; or
  - the Head: Internal Audit.
- Should the above channels have been exhausted internally and the employee is of the opinion that the disclosure could not be trusted in the hands of the above employees, for whatever reason, they may approach the Chairperson of the Audit and Risk Committee or make use of the TIA's independent service provider for whistle-blowing, whose hotline number is communicated to all staff.
- Should an employee be uncomfortable with approaching Agency staff or the independent service provider, they can call the National Anti-Corruption hotline.

TIA must ensure that any employee who makes a disclosure will not be penalised or suffer any occupational detriment for doing so. Employees making a disclosure are not required to disclose their names.

Any instances of alleged fraud that were perpetrated during the period under review were investigated by IA and by independent external firms (when necessary) as well. In this regard, there were no instances of fraud identified during the financial year under review.

26. MINIMISING CONFLICT OF INTEREST

Annually, and on an ad hoc basis, through active solicitation, both Board members and staff members are required to disclose potential conflicts of interests.

During the period under review, the disclosures received from members were closely scrutinised by the Company Secretary and the Audit and Risk Committee Chairperson. Where required, members were excused from matters which had given rise to a conflict of interests. Members are required to disclose any potential conflicts at every meeting and failures to disclose them should be reviewed by the Agency.

From an SCM perspective, conflicts of interests are required to be disclosed during any procurement of goods or services.

27. CODE OF CONDUCT

To support good governance, the TIA adopted a Code of Conduct as part of its policies and procedures. The code is adhered to in the Agency's dealings with all its stakeholders and organisations, not only internally and externally, but also nationally and globally. In addition, the Board incorporated a Code of Conduct into its Board Charter to deal with instances where Board members may have conflicts of interests. The Code of Conduct makes it clear that Board members may not have any dealings with the Agency involving personal financial interests.

As indicated above, the Board operates and conducts itself through four standing sub-committees (Audit and Risk Committee, IFC, HR&REMCO and BTC). The Board's devolution of responsibilities therefore falls on these four sub-committees, which meet independently and report regularly to the full Board through their respective chairpersons.

28. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

TIA has established health, safety, and environmental controls and management practices to meet the statutory and regulatory obligations relevant to its operations. The IA planning process identifies audit areas in a manner that supports compliance with legislative requirements and adds value to the audit process. Information relating to compliance matters is submitted to the Audit and Risk Committee and the Board quarterly. Instances of non-compliance with applicable regulations and statutory requirements are identified, and guidance is provided on implementation plans to address and resolve these matters. During the year under review, specific instances of non-compliance were identified through an organisation-wide compliance review proactively commissioned by TIA management to support compliance improvements.

28.1 FACILITIES MANAGEMENT

TIA continued to provide effective facilities management services aimed at ensuring safe, functional, and conducive working environments across all operational sites. Contingency measures were implemented and remained critical in supporting business continuity through the efficient maintenance and management of buildings, infrastructure, equipment, and related support services.

28.1.1 ENVIRONMENTAL ASSESSMENT

Zero incidents, accidents, occupational injuries, or work-related diseases were recorded during the reporting period. The Occupational Health and Safety Committee continued to play an important role in promoting and maintaining a safe, healthy, and secure working environment across the Agency. The Committee facilitated regular meetings to review workplace health and safety matters, identify potential risks, and monitor the implementation of corrective and preventative measures.

Emergency-preparedness measures, including fire-prevention systems, evacuation procedures, and emergency drills, were maintained and periodically reviewed to ensure operational readiness. The Agency also continued to promote environmentally sustainable practices through cleanliness initiatives and effective housekeeping and safety controls aimed at maintaining a safe and healthy working environment.

29. COMPANY/BOARD SECRETARY

The Company Secretary plays a critical role in promoting and maintaining effective corporate governance within the organisation. In this capacity, the Company Secretary provides the Board with independent professional advice on its governance responsibilities and legal obligations.

Beyond co-ordinating the activities of the Board and its committees, the Company Secretary serves as a central point of reference for the Board on matters relating to ethical conduct, adherence to sound corporate governance practices, and compliance with applicable legislation, regulations, and internal procedures. The function also supports the Board in discharging its duties by facilitating the induction of new members and co-ordinating ongoing training and development initiatives to enhance Board effectiveness.

Furthermore, the Company Secretary is responsible for supporting the governance processes of the Board by assisting in the development of the annual Board work plan and meeting agendas; ensuring the timely preparation and distribution of meeting documentation; attending meetings; accurately recording proceedings; and maintaining a structured system for tracking and monitoring the implementation of action items arising from Board and Committee deliberations.

In line with Principle 10 of the King IV Report on Corporate Governance for South Africa 2016 (King IV™), the Company Secretary maintains a dual reporting relationship, reporting functionally to the Board and administratively to the Chief Executive Officer (CEO), as the designated member of Executive Management. The Company Secretary is not a member of the Board but has unfettered access to the Board and its members, while maintaining an appropriate arm's-length relationship to ensure independence and objectivity. The Board is responsible for ensuring that the Company Secretary is adequately empowered and supported in fulfilling the responsibilities of the role.

The Company Secretary has confirmed that, to the best of his knowledge and belief, the TIA has complied with all applicable statutory filing requirements in terms of the Companies Act 71 of 2008. All required returns have been duly submitted and are accurate and up to date. In addition, the Company Secretary has certified that the Agency's AFS for the preceding financial year were submitted to the Minister of STI in accordance with the applicable legislative and regulatory requirements.

30. SOCIAL RESPONSIBILITY

No social responsibility initiatives were implemented during the 2025/26 financial year. The Agency will, however, consider such initiatives in future as part of its support for a capable state, its contribution to addressing broader socio-economic challenges in South Africa, and its evolving role as an Innovation enabler within the NSI.

31. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

TIA remains committed to supporting the country's transformation agenda and the policy objectives of B-BBEE. This commitment is demonstrated through contributions in various areas, including skills development, enterprise and supplier development, and preferential procurement. During the current year, the Agency's procurement strategy focused on both black women-owned and black youth-owned businesses.

TIA focuses not only on its own B-BBEE contribution but also on ensuring that B-BBEE principles are embedded in the businesses of its funded projects through the continuous monitoring of project transformation plans.

The following table has been completed in accordance with the B-BBEE requirements of the Broad-Based Black Economic Empowerment Act 53 of 2003, as amended, and the requirements determined by the dtic.

Table 28: B-BBEE activities in 2025/26

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes/No**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	TIA does not perform a regulatory licensing or concessions function in terms of any legislation. Its mandate is primarily to provide funding and support for technology innovation and commercialisation. As such, this criterion is not applicable to the Agency's operations.
Developing and implementing a preferential procurement policy?	Yes	TIA has implemented a Supply Chain Management (SCM) Policy aligned with the **Preferential Procurement Policy Framework Act, 2000** and the **Preferential Procurement Regulations, 2022.** The policy incorporates B-BBEE principles through supplier evaluation criteria, use of B-BBEE status levels in awarding bids, and targeted procurement from black-owned, black women-owned and youth-owned enterprises. The Agency continues to track procurement spend against transformation targets and apply corrective interventions where required to enhance inclusivity.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	TIA is not responsible for the sale or disposal of state-owned enterprises. The Agency does not perform privatisation or equity disposal functions; therefore, this criterion is not applicable.

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes/No**	**Discussion**
Developing criteria for entering into partnerships with the private sector?	Yes	TIA applies defined investment and partnership criteria through its Investment Framework and programme guidelines, which incorporate B-BBEE considerations. These include requirements for local participation, compliance with B-BBEE legislation, and, where applicable, minimum South African ownership and transformation commitments. Partnerships, co-investment arrangements and collaborative programmes are structured to promote inclusive participation and support historically disadvantaged groups within the innovation ecosystem.
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	Yes	TIA embeds B-BBEE principles in its funding instruments (e.g., Seed Fund, Technology Development Fund and other innovation support mechanisms). Funding decisions consider transformation outcomes, including ownership, management control, and broader socio-economic impact. Applicants are required to comply with B-BBEE legislative requirements, and funded projects are monitored against agreed transformation plans to ensure continued alignment with national transformation objectives.

TIA's application of the B-BBEE Codes of Good Practice extends beyond compliance to purposeful integration within its investment decision-making, procurement practices, and partnership models, thereby positioning the Agency as a catalyst for inclusive innovation and transformation within the NSI.





PART D
HUMAN RESOURCE MANAGEMENT

During the 2025/26 financial year, TIA's Human Resource Management function remained focused on strengthening organisational capability, supporting the delivery of the entity's strategic mandate, and ensuring that people-management practices remained aligned with sound governance principles and applicable legislative requirements. Human resource interventions during the year were directed towards maintaining organisational stability by filling key executive positions and enhancing workforce effectiveness. Organisational values aligned with the TIA 2.0 Corporate Strategy were launched to support a renewed culture of accountability and performance.

In this context, priority was given to workforce planning, the attraction and retention of skilled talent, the provision of employee-wellness support, and the review of key human resource policies to ensure their continued relevance and compliance. Notwithstanding progress in these areas, the entity continued to experience challenges associated with recruiting scarce and specialised skills, the time required to fill critical vacancies, and broader capacity constraints within a highly competitive labour market.

Looking ahead, TIA will continue to focus on building a capable, high-performing, and transformed workforce through strengthened talent management, succession planning, targeted capability development, and sustained investment in employee wellbeing and organisational effectiveness.

32. HUMAN RESOURCES OVERSIGHT STATISTICS

32.1 PERSONNEL COST BY DIVISION

The TIA organogram comprises three core divisions: Bio-economy, Commercialisation, and Innovation Enabling. Support functions under the Office of the CEO, Finance, and Corporate Services are reported under Administration.

Personnel expenditure in 2025/26 was concentrated mainly in Administration, which accounted for R59.225 million of the total personnel cost and 7.63% of the entity's total expenditure. This reflects the inclusion of key support functions, such as Corporate Services, the Office of the CEO, and the Office of the CFO, within this division.

Among the core operating divisions, bio-economy recorded the highest personnel expenditure, at R24.121 million, followed by Innovation Enabling, at R22.860 million, and Commercialisation, at R17.290 million. The average personnel cost per employee was highest in Commercialisation, at R1.017 million, followed by Administration, at R811,000, and Innovation Enabling, at R762,000.

Overall, total personnel expenditure amounted to R130.618 million, representing 16.83% of TIA's total expenditure, with a total workforce of 153 employees funded through the MTEF allocation.

Personnel costs by division are shown in Table 29.

Table 29: Personnel costs by division for 2025/26

Division	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Number of Employees	Average Personnel Cost per Employee (R'000)
Administration*	R108,647	R59,225	7.63%	73	R811
Bio-Economy	R259,096	R24,121	3.11%	33	R731
Innovation Enabling	R207,992	R22,860	2.94%	30	R762
Commercialisation	R200,562	R17,290	2.23%	17	R1,017
Other**		R7,122	0.92%		
TOTAL	**R776,297**	**R130,618**	**16.83%**	**153**	**R854**

** Administration incorporates Corporate Services, the CEO's Office and the CFO's Office.*

*** Other costs include Board remuneration, interns, workman's compensation and other provisions.*

The table includes only positions funded through the MTEF allocation.

32.1.1 PERSONNEL COST BY SALARY BAND

Personnel expenditure in 2025/26 was concentrated predominantly in the professionally qualified and senior management salary bands, which together accounted for the largest proportion of total personnel costs.

The professionally qualified band represented the highest proportion, at 52.05% of total personnel expenditure, and comprised 81 employees, reflecting the skills-intensive nature of TIA's operations. Senior management accounted for 20.18% of total personnel expenditure across 16 employees, while top management represented 6.47%.

The average personnel cost per employee was highest at the top management level, followed by senior management, which is consistent with the organisational grading structure. Overall, the salary band distribution indicates that the entity's remuneration profile remains weighted towards the professional and management capabilities required to support its mandate.

Table 30: Personnel cost by salary band for 2025/26

Level	Personnel Expenditure (R'000)	% of Personnel Expenditure to Total Personnel Cost	Number of Employees	Average Personnel Cost per Employee (R'000)
Top management	R8,434	6.47%	4	R2,109
Senior management	R26,293	20.18%	16	R1,643
Professional qualified	R67,833	52.05%	81	R837
Skilled	R19,322	14.83%	44	R439
Semi-skilled	R875	0.44%	3	R192
Unskilled	R739	0.57%	5	R148
Other*	R7,122	5.46%		
TOTAL	**R130,618**	**100.00%**	**153**	**R5,368**

** Other costs include Board remuneration, interns, workman's compensation and other provisions.*
The table includes only positions funded through the MTEF allocation.

32.1.2 PERFORMANCE REWARDS

No performance incentives were paid during the 2025/26 financial year. Accordingly, no amounts were recognised under performance rewards for the period under review.

32.1.3 TRAINING COSTS

TIA continued to invest in employee development during 2025/26 as part of its commitment to building organisational capability and supporting a high-performance culture. Total training expenditure amounted to R570.2 thousand, representing 1.36% of personnel expenditure, with 127 employees receiving training during the year.

The distribution of training costs across programmes reflects a differentiated skills development approach, with the highest spend recorded in Administration, followed by bio-economy and Innovation Enabling, while Commercialisation recorded a comparatively lower level of training expenditure. Overall, the training investment supported both operational requirements and targeted capability enhancement across the organisation.

Table 31: Training costs for 2025/26

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	Number of Employees Trained	Average Training Cost per Employee (R'000)
Administration*	59,225	419,641.20	0, 71%	63	3,063.08
Bio-economy	24,121	84,882.20	0, 35%	30	2,233.74
Innovation Enabling	22,860	56,759.90	0, 25%	25	1,032
Commercialisation	17,290	8,929.01	0, 05%	9	595.27
Other**	7,122				
TOTAL	**130,618**	**570,212.30**	**1, 36%**	**127**	**6,924.08**

* *Administration incorporates Corporate Services the CEO's Office and the CFO's Office.*
** *Other costs include Board remuneration interns workman's compensation and other provisions.*

32.1.4 EMPLOYMENT AND VACANCIES

As at 31 March 2026, TIA had 193 approved positions, of which 153 were filled with 13 terminations in the period, resulting in 27 vacancies and an overall vacancy rate of 14%.

The highest vacancy levels were recorded in Innovation Enabling, with eight vacancies representing 32% of approved posts in that division, followed by Commercialisation with six vacancies or 25%. Administration recorded 10 vacancies, reflecting the scale of support functions housed within the division, while bio-economy had the lowest vacancy rate at 6%. These vacancy patterns continue to reflect challenges in filling specialised and critical roles within a constrained labour market.

Employment and vacancies by division and by salary band are shown in Tables 32 and 33 respectively.

Table 32: Employment and vacancies by division for 2025/26

Programme	2024/25 Number of employees	2025/26 approved posts	2025/26 Number of employees	2025/26 Vacancies	% of Vacancies
Administration*	67	93	73	10	11
Bio-economy	39	51	33	3	6
Innovation Enabling	23	25	17	8	32
Commercialisation	14	24	30	6	25
TOTAL	**143**	**193**	**153****	**27**	**14**

** Administration incorporates Corporate Services the CEO's Office and the CFO's Office.*
*** Includes terminated employees during the period*
Note: The table excludes interns but includes ringfenced positions.

Table 33: Employment and vacancies by salary band for 2025/26

Level	2024/25 Number of Employees	2025/26 Approved Posts	2025/26 Number of Employees	2025/26 Vacancies	% of Vacancies
Top management	3	7	4	2	29
Senior management	16	32	16	3	9
Professional qualified	72	89	81	15	17
Skilled	43	57	44	7	12
Semi-skilled	4	3	3	0	0
Unskilled	5	5	5	0	0
TOTAL	**143**	**193**	**153***	**27**	**14**

** Includes terminated employees during the period.*

Note: The table excludes interns but includes ringfenced positions.

32.1.5 EMPLOYMENT CHANGES

During the 2025/26 financial year, TIA's employee headcount changed from 143 at the beginning of the period to 140 at year-end, reflecting 15 appointments and 13 terminations, with changes in opening and closing balances also influenced by recruitment decisions and challenges.

The highest level of movement was recorded in the professional qualified band, which accounted for eight appointments and eight terminations and closed the year with 73 employees, underscoring the dynamic nature of this critical skills segment. Growth was recorded at top management level, which increased from 3 to 4 employees, while skilled and semi-skilled levels declined to 40 and 2 employees respectively. Overall, these changes indicate continued workforce adjustments in response to operational requirements, internal progression and the filling of approved positions during the year.

Employment changes by salary band are shown in Table 34**.** This includes internal recruitment and promotions.

Table 34: Employment changes by salary band for 2025/26

Level	Employment as at 1 April 2025	Appointments	Terminations	Employment as at 31 March 2026
Top management	3	1	0	4
Senior management	16	1	0	16
Professional qualified	72	7	8	73
Skilled	43	5	4	40
Semi-skilled	4	1	1	2
Unskilled	5		0	5
TOTAL	**143**	**15**	**13**	**140*** **

Note: The table excludes interns, changes in opening and closing balances due to internal promotions and movements. (5 positions were approved during the period)

32.1.6 REASONS FOR STAFF LEAVING

During the 2025/26 financial year, TIA recorded a total of 13 employee departures, representing a turnover rate of 9%. All recorded separations during the period arose from resignations, with no terminations attributable to dismissal, retirement, ill health, expiry of contract or other causes. This pattern indicates that employee turnover was driven primarily by voluntary exits rather than involuntary or natural attrition. In response, the entity continued to implement recruitment measures to fill critical vacancies and mitigate operational disruption, while also reviewing retention interventions aimed at improving employee value proposition, supporting career development and sustaining organisational capability in key areas.

The reasons for staff resignations are indicated in Table 35.

Table 35: Reasons for staff resignations in 2025/26

Reason	Number	% of Total Number of Staff Leaving
More attractive salary offer	10	76%
Career growth opportunity	1	8%
Reason not disclosed	1	8%
Personal reasons	1	8%
TOTAL	**13**	**100%**

Note: The table excludes interns.

32.1.7 LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

During the 2025/26 financial year, TIA continued to manage employee-relations matters in accordance with its disciplinary policy and applicable labour legislation. The disciplinary profile reflected a limited number of cases, with matters addressed primarily through progressive corrective action, including verbal, written, and final written warnings. No dismissals were recorded during the period under review.

Two matters were referred to the Commission for Conciliation, Mediation and Arbitration (CCMA), underscoring the importance of maintaining robust labour relations processes, procedural fairness, and the consistent application of disciplinary measures. Overall, the disciplinary outcomes indicate an ongoing commitment to addressing misconduct in a manner that is proportionate, fair, and aligned with sound employee-relations practices.

Table 36: Misconduct and disciplinary action in 2025/26

Nature of disciplinary action	Number
Verbal warning	0
Written warning	0
Final written warning	1
Dismissal	0
CCMA referrals	2

Note: The table excludes interns.

32.1.8 EQUITY TARGET, EMPLOYMENT EQUITY STATUS AND TRANSFORMATION

Overall, the employment equity profile reflects progress in female representation, particularly at professionally qualified, skilled and unskilled levels. The most significant variances against target remain at senior and top management level, as well as in selected demographic categories where representation is constrained by limited turnover, a small establishment and the scarcity of suitably qualified candidates in the labour market. To address these gaps, the entity continued to apply targeted recruitment and selection measures, gave focused consideration to under-represented groups in filling vacancies, and aligned recruitment decisions to the Employment Equity Plan and the Economically Active Population benchmarks, while balancing operational requirements and merit.

TIA is committed to transformation and the recruitment of women youth and persons with disabilities remains central to this national priority. To align with the Economically Active Population (EAP) recruitment practices in 2025/26 focused on improving representation in under-represented occupational levels and demographic categories with particular emphasis on scarce and critical roles as vacancies arose.

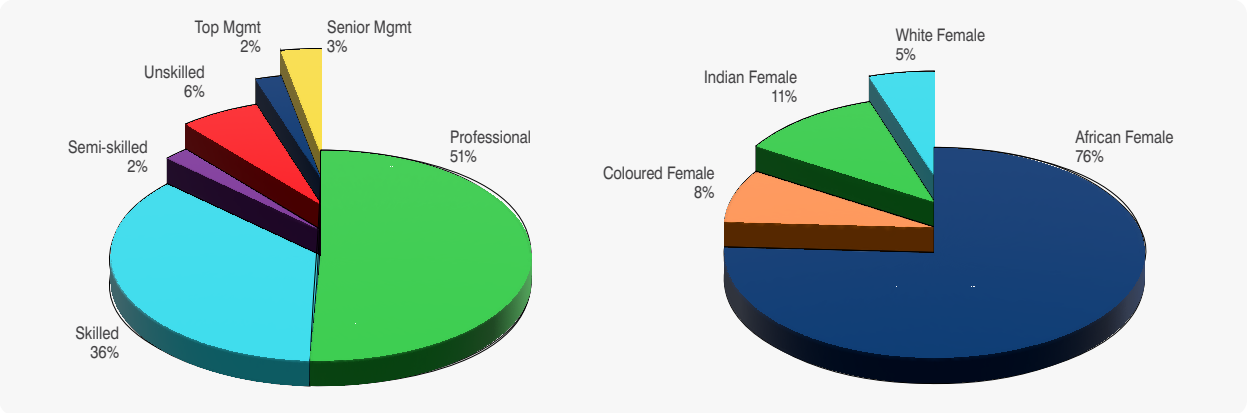
TIA's employment equity profile as at 31 March 2026 is shown in Table 37. The graphic depicts the actual number of employees (according to demographic category) currently employed by TIA compared to the ideal based on the EAP.

Table 37: TIA's employment equity profile (measured against the EAP) as at 31 March 2026

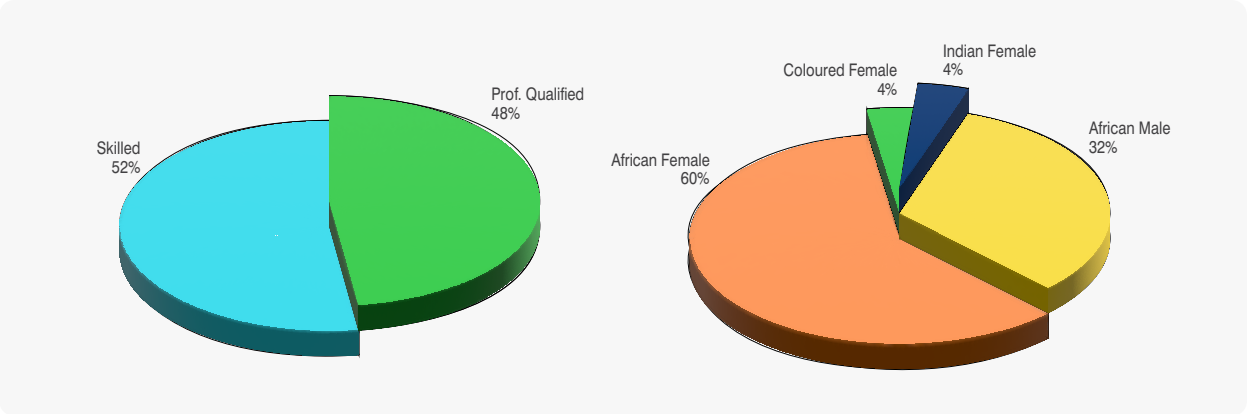
	Female					Male					
EE Level	**African**	**Coloured**	**Indian**	**White**	**Female Total**	**African**	**Coloured**	**Indian**	**White**	**Male Total**	**Grand Total**
Top Management	2	0	0	0	**2**	1	0	1	0	**2**	**4**
Senior Management	2	0	0	1	**3**	7	1	2	2	**12**	**15**
Professionally Qualified	31	2	9	4	**46**	22	1	1	3	**27**	**73**
Skilled Technical	27	4	1	0	**32**	8	0	0	0	**8**	**40**
Semi-Skilled	1	1	0	0	**2**	1	0	0	0	**1**	**3**
Unskilled	5	0	0	0	**5**	0	0	0	0	**0**	**5**
Grand Total	**68**	**7**	**10**	**5**	**90**	**39**	**2**	**4**	**5**	**50**	**140**

The profile shows that women constitute the majority of TIA's workforce and are strongly represented at professionally qualified and skilled levels. Male representation is comparatively lower overall with the largest concentration also at professionally qualified and skilled levels. Variances against target are most evident in senior leadership categories and in certain demographic groupings reflecting the combined effect of limited turnover, a relatively small pool of positions at senior levels and challenges in sourcing scarce and specialised skills. Persons with disabilities remain represented below the desired level in several occupational categories although progress is evident in professionally qualified and skilled positions.

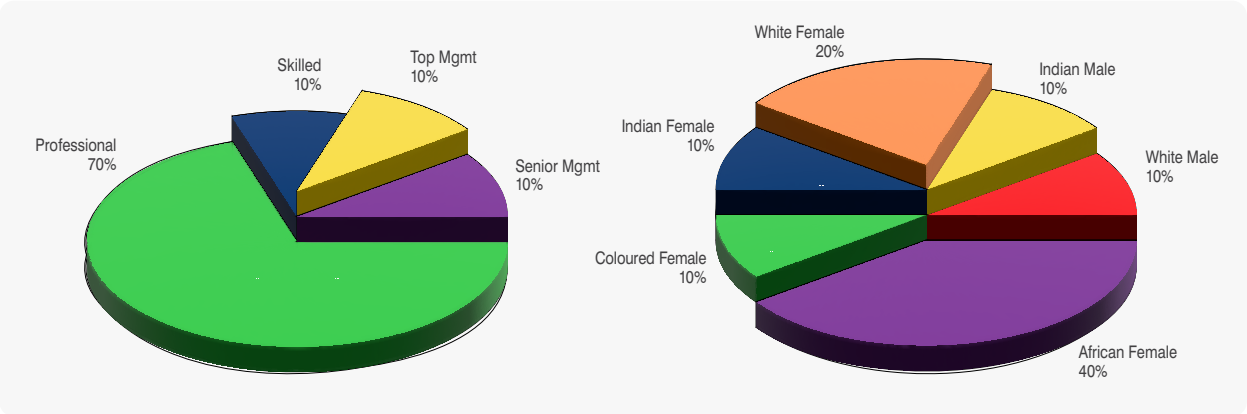
TIA has a headcount of 140 employees excluding interns. Of this 64.3% are women and 6.4% are persons living with disabilities. The employment equity demographics and occupational levels in the categories of women and persons with disabilities are presented hereafter.



Demographics (left) and occupational levels (right) within the 64 % women employment segment



Demographics (left) and occupational levels (right) within the 17.9% youth employment segment



Demographics (left) and occupational levels (right) within the 7.1 % people with disabilities employment segment

Figure 29: Employment equity demographics (left) and occupational levels (right) of women, youth and persons with disabilities in the respective employment segments for 2025/26

Table 38: Female employees at TIA for 2025/26 as at 31 March 2026

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	2	2	0	1	0	0	0	0
Senior management	2	5	0	1	0	1	1	1
Professional qualified	31	39	2	3	9	8	4	3
Skilled	27	30	4	4	1	3	0	0
Semi-skilled	1	1	1	1	0	0	0	0
Unskilled	5	5	0	0	0	0	0	0
TOTAL	**68**	**82**	**7**	**10**	**10**	**12**	**5**	**4**

Note: This table excludes interns.

Table 39: Male employees at TIA for 2025/26 as at 31 March 2026

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	3	0	0	1	1	0	0
Senior management	7	8	1	1	2	2	2	3
Professional qualified	22	22	1	2	1	2	3	3
Skilled	8	17	0	1	0	0	0	0
Semi-skilled	1	1	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**39**	**42**	**2**	**4**	**4**	**5**	**5**	**6**

Note: This table excludes interns.

Table 40: Persons with disabilities employed at TIA for 2025/26 as at 31 March 2026

Level	Female		Male	
	Current	Target	Current	Target
Top management	0	0	1	1
Senior management	0	0	1	0
Professional qualified	6	1	0	0
Skilled	1	1	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**7**	**2**	**2**	**1**

Note: This table excludes interns.



PART E
PFMA COMPLIANCE REPORT

33. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

33.1 IRREGULAR EXPENDITURE

In accordance with the requirements of the PFMA and GRAP 1, the Agency is required to disclose any instances of irregular expenditure. For the current financial year, two (2) instances of irregular expenditure were identified. Irregular expenditure from previous years were recommended by the Board for condonation by National Treasury.

2025/2026

During the prior financial year, goods and services amounting to R0.207 million were procured on the basis of a single source supplier through a deviation process after no additional quotations could be sourced. Additional expenditure in relation to the same contract amounting to R0.226 million was incurred in the current year and has subsequently been cancelled to prevent further irregular expenditure. Necessary consequence management has been implemented and a request for condonation will be submitted in accordance with the applicable regulatory framework.

An amount of R0.270 million was incurred as irregular expenditure during the financial year as a result of a misinterpretation in the evaluation process which led to the appointment of an incorrect supplier. The deviation arose due to an error in the application of the prescribed evaluation criteria. Management is currently in the process of finalising the relevant determination tests.

Table 41: Reconciliation of irregular expenditure

Description	2024/25 R'000	2025/26 R'000
Opening balance	R41,587	R41,794
Adjustment to opening balance	–	–
Opening balance as restated	R41,587	R41,794
Add: Irregular expenditure confirmed	R207	R496
Less: Irregular expenditure condoned	–	–
Less: Irregular expenditure not condoned and removed	–	–
Less: Irregular expenditure recoverable	–	–
Less: Irregular expenditure not recoverable and written off	–	–
CLOSING BALANCE	**R41,794**	**R42,290**

Table 42: Reconciliation of irregular expenditure confirmed

Description	2024/25 R'000	2025/26 R'000
Irregular expenditure that was under assessment	–	–
Irregular expenditure that relates to the prior year and identified in the current year	–	–
Irregular expenditure for the current year	R207	R496
TOTAL	**R207**	**R496**

Table 43: Irregular expenditure under assessment, determination and investigation

Description	2024/25 R'000	2025/26 R'000
Irregular expenditure under assessment	R207	-
Irregular expenditure under determination	R3,456	R270
Irregular expenditure under investigation	-	-
TOTAL	**R3,663**	**R270**

Details of irregular expenditure condoned

The entity anticipates submitting relevant irregular expenditure for condonation to National Treasury during June 2025 following final consideration by the Board of items for condonation.

To date no irregular expenditure has been removed from the register.

Table 44: Irregular expenditure condoned, removed but not condoned, recoverable and written off

Description	2024/25 R'000	2025/26 R'000
Irregular expenditure condoned	–	–
Irregular expenditure removed but not condoned	–	–
Irregular expenditure recoverable	–	–
Irregular expenditure written off (irrecoverable)	–	–

Details of additional disclosure relating to inter-institutional arrangements (where such institution is not responsible for the non-compliance)

No additional disclosure with regard to inter-institutional arrangements.

Details of irregular expenditure where an institution is involved in an inter-institutional arrangement

No additional disclosure with regard to inter-institutional arrangements.

Details of disciplinary or criminal steps taken as a result of irregular expenditure

Consequence management in respect of prior years irregular expenditure has been completed. Following completion of necessary determination test on the new irregular expenditure appropriate consequence management will be implemented.

33.1.1 FRUITLESS AND WASTEFUL EXPENDITURE

The opening balance in relates to previous year expenses (2022/23) that could have been avoided for interest and penalties on PAYE (R80) for two controlled entities which were subsequently deregistered.

Table 45: Reconciliation of fruitless and wasteful expenditure

Description	2024/25 R'000	2025/26 R'000
Opening balance	R85	R85
Adjustment to opening balance	–	–
Opening balance as restated	–	–
Add: Fruitless and wasteful expenditure confirmed	–	–
Less: Fruitless and wasteful expenditure recoverable	–	–
Less: Fruitless and wasteful expenditure not recoverable and written off	–	–
CLOSING BALANCE	**R85**	**R85**

No new fruitless expenditure has been recorded during the past three years.

Table 46: Reconciliation of fruitless and wasteful expenditure confirmed

Description	2024/25 R'000	2025/26 R'000
Fruitless and wasteful expenditure that was under assessment	–	–
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	–	–
Fruitless and wasteful expenditure for the current year	–	–
Total	**–**	**–**

Details of fruitless and wasteful expenditure under assessment, determination and investigation

None to report.

Details of fruitless and wasteful expenditure recoverable

None to be recovered.

Details of fruitless and wasteful expenditure not recoverable and written off

Nothing to report as recoverable or written off.

Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

No disciplinary action or criminal steps taken.

33.1.2 ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES

Details of material losses through criminal conduct

Nothing to report on in the current and previous years.

Details of other material losses

No material losses recorded to date.

Details of other material losses recoverable

No material losses were recorded as recoverable in the current and previous year.

Details of other material losses not recoverable and written off

Nothing to report as recoverable or written off

34. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Table 47: Late and/or non-payment of invoices

Description	Number of invoices	Consolidated value R'000
Valid invoices received	5,998	R344,603,704
Invoices paid within 30 days or agreed period	5,987	R342,163,026
Invoices paid after 30 days or agreed period	11	R2,440,678
Invoices older than 30 days or agreed period (unpaid and without dispute)	–	–
Invoices older than 30 days or agreed period (unpaid and in dispute)	–	–

35. SUPPLY CHAIN MANAGEMENT

35.1 PROCUREMENT BY OTHER MEANS

TIA had one deviation exceeding a million relating to the lease of the Bioprocessing Platform.

Table 48: Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Lease for the Bioprocessing Platform	ACACIA	Deviation	POS9533	R5,318,932
TOTAL				**R5,318,932**

35.1.1 CONTRACT VARIATIONS AND EXPANSIONS

TIA recorded nine contract expansions and one contract variation exceeding 15% during the 2025/26 financial year. The contract expansions related to maintenance, support and training for the ERS system; the Financial Statements project; the TIA Impact and Outcomes Evaluation Project; cleaning services for the Bioprocessing Platform; the head office lease; relocation services; the Durban office lease; and the TIA 2.0 Corporate Strategy. The contract variation related to audit overruns.

Table 49: Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
ERS system maintenance, support and training	Pangolin Information Systems	Expansion	TIA21354	R12,596,878	R0	R1,173,590
External auditors	SAB & T Nexia	Variation	TIA21409	R999,533	R448,500	R962,550
Financial statements	Turning Point	Expansion	TIA21433	R112,097	R0	R157,665
TIA Impact and Outcomes Evaluation Project	DNA Economics	Expansion	TIA002/2024	R902,002	R93,035	R232,300
Cleaning services for Bioprocessing Platform	Ikhayelihle Cleaning services	Expansion	TIA21483	R307,063	R0	R311,054
Head office lease	Presmooi	Expansion	POS9551	R21,729,789	R0	R20,009,138
Relocation services	VIP Movers	Expansion	TIA21491	R32,371	R0	R5,732
Office leasing Durban	Seritomat	Expansion	POS09556	R4,043,632	R0	R119,173
TIA 2.0 Corporate Strategy	The Manto Group Training Company	Expansion	TIA21501	R2,636,269	R256,656	R162,484
Total				**R30,762,756**	**R798,191**	**R21,960,096**





PART F
FINANCIAL INFORMATION

36. GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Agency is established in terms of the TIA Act as a Schedule 3A PFMA entity. Its principal activities are to support and enable technology innovation across all sectors of the economy in order to achieve socio-economic benefits for South Africa.
Board members	Mr. L. Tyira (Chairperson) – Second term re-appointment: 01 November 2025 Mr. T.G. Ramasike – Term ended: 31 October 2025 Ms. J.S.P. Matsebula – Term ended: 31 October 2025 Ms. K. Makhohliso – Appointed: 01 November 2025 Dr. R. Iyer – Term ended: 31 October 2025 Ms. E.L. Matlali – Term ended: 31 October 2025 Mr. L.M. Koyana – Appointed: 01 November 2025 Prof. S.C.K.M. Motaung – Deceased: 25 November 2025 Mr. B.A. Mboniswa – Term ended: 31 October 2025 Mr. T.S. Tshabalala – Appointed: 01 November 2025 Dr. R. Thompson – Deceased: 15 December 2025 Mr. V. Hlongwa – Appointed: 01 November 2025 Ms. B. Segooa – Appointed: 01 November 2025 Ms. M. Mzizi – Appointed: 16 March 2026 Ms. A. Canca – Term ended: 31 October 2025 Ms. A. Nel – Appointed: 16 March 2026 Mr. I. Abdoola (Ex-Officio Board Member) – 01 February 2025 to 31 March 2026
Business address	83 Lois Avenue Menlyn Pretoria 0181
Postal address	P.O. Box 172 Menlyn Pretoria 0181
Bankers	The Standard Bank of South Africa Limited South African Reserve Bank
Auditors	Nexia SAB&T (Appointed in terms of the Public Audit Act as approved by the Auditor-General of South Africa)
Secretary	Mr J.P.J. Louw
South African Income Tax Number	9473012178
Public Benefit Organisation Number	930036084
Preparer	The consolidated annual financial statements were prepared under the supervision of: Mr. I. Abdoola Chief Financial Officer

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37. BOARD'S RESPONSIBILITIES AND APPROVAL

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the consolidated annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements and was given unrestricted access to all financial records and related data.

The consolidated annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The consolidated annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the economic entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the economic entity and all employees are required to maintain the highest ethical standards in ensuring the economic entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the economic entity is on identifying, assessing, managing and monitoring all known forms of risk across the economic entity. While operating risk cannot be fully eliminated, the economic entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The members have reviewed the economic entity's cash flow forecast for the year to 31 March 2027 and, in the light of this review and the current financial position, they are satisfied that the economic entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for auditing and reporting on the economic entity's consolidated annual financial statements. The consolidated annual financial statements have been examined by the economic entity's external auditors and their report is presented on pages 150 to 154.

The consolidated annual financial statements set out on pages 155 to 222, which have been prepared on the going concern basis, were approved by the board on 29 July 2026 and were signed on its behalf by:



Mr. L. Tyira
Chairperson of the Board



Dr. T. Mathe
Chief Executive Officer

38. INDEPENDENT AUDITOR'S REPORT TO PARLIAMENT ON TECHNOLOGY INNOVATION AGENCY

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

1. We have audited the consolidated and separate financial statements of Technology Innovation Agency and its subsidiaries (the economic entity and controlling entity) set out on pages 155 to 222, which comprise the consolidated and separate statements of financial position as at 31 March 2026, consolidated and separate statements of financial performance, consolidated and separate statements of changes in net assets, consolidated and separate cash flow statements and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

2. In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Technology Innovation Agency as at 31 March 2026 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa and Public Finance Management Act 1 of 1999 (PFMA).

BASIS FOR OPINION

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

4. We are independent of the public entity in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* of the (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).*

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

6. The Accounting Authority, is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Standards of GRAP and the requirements of the PFMA and for such internal control as the Accounting Authority determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the consolidated and separate financial statements, the Accounting Authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the Accounting Authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

8. Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

9. A further description of our responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report. This description, which is located at page 153, forms part of our auditor's report.

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38. INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected outcomes presented in the annual performance report. The Accounting Authority is responsible for the preparation of the annual performance report.

11. We selected the following outcomes presented in the annual performance report for the year ended 31 March 2026. We selected outcomes that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Outcomes	Page numbers	Purpose
Outcome 1: Intensified commercialised innovations in support of inclusive economic growth, sustainable development and transformation	182 – 183	To direct a greater proportion of its resources at the translation and commercialisation of IP emanating from publicly funded organisations such as universities and science councils. The purpose of doing so is to improve the lives of South Africans and to contribute to economic growth and development
Outcome 2: Enabling and strengthening the innovation ecosystem	184 – 185	The development and implementation of instruments that create an enabling environment for innovation through a whole-of-society approach which supports a coherent and inclusive National System of Innovation (NSI).

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12. We evaluated the reported performance information for the selected outcomes against the criteria developed from the performance management and reporting framework, as defined in the general notice.

    When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

13. We performed procedures to test whether:

    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the public entity's performance against its primary mandated and
    - prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report [in the prescribed manner and is comparable and understandable
    - there is adequate supporting evidence for the achievements reported [and for the reasons provided for any over or underachievement of targets

14. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

15. We did not identify any material findings on the reported performance information for the selected outcomes..

38. INDEPENDENT AUDITOR'S REPORT

REPORT ON COMPLIANCE WITH LEGISLATION

16. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the public entity's compliance with legislation.

17. We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

18. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

19. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

REVENUE MANAGEMENT

20. Sufficient evidence could not be provided that effective and appropriate steps were taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

OTHER INFORMATION IN THE ANNUAL REPORT

21. The Accounting Authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected outcomes presented in the annual performance report that have been specifically reported on in this auditor's report.

22. Our opinion on the consolidated and separate financial statements and our reports on the audit of the annual performance report and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.

23. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements and the selected outcomes presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

24. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. We have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

25. We considered internal control relevant to our audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.

26. The matters reported below are limited to the significant internal control deficiencies that resulted in material findings on compliance with legislation included in this report.

27. Management did not implement and maintain effective internal controls over revenue management to ensure that all revenue was collected in accordance with the requirements of the Public Finance Management Act (PFMA), Treasury Regulations, and applicable revenue management policies.

OTHER REPORTS

28. We draw attention to the following engagements conducted by various parties. These reports did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.

INVESTIGATIONS

29. The Special Investigations Unit is currently investigating allegations of the possible procurement and contract management irregularities at the request of the President of the Republic of South Africa (Proclamation Notice 304 of 2025), covering the period 1 January 2021 to 13 November 2025. The investigations were still in progress at the date of this auditor's report.

NexiaSAB&T

Per: Talha Mayet
Director
Registered Auditor
31 July 2026

119 Witch Hazel Avenue
Highveld Technopark
Centurion
0146

38. INDEPENDENT AUDITOR'S REPORT

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor's responsibility for the audit
- the selected legislative requirements for compliance testing.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected outcomes and on the public entity's compliance with selected requirements in key legislation.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In addition to our responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, we also:

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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
- 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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated and separate financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

We communicate with the Accounting Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Accounting Authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

38. INDEPENDENT AUDITOR'S REPORT

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Section, regulation or paragraph
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

		(R'000)			
		Economic entity		Controlling entity	
	Note(s)	2026	2025	2026	2025
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	12 865	12 477	12 865	12 477
Intangible assets	5	7 956	10 974	7 956	10 974
Investments in controlled entities	6	–	–	–	–
Investments in associates	7	–	–	–	–
Loans receivable	8	33 179	23 088	33 179	23 088
Other financial assets	9	41 908	40 322	41 908	40 322
Receivables from exchange transactions	10	282	282	282	282
		96 190	**87 143**	**96 190**	**87 143**
CURRENT ASSETS					
Loans receivable	8	3 717	3 054	3 717	3 054
Receivables from exchange transactions	10	23 257	32 884	23 257	32 884
Prepayments	11	4 807	3 631	4 807	3 631
Cash and cash equivalents	12	1 847 129	669 285	1 847 129	669 285
		1 878 910	**708 854**	**1 878 910**	**708 854**
TOTAL ASSETS		**1 975 100**	**795 997**	**1 975 100**	**795 997**
LIABILITIES					
NON-CURRENT LIABILITIES					
Operating lease liability	13	50	135	50	135
Unspent conditional grants and receipts	15	83 167	120 106	83 167	120 106
		83 217	**120 241**	**83 217**	**120 241**
CURRENT LIABILITIES					
Operating lease liability	13	85	338	85	338
Payables from exchange transactions	14	162 456	64 588	162 456	64 588
Unspent conditional grants and receipts	15	371 723	416 822	371 723	416 822
Employee benefits obligation	16	12 813	14 695	12 813	14 695
		547 077	**496 443**	**547 077**	**496 443**
TOTAL LIABILITIES		**630 294**	**616 684**	**630 294**	**616 684**
NET ASSETS		**1 344 806**	**179 313**	**1 344 806**	**179 313**
Accumulated surplus		1 344 806	179 313	1 344 806	179 313
TOTAL NET ASSETS		**1 344 806**	**179 313**	**1 344 806**	**179 313**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2026

		(R'000)			
		Economic entity		Controlling entity	
	Note(s)	2026	2025	2026	2025
REVENUE					
REVENUE FROM EXCHANGE TRANSACTIONS					
Other income	18	1 241 170	56 176	1 241 170	56 176
Interest received – investment	19	24 118	18 474	24 118	18 474
Gain or loss on exchange differences	20	14 338	–	14 338	–
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS		**1 279 626**	**74 650**	**1 279 626**	**74 650**
REVENUE FROM NON-EXCHANGE TRANSACTIONS					
DSTI allocation	17	420 045	432 715	420 045	432 715
Committed conditional grant from specific contract	17	230 529	214 062	230 529	214 062
Other income	18	13 426	14 362	13 426	14 362
TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS		**664 000**	**661 139**	**664 000**	**661 139**
TOTAL REVENUE		**1 943 626**	**735 789**	**1 943 626**	**735 789**
EXPENDITURE					
Employee related costs	21	(130 618)	(125 235)	(130 618)	(125 235)
Conditional grant funding and project disbursements	22	(557 200)	(491 139)	(557 200)	(491 139)
Depreciation and amortisation	23	(5 545)	(5 767)	(5 545)	(5 767)
Lease rentals on operating lease	24	(9 964)	(9 082)	(9 964)	(9 082)
Impairment	25	(1 349)	(5 727)	(1 349)	(5 727)
Loss on write-off of loan to subsidiary	26	(11 840)	–	(11 840)	–
Other operating expenses	27	(59 779)	(49 707)	(59 779)	(49 704)
Deficit from equity accounted investments		–	(50)	–	–
TOTAL EXPENDITURE		**(776 295)**	**(686 707)**	**(776 295)**	**(686 654)**
SURPLUS FOR THE YEAR		**1 167 331**	**49 082**	**1 167 331**	**49 135**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2026

	(R'000)
	Accumulated surplus
ECONOMIC ENTITY	
BALANCE AT 01 APRIL 2024	**130 231**
Changes in net assets Surplus for the year	49 082
Total changes	49 082
BALANCE AT 01 APRIL 2025	**179 313**
Changes in net assets	
Adjustment arising from implementation of GRAP 104 (Note 39)	(1 838)
Net income (losses) recognised directly in net assets	(1 838)
Surplus for the year	1 167 331
Total recognised income and expenses for the year	1 165 493
Total changes	1 165 493
BALANCE AT 31 MARCH 2026	**1 344 806**
CONTROLLING ENTITY	
BALANCE AT 01 APRIL 2024	**130 178**
Changes in net assets Surplus for the year	49 135
Total changes	49 135
BALANCE AT 01 APRIL 2025	**179 313**
Changes in net assets	
Adjustment arising from implementation of GRAP 104 (Note 39)	(1 838)
Net income (losses) recognised directly in net assets	(1 838)
Surplus for the year	1 167 331
Total recognised income and expenses for the year	1 165 493
Total changes	1 165 493
BALANCE AT 31 MARCH 2026	**1 344 806**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

		(R'000)			
		Economic entity		Controlling entity	
	Note(s)	2026	2025	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES					
RECEIPTS					
Grants		535 331	654 733	535 331	654 733
Interest received		43 647	51 936	43 647	51 936
Other receipts		1 232 393	17 494	1 232 393	17 494
		1 811 371	724 163	1 811 371	724 163
PAYMENTS					
Employee costs		(129 441)	(125 235)	(129 441)	(125 235)
Suppliers and other operational expense payments		(43 155)	(45 466)	(43 155)	(45 466)
Conditional grant funding and project disbursements		(474 128)	(470 781)	(474 128)	(470 781)
		(646 724)	(641 482)	(646 724)	(641 482)
NET CASH FLOWS FROM OPERATING ACTIVITIES	29	**1 164 647**	**82 681**	**1 164 647**	**82 681**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	4	(4 295)	(2 939)	(4 295)	(2 939)
Proceeds from sale of property, plant and equipment	4	26	118	26	118
Purchase of other intangible assets	5	–	(440)	–	(440)
Proceeds from sale of other intangible assets	5	–	6	–	6
Loans advanced to economic entities	8	–	(900)	–	(900)
Repayment of loans and receivable	8	3 128	1 980	3 128	1 980
Proceeds from sale of investment in associates		–	750	–	750
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(1 141)**	**(1 425)**	**(1 141)**	**(1 425)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1 163 506**	**81 256**	**1 163 506**	**81 256**
Cash and cash equivalents at the beginning of the year		669 285	588 029	669 285	588 029
Effect of exchange rate movement on cash balances		14 338	–	14 338	–
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	**1 847 129**	**669 285**	**1 847 129**	**669 285**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2026

	(R'000)					
Controlling entity **Budget and Accrual Basis**	**Approved budget**	**Adjustments**	**Final Budget**	**Actual amounts on comparable basis**	**Difference between final budget and actual**	**Reference**
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
REVENUE FROM EXCHANGE TRANSACTIONS						
Other income	34 000	–	**34 000**	1 241 170	**1 207 170**	Note 38 – A
Interest received	13 500	–	**13 500**	24 118	**10 618**	Note 38 – B
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	**47 500**	**–**	**47 500**	**1 265 288**	**1 217 788**	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
Other income	–	–	**–**	13 426	**13 426**	Note 38 – A
DSTI allocation	420 045	–	**420 045**	420 045	**–**	
Committed conditional grant from specific contract	215 817	–	**215 817**	230 529	**14 712**	Note 38 – C
TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS	**635 862**	**–**	**635 862**	**664 000**	**28 138**	
TOTAL REVENUE	**683 362**	**–**	**683 362**	**1 929 288**	**1 245 926**	
EXPENDITURE						
Employee-related costs	(130 827)	–	**(130 827)**	(130 618)	**209**	Note 38 – D
Conditional grant funding and project disbursements	(501 458)	–	**(501 458)**	(557 200)	**(55 742)**	Note 38 – E
Depreciation and amortisation	(2 791)	–	**(2 791)**	(5 545)	**(2 754)**	Note 38 – F
Lease rentals on operating lease	(9 181)	–	**(9 181)**	(9 964)	**(783)**	Note 38 – G
Other operating expenditure	(39 105)	–	**(39 105)**	(59 779)	**(20 674)**	Note 38 – H
TOTAL EXPENDITURE	**(683 362)**	**–**	**(683 362)**	**(763 106)**	**(79 744)**	
OPERATING SURPLUS	–	–	**–**	**1 166 182**	**1 166 182**	
Loss on write-off of loan to subsidiary	–	–	**–**	(11 840)	**(11 840)**	Note 38 – I
Gain on foreign exchange differences	–	–	**–**	14 338	**14 338**	Note 38 – J
Impairment	–	–	**–**	(1 349)	**(1 349)**	
	–	–	**–**	**1 149**	**1 149**	
SURPLUS	–	–	**–**	**1 167 331**	**1 167 331**	
ACTUAL AMOUNT ON COMPARABLE BASIS AS PRESENTED IN THE BUDGET AND ACTUAL COMPARATIVE STATEMENT	–	–	**–**	**1 167 331**	**1 167 331**	

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2026

The budget is approved on an accrual basis and covers the period from 01 April 2025 to 31 March 2026. It is prepared solely for the controlling entity. The financial statements and the budget are prepared for the same reporting period.

The variances between the budget and actual amounts are primarily attributable to timing differences, as the budget figures are prepared using estimation methods that differ from the accounting basis applied in the financial statements.

A reconciliation between the actual amounts on a comparable basis, as presented in the Statement of Comparison of Budget and Actual Amounts, and the actual amounts reported in the Cash Flow Statement for the period ended 31 March 2026 is provided below.

	(R'000)			
	Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in the actual and budgeted comparative statement	1 167 329	–	–	1 167 329
Timing difference	13 316	–	(1 141)	12 175
	1 180 645	–	(1 141)	1 179 504

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2026

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated annual financial statements are set out below.

1.1 BASIS OF PREPARATION

The consolidated annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP). These consolidated annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. These accounting policies are consistent with the previous period, except for GRAP 104 implementation applicable for the current financial year set out in note 39.

1.2 GOING CONCERN ASSUMPTION

These consolidated annual financial statements have been prepared based on the expectation that the economic entity will continue to operate as a going concern for at least the next 12 months.

CONSOLIDATION BASIS OF CONSOLIDATION

Consolidated annual financial statements are the consolidated annual financial statements of the economic entity presented as those of a single entity.

The annual financial statements incorporate the consolidated annual financial statements of the controlling entity and all controlled entities which are controlled by the controlling entity.

Consolidated annual financial statements are prepared using consistent accounting policies for like transactions and other events in similar circumstances.

The revenue and expenses of a controlled entity are included in the consolidated annual financial statements from the transfer date or acquisition date. The revenue and expenses of the controlled entity are based on the values of the assets and liabilities recognised in the controlling entity's consolidated annual financial statements at the acquisition date.

The consolidated annual financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated annual financial statements are prepared as the same date.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

1.3 USE OF JUDGEMENTS AND ESTIMATES

The preparation of the consolidated annual financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates.

Significant judgements and sources of estimation uncertainty applied in the preparation of the consolidated annual financial statements, including estimates relating to expected credit losses on financial assets, impairment assessments, reportable segments and fair value determinations, are disclosed in Note 3.

1.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially measured at cost. Subsequent to initial recognition, property, plant and equipment is measured using the cost model and is carried at cost less accumulated depreciation and any accumulated impairment losses. Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold property	Straight-line	Shorter of lease agreement
Furniture and office equipment	Straight-line	or the useful life to 3 – 20 years
Motor vehicles	Straight-line	16 years
Laboratory equipment	Straight-line	5 – 20 years

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2026

Management expects to use the assets for their full useful lives and therefore the residual values are estimated to be negligible. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Changes in estimate of useful lives were treated prospectively with the impact disclosed in note 4. The depreciation charge for each period is recognised in surplus or deficit.

1.5 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation of an intangible asset commences when the asset is available for use, that is, when it is in the location and condition necessary for it to operate in the manner intended by management.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	2 – 20 years

1.6 INVESTMENTS IN CONTROLLED ENTITIES

ECONOMIC ENTITY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Investments in controlled entities are consolidated in the consolidated annual financial statements. Refer to the accounting policy on Consolidations (Note 1.3).

CONTROLLING ENTITY ANNUAL FINANCIAL STATEMENTS

In the entity's separate annual financial statements, investments in controlled entities are carried at cost less accumulated impairments.

1.7 INVESTMENT IN ASSOCIATES

An investment in an associate is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the economic entity's share of the surpluses or deficits of the investee after the acquisition date. The use of the equity method is discontinued from the date the economic entity ceases to have significant influence over an associate.

Any impairment losses are deducted from the carrying amount of the investment in associate.

Surpluses and deficits resulting from transactions with associates are recognised only to the extent of unrelated investors' interests in the associate.

The most recent available consolidated annual financial statements of the associate are used by the investor in applying the equity method. When the end of the reporting period of the investor is different from that of the associate, the associate prepares, for the use of the investor, consolidated annual financial statements as at the same date as the consolidated annual financial statements of the investor unless it is impracticable to do so.

The recognition of the economic entity's share of losses is discontinued once the economic entity's share of losses of an associate equals or exceeds its interest in the associate.

1.8 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

CLASSIFICATION

The appropriate classification of a financial asset is determined on acquisition of the financial asset and is based on:

- whether the contractual terms of the financial asset gives rise to contractual cash flows that are solely payments of principal and interest
- the objective of the business model in which the financial asset is held at a portfolio level that best reflects the way the business is managed.

Financial assets are not reclassified subsequent to their initial recognition unless the entity changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets are classified into the following categories:

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2026

1.8 FINANCIAL INSTRUMENTS (CONTINUED)

AMORTISED COST

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through surplus or deficit:

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
- it is held within a business model whose objective is to hold assets to collect contractual cash flows

FAIR VALUE THROUGH SURPLUS OR DEFICIT

All financial assets not classified as measured at amortised are measured at fair value through surplus or deficit.

MEASUREMENT

INITIAL RECOGNITION

Financial assets are initially measured at fair value on the date of commitment to purchase (trade date). The transaction price is generally the best indicator of fair value. If a contract with a customer has a significant financing component, the related financial asset is initially measured at the transaction price excluding the time value of money.

AFTER INITIAL RECOGNITION

AMORTISED COST

Financial assets at amortised cost are measured at amortised cost after initial recognition using the effective interest rate method less any accumulated impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH SURPLUS OR DEFICIT

Financial assets are classified and subsequently measured at fair value through surplus or deficit (FVTSD) where they do not meet the criteria for measurement at amortised cost, including where the contractual cash flows are not solely payments of principal and interest or where the assets are held for purposes other than collecting contractual cash flows.

The Agency's financial assets measured at fair value through surplus or deficit comprise the following classes of instruments:

- Investments in residual interests (equity instruments) in unlisted entities, including early-stage and development investments;
- Contingent financial assets, including contractual rights to future cash flows such as windfall or performance-based receipts; and
- Other non-standard financial instruments where cash flows are variable or linked to underlying performance indicators, resulting in the failure of the SPPI test.

These instruments are measured at fair value at each reporting date, with changes in fair value recognised in surplus or deficit.

EXPECTED CREDIT LOSS MODEL

The Agency recognises expected credit losses ("ECL") on financial assets measured at amortised cost in accordance with GRAP 104.

Expected credit losses represent a probability-weighted estimate of credit losses and are measured as the present value of all cash shortfalls over the expected life of the financial instrument.

The Agency applies the following ECL formula:

ECL = Exposure at Default (EAD) × Probability of Default (PD) × Loss Given Default (LGD)

where:

- Exposure at Default (EAD) represents the gross carrying amount of the financial asset at the date of default.
- Probability of Default (PD) represents the likelihood that the borrower or counterparty will default over a specified period.
- Loss Given Default (LGD) represents the proportion of the exposure expected to be lost after taking into account expected recoveries.

Expected cash shortfalls are discounted using the original effective interest rate of the financial asset where applicable.

The Agency does not generally hold collateral against its funding and royalty-linked loan portfolio. Accordingly, expected recoveries are primarily based on contractual cash flows, legal enforceability and recovery expectations rather than collateral realisation.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2026

1.8 FINANCIAL INSTRUMENTS (CONTINUED)

SIGNIFICANT INCREASE IN CREDIT RISK (SICR)

At each reporting date, the Agency assesses whether the credit risk on a financial asset has increased significantly since initial recognition.

In determining whether a significant increase in credit risk has occurred, both quantitative and qualitative information is considered, including:

- contractual payments being past due;
- deterioration in the financial position of the borrower;
- adverse operational developments within the funded entity;
- business rescue, liquidation or similar distress events;
- breach of contractual terms;
- adverse legal, regulatory or funding developments; and
- other information indicating increased risk of non-recovery.

A financial asset is generally regarded as having experienced a significant increase in credit risk when contractual obligations are more than 60 days past due, unless reasonable and supportable information demonstrates otherwise.

CREDIT-IMPAIRED FINANCIAL ASSETS

A financial asset is considered credit-impaired when one or more events have occurred that have a detrimental impact on expected future cash flows.

Indicators of credit impairment include:

- business rescue proceedings;
- liquidation or cessation of operations;
- significant financial distress;
- breach of contractual obligations;
- repayment obligations overdue by more than 120 days;
- adverse legal judgments affecting recoverability; or
- circumstances indicating that recovery of contractual cash flows is unlikely.

METHODOLOGY APPLIED BY FINANCIAL ASSET CLASS

LOANS RECEIVABLE

Loans receivables are assessed using the general expected credit loss approach and classified into the following stages:

Stage	Description	ECL Basis
Stage 1	No significant increase in credit risk	12-month ECL
Stage 2	Significant increase in credit risk	Lifetime ECL
Stage 3	Credit-impaired asset	Lifetime ECL

In assessing credit risk for loans receivable, management considers:

- historical repayment behaviour;
- achievement of contractual milestones;
- profitability and cash flow prospects of investees;
- industry-specific risks;
- legal recoverability;
- probability of default; and
- expected recoveries.

Many of the Agency's development funding instruments are concessionary and repayment may only commence once specified commercial milestones or profitability thresholds are achieved. The absence of profitability during an expected development phase does not automatically constitute a significant increase in credit risk.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are assessed using the simplified approach, in which a provision matrix was developed from:

- historical default experience;
- ageing characteristics;
- customer-specific factors;
- industry risk profiles; and
- observed recovery trends.

Receivables are grouped according to similar credit-risk characteristics and ageing categories.

Lifetime expected credit losses are recognised for trade receivables.

DEPOSITS

Deposits placed with landlords and other counterparties are assessed using the general ECL approach.

The Agency considers:

- counterparty creditworthiness;
- historical default experience;
- contractual recoverability; and
- available external credit information.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2026

1.8 FINANCIAL INSTRUMENTS (CONTINUED)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held with highly rated South African financial institutions and the South African Reserve Bank. The Agency assesses expected credit losses on cash balances using the general ECL approach and considers:

- external credit ratings;
- regulatory oversight;
- default history;
- financial strength of the institution; and
- other publicly available information.

Based on these assessments, cash balances are generally classified as Stage 1 financial assets and expected credit losses are considered immaterial.

FORWARD-LOOKING INFORMATION

The Agency incorporates reasonable and supportable forward-looking information when estimating expected credit losses.

Forward-looking factors considered include, where relevant:

- economic growth forecasts;
- inflation trends;
- interest rate expectations;
- industry-specific performance indicators;
- funding availability within the innovation and technology sector;
- business survival rates of start-up and development-stage entities;
- exchange rate movements; and
- other relevant macroeconomic indicators.

Management assesses the relevance of these factors for each class of financial asset.

For the current reporting period, management considered the impact of available macroeconomic and sector-specific information on the Agency's financial assets.

Given:

- the predominance of project-based funding arrangements;
- the contractual structures of the Agency's funding instruments;
- borrower-specific risk assessments already incorporated into PD estimates; and
- the absence of evidence indicating a material change in expected recoverability,

CHANGES IN ESTIMATION TECHNIQUES AND ASSUMPTIONS

The 2025/26 financial year represented the first year of application of the revised GRAP 104 Expected Credit Loss model. The Agency transitioned from the incurred loss methodology to the expected credit loss methodology and introduced:

- staging assessments;
- Probability of Default (PD) calculations;
- Loss Given Default (LGD) assumptions;
- Exposure at Default (EAD) methodologies; and
- forward-looking credit risk assessments.

IMPAIRMENT REVERSAL OF FINANCIAL ASSETS

At each reporting date, the entity assesses whether there has been a change in the expected credit losses recognised for financial assets measured at amortised cost. If, in a subsequent period, the amount of expected credit losses decreases and the decrease can be objectively related to an event occurring after the impairment loss was previously recognised (such as an improvement in the debtor's credit risk), the previously recognised impairment loss is reversed. The reversal of expected credit losses is recognised in surplus or deficit, either as a reduction in the impairment loss expense or as a separate line item, depending on presentation. The reversal shall not result in the carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised since initial recognition. For financial assets that are written off, any subsequent recoveries of amounts previously written off are recognised in surplus or deficit in the period in which they are received.

DERECOGNITION

Financial assets are derecognised when the right to receive cash flows from the assets has expired or substantially all the risks and rewards of ownership have transferred from the entity. Realised gains or losses on derecognition are determined using the last-in-first-out method. Gains and losses are recognised in profit or loss.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2026

1.8 FINANCIAL INSTRUMENTS (CONTINUED)

The gross carrying amount of a financial asset is written off when the entity has no reasonable expectation of recovering the financial asset. An indicator that there is no reasonable expectation of recovery includes failure by the debtor to honour agreed repayment arrangements or payment plans. Financial assets written off may still be subject to legal action or other enforcement activities undertaken by the entity to recover outstanding amounts where appropriate. Any subsequent recovery of amounts previously written off is recognised in profit or loss.

When a financial asset is subject to a modification that does not result in derecognition, an assessment is done to determine whether the modified terms of the financial asset are substantially different from the original terms, considering both quantitative and qualitative aspects as follows:

- The 10% test for financial liabilities is applied by analogy for the quantitative assessment. A modification is substantial if the present value of the modified contractual cash flows that were discounted at the original effective interest rate differs by 10% or more from the present value of the original contractual cash flows.
- The qualitative assessment evaluates whether the changes to the contractual terms are material in nature, such as changes to the interest rate, maturity date, currency or other material contractual provisions. The modification is considered substantial if such changes are determined to be material, even if the 10% test is not met.

The financial asset is derecognised if the quantitative or qualitative assessment indicates that the modification is substantial. A new financial asset is recognised at fair value with any resulting difference recognised in profit or loss.

The carrying amount of the financial asset is recalculated as the present value of the modified cash flows, discounted at the original effective interest rate if the modification is not substantial. Any adjustment is recognised as a modification gain or loss in profit or loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are initially recognised at fair value and subsequently measured at amortised cost.

For purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Cash and cash equivalents are subject to the Expected Credit Loss (ECL) model under GRAP 104.

FINANCIAL LIABILITIES

CLASSIFICATION

Financial liability balances have been classified as amortised cost.

1.9 MEASUREMENT

INITIAL RECOGNITION

Financial liabilities are recognised at the date the entity becomes a party to the contractual provisions of the instrument. Where financial liabilities are carried at amortised cost, transaction costs are included in the value of the financial liability. The fees paid are recognised as transaction costs upon drawdown and then amortised to surplus or deficit within finance costs from the date of first drawdown to final maturity of each facility.

AFTER INITIAL RECOGNITION

Financial liabilities at amortised cost are measured using the effective interest method.

DERECOGNITION

Financial liabilities are derecognised when the obligation expires, is discharged or cancelled or there is a substantial modification to the terms of the liability.

1.10 PREPAYMENTS PREPAID EXPENSES

A prepaid expense is carried on the Statement of Financial Position of the Agency as a current asset until it is consumed.

If a prepaid expense was likely not to be consumed within the next 12 months, it would instead be classified on the Statement of Financial Position as a non-current asset.

Once consumption has occurred, the prepaid expense is removed from the Statement of Financial Position and is reported in that period

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SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2026

as an expense on the Statement of Financial Performance.

1.11 LEASES

OPERATING LEASES – LESSEE

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 PROVISIONS

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus.

1.13 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave, bonuses and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

POST-EMPLOYMENT BENEFITS: DEFINED CONTRIBUTION PLANS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.14 CONTINGENCIES

Contingent assets and contingent liabilities are possible assets and liabilities whose occurrence depends on whether some uncertain future event occurs or payment is not probable or the amount cannot be measured reliably. Contingencies are disclosed in Note 31.

1.15 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.16 REVENUE FROM EXCHANGE TRANSACTIONS

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2026

MEASUREMENT

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.16 REVENUE FROM EXCHANGE TRANSACTIONS (CONTINUED)

INTEREST, ROYALTIES AND DIVIDENDS

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

RECEIPTS FROM EXIT OF INVESTMENTS

Income from the exit of investments is recognised as it is earned in accordance with the substance of the underlying transaction.

MANAGEMENT FEES

Management fees are recognised as revenue when, and to the extent that, the management services are performed, based on the stage of completion of the services at the reporting date, rather than solely on contractual terms.

SUNDRY RECEIPTS

Sundry receipts are recognised when they are earned or received.

1.17 REVENUE FROM NON-EXCHANGE TRANSACTIONS

MEASUREMENT

Revenue from non-exchange transactions is initially measured at its fair value as at the date of acquisition or receipt.

CONDITIONAL GRANTS AND RECEIPTS

Income received from conditional grants is recognised as revenue to the extent that the entity has complied with all the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

UNCONDITIONAL GRANTS AND RECEIPTS

Government grants that are receivable in support of the Agency's mandate are recognised in surplus or deficit in the period in which they become receivable.

1.18 CONDITIONAL GRANT FUNDING AND PROJECT DISBURSEMENTS AND OTHER OPERATIONAL EXPENDITURE

Conditional grant funding and project disbursements and other operational expenditure are recognised as expenditure in the Statement of Financial Performance in the period in which the expenditure is incurred. In the case of conditional grant funding and project disbursements, amounts are expensed based on the eligibility and fulfilment of relevant contractual conditions.

1.19 TRANSLATION OF FOREIGN CURRENCIES

FOREIGN CURRENCY TRANSACTIONS AND BALANCES

FUNCTIONAL AND PRESENTATION CURRENCY

The Agency's functional and presentation currency is the South African Rand (ZAR).

FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are initially recognised in Rand by applying the spot exchange rate at the date of the transaction.

SUBSEQUENT MEASUREMENT

At each reporting date:

- Monetary items (including cash and cash equivalents, receivables and payables denominated in foreign currencies) are translated using the closing exchange rate at the reporting date;

RECOGNITION OF EXCHANGE DIFFERENCES

Exchange differences arising from:

- settlement of foreign currency transactions; or

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2026

- translation of monetary items at reporting date rates are recognised in surplus or deficit in the period in which they arise.

1.20 TRANSLATION OF FOREIGN CURRENCIES

CASH AND CASH EQUIVALENTS IN FOREIGN CURRENCIES

Cash and cash equivalents held in foreign currencies are recognised and measured as monetary items and are therefore translated at the closing rate at the reporting date.

In accordance with GRAP 2:

- unrealised foreign exchange gains and losses do not constitute cash flows;
- the effect of exchange rate changes on cash and cash equivalents is presented separately in the Cash Flow Statement, to reconcile opening and closing cash balances.

FOREIGN CURRENCY RISK AND JUDGEMENT

The Agency holds significant foreign currency balances, including United States Dollar (USD) denominated accounts. Management exercises judgement in:

- determining the appropriate exchange rates to apply; and
- assessing the impact of exchange rate movements on reported balances and performance.

Further details on foreign currency exposure and risk management are disclosed in Note 34: Risk Management.

1.21 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the audited annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and/or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior-year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

1.22 SEGMENT INFORMATION

The amounts reported for each segment item are the measures used by management for purposes of making decisions regarding the allocation of resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements, as well as allocations of revenues and expenses, are included in determining the reported segment surplus or deficit only if they form part of the measures used by management. Similarly, only those assets and liabilities included in the measures used by management are reported for the respective segment. Where amounts are allocated to reported segment surplus or deficit, assets or liabilities, such allocations are made on a reasonable basis.

1.23 BUDGET INFORMATION

The approved budget is prepared on a accrual basis and presented according to economic classification linked to the relevant performance outcome objectives.

The approved budget covers the fiscal period from 2025/04/01 to 2026/03/31.

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NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The economic entity has not applied the following standards and interpretations, which have been published and are mandatory for the economic entity's accounting periods beginning on or after 01 April 2026 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 107 (as revised) Mergers	To be determined by the Minister of Finance	Unlikely that there will be a material impact as no such transfers are anticipated.
• GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	To be determined by the Minister of Finance	Unlikely that there will be a material impact as no such transfers are anticipated.
• GRAP 105 Transfer of Functions Between Entities Under Common Control	To be determined by the Minister of Finance	Unlikely that there will be a material impact as no such transfers are anticipated.
• GRAP 2023 Improvements to the Standards of GRAP 2023	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined by the Minister of Finance	Impact is currently being assessed
• GRAP 103 (amended): Heritage Assets	To be determined by the Minister of Finance	Unlikely there will be a material impact as the Agency does not currently hold any heritage assets.

3. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

SIGNIFICANT JUDGEMENTS

In applying the Agency's accounting policies, management has exercised judgement in the following areas that have the most significant effect on the amounts recognised in the annual financial statements:

ASSESSMENT OF SIGNIFICANT INCREASE IN CREDIT RISK

Management applies judgement in determining whether the credit risk of loans and receivables has increased significantly since initial recognition and whether financial assets are credit-impaired for purposes of the GRAP 104 expected credit loss model.

This assessment considers both quantitative and qualitative information, including contractual payment performance, financial condition of counterparties, business rescue proceedings, legal enforceability and other borrower-specific risk indicators.

The carrying amounts of affected financial assets are disclosed in Notes 8, 9, 10 and 12.

CLASSIFICATION OF DEVELOPMENT AND CONCESSIONARY FUNDING INSTRUMENTS

The Agency provides a range of funding instruments to innovation and technology-based enterprises. Judgement is applied in determining whether contractual arrangements meet the definition of financial assets, whether the contractual cash flows satisfy the SPPI requirements of GRAP 104, and the appropriate subsequent measurement basis.

Relevant disclosures are included in Notes 8 and 9.

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NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

3. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

SOURCES OF ESTIMATION UNCERTAINTY

The following estimates have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in future reporting periods.

EXPECTED CREDIT LOSSES

Expected credit losses are determined using assumptions relating to probability of default, loss given default and exposure at default. Management also considers historical performance, current conditions and reasonable and supportable forward-looking information when estimating expected credit losses.

The carrying amounts of financial assets subject to expected credit loss assessments are disclosed in:

- Loans and receivables (Note 8);
- Other financial assets (Note 9);
- Receivables from exchange transactions (Note 10); and
- Cash and cash equivalents (Note 12).

Further information relating to the Agency's expected credit loss methodology is disclosed in Accounting Policy 1.9 and Note 34.

FAIR VALUE OF UNQUOTED FINANCIAL ASSETS

The fair value of unquoted investments measured at fair value is determined using valuation techniques that incorporate significant unobservable inputs and assumptions, including projected revenues, discount rates and commercialisation expectations.

The carrying amount of the investment measured at fair value is disclosed in Note 9.

The following details are applicable to the models used for the various financial asset balances:

Financial asset	Model details
Loans receivable	Loans receivable are assessed using the general expected credit loss model and are classified into credit risk stages based on changes in credit risk since initial recognition: • Stage 1 (performing assets): 12-month expected credit losses recognised where there has been no significant increase in credit risk; • Stage 2 (underperforming assets): lifetime expected credit losses recognised where there has been a significant increase in credit risk; and • Stage 3 (credit-impaired assets): lifetime expected credit losses recognised where there is objective evidence of impairment. In determining expected credit losses for loans receivable, management considers: • contractual cash flow characteristics and repayment terms; • historical payment performance of borrowers; • probability of default based on both quantitative and qualitative factors; and • expected recoveries, including any collateral or enforceable rights.
Receivables from exchange transactions	Expected credit losses for trade and other receivables are determined using historical payment behaviour and observed default patterns of customers. Financial assets are initially grouped based on the industries in which customers operate, as entities within similar industries are exposed to comparable macroeconomic and sector-specific risks. Within each industry grouping, receivables are further stratified according to their ageing profile (e.g. current, 30 days past due, 60 days past due, and over 120 days past due), to reflect differences in credit risk and probability of default associated with the extent of delinquency. The probability of default is therefore determined using a combination of industry-specific historical default rates and ageing characteristics, ensuring that credit risk is assessed appropriately for receivables at different stages of delinquency.

Other significant judgements, sources of estimation uncertainty and related disclosures have been included in the relevant notes to the consolidated annual financial statements.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

4. PROPERTY, PLANT AND EQUIPMENT

	(R'000)					
	2026			2025		
Economic entity	Cost	Accumulated depreciation and accumulated impairment losses	Carrying value	Cost	Accumulated depreciation and accumulated impairment losses	Carrying value
Furniture and office equipment	27 453	(20 647)	6 806	27 547	(18 696)	8 851
Motor vehicles	348	(304)	44	348	(282)	66
Leasehold improvements	9	(2)	7	160	(77)	83
Laboratory equipment	15 478	(9 470)	6 008	12 376	(8 899)	3 477
TOTAL	**43 288**	**(30 423)**	**12 865**	**40 431**	**(27 954)**	**12 477**

	(R'000)					
	2026			2025		
Controlling entity	Cost	Accumulated depreciation and accumulated impairment losses	Carrying value	Cost	Accumulated depreciation and accumulated impairment losses	Carrying value
Furniture and office equipment	27 453	(20 647)	6 806	27 547	(18 696)	8 851
Motor vehicles	348	(304)	44	348	(282)	66
Leasehold improvements	9	(2)	7	160	(77)	83
Laboratory equipment	15 478	(9 470)	6 008	12 376	(8 899)	3 477
TOTAL	**43 288**	**(30 423)**	**12 865**	**40 431**	**(27 954)**	**12 477**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – ECONOMIC ENTITY – 2026

	(R'000)				
	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and office equipment	8 851	882	(113)	(2 814)	6 806
Motor vehicles	66	–	–	(22)	44
Leasehold improvements	83	35	(49)	(62)	7
Laboratory equipment	3 477	3 378	(37)	(810)	6 008
	12 477	**4 295**	**(199)**	**(3 708)**	**12 865**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – ECONOMIC ENTITY – 2025

	(R'000)				
	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and office equipment	8 903	2 575	(30)	(2 597)	8 851
Motor vehicles	91	–	(2)	(23)	66
Leasehold improvements*	(67)	203	(9)	(44)	83
Laboratory equipment	3 567	265	(41)	(314)	3 477
	12 494	**3 043**	**(82)**	**(2 978)**	**12 477**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – CONTROLLING ENTITY – 2026

	(R'000)				
	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and office equipment	8 851	882	(113)	(2 814)	6 806
Motor vehicles	66	–	–	(22)	44
Leasehold improvements	83	35	(49)	(62)	7
Laboratory equipment	3 477	3 378	(37)	(810)	6 008
	12 477	**4 295**	**(199)**	**(3 708)**	**12 865**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – CONTROLLING ENTITY – 2025

	(R'000)				
	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and office equipment	8 903	2 575	(30)	(2 597)	8 851
Motor vehicles	91	–	(2)	(23)	66
Leasehold improvements*	(67)	203	(9)	(44)	83
Laboratory equipment	3 567	265	(41)	(314)	3 477
	12 494	**3 043**	**(82)**	**(2 978)**	**12 477**

** The opening balance for leasehold improvements for the prior financial year reflects a negative value. This is due to adjustments resulting from the reclassification of the Gas Installation at the Bio-processing Platform of various other assets emanating from a reassessment exercise. This also had the impact of increasing additions to leasehold improvements by R 0.1 million.*

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	(R'000)		
	Cash out flow	Non-cash flow	Total
Furniture and office equipment	882	–	882
Leasehold improvement	35	–	35
Laboratory equipment	3 378	–	3 378
	4 295	**–**	**4 295**

PLEDGED AS SECURITY

None of the assets above have been pledged as security or have restrictions on title.

DEPRECIATION INCLUDED IN PROJECT FUNDING EXPENDITURE

Depreciation related to technology platform programmes is included in conditional grant funding and project disbursements. Refer to Note 22 for further details.

CHANGE IN ESTIMATE

The Agency reassessed the remaining useful lives of the assets and amended depreciation on a prospective basis in line with GRAP 3. Such effect has had an impact of a reduction of depreciation of R0.011 million (2025: R0.4 million) in the current year.

The impact arose primarily from the reassessment of selected equipment assets. Further breakdown by asset class is not included given the values not being material. Management does not expect a material impact on future reporting periods arising from the reassessment performed during the current year.

	(R'000)		
Class of asset	Original depreciation	Change in depreciation	Depreciation after change
Furniture and office equipment	18	(11)	7
Leasehold improvements	26	–	26
	44	**(11)**	**33**

MAINTENANCE OF PROPERTY, PLANT AND EQUIPMENT

Repairs and maintenance relating to property, plant and equipment amounted to R0.605 million (2025: R0.150 million).

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

5. INTANGIBLE ASSETS

	(R'000)					
	2026			2025		
Economic entity	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	19 413	(11 457)	7 956	22 166	(11 192)	10 974

	(R'000)					
	2026			2025		
Controlling entity	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	19 413	(11 457)	7 956	22 166	(11 192)	10 974

RECONCILIATION OF INTANGIBLE ASSETS – ECONOMIC ENTITY – 2026

	(R'000)			
	Opening balance	Disposals	Amortisation	Total
Computer software	10 974	(208)	(2 810)	7 956

RECONCILIATION OF INTANGIBLE ASSETS – ECONOMIC ENTITY – 2025

	(R'000)					
	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Computer software	11 542	440	(6)	1 815	(2 817)	10 974
Work in progress	1 815	–	–	(1 815)	–	–
	13 357	**440**	**(6)**	**–**	**(2 817)**	**10 974**

RECONCILIATION OF INTANGIBLE ASSETS – CONTROLLING ENTITY – 2026

	(R'000)			
	Opening balance	Disposals	Amortisation	Total
Computer software	10 974	(208)	(2 810)	7 956

RECONCILIATION OF INTANGIBLE ASSETS – CONTROLLING ENTITY – 2025

	(R'000)					
	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Computer software	11 542	440	(6)	1 815	(2 817)	10 974
Work in progress	1 815	–	–	(1 815)	–	–
	13 357	**440**	**(6)**	**–**	**(2 817)**	**10 974**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

5. INTANGIBLE ASSETS (CONTINUED)

RESTRICTED TITLE

None of the above intangible assets have restrictions in title or have been pledged as security.

CHANGE IN ESTIMATE

In line with GRAP 31 (Para 104), the Agency reassessed the remaining useful lives of the assets and amended amortisation on a prospective basis in line with GRAP 3. Such effect has had an impact of an increase in amortisation of R1,000 in prior-year and is expected to reduce amortisation in the outer years based on respective useful lives.

PRIOR YEAR CHANGE IN ESTIMATE

In the prior financial year, the Agency reassessed the remaining useful lives of certain intangible assets in accordance with GRAP 31.104. The resulting change in accounting estimate was accounted for prospectively in accordance with GRAP 3 and increased amortisation expense by approximately R1,000 in the prior year. The reassessment is expected to reduce amortisation charges in future periods over the remaining useful lives of the affected assets.

CURRENT YEAR ASSESSMENT

During the current financial year, management reassessed the useful lives, residual values and amortisation methods of intangible assets and concluded that no changes in accounting estimates were required. Accordingly, the useful lives, residual values and amortisation methods applied remain consistent with those applied in the prior year.

The following represents the prior year impact:

2025

	(R'000)		
	Original amortisation	Change in amortisation	Amortisation after change
Computer software	24	1	25

6. INVESTMENTS IN CONTROLLED ENTITIES

			(R'000)	
Name of company	Holding 2026	Holding 2025	Carrying amount 2026	Carrying amount 2025
Natural Carotenoids South Africa (Pty) Ltd	98,80%	98,80%	–	–

The carrying amounts of controlled entities are shown net of impairment losses.

During the current year, the Board approved the disposal of Natural Carotenoids South Africa (Pty) Ltd. Accordingly, given that the investment was previously fully impaired, the previous impairments of R11,839,927.62 was reversed in the current year, and a loss of disposal of investment of the same amount was recorded in the Statement of comprehensive income (refer to note 25). Final approval from the Executive authority for the disposal in terms of Section 54 of the PFMA is outstanding. Following this approval, the final de-registration from CIPC will be effected.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

7. INVESTMENT IN ASSOCIATES

				(R'000)	
Name of entity	Reporting period end	Holding 2026	Holding 2025	Carrying amount 2026	Carrying amount 2025
ACTIVE INVESTMENTS					
LifeAssay Diagnostics (Pty) Ltd	28 February	26,00%	26,00%	–	–
Ribotech (Pty) Ltd	31 August	35,00%	35,00%	–	–
INVESTMENTS IN THE PROCESS OF DEREGISTRATION/ LIQUIDATION					
Niocad (Pty) Ltd	28 February	22,00%	22,00%	–	–
Edgi tech (Pty) Ltd	28 February	26,00%	26,00%	–	–
Silverlake Trading (Pty) Ltd	28 February	28,00%	28,00%	–	–
Eyeborn (Pty) Ltd	31 March	25,00%	25,00%	–	–
Femtech (Pty) Ltd*	28 February	69,00%	69,00%	–	–

The carrying amounts of associates are shown net of impairment losses.

** Although the controlling entity holds more than 50%, the investment is not considered a controlled entity because the controlling entity does not have control over the entity due to the voting rights/appointment powers of directors. This investment is therefore classified as investments in associates.*

RECONCILIATION OF INVESTMENTS – 2026

	(R'000)				
	Cost	Impairment	Reversal of impairment	Disposal of asset	Net book value
ACTIVE INVESTMENTS					
LifeAssay Diagnostics (Pty) Ltd	1	(1)	–	–	–
Ribotech (Pty) Ltd	36 789	(36 789)			
INVESTMENTS IN THE PROCESS OF DEREGISTRATION/ LIQUIDATION			–	–	–
Niocad (Pty) Ltd	1 004	(1 004)			
Edgi Tech (Pty) Ltd	3 275	(3 275)	–	–	–
Silverlake Trading (Pty) Ltd	441	(441)	–	–	–
Eyeborn (Pty) Ltd	1	(1)	–	–	–
Femtech (Pty) Ltd	11 000	(11 000)	–	–	–
	52 511	**(52 511)**	**–**	**–**	**–**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

7. INVESTMENT IN ASSOCIATES (CONTINUED)

RECONCILIATION OF INVESTMENTS – 2025

	(R'000)				
	Cost	Impairment	Reversal of impairment	Disposal of asset	Total
ACTIVE INVESTMENTS					
LifeAssay Diagnostics (Pty) Ltd	1	(1)	–	–	–
Ribotech (Pty) Ltd	36 789	(36 789)	–	–	–
Tenacent SA (Pty) Ltd	750	(750)	750	(750)	–
INVESTMENTS IN THE PROCESS OF DEREGISTRATION/LIQUIDATION					
Niocad (Pty) Ltd	1 004	(1 004)	–	–	–
Edgi Tech (Pty) Ltd	3 275	(3 275)	–	–	–
Silverlake Trading (Pty) Ltd	441	(441)	–	–	–
Eyeborn (Pty) Ltd	1	(1)	–	–	–
Femtech (Pty) Ltd	11 000	(11 000)	–	–	–
	53 261	**(53 261)**	**750**	**(750)**	**–**

PRINCIPAL ACTIVITIES

Legal name	Principal activity
LifeAssay Diagnostics (Pty) Ltd	Manufacturer of vitro diagnostic test kits
Ribotech (Pty) Ltd	Manufacturing of recombinant human granulocyte colony-stimulatingfactor (rhG-CSF), a product which is used in cancer treatments

All the above entities are incorporated in South Africa.

SUMMARY OF CONTROLLED ENTITY'S INTEREST IN ASSOCIATE

	(R'000)	
	Controlling entity	
	2026	2025
Total assets	1 355	1 442
Total liabilities	(59 597)	(59 584)
Deficit	(12)	(97)

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

7. INVESTMENT IN ASSOCIATES (CONTINUED)

SUMMARY OF FINANCIAL POSITION OF ASSOCIATES

	(R'000)	
	Controlling entity	
	2026	2025
LIFEASSAY		
Total assets	(5 495)	(5 829)
Total liabilities	(9 263)	(9 214)
Surplus/(deficit)	287	(40)
	(14 471)	**(15 083)**
RIBOTECH		
Total assets	210	210
Total liabilities	(163 395)	(163 395)
Surplus/(deficit)	(248)	(248)
	(163 433)	**(163 433)**

ASSOCIATES WITH DIFFERENT REPORTING DATES

Some of the associates have reporting dates that differ from the controlling entity. If the reporting date is within a three-month period of the reporting period of the controlling entity, the annual financial statements for that period were used in consolidating the results of the entity. The management accounts for the entities were reviewed in order to ensure that no significant changes took place between the reporting date and the year-end. Where the reporting date is greater than a three-months of the reporting period of the controlling entity, the Agency has utilised the latest available financial information for the purposes of disclosure. In certain instances such disclosure is greater than a year old.

For Ribotech (Pty) Ltd, the financial year-end was 31 August 2025. However, for the purposes of consolidation, the management accounts as at 31 March 2025 were used, as they represented the most recent and reliable financial information available.

UNRECOGNISED SHARE OF LOSSES OF ASSOCIATES

The economic entity has discontinued recognising its share of the deficits of its active associates (Ribotech (Pty) Ltd and LifeAssay Diagnostics (Pty) Ltd), as the investments are held at RNil and the economic entity has no obligation for any deficits of the associate. The total unrecognised deficits for the current period is R0.12 million (2025: R0.97 million). The accumulated unrecognised deficits to date amount to R60.95 million (2025: R57.03 million).

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

7. INVESTMENT IN ASSOCIATES (CONTINUED)

ADOPTION OF GRAP 104

Prior to the disposal, the Agency held a 20% interest in Tenacent and accounted for the investment as an associate using the equity-method. In accordance with GRAP 36, the investment was derecognised on the date of disposal, with TIA removing the carrying amount of the associate, recognising the receivable for proceeds due, and recording any resulting gain or loss in surplus or deficit.

TIA retained an enforceable contractual right to future windfall-levy amounts arising from the Sale of Shares Agreement. Accordingly, the contingent windfall-levy receivable meets the definition of a financial asset under GRAP 104 because it gives rise to a contractual right to receive cash if the specified revenue conditions are met.

However, due to the variable and performance-linked nature of the cash flows, the instrument fails the SPPI test and must be classified and measured at fair value through surplus or deficit (FVTSD).

Initial measurement would be at fair value based on a probability-weighted assessment of expected revenue above the threshold, discounted to present value.

At the date of initial application of Revised GRAP 104 (1 April 2025), the windfall levy receivable was assessed in accordance with the fair value measurement requirements applicable to financial assets classified at FVTSD. At this date, the windfall levy had matured in respect of the first year of the contract and was no longer subject to estimation uncertainty. As a result, the fair value at transition was equal to the confirmed and audited amount of R57,909, representing the amount expected to be received from Tenacent.

As the windfall levy receivable had not been recognised in the accounting records before adoption of Revised GRAP 104, an adjustment to opening accumulated surplus (or accumulated deficit) is required at the date of transition to reflect the recognition and measurement of the financial asset in accordance with the new standard.

Subsequent measurement requires re-measurement to fair value at each reporting date, with changes recognised in surplus or deficit. Based on projected revenue, the fair value of the asset is assessed at zero. During the 2025/26 year, actual revenue was lower than the windfall revenue and accordingly no asset or fair value gain recognised.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

8. LOANS RECEIVABLE

FELLOW CONTROLLED ENTITIES

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
AGRIPROTEIN (PTY) LTD This loan has not been written off. However, the loan has been fully impaired due to the ongoing business rescue process. The remaining balance of R2.04 million has been included in the prior year provision for impairment. **ADOPTION OF GRAP 104:** Given that the borrower remains under business rescue with objective evidence of credit impairment, the loan was classified as a Stage 3 credit impaired financial asset and a lifetime expected credit loss equal to the gross carrying amount was recognised. The cumulative impact of the change in impairment methodology resulted in no net adjustment to accumulated surplus at transition.	–	–	–	–
BALANCELL ENERGY (PTY) LTD The loan is repayable at a rate of 6% of revenue generated from the sale or leasing of battery management systems, until the outstanding balance has been settled in full. **ADOPTION OF GRAP 104:** On adoption of GRAP 104 on 01 April 2025, the Agency held a financial asset arising from a royalty-linked funding arrangement with Balancell Energy (Pty) Ltd. Due to the absence of an active market and the inability to reliably measure the fair value of the asset, it is measured at cost in accordance with GRAP 104. The asset remains subject to impairment assessment and is classified as a Stage 1 performing financial asset. Accordingly, no impairment allowance has been recognised.	19 905	20 409	19 905	20 409

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

8. LOANS RECEIVABLE (CONTINUED)

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
STONE THREE DIGITAL (PTY) LTD The loan has quarterly repayments over a five-year period commencing on 31 May 2022 with interest accruing at the prime rate, subject to the recipient attaining profitability. **ADOPTION OF GRAP 104:** On adoption of the revised GRAP 104 on 1 April 2025, the loan advanced to Stone Three Digital was reassessed for both classification and impairment. The loan satisfies the solely payments of principal and interest (SPPI) criteria and is held within a business model to collect contractual cash flows. Accordingly, the loan continues to be measured at amortised cost. At the date of adoption, the borrower was not in arrears and had demonstrated consistent repayment behaviour in terms of the arbitration agreement. Based on the assessment of credit risk, including historical payment performance, absence of defaults, and stable forward looking indicators, the loan was classified as a Stage 1 (performing) financial asset. A 12-month expected credit loss (ECL) was calculated; however, due to a probability of default (PD) of 0.1%, the resulting ECL was R2,599.44. As a result, an ECL allowance on take-on of R2,599.44 was recognised on transition with corresponding adjustment to opening accumulated surplus at 1 April 2025, with a net carrying value of R4,030,126.	2 393	4 033	2 393	4 033
AGRIREVOLUTION (PTY) LTD A loan amount of R1 million was advanced in the 2023/2024 financial year to the project. The loan is interest bearing at the prime interest rate and is repayable over a twenty-four (24) month period. The total loan owing (with interest) in the prior year amounted to R1.19 million. This loan has been fully provided for as the business remains in financial distress. **ADOPTION OF GRAP 104:** On adoption of the revised GRAP 104 on 01 April 2025, the loan advanced to Agrirevolution (Pty) Ltd was reassessed for classification and impairment. The loan meets the SPPI criteria and is held to collect contractual cash flows and therefore continues to be measured at amortised cost. Given that the borrower was in financial distress at the date of adoption, the loan was classified as a Stage 3 credit impaired financial asset and a lifetime expected credit loss equal to the gross carrying amount was recognised. The cumulative impact of adopting the expected credit loss model resulted in no adjustment to accumulated surplus.				

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

8. LOANS RECEIVABLE (CONTINUED)

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
TMI CONSULTANCY CC Following a legal process, this amount relates to settlement in terms of an arbitration award and is repaid on a monthly basis over a four-and-a-half year period commencing 07 August 2023. **ADOPTION OF GRAP 104:** On adoption of the revised GRAP 104 on 1 April 2025, the loan advanced to TMI Consultancy CC was reassessed for both classification and impairment. The loan satisfies the solely payments of principal and interest (SPPI) criteria and is held within a business model to collect contractual cash flows. Accordingly, the loan continues to be measured at amortised cost. At the date of adoption, the borrower was not in arrears and had demonstrated consistent repayment behaviour in terms of the arbitration agreement. Based on the assessment of credit risk, including historical payment performance, absence of defaults, and stable forward-looking indicators, the loan was classified as a Stage 1 (performing) financial asset. A 12-month expected credit loss (ECL) was calculated; however, due to a probability of default (PD) of 01%, the resulting ECL was R700. As a result, an ECL take-on impact on transition to opening accumulated surplus at 1 April 2025 of R700 was recorded. The resultant carrying value of the loan at 1 April 2025 is R1,699,300	1 099	1 700	1 099	1 700
GRAF IN TECH (PTY) LTD The Agency disbursed funding to the entity as part of funds managed on behalf of the Innovation Fund. A total loan of R 0.9m was advanced during the prior year with repayment expected on 30 April 2025. As at 31 March, only R 0.5m was received. The remaining loan balance of R 0.4m was not repaid as at 30 April 2025 and has been fully impaired. **ADOPTION OF GRAP 104:** On adoption of revised GRAP 104 on 01 April 2025, the funding advanced to Graf In Tech (Pty) Ltd was reassessed. Although the agreement is described as bridging finance with conditional grant features, it contains enforceable repayment obligations and therefore meets the definition of a financial asset measured at amortised cost. The borrower was in default at the date of adoption and the loan was classified as a Stage 3 credit impaired financial asset. A lifetime expected credit loss equal to the outstanding balance was recognised. The adoption of the expected credit loss model did not result in an adjustment to accumulated surplus.	–	–	–	–

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

8. LOANS RECEIVABLE (CONTINUED)

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
TECHNOVERA The Agency advanced R5 million to Technovera (Pty) Ltd under as an interest free loan instrument which is repayable on the attainment of profitability. The agreement provides for a repayment holiday (a deferral of repayment) for an agreed period, being 13 months, (thirteen), dated from the end of the Project Plan, with the Company becoming liable to repay the Loan Amount from month 25 (twenty-five), dated from the end of the payment holiday term, for a period of 6 (six) years. As Technovera has become profitable and the repayment holiday period has expired, the repayment obligation is triggered and the inflow of economic benefits is no longer contingent on a remote or speculative event, a loan receivable has been recognized on the statement of financial position. **ADOPTION OF GRAP 104:** On adoption of revised GRAP 104, the loan to Technovera was reassessed for classification and impairment purposes. The loan satisfies the SPPI criteria and is held within a business model to collect contractual cash flows. Accordingly, the loan should be measured at amortised cost. At transition, the borrower was in default and had overdue payments outstanding. Based on the deterioration in repayment performance and the existence of default indicators, the loan was classified as a Stage 3 credit-impaired financial asset. The PD was assessed at 50%, while the Loss Given Default was assessed at 100%, reflecting the expectation that no recoveries would be realised due to the borrower's financial position and the uncertainty surrounding recoverability.	2 500	–	2 500	-

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

8. LOANS RECEIVABLE (CONTINUED)

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
CAPEBIO TECHNOLOGIES (PTY) LTD The Agency advanced R10,9 million to Capebio Technologies Pty (Ltd) at a prime linked loan instrument which is repayable over a 5 year period from date of attainment of profitability. Repayments are not yet due in line with contractual provisions. **ADOPTION OF GRAP 104:** On adoption of the revised GRAP 104 on 1 April 2025, the loan advanced to CapeBio Technologies (Pty) Ltd was assessed for both classification and impairment. The loan satisfies the solely payments of principal and interest (SPPI) criteria and is held within a business model to collect contractual cash flows. Accordingly, the loan is required to be measured at amortised cost. At the date of adoption, the borrower was not in arrears as repayments were not yet due in line with the contractual provisions. Based on the assessment of credit risk, the loan was classified as a Stage 1 (performing) financial asset.	10 999	–	10 999	–
	36 896	**26 142**	**36 896**	**26 142**

ANALYSIS OF NET BOOK VALUE OF LOANS RECEIVABLE – 2026

	(R'000)		
	Loan balance due before impairment	Expected credit losses	Net balance
Agriprotein (Pty) Ltd	2 037	(2 037)	–
Balancell Energy (Pty) Ltd	19 905	–	19 905
Stone Three Digital (Pty) Ltd	2 393	–	2 393
Agrirevolution (Pty) Ltd	1 080	(1 080)	–
TMI Consultancy CC	1 100	(1)	1 099
Graf In Tech (Pty) Ltd	400	(400)	–
Technovera	5 000	(2 500)	2 500
Capebio Technologies (Pty) Ltd	10 999	–	10 999
	42 914	**(6 018)**	**36 896**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

8. LOANS RECEIVABLE (CONTINUED)

ANALYSIS OF NET BOOK VALUE OF LOANS RECEIVABLE – 2025

	(R'000)		
	Loan balance due before impairment	Accumulated impairment	Net balance
Agriprotein (Pty) Ltd	2 037	(2 037)	–
Balancell Energy (Pty) Ltd	20 841	(432)	20 409
Stone Three Digital (Pty) Ltd	4 033	–	4 033
Agrirevolution (Pty) Ltd	1 058	(1 058)	–
TMI Consultancy CC	1 700	–	1 700
Graf In Tech (Pty) Ltd	400	(400)	–
	30 069	**(3 927)**	**26 142**

OVERALL RECONCILIATION OF LOANS RECEIVABLE

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
Opening balance	26 142	27 101	26 142	27 101
Repayment of loans	(3 128)	(1 980)	(3 128)	(1 980)
Interest earned	278	648	278	648
Adjustments to loss allowance	(727)	(527)	(727)	(527)
Recognition of financial asset	15 999	900	15 999	900
GRAP 104 take on	(1 668)	–	(1 668)	–
	36 896	**26 142**	**36 896**	**26 142**
Non-current assets	33 179	23 088	33 179	23 088
Current assets	3 717	3 054	3 717	3 054
	36 896	**26 142**	**36 896**	**26 142**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

9. OTHER FINANCIAL ASSETS

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
OTHER FINANCIAL ASSETS HELD AT COST				
THE BIOLOGICALS AND VACCINES INSTITUTE OF SOUTHERN AFRICA (PTY) LTD				
Equity stake	3 000	3 000	3 000	3 000
Loan advanced	23 300	23 300	23 300	23 300
	26 300	**26 300**	**26 300**	**26 300**

The shareholder loan has no fixed date of repayment and currently bears no interest.

OTHER FINANCIAL ASSETS HELD AT FAIR VALUE				
ARCAQUA (PTY) LTD				
Equity stake	15 608	14 022	15 608	14 022

The investment in Biologics and Vaccines Institute of Southern Africa (Pty) Ltd represents an unlisted equity instrument. Management concluded that the fair value of the investment could not be measured reliably due to the absence of an active market and insufficient recent observable market transactions or reliable valuation inputs. Accordingly, the investment is carried at cost in accordance with GRAP 104.

The principal factors preventing a reliable fair value measurement include:

- The investment is not traded in an active market and there are no quoted market prices available for the shares.
- There have been no recent arm's length transactions involving Biologics and Vaccines Institute of Southern Africa (Pty) Ltd (Biovac) shares that could provide observable evidence of fair value.
- Biovac operates as a hybrid public-private partnership with a strategic public-health mandate, where commercial returns are influenced by national vaccine security, technology transfer objectives and government procurement arrangements, rather than purely market-based considerations.
- Management concluded that comparable listed vaccine manufacturers and biotechnology companies are not appropriate valuation benchmarks because their valuations are primarily driven by intellectual property, commercial return expectations, pipeline development, merger and acquisition activity and market exit opportunities, which differ fundamentally from Biovac's operating model and mandate.
- State-backed vaccine manufacturers identified as potential reference points are also not sufficiently comparable due to differences in ownership structures, market size, statutory support mechanisms, pricing arrangements and funding models, resulting in limited observable market evidence for deriving a reliable equity valuation.
- Significant uncertainty exists regarding future cash flows due to dependence on government vaccine tenders, regulatory approvals, technology-transfer milestones, donor and development-finance funding, project execution risks, foreign exchange movements and public-sector demand patterns. These factors reduce the reliability of forecast-based valuation techniques.
- Historical assessments of budget-to-actual performance indicate that while revenue has generally tracked expectations, profitability, EBITDA and earnings have exhibited material volatility due to tender timing, product mix, input costs, foreign exchange movements and finance charges. As a result, management concluded that discounted cash flow valuations would require significant assumptions and sensitivity adjustments, limiting the reliability of such fair value estimates.
- Accordingly, management determined that sufficient observable market inputs and reliable valuation techniques were not available at the reporting date to support a defensible fair value measurement in accordance with GRAP 104. The investment is therefore carried at cost less impairment and is subject to ongoing reassessment at each reporting date.

Management reviews these circumstances annually and will measure the investment at fair value when sufficient reliable information becomes available.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

9. OTHER FINANCIAL ASSETS (CONTINUED)

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
TOTAL OTHER FINANCIAL ASSETS	**41 908**	**40 322**	**41 908**	**40 322**
NON-CURRENT ASSETS				
Financial asset at fair value	18 608	17 022	18 608	17 022
Shareholder's loan	23 300	23 300	23 300	23 300
	41 908	**40 322**	**41 908**	**40 322**

FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AT FAIR VALUE

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. The fair value hierarchy has the following levels:

- Level 1 represents those assets which are measured using unadjusted quoted prices in active markets for identical assets.
- Level 2 applies inputs other than quoted prices that are observable for the assets either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 applies inputs which are not based on observable market data.

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
LEVEL 3				
ArcAqua (Pty) Ltd	15 608	14 022	15 608	14 022

FAIR VALUES OF FINANCIAL ASSETS MEASURED OR DISCLOSED AT FAIR VALUE

The valuation of ArcAqua (Pty) Ltd covered the current value, taking into account its going concern status, and as its estimated future value, linked to and based on, a future market potential study. Assessment and valuation methods accommodate long-term views, as expected when dealing with technology companies with strong Intellectual Property (IP) protection.

The 14.71% equity investment in ArcAqua (Pty) Ltd is measured at fair value on 27 January 2025, based on an independent valuation performed at the time of conversion of the conditional grant of R7.2 million into equity. Gains from financial instruments are included in Note 18.

ADOPTION OF GRAP 104

With effect from 01 April 2025, the Agency adopted the revised GRAP 104 – Financial Instruments. Funding advanced to ArcAqua (Pty) Ltd gives rise to a financial asset with contractual cash flows linked to future revenue and repayment until a targeted internal rate of return is achieved.

Because the contractual cash flows are contingent and do not represent solely payments of principal and interest, the financial asset is measured at fair value through surplus or deficit. The asset was already measured at fair value prior to adoption of the revised standard.

Based on the application of GRAP 104, no changes to the valuation of the financial asset were required. Accordingly, no adjustments to the opening accumulated surplus were required as at 1 April 2025.

Based on the fair value calculation performed for the current year, a fair value gain of R1.5 million was recognised in surplus or deficit for the year.

Comparative information has not been restated.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

9. OTHER FINANCIAL ASSETS (CONTINUED)

VALUATION METHODOLOGY AND TECHNIQUES

The fair value of the investment in ArcAqua (Pty) Ltd has been determined using a valuation technique appropriate for early-stage technology investments, namely a discounted cash flow ("DCF") methodology, supplemented where relevant by market-related considerations. The valuation reflects both the current value of the entity and its estimated future economic potential based on projected commercialisation outcomes.

The valuation is classified as a Level 3 fair value measurement due to the use of significant unobservable inputs.

Key assumptions applied in determining fair value

The determination of fair value requires the use of significant assumptions, including:

- projected revenue growth rates based on expected commercialisation of the technology;
- expected operating margins and cost structures;
- discount rates reflecting the time value of money and the risks specific to the investment;
- terminal growth rates; and
- probability-weighted scenarios reflecting uncertainty around future performance.

These assumptions are based on management's best estimates of future economic conditions and the investee's operational performance at the reporting date.

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENT

The movement in the fair value of the ArcAqua investment during the year is as follows:

	R'000
DESCRIPTION	
Opening balance	14 022
Fair value gain recognised in surplus or deficit (Note 18)	1 586
CLOSING BALANCE	**15 608**

The fair value gain recognised reflects updated valuation inputs and revised performance expectations at the reporting date.

SENSITIVITY TO CHANGES IN UNOBSERVABLE INPUTS

The fair value measurement is sensitive to changes in key unobservable inputs, particularly projected revenues, discount rates, and expected margins.

A change in one or more of these assumptions to reasonably possible alternative values could result in a significant change in the fair value of the investment.

The effect of such changes is calculated by adjusting the relevant input variables in the valuation model while holding other variables constant. For example:

- an increase in the discount rate would result in a decrease in the fair value;
- a decrease in projected revenues or growth rates would similarly reduce the fair value; and
- an increase in projected performance assumptions would increase the fair value.

Due to the interrelationship between the inputs, the sensitivity of the fair value cannot be isolated to a single assumption without considering the impact on other inputs.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

9. OTHER FINANCIAL ASSETS (CONTINUED)

ASSETS MEASURED OR DISCLOSED AT COST

The investment of 12.50% in The Biologicals and Vaccines Institute of Southern Africa (Pty) Ltd has been recorded at cost as the investment does not have a quoted market price in an active market and its fair value cannot be reliably measured.

With effect from 01 April 2025, the Agency adopted the revised GRAP 104 – Financial Instruments. The Agency holds a shareholder loan and a 12.50% equity interest in The Biologicals and Vaccines Institute of Southern Africa (Pty) Ltd.

The shareholder loan is measured at amortised cost using the effective interest method and is subject to the general expected credit loss model. The equity interest is measured at cost as it does not have a quoted market price in an active market and its fair value cannot be reliably measured.

ADOPTION OF GRAP 104

As at 1 April 2025, management performed a transition assessment in accordance with GRAP 03 and the impairment requirements of revised GRAP 104 to determine whether an expected credit loss (ECL) allowance was required for the Biovac shareholder loan at the date of initial application.

In assessing expected credit losses, management applied a forward-looking approach, considering not only the existence of impairment indicators, but also reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions, as required by GRAP 104.

This assessment included consideration of:

- the counterparty's financial position and operating performance;
- expected future cash flows and budgets of the investee;
- the strategic nature of the investment and continued shareholder support; and
- the absence of adverse credit risk indicators or significant deterioration in credit quality.

Based on the assessment performed, management concluded that the credit risk associated with the loan has not increased significantly since initial recognition and that the probability of default remains low. Accordingly, although a 12-month expected credit loss assessment was performed, the resulting ECL was not material, and no loss allowance was recognised at transition.

At 31 March 2026, management performed a reassessment of expected credit losses under the revised GRAP 104 model, incorporating updated forward-looking information, including current performance and revised forecasts and budgets of the investee.

Based on this assessment, management concluded that:

- there has been no significant increase in credit risk since initial recognition; and
- the probability of default remains low, with no indicators of financial distress or credit deterioration.

Accordingly, although a 12-month expected credit loss was determined, the estimated loss remains immaterial, and no ECL has been recognised at the reporting date.

At 31 March 2026, management performed an impairment assessment under the revised GRAP 104 ECL model for the Biovac shareholder loan. Based on the assessment performed, management concluded that there were still no impairment indicators at the reporting date. Accordingly, no ECL was recognised at year end (closing balance).

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS

2026 RECONCILIATION PER CATEGORY

	(R'000)		
	Gross carrying amount	Expected Credit Loss	Net carrying amount
Trade debtors	25 094	(11 368)	13 726
Deposits	282	–	282
Other receivables	9 531	–	9 531
	34 907	**(11 368)**	**23 539**

2025 RECONCILIATION PER CATEGORY

	(R'000)		
	Gross carrying amount	Expected Credit Loss	Net carrying amount
Trade debtors	39 698	(10 518)	29 180
Deposits	282	–	282
Other receivables	3 704	–	3 704
	43 684	**(10 518)**	**33 166**

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
Non-current assets	282	282	282	282
Current assets	23 257	32 884	23 257	32 884
	23 539	**33 166**	**23 539**	**33 166**

Receivables from exchange are financial instruments as defined and are measured at amortised cost. Included in other receivables is R3.37 million (2025: R3.37 million) to be recovered from the DSTI.

Deposits relate to amounts held by lessors in respect of properties leased, and are recoverable on termination of leases.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS

TRADE AND OTHER RECEIVABLES FOR WHICH A LOSS ALLOWANCE HAS BEEN RECOGNISED

As of 31 March 2026, trade and other receivables of R27,40 million (2025: R10.52 million) were impaired and a corresponding loss allowance was recognised.

The ageing of these receivables is as follows:

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
SUMMARY OF AGEING OF RECEIVABLES WITH RECOGNISED LOSS ALLOWANCE				
Current to 3 months	6 058	5 008	6 058	5 008
3 to 6 months	51	4	51	4
Over 6 months	5 259	5 506	5 259	5 506
	11 368	**10 518**	**11 368**	**10 518**
RECONCILIATION OF LOSS ALLOWANCE FOR IMPAIRMENT OF TRADE DEBTORS AND OTHER RECEIVABLE				
Opening balance	10 518	7 887	10 518	7 887
GRAP 104 take on	226	–	226	–
Provision for expected credit loss allowance	624	2 631	624	2 631
	11 368	**10 518**	**11 368**	**10 518**

The creation and release of provision for impaired receivables have been included in the operating expenses in the Statement of Financial Performance. Amounts are written off when recovery is considered improbable.

No collateral is held as security for receivables.

NATURE OF BALANCES

The balances disclosed in this note primarily comprise receivables arising from contractual arrangements, including trade debtors, deposits and other receivables, which meet the definition of financial instruments in accordance with GRAP 104.

Accordingly, the receivables from exchange transactions are classified as financial assets measured at amortised cost, with the exception of amounts that do not give rise to contractual rights to receive cash, which are immaterial.

ADOPTION OF GRAP 104

TRADE RECEIVABLES:

With effect from 01 April 2025, the Technology Innovation Agency adopted the revised GRAP 104 – Financial Instruments. Trade receivables are classified as financial assets measured at amortised cost. Under the revised standard, the Agency applies the simplified approach to the impairment of trade receivables and recognises lifetime expected credit losses from matrix based on historical default experience, ageing of receivables, industry-specific recovery patterns and appropriate forward-looking considerations. On adoption of the revised standard, the allowance for impairment recognised under the previous incurred loss model was replaced with a lifetime expected credit loss allowance. The adoption of the revised impairment requirements resulted in a decrease in net adjustment to accumulated surplus at the date of initial application. Comparative information has not been restated.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

DEPOSITS AND OTHER RECEIVABLES

With effect from 01 April 2025, the Agency adopted the revised GRAP 104 – Financial Instruments. Deposits and other receivables are classified as financial assets measured at amortised cost. Under the revised standard, the general expected credit loss model is applied. Expected credit losses are measured at an amount equal to 12-month expected credit losses for receivables for which there has not been a significant increase in credit risk since initial recognition, and lifetime expected credit losses for receivables that are credit-impaired. On adoption of the revised standard, certain long-outstanding sundry receivables were assessed as credit-impaired, resulting in an increase in the loss allowance recognised against these balances. The cumulative impact was recognised as an adjustment to accumulated surplus at the date of initial application. Comparative information has not been restated.

11. PREPAYMENTS

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
DESCRIPTION				
Rental	1 079	1 115	1 079	1 115
Software licence	3 728	2 516	3 728	2 516
	4 807	**3 631**	**4 807**	**3 631**

Prepayments comprise a total amount of R1.08 million (2025: R1.11 million) for rentals for the Western Cape, Durban and Pretoria offices as well as bio-processing platform. In addition this amount includes software licences totaling R3.73 million (2025: R2.52 million) which are paid for in advance.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	601 624	669 285	601 624	669 285
Cash in USD Trust Account*	1 245 505	–	1 245 505	–
	1 847 129	**669 285**	**1 847 129**	**669 285**

Owing to the short term nature of these balances, the carrying value approximates the fair value of cash and cash equivalents at the end of the period. All balances are available immediately on demand.

There are restrictions on the use unspent conditional grants received of R445.14 million (2025: R536.93 million) as they relate to specific contracted programmes.

* *In February 2026, the Agency received payment in full settlement of the capital amount of its claim and interest thereon in an amount of USD 72 860 849.55. The income has been recognised based on the prevailing exchange rate at year end. The Board has resolved to hold the funds in USD, which at year end is being held in an attorneys trust account on behalf of the Agency. At year end, the amount recognised has been recorded at the prevailing SARB spot rate (calculated and published by SARB based on weighted average of commercial returns published by commercial banks) at 31 March 2026 and accordingly an exchange gain recorded in the Statement of Financial Performance.*

Adoption of GRAP 104:

Cash and cash equivalents are held to meet short-term cash commitments and are measured at amortised cost. The Agency's credit risk on cash and cash equivalents arises from deposits that are held with Financial Institutions. Credit risk is managed by placing funds with counterparties that are subject to appropriate regulations and oversight.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

12. CASH AND CASH EQUIVALENTS (CONTINUED)

The maximum exposure to credit risk at reporting date represents the gross carrying amount of cash and cash equivalents before impairment allowances. At 31 March 2026, the gross exposure amounted to:

- Standard Bank of South Africa Limited – R142,45 million
- South African Reserve Bank ("SARB") – R459,17 million
- Nedbank Limited – R1,246 billion

Based on the assessment performed on the respective counterparties, management concluded that the probability of default remains negligible and no expected credit loss allowance was recognised at either transaction date or reporting date.

Liquidity risk on cash and cash equivalents is limited because these balances are held in demand and call accounts that are available to meet short-term obligations.

13. OPERATING LEASE STRAIGHT-LINE LIABILITY

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
Operating lease liability	135	473	135	473
MOVEMENT RECONCILIATION				
Opening balance	473	595	473	595
Payments made	(473)	(595)	(473)	(595)
Straight line adjustment	135	473	135	473
	135	**473**	**135**	**473**
Non-current liabilities	50	135	50	135
Current liabilities	85	338	85	338
	135	**473**	**135**	**473**

Refer to note 24 for lease expenditure disclosure. Lease committments is disclosed in note 30.

14. PAYABLES FROM EXCHANGE TRANSACTIONS

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
Trade payables	73 134	8 535	73 134	8 535
Employee related third party payables	600	621	600	621
Accruals	88 722	55 432	88 722	55 432
	162 456	**64 588**	**162 456**	**64 588**

Included in other accruals is an amount of R83.20 million (2025: R53.25 million) for conditional grant funding and project disbursements accruals.

PAYABLES FROM EXCHANGE TRANSACTIONS COMPRISE:				
Financial liabilities	161 856	63 967	161 856	63 967
Non-financial liabilities	600	621	600	621
	162 456	**64 588**	**162 456**	**64 588**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

15. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
UNSPENT CONDITIONAL GRANTS AND RECEIPTS COMPRISES OF:				
Africa Programmes	831	3 005	831	3 005
Agriculture Bio-economy Partnership Programme	8 913	16 229	8 913	16 229
Bio-manufacturing Enterprise Management	4 563	4 255	4 563	4 255
Clothing and Textile Hub	5 560	5 185	5 560	5 185
Fibrelux Technology Diffusion Initiative	50	49	50	49
Innovation Fund	262 652	266 301	262 652	266 301
Innovation for Inclusive Development	24 916	63 070	24 916	63 070
Joint Technology Innovation Programme	234	218	234	218
South African Biodesign Initiative Programme	342	319	342	319
Seed Fund Programme	40 639	59 588	40 639	59 588
Space Innovation Initiative	86 814	86 896	86 814	86 896
Strategic Industrial Bio-innovation Programme	9 636	12 921	9 636	12 921
Strengthening the Europe-Africa Digital Ecosystem	305	284	305	284
Technology Station Programme	1 289	1 942	1 289	1 942
United Nations Industrial Development Organisation	5 685	3 129	5 685	3 129
Nanotech Platform	953	12 030	953	12 030
Orbis Foundation	1 500	1 500	1 500	1 500
Vaccine Development and Management Strategy	8	7	8	7
	454 890	**536 928**	**454 890**	**536 928**
MOVEMENT DURING THE YEAR				
Balance at the beginning of the year	536 928	501 219	536 928	501 219
Additions during the year	151 091	249 771	151 091	249 771
Income recognition during the year	(230 529)	(214 062)	(230 529)	(214 062)
Management fee income	(2 600)	–	(2 600)	–
	454 890	**536 928**	**454 890**	**536 928**
Non-current liabilities	83 167	120 106	83 167	120 106
Current liabilities	371 723	416 822	371 723	416 822
	454 890	**536 928**	**454 890**	**536 928**

Unspent conditional grants represent funds retained primarily to fund specific contracts with the Ministry of Science,

Technology and Innovation (DSTI). Funds payable under the contract have been disclosed between amounts expected to outflow based on programme requirements.

Unspent conditional grants have been split between current and non-current portions based on expected outflows from programmes.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

16. EMPLOYEE BENEFITS OBLIGATION

RECONCILIATION OF EMPLOYEE BENEFITS OBLIGATION – ECONOMIC ENTITY – 2026

	(R'000)				
	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for bonus	9 257	7 370	–	(9 257)	7 370
Leave pay	5 438	3 064	(3 059)	–	5 443
	14 695	**10 434**	**(3 059)**	**(9 257)**	**12 813**

RECONCILIATION OF EMPLOYEE BENEFITS OBLIGATION – ECONOMIC ENTITY – 2025

	(R'000)				
	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for bonus	9 227	9 000	(8 949)	(21)	9 257
Leave pay	5 591	7 953	(8 106)	–	5 438
	14 818	**16 953**	**(17 055)**	**(21)**	**14 695**

RECONCILIATION OF EMPLOYEE BENEFITS OBLIGATION – CONTROLLING ENTITY – 2026

	(R'000)				
	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for bonus	9 257	7 370	–	(9 257)	7 370
Leave pay	5 438	3 064	(3 059)	–	5 443
	14 695	**10 434**	**(3 059)**	**(9 257)**	**12 813**

RECONCILIATION OF EMPLOYEE BENEFITS OBLIGATION – CONTROLLING ENTITY – 2025

	(R'000)				
	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for bonus	9 227	9 000	(8 949)	(21)	9 257
Leave pay	5 591	7 953	(8 106)	–	5 438
	14 818	**16 953**	**(17 055)**	**(21)**	**14 695**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

16. EMPLOYEE BENEFITS OBLIGATION (CONTINUED)

BONUS PROVISION

In line with the entity's remuneration policy, the entity awards performance bonuses to employees subject to the performance of the entity, the Agency's liquidity and budget availability. Bonuses are provided at the discretion of the Board and are expected to be finalised following the completion of the performance assessment and moderation processes.

LEAVE PAY

The provision for leave pay represents the estimated liability for outstanding leave days accrued by employees as at the reporting date.

17. REVENUE FROM NON-EXCHANGE TRANSACTIONS

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
REVENUE FROM NON-EXCHANGE TRANSACTIONS COMPRISES:				
DSTI allocation received during the year	420 045	432 715	420 045	432 715
COMMITTED CONDITIONAL GRANT FUNDING RECOGNISED FOR:				
Africa Programmes	2 391	4 030	2 391	4 030
Agriculture Bio-economy Partnerships Programme	52 057	20 014	52 057	20 014
Innovation Fund	37 738	115 538	37 738	115 538
Innovation for Inclusive Development	51 655	42 900	51 655	42 900
South African Biodesign Initiative Programme	–	2 512	–	2 512
Seed Fund Programme	19 987	15 629	19 987	15 629
United Nations Industrial Development Organisation	11 477	7 921	11 477	7 921
Strategic Industrial Bio-innovation Programme	4 033	4 944	4 033	4 944
Strengthening the Europe-Africa Digital Ecosystem	–	116	–	116
Space Innovation Initiative	6 372	1	6 372	1
Technology Station Programme	33 582	457	33 582	457
Nanotech Platform	11 237	–	11 237	–
	650 574	**646 777**	**650 574**	**646 777**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

18. OTHER INCOME

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
Sundry receipts*	5 332	17 590	5 332	17 590
Royalties	11 808	29 716	11 808	29 716
Management fees	2 600	8 870	2 600	8 870
Reversal of provision for impairment	11 840	3 318	11 840	3 318
Recognition of investment on conversion of conditional grant	–	7 219	–	7 219
Gains on conversion of conditional grant to equity	–	3 825	–	3 825
Legal recovery of claim against Kapa Biosystems equity disposal	1 221 430	–	1 221 430	–
Fair value adjustment – Arq Aqua Investment (Note 9)	1 586	–	1 586	–
	1 254 596	**70 538**	**1 254 596**	**70 538**

** Included in sundry receipts are unspent funds refunded from investee companies, and funds received from partnership programmes.*

OTHER INCOME FROM EXCHANGE TRANSACTIONS

Royalties	11 808	29 716	11 808	29 716
Sundry receipts	5 332	17 590	5 332	17 590
Management fees	2 600	8 870	2 600	8 870
Legal recovery of claim against Kapa Biosystems equity disposal	1 221 430	–	1 221 430	–
	1 241 170	**56 176**	**1 241 170**	**56 176**

OTHER INCOME FROM NON-EXCHANGE TRANSACTIONS

Reversal of provision for impairment	11 840	3 318	11 840	3 318
Recognition of investment of conversion of conditional grant	–	7 219	–	7 219
Gains on conversion of conditional grant to equity	–	3 825	–	3 825
Fair value adjustment – Arq Aqua Investment	1 586	–	1 586	–
	13 426	**14 362**	**13 426**	**14 362**

During the 2024/25 financial year the Agency converted its prior year conditional grant exposure in ArcAqua (Pty) Ltd into a financial asset. Refer to 9.

19. INTEREST REVENUE

Bank	14 487	18 346	14 487	18 346
Loans receivable	9 631	128	9 631	128
	24 118	**18 474**	**24 118**	**18 474**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

20. GAIN ON EXCHANGE DIFFERENCES

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
GAIN OR LOSS ON EXCHANGE DIFFERENCES COMPRISE OF:				
Gain on foreign exchange differences	14 338	–	14 338	–

In February 2026, the Agency received payment in full settlement of the capital amount of its claim and interest thereon in an amount of USD 72 860 849.55. The income has been recognised based on the prevailing exchange rate at year end. The Board has resolved to hold the funds in USD, which at year end is being held in an attorneys trust account on behalf of the Agency. At year end, the amount recognised has been recorded at the prevailing SARB spot rate (calculated and published by SARB based on weighted average of commercial returns published by commercial banks) at 31 March 2026 and accordingly an exchange gain recorded in the Statement of Comprehensive Income.

21. EMPLOYEE RELATED COSTS

Basic remuneration and re-imbursive allowances	118 030	104 091	118 030	104 091
Defined contribution plans	8 485	8 302	8 485	8 302
Performance bonus	–	8 979	–	8 979
Medical aid	4 103	3 863	4 103	3 863
	130 618	**125 235**	**130 618**	**125 235**

22. CONDITIONAL GRANT FUNDING AND PROJECT DISBURSEMENTS

Project grants-third party	557 200	491 139	557 200	491 139
PROJECT FUNDING IS MADE UP OF THE FOLLOWING:				
Africa Programmes	2 391	4 030	2 391	4 030
United Nations Industrial Development Organisation	11 205	7 922	11 205	7 922
Innovation for Inclusive Development	51 655	41 699	51 655	41 699
Innovation Skills Development Programme	175	282	175	282
Seed Fund Programme	22 587	15 629	22 587	15 629
Innovation Fund	22 738	115 538	22 738	115 538
Technology Development	124 646	124 439	124 646	124 439
Technology Innovation Cluster Programme	41 016	22 950	41 016	22 950
Technology Platform Programme	103 579	70 948	103 579	70 948
Technology Station Programme	103 509	61 142	103 509	61 142
South African Biodesign Initiative Programme	–	2 512	–	2 512
Agricultural Bio-economy Innovation Partnership	52 057	20 013	52 057	20 013
PROGRAMME				
Strategic Industrial Bio-innovation Partnerships	4 033	4 000	4 033	4 000
Youth Technology Innovation Programme	–	35	–	35
Nanotech Platform	11 237	–	11 237	–
Space Innovation Initiative	6 372	–	6 372	–
	557 200	**491 139**	**557 200**	**491 139**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

22. CONDITIONAL GRANT FUNDING AND PROJECT DISBURSEMENTS (CONTINUED)

The Agency reallocates a portion of depreciation and amortisation to conditional grant funding and project disbursements to ensure accurate disclosure in the Statement of Financial Performance. This has been reconciled below.

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
RECONCILIATION OF DEPRECIATION FOR BOTH THE ECONOMIC AND CONTROLLING ENTITIES				
Depreciation as per Note 4	3 708	2 978	3 708	2 978
Amortisation as per Note 5	2 810	2 817	2 810	2 817
Amount allocated to project costs	(973)	(28)	(973)	(28)
	5 545	**5 767**	**5 545**	**5 767**

23. DEPRECIATION AND AMORTISATION

THE TOTAL DEPRECIATION AND AMORTISATION RECOGNISED IN SURPLUS OR DEFICIT FOR THE PERIOD IS AS FOLLOWS:				
Depreciation (Property, plant and equipment)	2 734	2 950	2 734	2 950
Amortisation (Intangible assets)	2 811	2 817	2 811	2 817
	5 545	**5 767**	**5 545**	**5 767**

24. LEASE RENTALS ON OPERATING LEASE

PREMISES				
Contractual amounts	9 964	9 082	9 964	9 082

25. IMPAIRMENT

ECL Allowance/Impairment	727	5 199	727	5 199
ECL Allowance/provision for impairment of investments expense	622	528	622	528
	1 349	**5 727**	**1 349**	**5 727**

26. PROFIT OR LOSS ON WRITE-OFF OF LOAN TO SUBSIDIARY

PROFIT OR LOSS ON WRITE-OFF OF LOAN TO SUBSIDIARY COMPRISE OF:				
Loss on write-off of loan to subsidiary	11 840	–	11 840	–

During the current year, the Board approved the write-off of a loan to Natural Carotenoids South Africa (Pty) Ltd. The loan was previously fully impaired. Accordingly, the prior impairment of R11,839,927.62 was reversed in the current year, and the loan was written off. The net effect of the disposal is nil on the Statement of Comprehensive income, refer note 6.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

27. OTHER OPERATING EXPENSES

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
Auditors remuneration	2 110	1 567	2 110	1 567
Cleaning	960	481	960	481
Consulting and professional fees	7 088	9 924	7 088	9 924
Recruitment costs	1 592	186	1 592	186
Electricity	2 194	1 975	2 194	1 975
IT expenses	11 542	8 145	11 542	8 145
Insurance	561	474	561	474
Legal fees	6 163	2 240	6 163	2 240
Loss/(profit) on sale of asset (refer to note 4)	381	(494)	381	(494)
Marketing and communications	1 726	814	1 726	814
Other expenditure*	4 965	5 109	4 965	5 109
Printing and stationery	399	83	399	83
Repairs and maintenance – property, plant and	41	157	41	157
equipment Placement fees	–	186	–	186
Security	1 629	1 634	1 629	1 634
Sponsorships	712	1 166	712	1 166
Staff welfare	509	231	509	231
Subscription and certification costs	301	673	301	673
Telephone and fax	963	977	963	977
Training	786	680	786	680
Travel	15 157	13 499	15 157	13 499
	59 779	**49 707**	**59 779**	**49 707**

** Other expenditure covers costs such as catering, fuel, advertising, consumables, and conferences.*

28. TAXATION

The economic and controlling entity is exempt from income tax in terms of the provisions of section 10(1)(cA)(i) of the Income Tax Act. Furthermore, the Agency is also a Schedule 3A public entity in terms of the Public Finance Management Act.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

29. CASH GENERATED FROM OPERATIONS

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
Surplus	1 167 331	49 082	1 167 331	49 082
ADJUSTMENTS FOR:				
Depreciation and amortisation	6 518	5 795	6 518	5 795
Loss on write-off of loan to subsidiary	11 840	–	11 840	–
Deficit from equity accounted investments	–	50	–	50
Gain on foreign exchange	(14 338)	–	(14 338)	–
ECL adjustment to surplus opening balance	(1 838)	–	(1 838)	–
Movement in provision	(1 883)	–	(1 883)	–
ECL Technovera	1 668	–	1 668	–
Impairment	1 349	5 727	1 349	5 727
Operating lease smoothing	(338)	(122)	(338)	(122)
Reversal of provision	(11 840)	(3 318)	(11 840)	(3 318)
Investment gain realised on conversion of loan to financial asset	–	(11 044)	–	(11 044)
Interest accrued on loan accounts	(278)	(648)	(278)	(648)
Movement in provision	–	(350)	–	(350)
Non cash adjustments relating to property, plant and equipment	–	(140)	–	(140)
Fair value adjustment on Arq Aqua Investment	(1 586)	–	(1 586)	–
Bad debts write-offs	454	–	454	–
Loss on sale of asset	381	–	381	–
CHANGES IN WORKING CAPITAL:				
Receivables from exchange transactions	8 551	(27 892)	8 551	(27 892)
Prepayments	(1 176)	(324)	(1 176)	(324)
Payables from exchange transactions	97 868	30 156	97 868	30 156
Unspent conditional grants and receipts	(98 036)	35 709	(98 036)	35 709
	1 164 647	**82 681**	**1 164 647**	**82 681**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

30. COMMITMENTS

OPERATING LEASES – AS LESSEE (EXPENSE)

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
MINIMUM LEASE PAYMENTS DUE				
– within one year	10 202	8 556	10 202	8 556
– in second to fifth year inclusive	9 418	1 433	9 418	1 433
	19 620	**9 989**	**19 620**	**9 989**

Operating lease payments represent rentals payable by the economic entity for certain of its office properties. Leases are negotiated for an average term of five years and rentals are fixed for an average of three years. No contingent rent is payable.

FUNDING AGREEMENTS

Owing to the uncertainties regarding the timing and fulfillment of these conditions, these potential future funding commitments are dependent on the successful attainment of the agreed milestones by the investees.

These agreements will be funded using surplus cash and funds to be allocated in the financial periods in which these agreements become payable.

Funding agreements	1 458 739	117 819	1 458 739	117 819
Projects approved but not contracted	42 056	66 951	42 056	66 951
	1 500 795	**184 770**	**1 500 795**	**184 770**

Disclosure of funding agreement commitments were previously incorrectly included within the Contingent liabilities note in the prior year. In line with GRAP 19, these amounts have been reclassified to the Commitments note.

31. CONTINGENCIES

DISPUTED EMPLOYMENT MATTER

The entity is currently defending a legal matter in the Labour Court in respect of a disputed job appointment. The outcome is currently uncertain. Should there be negative outcome against the entity, this will result in a possible claim approximating R11m.

LEGAL PROCEEDINGS

There are several legal proceedings that are currently ongoing. These legal proceedings relate to prior or existing investments or investment calls undertaken by the Technology Innovation Agency, either for disputes on investment calls undertaken, refunds of grants paid, repayment of loans, or incorrect disclosure on the value of shares sold. The timing of these payments is uncertain.

The legal costs estimated to be incurred are as follows:

Legal costs	3 200	5 500	3 200	5 500

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

31. CONTINGENCIES (CONTINUED)

RETENTION OF SURPLUS FUNDS

As per Section 53(3) of the PFMA, the Agency as a Schedule 3A entity may not retain cash surpluses that were realised in the previous financial year without written approval of the National Treasury.

Therefore, in terms of this section and National Treasury Instruction Note no.03 of 2025/26, the Agency will make a submission to the National Treasury to declare deficit for the 2025/26 financial year amounting to R210 million (2025: R208 million – surplus) in line with this instruction. This is based on the following calculation:

	(R'000)	
	Controlling entity	
	2026	2025
Total cash and cash equivalents at year end	1 847 129	669 285
Add: Receivables	31 781	36 220
Less: Current liabilities	(547 077)	(496 578)
Less: Ringfenced funds (conditional grants, donor funding)	(83 167)	–
Less: Contracted project payments	(1 458 739)	–
	(210 073)	**208 927**

National Treasury has not denied the request to retain these cash surplus funds since the inception of the Agency. It is therefore considered to be a contingent liability as it is unlikely that the amount will have to be repaid.

The prior year's surplus retention application submitted to National Treasury was approved, and accordingly the Agency was authorised to retain the approved surplus funds in line with section 53(3) of the PFMA and the applicable National Treasury Instruction.

CONTINGENT ASSETS

KAPA BIOSYSTEMS (PTY) LTD

This matter relates to a sale of shares transaction whereby the controlling Entity disposed of its 49% shareholding in Kapa Biosystems (Pty) Ltd ("Kapa SA") to Kapa Biosystems Inc ("Kapa US"). Shortly thereafter, Kapa US sold its entire share capital, including its shares in Kapa SA, to another entity and TIA subsequently instituted legal action as TIA is of the view that it had been underpaid. On 11 December 2025, the Arbitration Appeal Tribunal dismissed Kapa US's appeal in its entirety and confirmed the award in favour of TIA. In February 2026, TIA received payment in full settlement of the capital amount of its claim and interest thereon in an amount of USD 72 860 849.55.

The award included that KAPA US to pay the respondents costs, including the cost of three counsel on scale, and the costs of the appeal including the costs of members of the appeal panel. As a result, previous legal costs already incurred will be recoverable through this process. The quantification of final costs to be recovered is currently being finalised and is uncertain at year end. The finalisation of the amount and recovery is expected to be received in the 2026/27 financial year.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

32. RELATED PARTIES

The Agency is controlled by the National Government of South Africa through the Minister of Science, Technology and Innovation, The Honourable Prof BE Nzimande.

EXEMPTED TRANSACTIONS AND BALANCES

The entity engages in transactions with other government-related entities within the national spheres, which are exempt from disclosure under paragraph .27 of GRAP 20 – Related Party Disclosures. These transactions include funding for conditional grant funding and project disbursements in relation to approved projects, in accordance with signed funding agreements with other entities in the National System of Innovation.

CONTROLLED ENTITY

The Agency controls the following entity:

Name of company	Nature of relationship	Holding – 2026	Holding – 2025
Natural Carotenoids South Africa (Pty) Ltd	Controlled entity	98,80%	98,80%

Further details relating to the investment in the controlled entity are disclosed in Note 6.

	(R'000)	
	Controlling entity	
	2026	2025
RELATED PARTY BALANCES		
RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
COMMON CONTROLLED ENTITY		
Department of Science, Technology and Innovation	3 367	3 367
COMMITTED CONDITIONAL GRANTS		
Department of Science, Technology and Innovation	(454 890)	(526 830)
	(451 523)	**(523 463)**
RELATED PARTY TRANSACTIONS		
ALLOCATIONS RECEIVED		
Department of Science, Technology and Innovation	(420 045)	(432 715)

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

33. MEMBERS EMOLUMENTS

EXECUTIVE MEMBERS

2026

	(R'000)			
	Basic salary	Other allowances*	Allowances**	Total
Ms. H.M. Manyatsa: Acting Chief Financial Officer (19 May 2025 – 18 November 2025)	913	-	-	913
Ms. R. Govender: Acting Chief Financial Officer (01 April 2025 – 30 April 2025; 07 November 2025 – 31 March 2026)	618	152	78	848
Mr. M. Molatudi: Acting Executive – Bio-economy (01 April 2025 – 14 December 2025; 08 January 2026 – 31 March 2026)	1 589	265	181	2 035
Mr. P. Krappie: Executive – Innovation Enabling (01 April 2025 – 31 March 2026)	2 522	22	322	2 866
Mr. R.J. Rampershad: Acting Executive – Commercialisation (01 April 2025 – 31 March 2026)	1 378	204	213	1 795
Mr. I. Abdoola: Acting Chief Executive Officer (01 April 2025 – 31 March 2026)	2 563	544	214	3 321
Ms. C. Mamabolo: Acting Executive – Corporate Services (01 April 2025 – 31 August 2025)	503	75	95	673
Ms. V.N. Malevu: Executive – Corporate Services (01 October 2025 – 31 March 2026)	1 149	101	-	1 250
Dr. J. Sakwa: Acting Executive – Bio-economy (15 December 2025 – 07 January 2026)	118	14	9	141
Ms. M. Matlolane: Acting Executive – Corporate Services (01 September 2025 – 30 September 2025)	171	22	13	206
	11 524	**1 399**	**1 125**	**14 048**

* *Other Allowances – Acting Allowance, Travel and Subsistence Claims, Cellphone Allowance*

** *Allowances - Pension, Medical Aid, Grouprisk*

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

33. MEMBERS EMOLUMENTS (CONTINUED)

EXECUTIVE MEMBERS (CONTINUED)

2025

	(R'000)				
	Basic salary	Other allowances*	Allowances**	Bonus***	Total
Mr. P. Krappie: Executive – Innovation Enabling (01 April 2024 – 31 January 2025)	2 093	463	288	247	3 091
Mr. I. Abdoola: Acting Chief Executive Officer (01 February 2025 – 31 March 2025)	2 431	111	214	220	2 976
Mr. B.M. Mphahlele: Executive – Commercialisation	1 616	–	132	–	1 748
(01 April 2024 – 19 December 2024) Mr. D. Naidoo: Acting Executive - Commercialisation (01 April 2024 – 31 March 2025)	1 217	279	185	117	1 798
Dr. V.N. Phehane: Executive – Bio-economy (01 April 2024 – 30 June 2024)	655	1	45	–	701
Mr. M. Molatudi: Acting Executive – Bio-economy (01 July 2024 – 31 March 2025)	1 207	203	146	102	1 658
Mr. V. Skosana: Acting Executive – Innovation Enabling (01 April 2024 – 31 January 2025)	969	160	151	236	1 516
Ms. M. Matlolane: Acting Executive – Corporate Services (01 April 2024 – 30 September 2024)	698	157	79	148	1 082
Mrs. C. Mamabolo: Acting Executive – Corporate Services (01 October 2024 – 31 March 2025)	602	89	115	66	872
	11 488	**1 463**	**1 355**	**1 136**	**15 442**

* *Other Allowances – Acting Allowance, Travel and Subsistence Claims, Cellphone Allowance*

** *Allowances - Pension, Medical Aid, Grouprisk*

*** *Performance bonuses paid during the period relate to the 2023/24 financial year.*

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

33. MEMBERS EMOLUMENTS (CONTINUED)

BOARD MEMBERS

2026

	(R'000)		
	Members' fees	Allowances	Total
Mr. L.M. Koyana	198	–	198
Mr. T.S. Tshabalala	134	–	134
Mr. T.G. Ramasike	279	–	279
Ms. J.S.P. Matsebula	311	6	317
Mr. B.A. Mboniswa	242	–	242
Dr. R. Iyer	217	3	220
Ms. E.L. Matlali	247	–	247
Prof. S.C.K.M. Motaung	271	–	271
Dr. R. Thompson	28	–	28
Mr. L. Tyira	764	–	764
Mr. V. Hlongwa	197	–	197
Ms. B. Segooa	155	–	155
Ms. M. Mzizi	7	–	7
Ms. K. Makhohliso	179	–	179
Ms. A. Canca	258	–	258
	3 487	**9**	**3 496**

2025

	(R'000)		
	Members' fees	Allowances	Total
Mr. T.G. Ramasike	336	–	336
Ms. J.S.P. Matsebula	305	1	306
Mr. B.A. Mboniswa	243	–	243
DR. I. Iyer	250	3	253
Ms. E.L. Matlali	244	–	244
Ms. B.M. Modise	211	–	211
Prof. K.S.C.M. Motaung	185	–	185
Mr. L. Tyira	254	–	254
Ms. A. Canca	261	–	261
	2 289	**4**	**2 293**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

34. RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

The economic entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk, and liquidity risk.

The entity's overall risk management programme focuses on minimising potential adverse effects of financial market movements on financial performance.

LIQUIDITY RISK

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. This arises from insufficient funds to cover future commitments and contingent liabilities.

The economic entity's risk to liquidity is a result from the Agency's having insufficient funds to cover future commitments and contingent liabilities. The economic entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Primary sources of funding and unused facilities

The entity's liquidity requirements are met primarily through cash generated from operations, cash inflows from maturing financial assets, and funding received in the form of grants and transfers from government departments and public sector entities, including the Department of Science and Innovation (DSI).

ECONOMIC ENTITY

	(R'000)
	Less than 1 year
AT 31 MARCH 2026	
Payables from exchange transactions	161 856
AT 31 MARCH 2025	
Payables from exchange transactions	63 968

CONTROLLING ENTITY

	(R'000)
	Less than 1 year
AT 31 MARCH 2026	
Payables from exchange transactions	161 856
AT 31 MARCH 2025	
Payables from exchange transactions	63 968

CREDIT RISK

Credit risk is the risk that a counterparty will fail to meet its contractual obligations, resulting in a financial loss to the Agency.

The Agency's exposure to credit risk arises primarily from:

- cash and cash equivalents;
- loans and receivables;
- receivables from exchange transactions;
- deposits; and
- shareholder loans and other financial assets measured at amortised cost.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

34. RISK MANAGEMENT (CONTINUED)

The Agency manages credit risk through ongoing monitoring of counterparties, regular assessment of recoverability and the application of expected credit loss methodologies in accordance with GRAP 104.

CREDIT RISK ASSESSMENT FRAMEWORK

The Agency applies different credit risk assessment methodologies depending on the nature of the financial asset and the availability of external credit information.

For cash and cash equivalents, the Agency assesses credit risk using external credit ratings and other publicly available information relating to the financial strength and regulatory oversight of the financial institutions holding the deposits.

For loans and receivables advanced to investee companies and other counterparties, external credit ratings are generally unavailable. The Agency therefore applies internal credit assessments based on repayment performance, financial position, cash flow performance, legal recovery status and other borrower-specific information.

Further details regarding the Agency's expected credit loss methodology, determination of significant increases in credit risk, default definitions and credit-impaired financial assets are disclosed in Accounting Policy 1.9.

FINANCIAL ASSETS SUBJECT TO THE GENERAL EXPECTED CREDIT LOSS APPROACH

The following financial assets are assessed using the general expected credit loss approach:

- loans and receivables;
- deposits;
- cash and cash equivalents; and
- shareholder loans measured at amortised cost.

The table below reflects the Agency's credit quality assessment of financial assets subject to the general expected credit loss approach at the reporting date:

Credit Quality of Financial Assets Subject to the General Approach

		(R'000)		
Internal credit rating category	**Financial instrument class**	**Gross amount**	**ECL Allowance**	**Carrying amount**
Stage 1 – Performing	Loans receivable	34 397	(1)	34 396
Stage 1 – Performing	Other financial assets (Biovac shareholder loan)	23 300	–	23 300
Stage 1 – Performing	Cash and cash equivalents	1 847 129	–	1 847 129
Stage 3 – Credit–impaired	Loans receivable	8 495	(6 017)	2 478
		1 913 321	**(6 018)**	**1 907 303**

No financial assets were classified as Stage 2 during the current reporting period. Financial assets moved directly from Stage 1 to Stage 3 where objective evidence of impairment existed.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

34. RISK MANAGEMENT (CONTINUED)

FINANCIAL ASSETS SUBJECT TO THE SIMPLIFIED EXPECTED CREDIT LOSS APPROACH

Trade receivables are assessed using the simplified expected credit loss approach.

Under this approach:

- lifetime expected credit losses are recognised from initial recognition;
- assessments of significant increases in credit risk are not performed; and
- trade receivables are not classified into Stage 1, Stage 2 or Stage 3 categories.

Expected credit losses are determined using a provision matrix based on:

- historical loss experience;
- ageing profiles;
- observed recovery trends;
- industry-specific default patterns; and
- reasonable and supportable forward-looking information.

Internal credit rating categories are defined as follows:

- **Underperforming assets (stage 2):** Receivables which there is SICR. A SICR is presumed if interest and/or principal repayments are 30 days past due
- **Non-performing assets (stage 3):** Interest and/or principal repayments are 120 days past due.

Receivables are grouped according to shared credit risk characteristics and ageing categories.

		(R'000)	
Trade Receivables – Lifetime Expected Credit Loss Assessment	**Gross Carrying Amount**	**Lifetime ECL Allowance**	**Carrying Amount**
AGEING CATEGORY			
Current to 3 months	6 058	(6 058)	–
3 to 6 months	51	(51)	–
More than 6 months	5 259	(5 259)	–
Receivables with no loss allowance recognised	13 726	–	13 726
	25 094	**(11 368)**	**13 726**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

34. RISK MANAGEMENT (CONTINUED)

CREDIT QUALITY OF CASH AND CASH EQUIVALENTS

Cash balances are held with highly rated South African financial institutions and the South African Reserve Bank.

The Agency assesses the credit quality of these counterparties using external credit ratings and other publicly available information.

		(R'000)	
Counterparty	**External Credit Rating**	**Gross Exposure**	**ECL Allowance**
Standard Bank of South Africa Limited	AA+(zaf)	142 450	–
South African Reserve Bank	Sovereign / Low Credit Risk	459 174	–
Nedbank Limited	AA+/AAA (za)	1 245 505	–
		1 847 129	**–**

Based on the assessment performed, the counterparties were considered low-credit-risk counterparties and no material expected credit loss allowance was recognised.

MARKET RISK

INTEREST RATE RISK

No material financial risk exists as there are no significant finance costs were incurred during the current financial year. The primary risk arises from potential fluctuations in cash flow due to changes in interest rates, which may affect interest income. However, the Agency's income and operating cash flows are largely unaffected by variations in market interest rates.

The entity is exposed to interest rate risk on cash balances and loans/receivables as follows.

	(R'000)	
Assets	**Floating interest rate**	**Floating interest rate**
	2026	**2025**
Cash and cash equivalents*	1 847 129	669 285
Loans receivable	16 509	26 142
	1 863 638	**695 427**

** During the year, the Agency received interest income on the CPD (SARB) account on an average rate of 6.75% (2025:7.50%).*

SENSITIVITY ANALYSIS:

A change of 100 basis points (1%) in interest rates would result in an approximate change of R3.1 million in the current year (2025: R6.9 million) in interest income.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

34. RISK MANAGEMENT (CONTINUED)

FOREIGN EXCHANGE RISK

The economic entity does not hedge foreign-exchange fluctuations.

The economic entity reviews its foreign currency exposure, including commitments, on an ongoing basis.

The Agency holds significant balances denominated in United States Dollars (USD) amounting to $72,860,849.55 at year end. At 31 March 2026, cash and cash equivalents included R1.245 billion in a USD Trust Account (2025: nil) based on the translated sub spot rate at year end.This exposes the Agency to foreign currency risk arising from fluctuations in the ZAR/USD exchange rate.

RISK MANAGEMENT APPROACH

The Agency does not currently hedge foreign currency balances. Management monitors exchange rate movements and considers the impact on cash holdings.

SENSITIVITY ANALYSIS

A reasonably possible increase of 100 basis points (1%) in interest rates at year-end would increase interest income, and consequently increase the surplus for the year, by approximately R3.1 million (2025: R6.9 million). A reasonably possible decrease of 100 basis points (1%) would decrease interest income, and consequently decrease the surplus for the year, by approximately R3.1 million (2025: R6.9 million).

A reasonably possible change of 10% in the ZAR/USD exchange rate at year end would have the following impact on surplus and net assets:

		(R'000)
Change in ZAR/USD	**Exchange rate (USD/ZAR)**	**Impact on surplus/ net assets**
Rand strengthens by 10%	15,38487	(124,551) decrease
Rand weakens by 10%	18,80373	124,551 increase

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

34. RISK MANAGEMENT (CONTINUED)

CARRYING AMOUNTS OF FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORY

ECONOMIC ENTITY

FINANCIAL ASSETS

		R'000	
	Note	2026	2025
FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Cash and cash equivalents	12	1 847 129	669 285
Trade debtors		13 727	29 180
Deposits		282	282
Other receivables		9 531	3 704
Receivables from exchange transactions	10	23 540	33 166
Balancell Energy (Pty) Ltd		19 905	20 409
Stone Three Digital (Pty) Ltd		2 393	4 033
TMI Consultancy CC		1 099	1 700
Technovera		2 500	–
Capebio Technologies (Pty) Ltd		10 999	–
Loans receivable	8	36 896	26 142
Other financial assets: Shareholder loan – Biologics and Vaccines Institute of Southern Africa (Pty) Ltd	9	23 300	23 300
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST		**1 930 865**	**751 893**
ArcAqua (Pty) Ltd (measured at fair value)		15 608	14 022
Biologics and Vaccines Institute of Southern Africa (Pty) Ltd (measured at cost)		3 000	3 000
Financial assets measured at fair value through surplus or deficit		18 608	17 022
		1 949 473	**768 915**
FINANCIAL LIABILITIES			
FINANCIAL LIABILITIES AT AMORTISED COST			
Payables from exchange transactions	14	161 860	63 968

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

35. EVENTS AFTER THE REPORTING DATE

Management has evaluated events after the reporting date up to the date of approval of the Annual Financial Statements and determined that there were no material events that require adjustment to or disclosure in the Annual Financial Statements.

36. IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
IRREGULAR EXPENDITURE				
Irregular Expenditure	496	207	496	207

During the prior financial year, goods and services amounting to R0.207 million, were procured on the basis of a single-source supplier through a deviation process after no additional quotations could be sourced. Additional expenditure in relation to the same contract amounting to R0.226 million was incurred in the current year and has subsequently been cancelled to prevent further irregular expenditure. Necessary consequence management has been implemented and a request for condonation will be submitted in accordance with the applicable regulatory framework.

An amount of R0.270 million was incurred as irregular expenditure during the financial year as a result of a misinterpretation in the evaluation process, which led to the appointment of an incorrect supplier. The deviation arose due to an error in the application of the prescribed evaluation criteria. Management is currently in the process of finalising the relevant determination tests.

	(R'000)			
	Economic entity		Controlling entity	
	2026	2025	2026	2025
FRUITLESS AND WASTEFUL EXPENDITURE				
Fruitless and wasteful expenditure	–	–	–	–

In accordance with the PFMA Compliance and Reporting Framework, the Agency has not identified or incurred any fruitless and wasteful expenditure during the year ended 31 March 2026 (2025: Rnil)

37. SEGMENT INFORMATION

GENERAL INFORMATION

IDENTIFICATION OF SEGMENTS

The economic entity is organised and reports to management on the basis of the major functional areas as well as administration. The segments are organised around the type of service delivered and the target market within the National System of Innovation. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes. The segments have changed from the prior financial year as the current mechanism of reporting is more accurate and aligned to the new five-year strategic plan.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Agency is a national public entity with physical offices in Gauteng, Kwa-Zulu-Natal and the Western Cape. The Agency has project partners both locally and internationally, therefore, the segment information is not reported based on geographical location.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

37. SEGMENT INFORMATION (CONTINUED)

SEGMENT SURPLUS OR DEFICIT, ASSETS AND LIABILITIES

CONTROLLING ENTITY – 2026

	(R'000)					
	Bio-economy	Commer-cialisatlion	Innovation Enabling Programmes	Technology Stations Programmes	Administration and strategic engagements	Total
REVENUE						
Revenue from non-exchange transactions	251 757	110 861	99 098	84 742	104 116	650 574
Interest received	–	–	–	–	24 118	24 118
Other income from exchange transactions	1 221 430	19 740	–	–	–	1 241 170
Other income from non-exchange transactions	–	–	–	–	13 426	13 426
Gain on exchange differences	–	–	–	–	14 338	14 338
TOTAL SEGMENT REVENUE	**1 473 187**	**130 601**	**99 098**	**84 742**	**155 998**	**1 943 626**
ENTITY'S REVENUE						**1 943 626**
EXPENDITURE						
Employee-related costs	45 091	34 784	24 478	11 595	14 670	130 618
Conditional grant funding and project disbursements	189 147	145 913	102 680	48 638	70 822	557 200
Depreciation and amortisation	1 941	1 769	1 245	590	–	5 545
Lease rentals on operating	–	–	–	–	9 964	9 964
lease Impairment	–	–	–	–	1 349	1 349
Loss on write-off of loan to subsidiary	–	–	–	–	11 840	11 840
Other operating expenditure	22 917	18 096	12 734	6 032	–	59 779
TOTAL SEGMENT EXPENDITURE	**259 096**	**200 562**	**141 137**	**66 855**	**108 645**	**776 295**
TOTAL SEGMENTAL SURPLUS/(DEFICIT)	**1 214 091**	**(69 961)**	**(42 039)**	**17 887**	**47 353**	**1 167 331**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

37. SEGMENT INFORMATION (CONTINUED)

CONTROLLING ENTITY – 2026

	(R'000)					
	Bio-economy	Commer-cialisation	Innovation Enabling Programmes	Technology Stations Programmes	Administration and strategic engagements	Total
ASSETS						
Property, plant and equipment	–	–	–	–	12 865	12 865
Intangible assets	–	–	–	–	7 956	7 956
Loans receivable	1 100	35 796	–	–	–	36 896
Other financial assets	26 300	15 003	605	–	–	41 908
Receivables from exchange transactions	9 542	12 582	–	–	1 415	23 539
Prepayments	–	–	–	–	4 807	4 807
Cash and cash equivalents	–	–	–	–	1 847 129	1 847 129
TOTAL SEGMENT ASSETS	**36 942**	**63 381**	**605**	**–**	**1 874 172**	**1 975 100**
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION						**1 975 100**
LIABILITIES						
Operating lease liability	–	–	–	–	135	135
Unspent conditional grants and receipts	13 476	86 814	349 040	5 560	–	454 890
Payables from exchange transactions	–	161 856	–	–	600	162 456
Employee benefits obligation	–	–	–	–	12 813	12 813
TOTAL SEGMENT LIABILITIES	**13 476**	**248 670**	**349 040**	**5 560**	**13 548**	**630 294**
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION						**630 294**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

37. SEGMENT INFORMATION (CONTINUED)

CONTROLLING ENTITY – 2025

	(R'000)					
	Bio-economy	Commer-cialisation	Innovation Enabling Programmes	Technology Stations Programmes	Administration and strategic engagements	Total
REVENUE						
Revenue from non-exchange transactions	251 849	49 225	237 601	45 151	62 951	646 777
Interest revenue	–	–	128	–	18 346	18 474
Other income	–	46 912	23 626	–	–	70 538
TOTAL SEGMENT REVENUE	**251 849**	**96 137**	**261 355**	**45 151**	**81 297**	**735 789**
ENTITY'S REVENUE						**735 789**
EXPENDITURE						
Employee-related costs	49 433	21 434	14 338	2 736	37 294	125 235
Conditional grant funding and project disbursements	150 443	53 006	227 464	60 226	–	491 139
Depreciation and amortisation	–	–	–	–	5 767	5 767
Lease rentals on operating lease	–	–	–	–	9 082	9 082
Impairment	–	–	–	–	5 727	5 727
Other operating expenditure	15 922	4 232	18 224	457	10 869	49 704
TOTAL SEGMENT EXPENDITURE	**215 798**	**78 672**	**260 026**	**63 419**	**68 739**	**686 654**
TOTAL SEGMENTAL SURPLUS/(DEFICIT)	**36 051**	**17 465**	**1 329**	**(18 268)**	**12 558**	**49 135**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

37. SEGMENT INFORMATION (CONTINUED)

CONTROLLING ENTITY – 2025

	(R'000)					
	Bio-economy	Commer-cialisation	Innovation Enabling Programmes	Technology Stations Programmes	Administration and strategic engagements	Total
ASSETS						
Property, plant and equipment	–	–	–	–	12 477	12 477
Intangible assets	–	–	–	–	10 974	10 974
Loans receivable	1 700	24 442	–	–	–	26 142
Other financial assets	26 300	14 022	–	–	–	40 322
Receivables from exchange transactions	3 704	26 180	–	–	282	30 166
Prepayments	–	–	–	–	3 631	3 631
Cash and cash equivalents	–	–	–	–	669 285	669 285
TOTAL SEGMENT ASSETS	**31 704**	**64 644**	**–**	**–**	**696 649**	**792 997**
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION						**792 997**
LIABILITIES						
Operating lease liability	–	–	–	–	473	473
Unspent conditional grants and receipts	20 491	86 896	424 356	5 185	–	536 928
Payables from exchange transactions	–	63 968	–	–	621	64 589
Employee benefits obligation	–	–	–	–	14 695	14 695
TOTAL SEGMENT LIABILITIES	**20 491**	**150 864**	**424 356**	**5 185**	**15 789**	**616 685**
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION						**616 685**

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

38. BUDGET DIFFERENCES

MATERIAL DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS

The following outlines the differences between budget and actual amounts which are greater than R1.5 million.

A. OTHER INCOME

In February 2026, TIA received payment in full settlement of the capital amount of its claim, together with interest thereon, amounting to USD 72,860,849.55. The income was recognised based on the prevailing exchange rate at year-end. Other income includes the reversal of a previous impairment of R11.8 million relating to a former controlled entity. In addition, a fair value adjustment gain of R1.5 million was recognised from the valuation of Arq Aqua. These variances arose due to the fact that the recovery of such funds was not anticipated for in the current year. Further management did not budget for any gains on revaluation due to unpredictability in the valuation process and uncertainty in profitability assumptions

B. INTEREST RECEIVED

Interest received comprises interest earned from the Bank (R14,5m and Interest received from Loans & Receivable (R9.6m). Positive variance in interest is attributed to higher cash and cash equivalent holdings during the year.

C. COMMITTED CONDITIONAL GRANTS FROM SPECIFIC CONTRACT

During the period, additional funding was received from the shareholder (DSTI) through specific contracted programmes, resulting in the increase in funds managed and disbursed.

D. EMPLOYEE RELATED COSTS

Employee costs were marginally higher than budget largely due to additional leave accruals and acting allowance.

E. CONDITIONAL GRANT FUNDING AND PROJECT DISBURSEMENTS

Additional conditional grant funding and project disbursements was incurred in the year due to additional income realised allowing for progressing of additional pipeline in the year. This included provision of funding to both projects and programmes.

F. DEPRECIATION

A higher than budgeted depreciation and amortisation expense was recorded as a result new assets acquired.

G. LEASE RENTALS ON OPERATING LEASE

Additional expense was recorded due to lease smoothing adjustments arising from new lease concluded in the year.

H. OTHER OPERATING EXPENDITURE

Increases in operating expenditure was a result of increases in IT expenses due to increases in license costs as well as legal fees arising from ongoing legal matters during the financial year.

I. LOSS ON DISPOSAL OF CONTROLLED ENTITY

A loss on sale of assets was recorded based on the disposal of a controlled entity.

J. GAIN ON FOREIGN EXCHANGE DIFFERENCES

Gain was recognised as a result of conversion of USD held in a Trust account based on the year end SARB prevailing exchange rate.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

39. ADJUSTMENT ARISING FROM IMPLEMENTATION OF GRAP 104

Transition to Revised GRAP 104 – Financial Instruments

On 1 April 2025, the Agency adopted the revised Standard of GRAP 104 – Financial Instruments.

The following table reconciles the carrying amounts of financial assets and financial liabilities from the previous classification and measurement basis under GRAP 104 (2009) to the revised classification and measurement under GRAP 104 (revised), in accordance with Directive 2 paragraph 88N.

			(R'000)			
Financial instrument	Classification under previous GRAP 104	Carrying amount	Classification under revised GRAP 104	Remeasure-ment adjustment on	Reclassifi-cation on adjustment	Carrying amount
Trade receivables	Amortised cost (incurred loss)	33 166	Amortised cost (ECL – simplified approach)	(226)	–	32 940
Loans – Stage 1	Amortised cost	26 142	Amortised cost (12 month ECL)	(2)	–	26 140
Technovera loan	Not recognised (contingent)		– Amortised cost (Stage 3)	(1 668)	5 000	3 332
Windfall levy receivable	Not recognised		– FVTSD	58	–	58
Cash and cash equivalents	Amortised cost	669 285	Amortised cost	–	–	669 285
Other financial assets (Biovac)	Cost	26 300	Cost	–	–	26 300
Other financial assets (ArcAqua)	Fair value	14 022	FVTSD	–	–	14 022
Payables from exchange transactions	Amortised cost	(64 589)	Amortised cost	–	–	(64 589)
		704 326		**(1 838)**	**5 000**	**707 488**

RECLASSIFICATION ADJUSTMENTS:

Arise where financial instruments were newly recognised or reclassified based on the revised classification requirements (e.g., recognition of the windfall levy receivable and Technovera loan).

REMEASUREMENT ADJUSTMENTS:

Arise where the measurement basis changed on adoption of the expected credit loss model, resulting in adjustments to loss allowances and carrying amounts.

The net impact of the transition to the revised GRAP 104 resulted in an adjustment to accumulated surplus of R1.835 million.

RECLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES ON THE DATE OF INITIAL APPLICATION OF THE REVISED GRAP 104

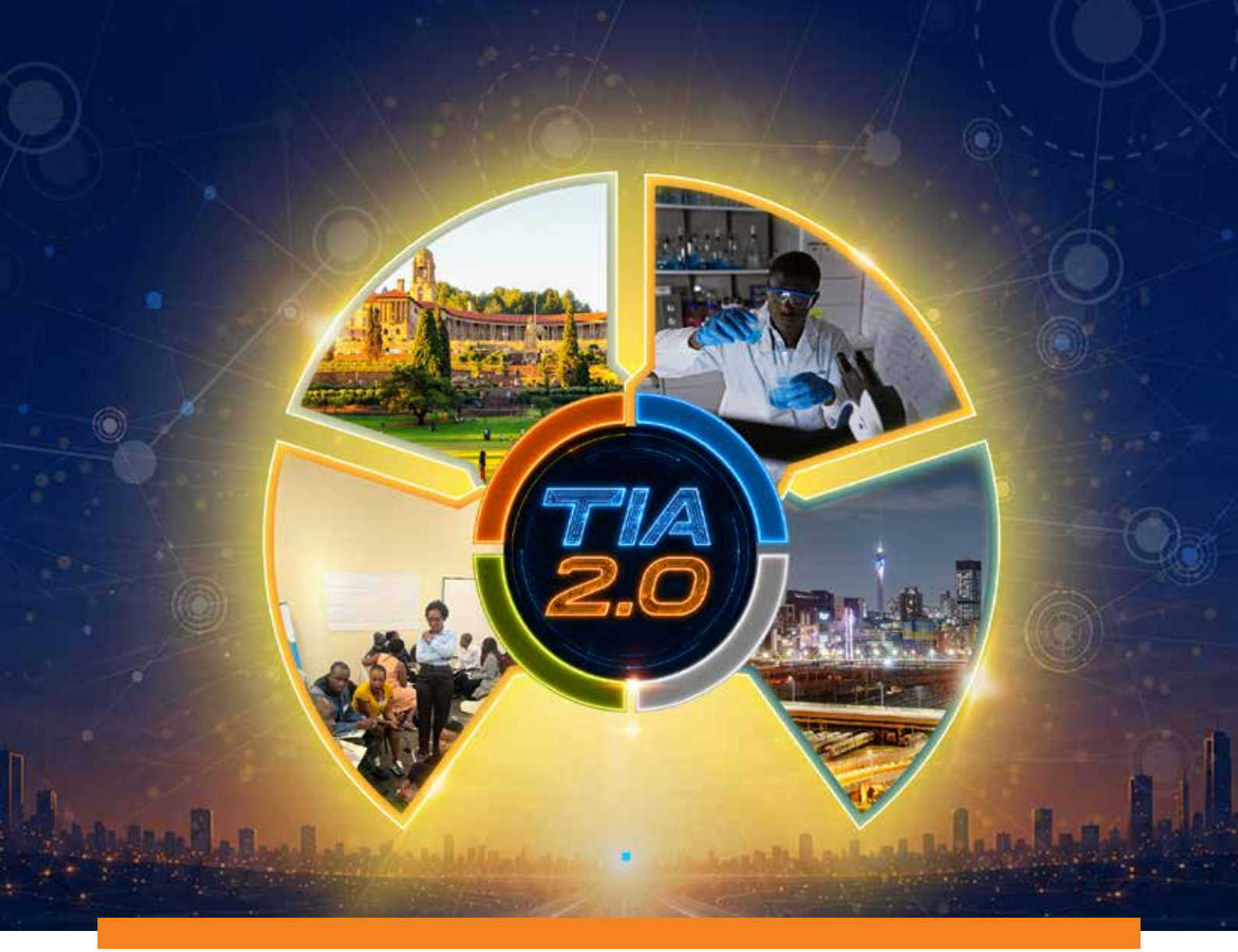
The following table shows the original measurement categories under the Old GRAP 104 and the new measurement categories under the Revised GRAP 104 of the financial assets and financial liabilities as at 01 April 2025.

39. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

39. ADJUSTMENT ARISING FROM IMPLEMENTATION OF GRAP 104 (CONTINUED)

(R'000)						
Financial asset/ liabilities	Note	Original classification under previous GRAP104	New classification under revised GRAP 104	Carrying amount under previous GRAP 104	Reclassifi-cation/ Remeasurement adjustments	Carrying amount GRAP 104
Trade receivables from exchange transactions	10	Receivables at amortised cost (incurred loss model)	Financial assets at amortised cost (simplified ECL)	33 166	(226)	32 940
Loans – Stage 1 (Balancecell)	8	Loans at amortised cost	Financial assets at amortised cost (12 month ECL)	20 409	–	20 409
Loans – Stage 1 (Stone Three)	8	Loans at amortised cost	Financial assets at amortised cost (12 month ECL)	4 033	(1)	4 032
Loans – Stage 1 (TMI)	8	Loans at amortised cost	Financial assets at amortised cost (12 month ECL)	1 700	(1)	1 699
Loans – Stage 1 (Capebio)	8	Loans at amortised cost	Financial assets at amortised cost (12 month ECL)	–	–	–
Loans – Stage 3 (Agriprotein)	8	Loans fully impaired (incurred loss)	Financial assets at amortised cost (Lifetime ECL)	–	–	–
Loans – Stage 3 (Agrirevolution)	8	Loans impaired fully (incurred loss)	Financial assets at amortised cost (Lifetime ECL)	–	–	–
Loans – Stage 3 (Graf-In-Tech)	8	Loans fully impaired (incurred loss)	Financial assets at amortised cost (Lifetime ECL)	–	–	–
Loans receivable – Technovera	8	Contingent asset (Note 26 – not recognised)	Financial assets at amortised cost (Stage 3)	5 000	(1 668)	3 332
Windfall levy receivable – Tenacent	7	Not recognised	Financial assets at cost	–	58	58
Cash and cash equivalents	12	Cash at amortised cost	Financial assets at amortised cost	669 285	–	669 285
Other financial assets – Biovac (loan & equity)	9	Financial asset at cost	Financial asset at cost	26 300	–	26 300
Other financial assets – ArcAqua	9	Financial assets at fair value	Financial assets at FVTSD	14 022	–	14 022
Subtotal: Financial assets	–	–	–	773 915	(1 838)	772 077
Payables from exchange transactions	14	Financial liabilities at amortised cost	Financial liabilities at amortised cost	(64 589)	–	(64 589)
				709 326	**(1 838)**	**707 488**



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