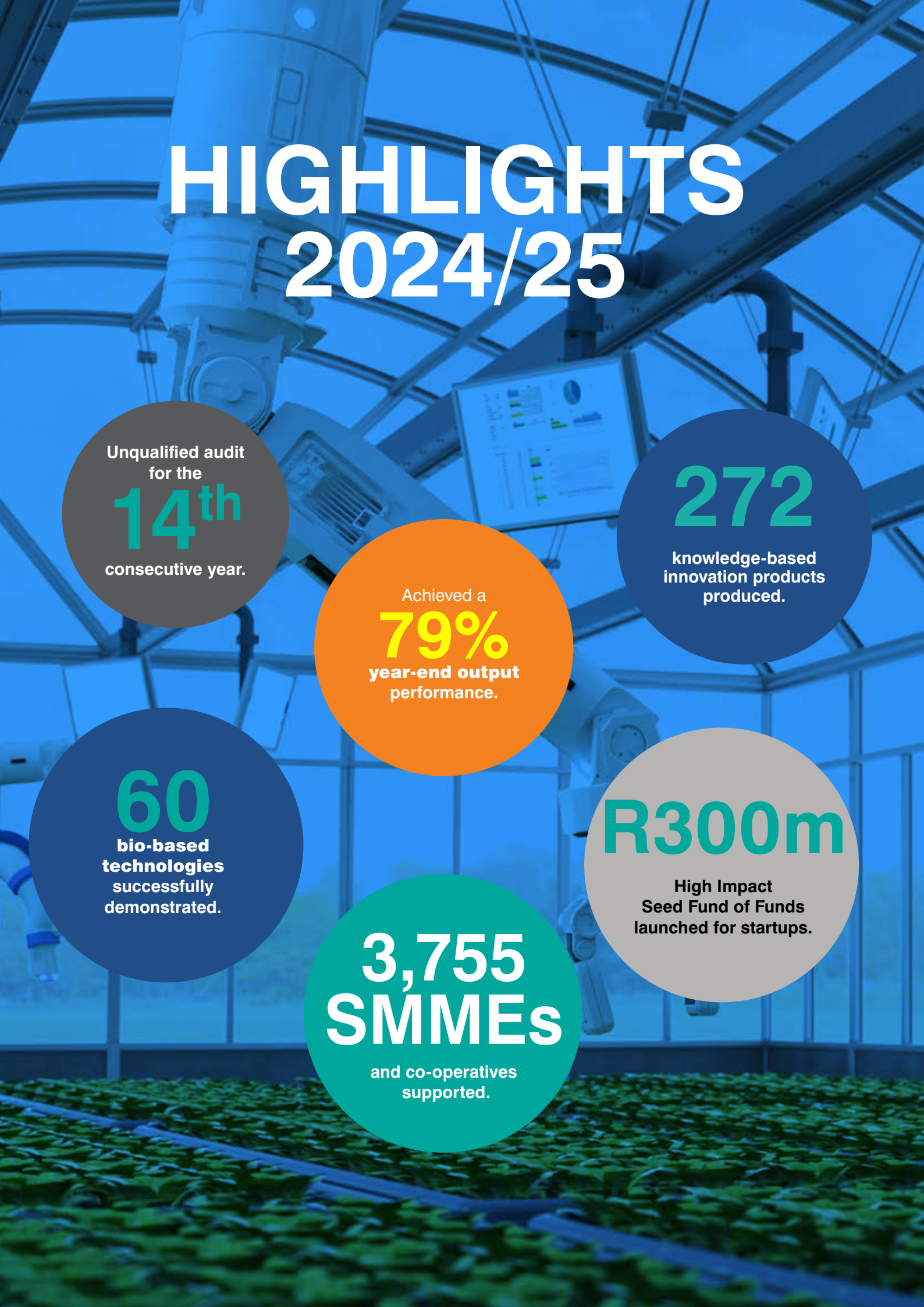
ANNUAL REPORT
2024/25

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

15 YEARS OF SUPPORTING INNOVATION

technology innovation AGENCY
Innovating Tomorrow Together


HIGHLIGHTS
2024/25
Unqualified audit for the 14th consecutive year.
Achieved a 79% year-end output performance.
272 knowledge-based innovation products produced.
60 bio-based technologies successfully demonstrated.
R300m High Impact Seed Fund of Funds launched for startups.
3,755 SMMEs and co-operatives supported.

Commercialised **90** technologies.

R518.5 million in **third-party funding** leveraged.

81% uncommitted investment funds allocated to **underserved** provinces.

Launched dedicated **transformation programmes** for women, youth, and persons with disabilities.

OUTPUT PERFORMANCE

Indicator	Target	Actual
Funds leveraged	R310.0m	R518.5m
Revenue from royalties, sales and exits	R15m	R31.17m
Technologies licensed/assigned	25	15
Technologies diffused for inclusive development	24	34
Bio-based technologies demonstrated	37	60
Products launched	44	56
IP and knowledge-based products	220	272
SMMEs supported	3,100	3,775
Projects involving industry	52	59
New technology transfer centres	9	9
Human capital development	150	299

OUTCOME PERFORMANCE

Indicator	2020/21	2021/22	2022/23	2023/24	2024/25	5-year Target	5-year Actual
Technologies commercialised	26	49	63	80	90	175	308
Demonstrated bio-based technologies	37	36	37	50	60	75	220
Bio-based entrepreneurs supported	165	45	67	197	140	600	614
SMMEs supported	1,990	3,167	2,671	3,114	2,907	15,750	13,849

BALANCELL

BusinessTech named Balancell the fourth fastest-growing company in Africa. This future unicorn, funded by the TIA, opened a 5,600 m^2 factory in Cape Town to produce lithium ion batteries. Balancell is a future-focused innovative technology business that develops 'smart' batteries designed to manage and protect themselves which report their use and condition remotely. With the support of the Agency's disbursing a total of R11.0 million to Balancell, the business was able to scale and gain market traction, which enabled it to successfully derisk its technology and product offerings and to sell an 18.2% equity stake to a black-owned venture capital company. The company also expanded its international footprint, with operations now extending to Italy and other global markets, strengthening South Africa's position in the growing energy storage and battery technology sector.

Backed by more than two decades of development and operational excellence, Balancell is poised to make a significant contribution to renewable stored energy in the global marketplace by making it a more practical, economical and accessible energy solution. Balancell has reportedly become the battery of choice for some of the world's leading automotive brands and logistics-based businesses, yielding higher productivity, lower operating costs and a cleaner, more reliable energy source day after day.

CSIR–TIA Point-of-Care Diagnostics

Through a strategic partnership with the Council for Scientific and Industrial Research (CSIR), the TIA supported the commercialisation of portable rapid diagnostic technologies that target avian influenza and foot-and-mouth disease. The point-of-care diagnostics are intended for use directly on farms, enabling early detection and faster responses to outbreaks. This 4IR-enabled technology provides rapid detection, allowing farmers to isolate affected animals within an hour of testing, with the results being available on mobile devices and therefore preventing the spread of the disease more immediately. This device is also linked to government regulators' databases, which serves to enhance livestock disease surveillance.

During the year under review, the technology was successfully licensed to Tokabio (Pty) Ltd, a local company, marking a key milestone in public-to-private technology transfer and contributing to enhanced animal health management in the agricultural sector.

Figure 1: The point-of-care diagnostic device being exhibited

Figure 2: The TIA, CSIR and Tokabio team at the launch of the point-of-care diagnostic device

Hydrogen Innovation Programme

The Department of Science, Technology and Innovation (DSTI) has laid the groundwork for establishing a Hydrogen Economy through its significant research and development (R&D) investment of at least R1.4 billion in the Hydrogen South Africa (HySA) Programme. The outputs from this programme have the potential to position South Africa as a player in the global market in areas such as hydrogen production, hydrogen storage solutions and fuel cell manufacturing. These include:

- catalysts and membrane electrode assemblies (MEAs) for fuel cells;
- catalysts and catalyst-coated membranes for hydrogen production; and
- metal hydride-based hydrogen storage technologies for heavy-duty vehicles (such as forklifts) and refuelling stations.

Through the Hydrogen Innovation Programme, it is envisaged that commercialisation and sustainable local manufacturing can be enhanced through the integration of publicly financed and locally developed intellectual property (IP) in the form of value-added components in all the catalytic projects to establish a robust baseline of local capabilities and supply chain and also through the use of smart inbound technology transfer, where synergies exist with original equipment manufacturers (OEMs) globally.

The Hydrogen Innovation Programme will focus on the following key aspects:

- Commercialisation: helping South African innovators, researchers and entrepreneurs to commercialise HySA-based technologies.
- Innovation support: attracting, facilitating and mobilising late-stage funding for the commercialisation of market-ready HySA-based technologies.
- Partnerships and Collaboration: facilitating partnerships among various stakeholders to create a supportive ecosystem for innovation. Connecting and catalysing partnerships between small, medium and micro-sized enterprises (SMMEs), industries (including OEMs), universities and science councils to develop an enabled environment that supports sector-specific innovations aimed at global competitiveness.
- SMMEs support and skills development: business development and training in business modelling, market-entry strategies and financial planning.

To realise the economic and social merits of these applications, the TIA, in partnership with the DSTI, is establishing a Hydrogen Innovation Programme to drive the commercialisation of these R&D outputs.

Municipal Water Management App

The TIA supported the development and deployment of a Municipal Water Management App designed to improve water service delivery and operational efficiency. The app was rolled out in four municipalities – eThekwini, Zululand, Johannesburg Water and Newcastle – and is being expanded to additional municipalities across the Eastern Cape, Western Cape and Free State. The digital platform enables improved decision-making and accountability in municipal water operations. Additional funding has been secured to integrate the app into two water-intensive private-sector operations.

Graf in Tech

ERS Tech (Graf in Tech (Pty) Ltd), funded through the Grassroots Innovation Programme (GIP), is an end-to-end business intelligence-driven fleet management solution that enhances fleet availability and fuel efficiency, reduces maintenance expenses and delivers real-time business intelligence to inform decision-making. The solution comprises a fleet management platform that seamlessly integrates with GPS tracking devices, fuel sensors and camera inputs to collect data of interest from vehicles.

Moreover, ERS Tech allows for the integration with external software and databases for maintenance management, fuel transactions, fleet scheduling etc. ERS Tech uses machine learning models to identify patterns, detect anomalies and make data predictions. The output of the machine learning models and the data-analysis process is visualised through customised business intelligence dashboards which are updated in real-time.

In June 2024 the City of Johannesburg signed a services agreement with Graf in Tech in the amount of R5.3 million to customise the solution for weighbridge applications.

Contactable

Contactable (Pty) Ltd, a company that specialises in digital identity management systems, received funding from the TIA to develop its Digital Service Orchestration Platform. This innovative platform enables secure digital identity authentication across multiple data-source points, which then gives individuals control over their personal data while providing a trusted mechanism for identity verification.

The technology platform has been fully commercialised and is now widely adopted in the market, with the company's revenue surpassing R60.0 million and continuing to grow. Contactable is currently in a significant scale-up and growth phase, with a private equity firm in the process of acquiring a substantial majority equity stake in the business. As part of this transaction, the company has been authorised to discharge its TIA investment obligations in line with their funding agreement.

Groovetech

TRANSFORM is an impact accelerator led jointly by Unilever, the UK's Foreign, Commonwealth and Development Office, and Ernst and Young. It provides innovation grants between £70,000 and £100,000 to make an impact on enterprises in South Africa and Zambia, with Unilever providing in-kind support for the duration of the project. As their contribution, Ernst and Young are providing technical assistance. Thirty of the TIA's investees participated in the TRANSFORM programme together with external applicants. GrooveTech, a participant in the Agency's GIP, was selected as one of five winners and received R2.3 million in funding as a result. GrooveTech aims to revolutionise road construction and maintenance by transforming recycled plastic waste into polymer-modified bitumen and cold-mix asphalt. The project is currently being piloted by the City of Tshwane.

Figure 3: GrooveTech entrepreneur Linah Maphanga (right) exhibiting her innovations

ArcAqua

ArcAqua, with TIA funding, has developed a proprietary ozone-based sanitisation solution that significantly improves food safety and shelf life in post-harvest processing and packaging environments. The core product is a nozzle system that enables ozone gas to be spread effectively using water molecules without dissolving the ozone in water. This provides consistent and efficient surface sanitisation with a significantly lower environmental impact than traditional chemical-based systems. In February 2025, the TIA acquired a minority equity stake (14.71%) in ArcAqua based on an independent valuation performed at the time of conversion of the conditional grant of R7.2 million into equity.


technology innovation
A G E N C Y
Innovating Tomorrow Together
15
YEARS OF SUPPORTING INNOVATION

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	**LinkedIn:** www.linkedin.com/company/technology-innovation-agency **X:** @tiaorgza **Facebook:** www.facebook.com/TIAORGZA
External auditor	Nexia SAB&T 119 Witch-Hazel Avenue, Highveld Technopark, Centurion, 0157
Banker	Standard Bank 30 Baker Street, Rosebank 2196, Johannesburg
Company 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 March 2025. This report also constitutes the TIA's 2020–2025 Strategic Plan End-of-Term Performance Report.*

1. LIST OF ABBREVIATIONS AND ACRONYMS

4IR	Fourth Industrial Revolution
ABIPP	Agriculture Bio-economy Innovation Partnership Programme
AFS	Annual Financial Statements
AI	Artificial intelligence
API	Active pharmaceutical ingredient
APP	Annual Performance Plan
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
bn	Billion
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIE	Centres for Innovation and Entrepreneurship
CleanTech	Clean technology
COVID-19	Coronavirus disease 2019
CSIR	Council for Scientific and Industrial Research
DSTI	Department of Science, Technology and Innovation
GCIP-SA	Global CleanTech Innovation Programme in South Africa
GDP	Gross domestic product
GRAP	Generally Recognised Accounting Practice
H3D	Holistic Drug Discovery and Development
HIV/AIDS	Human immunodeficiency virus infection or acquired immune deficiency syndrome
HR&REMCO	Human Resources and Remuneration Committee
ICT	Information and Communication Technologies
IDC	Industrial Development Corporation
IFC	Investment and Finance Committee
IID	Innovation for Inclusive Development
IK	Indigenous knowledge
IKS	Indigenous Knowledge Systems
IP	Intellectual property
IPR-PFRD	Intellectual Property Rights from Publicly Financed Research and Development
ISO	International Organization for Standardization
m	Million
MeDDIC	Medical Device and Diagnostics Innovation Cluster
MTDP	Medium-Term Development Plan
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
NGO	Non-governmental organisation

NIPMO	National Intellectual Property Management Office
NIPP	Natural Indigenous Products Programme
NMU	Nelson Mandela University
NPO	Non-profit organisation
NSI	National System of Innovation
OTT	Office of Technology Transfer
PFMA	Public Finance Management Act
R&D	Research and development
SA	South Africa
SABDI	South African BioDesign Initiative
SAHPRA	South African Health Products Regulatory Authority
SAMRC	South African Medical Research Council
SET	Science, engineering and technology
SFP	Seed Fund Programme
SIIP	Strategic Industrial Bio-innovation Programme
SME	Small and medium enterprise
SMME	Small, medium and micro enterprise
STI	Science, technology and innovation
TADF	Technology Acquisition and Deployment Fund
TIA	Technology Innovation Agency
TICP	Technology Innovation Cluster Programme
TPP	Technology Platforms Programme
TSP	Technology Stations Programme
TVET	Technical and Vocational Education and Training
UCT	University of Cape Town
UFS	University of the Free State
UK	United Kingdom
UP	University of Pretoria
UTF	University Technology Fund

2. BOARD OF DIRECTORS

Mr Loyiso Tyira
Chairperson

Mr Ismail Abdoola
(ex officio)

Ms Anati Canca

Dr Revel Iyer

Ms Sebenzile Matsebula

Ms Lindiwe Matlali

Prof. Keolebogile Motaung

Mr Butana Mboniswa

Mr Thabiso Ramasike

3. CHAIRPERSON'S FOREWORD

LOOKING AHEAD, THE BOARD IS COMMITTED TO OVERSEEING THE IMPLEMENTATION OF THE TIA 2.0 CORPORATE STRATEGY WITH A FOCUS ON FINANCIAL SUSTAINABILITY, STRONGER PARTNERSHIPS AND EMBEDDING MONITORING, EVALUATION AND LEARNING ACROSS THE AGENCY.

The 2024/25 financial year marked a pivotal moment in the journey of the Technology Innovation Agency (TIA). While operating in a constrained fiscal environment, the Agency demonstrated resilience and adaptability, laying the foundation for a new era through the development of the TIA 2.0 Corporate Strategy. This strategy positions TIA as a curator and thought leader within the National System of Innovation (NSI), strengthening our role as a catalyst for inclusive socio-economic impact.

Despite fiscal pressures, TIA delivered solid performance against its outcomes. Over the strategic cycle, the Agency successfully supported the commercialisation of more than 300 innovations, facilitated almost R4 billion in co-investment from external partners, and provided direct support to nearly 14,000 SMMEs across the country. These achievements reflect the impact of TIA's funding instruments and the market relevance of the innovations we support.

Governance and accountability remained key priorities. The Board has worked closely with management to ensure effective oversight, sound risk management, and alignment with the recommendations of the Ministerial Review Panel. Partnerships with the DSTI, higher education institutions (HEIs), industry and funding intermediaries remain central to TIA's role as a system enabler.

We acknowledge that challenges persist, particularly in ensuring transformation and inclusivity in innovation. The under-representation of women, youth and persons with disabilities is a matter of priority, and we welcome the new dedicated programmes targeting these groups. Transformation will be central to the implementation of the TIA 2.0 Corporate Strategy.

Looking ahead, the Board is committed to overseeing the implementation of the TIA 2.0 Corporate Strategy with a focus on financial sustainability, stronger partnerships and embedding monitoring, evaluation and learning across the Agency. TIA's future impact lies in positioning South Africa as a global innovation leader while ensuring that science, technology and innovation (STI) are placed at the centre of government, education, industry and society as part of implementing the Quadruple Helix Model of Innovation.

On behalf of the Board, I extend our appreciation to the Honourable Minister of Science, Technology and Innovation, Prof. Bonginkosi Emmanuel Nzimande, his leadership team, our partners and stakeholders for their support. I also wish to extend my appreciation to the Acting Chief Executive Officer, his Executive management team and staff for their unwavering support and commitment to advancing innovation for the public good.

Loyiso Tyira

Mr Loyiso Tyira
Chairperson of the Board

4. THE EXECUTIVE MANAGEMENT TEAM

Mr Ismail Abdoola
Acting Chief Executive Officer

Ms Hunadi Manyatsa
Acting Chief Financial Officer

Mr Patrick Krappie
Executive: Innovation Enabling

Ms Corlette Mamabolo
Acting Executive: Corporate Services

Mr Mohohlo Molatudi
Acting Executive: Bio-economy

Mr Reshleu Rampershad
Acting Executive: Commercialisation

5. CEO'S OVERVIEW

AS WE TRANSITION TO TIA 2.0, OUR FOCUS IS ON EMBEDDING A NEW BUSINESS AND OPERATING MODEL THAT POSITIONS THE AGENCY AS A CURATOR OF INNOVATION AND A TRUSTED THOUGHT LEADER.

The mandate of the TIA is derived from the TIA Act, No. 26 of 2008, which establishes TIA as an agency to promote the development and exploitation of discoveries, inventions, innovations and improvements. The Agency's primary objective is to support the state in stimulating and intensifying technological innovation to drive economic growth and enhance the quality of life for all South Africans. Over the 2020–2025 strategic period, TIA remained focused on catalysing socio-economic impact by bridging the gap between publicly funded research and market ready technologies, while fostering inclusive participation in the NSI.

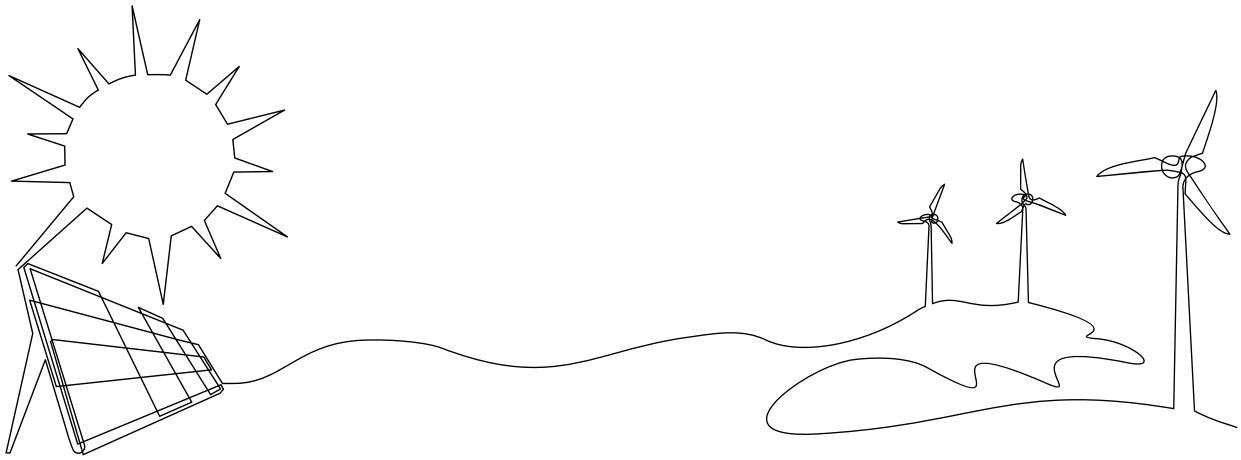
The 2024/25 reporting year concludes the 2020–2025 strategic cycle, offering both a moment of reflection and a springboard towards TIA 2.0.

Despite a challenging environment characterised by fiscal constraints, an evolving institutional mandate and operational pressures, TIA delivered strong results across its strategic outcome areas. A notable achievement was the commercialisation of 306 technological innovations, which substantially exceeded the five-year target of 175. The Agency also facilitated 220 demonstrations of bio-based technologies, nearly tripling the initial target of 75, thereby supporting key national priorities in food security, health and green industrialisation.

In support of SMME development, TIA's interventions resulted in close to 9,100 competitiveness improvements and technical interventions for SMMEs and cooperatives, contributing to improved product quality, market access and business sustainability. Across all programmes, TIA provided direct support to almost 14,000 SMMEs during the five-year period. While the target for competitiveness improvements in the final year was impacted by budgetary limitations within the Technology Stations Programme (TSP), the cumulative achievements remained substantial.

At the output level, TIA met or over-performed against 15 of its 19 output indicator targets in the Agency's 2024/25 Annual Performance Plan (APP), representing a performance of 79%, the same as TIA's performance of 79% in 2023/24. With regard to achieving annual performance targets relating to the TIA's core mandate, the Agency met or exceeded 12 of its 13 performance targets, with the target for technologies licensed or assigned not being met.

However, challenges remain. We did not meet all our transformation and inclusion targets during the cycle, with women, youth and persons with disabilities under-represented. In response, TIA launched dedicated programmes targeting these groups, laying the groundwork for stronger inclusivity in future years.



Operational pressures, fiscal constraints, and uneven programme performance also tested our resilience, but they strengthened our resolve to reimagine the Agency's future.

As we transition to TIA 2.0, our focus is on embedding a new business and operating model that positions the Agency as a curator of innovation and a trusted thought leader. This vision is anchored in collaboration, financial sustainability through partnerships, digital transformation, and a renewed commitment to inclusivity. The achievements of 2024/25 are a testament to the dedication of our staff, the guidance of our Board, the support of the DSTI, and the confidence of our partners.

Together, we are building a resilient, inclusive, and globally competitive innovation ecosystem that serves all South Africans.

I am proud to present the TIA Annual Report 2024/25, confident that the lessons learned and foundations laid will enable us to deliver even greater impact in the years ahead.

Mr Ismail Abdoola
Acting Chief Executive Officer

6. CFO'S OVERVIEW

NOTWITHSTANDING THE TOUGH ECONOMIC CLIMATE, THE TIA RECEIVED AN UNQUALIFIED AUDIT FOR THE 14TH CONSECUTIVE YEAR.

The TIA's financial results for the period 1 April 2024 to 31 March 2025 (hereinafter '2024/25') indicate that the Agency has maintained sound financial performance despite the prevailing economic climate. Notwithstanding the tough economic climate, the TIA received an unqualified audit for the 14th consecutive year. This accords with the Agency's commitment to maintaining a healthy control environment that is governed by sound financial principles and policies.

The TIA commenced the financial year with a budget allocation of R432.7 million. Of this, R199.2 million (46%) represented the total investment budget commitment towards the Bio-economy, with just over R233.5 million (37%) available for new investments and operational expenditure. With an approximate budget requirement of R174.5 million for operational expenditure (personnel and administrative costs), R59.5 million remained available for disbursement to new projects.

Financial Performance

The TIA realised an actual surplus of R49.1 million for the year. This is attributed largely to additional funding that was received from the shareholder (DSTI) through specific contracted programmes, Settlement and Termination Agreement that was agreed with Contactable (Pty) Ltd for an amount of R22.7 million. Technology development is an inherently high-risk undertaking due to the unpredictable nature of the intended outcomes. In such an environment, there is a high probability that investee project-related milestones cannot be budgeted for with accuracy, making it difficult to forecast and deliver zero-surplus-deficit actuals at the end of each financial year.

Total income for the year amounts to R735.8 million and represents a 19.3% positive variance when compared to the budgeted amount for the year. TIA received a Medium-Term Expenditure Framework (MTEF) allocation for the year totalling R432.7 million following a budget reduction of R26.7 million compared to the financial year.

Total income from specific contracts resulted in a 43% positive variance when compared to budget. Total expenditure for the year amounted to R686.7 million, which is R93.1 million (14%) higher than budgeted for. This was contributed largely by a higher than projected investment expenditure within a ringfenced programme.

By 31 March 2025, the Agency had funding commitments to projects totalling R117.8 million. Section 53(3) of the Public Finance Management Act (PFMA) stipulates that public entities must submit a request to National Treasury to retain any surplus funds. A submission will be made by the respective timeline as communicated by National Treasury.

Investment Pipeline

TIA has disbursed more than 90% of its MTEF allocation. Total disbursements to project-related activities totalled R491.1 million, which was 15% in excess of the budget. This was attributable to a greater than budgeted for disbursement to ringfenced programmes.

Of the TIA's total disbursements, 31% was spent within the Bio-economy Division, 11% towards the Commercialisation Division, 46% to the Innovation Enabling Division and 12% to Technology Stations. Disbursements were directed towards various programmes, including Technology Cluster initiatives aimed at leveraging off private-sector funding.

During the reporting period, efforts were dedicated not only to managing the existing portfolio but also to building a pipeline of investments. At year-end, several projects in the pipeline requiring funding of

approximately R364.3 million were at advanced stages of due diligence, with some approvals expected during the first half of the 2025/26 financial year.

Innovation Fund

During the current year, the Agency committed R100 million into the High Impact Seed Fund of Funds as part of its strategic drive to catalyse early-stage innovation financing and broaden participation within South Africa's venture ecosystem. In addition, the Agency through the support of the DSTI has developed a new programme towards supporting First and Emerging Black and Women Owned Fund Managers. Initial funding of R80 million was received in the current year in support of this programme. This initiative is designed to unlock new pathways enabling them to raise and deploy capital in support of high-potential, technology-based enterprises. By anchoring this new programme, TIA seeks to stimulate a more inclusive, diverse, and dynamic innovation funding landscape, reduce barriers to entry for new fund managers, and ultimately accelerate the growth of a pipeline of investable ventures that contribute to industrialisation, competitiveness, and socio-economic transformation.

Procurement

The TIA's use of the National Treasury's Central Supplier Database allowed the Agency to spread its purchasing reach to smaller suppliers who generally struggle with high barriers to entry into supply chains and procurement expenditure. The TIA does not procure goods and/or services from suppliers who are not fully tax compliant, in this way contributing to the fiscus. The procurement strategy continues to focus on increasing expenditure with small businesses and those businesses owned by previously disadvantaged individuals, in line with government priorities and objectives.

The Agency continues to focus its efforts on identifying and procuring from businesses that have significant ownership by youths, women, black and disabled persons. The Agency's total procurement for the year was R79.3 million; 92.5% of this total procurement was from SMMEs, with approximately 80.6% from black-owned businesses. The total procurement from black women-owned businesses and black youth-owned businesses was 20.6% and 11.5% respectively. An overall procurement analysis, as noted above, reflects positive movements in comparison to previous years and this will continue to be a focus area in the future.

Efficiency Ratio

More significantly, management remained committed to and continued the drive to allocate savings from operational expenditure to investments. As a result of strict budgeting and focused expenditure on investment-related activities, the efficiency ratio target of 10% was met. This represents a marked improvement from the prior year efficiency ratio of 15%.

2025/26 Budget

Going into the new year, the TIA has an allocation R420.0 million and a commitment book of R117.8 million, with just over R302.2 million available for investments and operational expenditure. Given the MTEF allocation of R420.0 million and commitments to projects as noted above, in addition to commitments to supported programmes that include Technology Platforms (R40.5 million), TSP (R51.1 million) and Technology Clusters (R24.3 million) plus operational expenditure requirements (R131.9 million). The remaining balance available for new project disbursement is R54.4 million.

The modest quantum of available funding for new projects represents a material risk for the Agency and places more emphasis on the entity to source additional funding through strategic relationships with partners, both locally and overseas. In addition, as part of the Consolidate Phase of implementing the TIA 2.0 Corporate Strategy, the Agency will review its funding and revenue model, including the implementation of equity and related instruments to improve its access to capital in the future. Given the past performance, the organisation is therefore well poised to deploy funds effectively within the NSI and continue to bolster its funding capacity through effectively leveraging partnerships.

Risk Management

Risk considerations remained integral to the Agency's financial management during the 2024/25 financial year. The year under review was characterised by a high operating risk environment, shaped by economic volatility and constrained fiscal conditions. Within this context, the Agency's structured approach to risk, supported by strong oversight from governance committees, safeguarded financial resources while enabling the pursuit of strategic priorities.

Looking ahead, emphasis will be placed on strengthening combined assurance, leveraging risk insights to support financial decision-making, and ensuring that risk management remains a cornerstone of organisational resilience and long-term sustainability.

Hunadi Manyatsa

Ms Hunadi Manyatsa CA (SA)
Acting 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 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 Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.
- The accounting authority is responsible for the preparation of the AFS and for the judgements made in connection with 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.

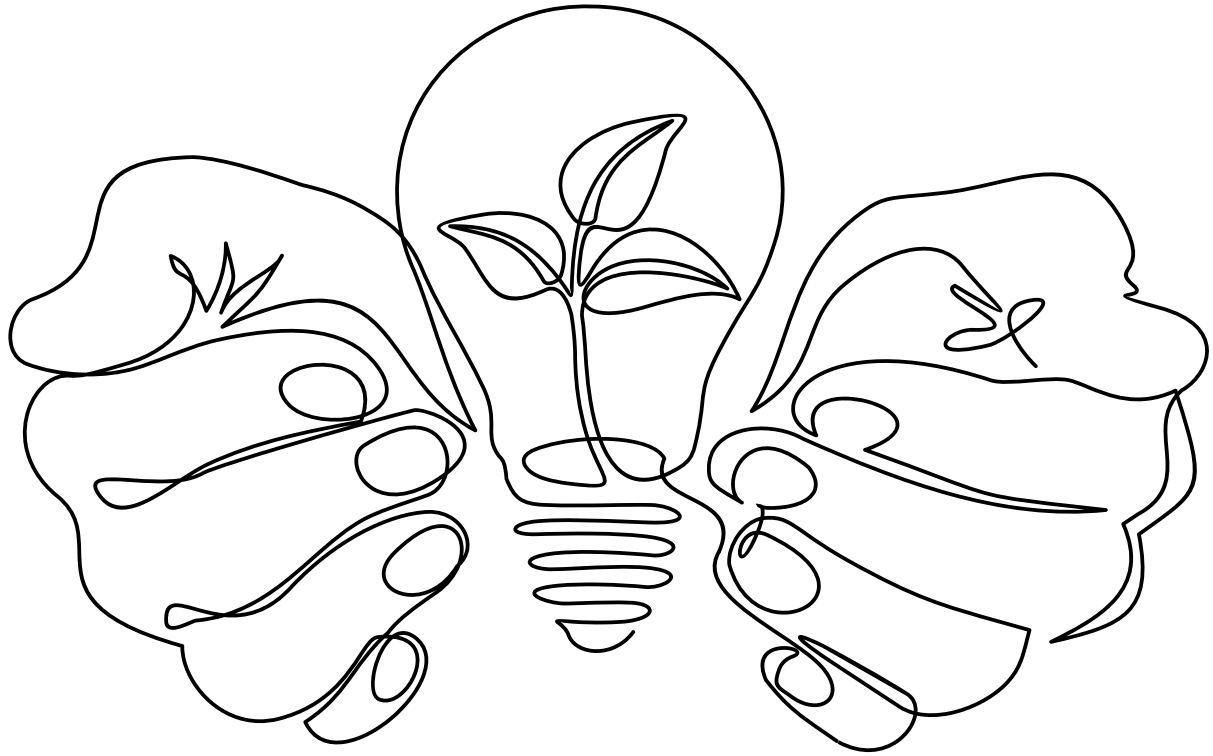
In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2025.

Mr Ismail Abdoola
Acting Chief Executive Officer

Date: 28 August 2025

Mr Loyiso Tyira
Board Chairperson

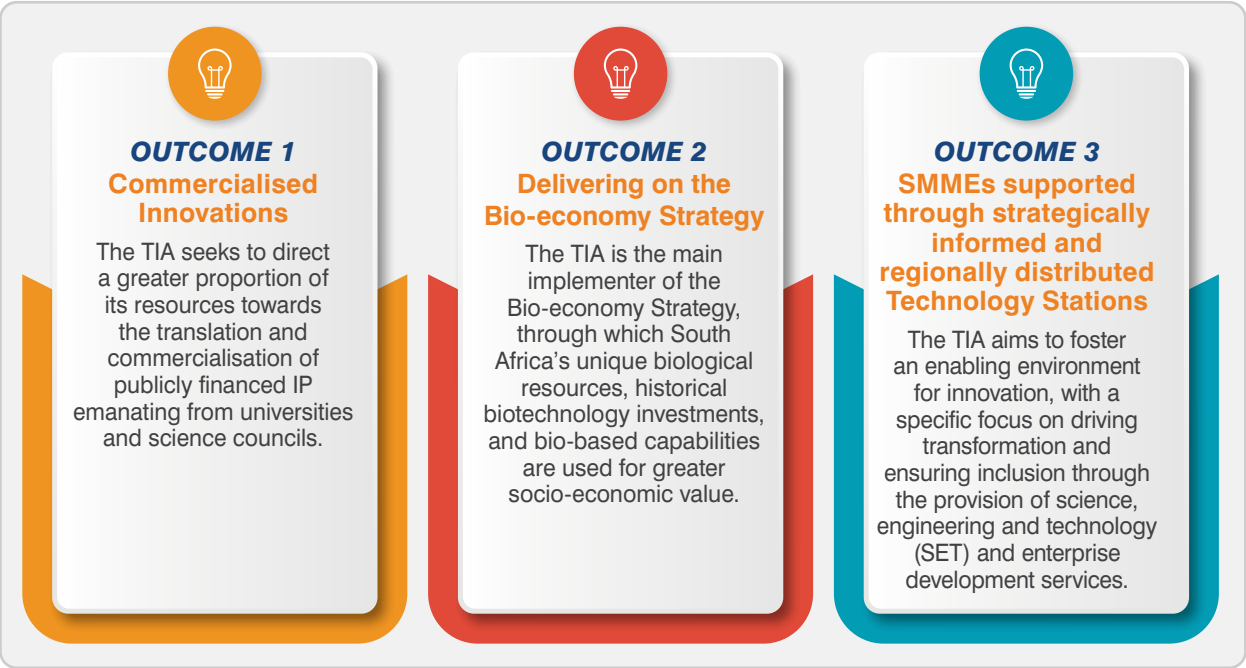
Date: 28 August 2025



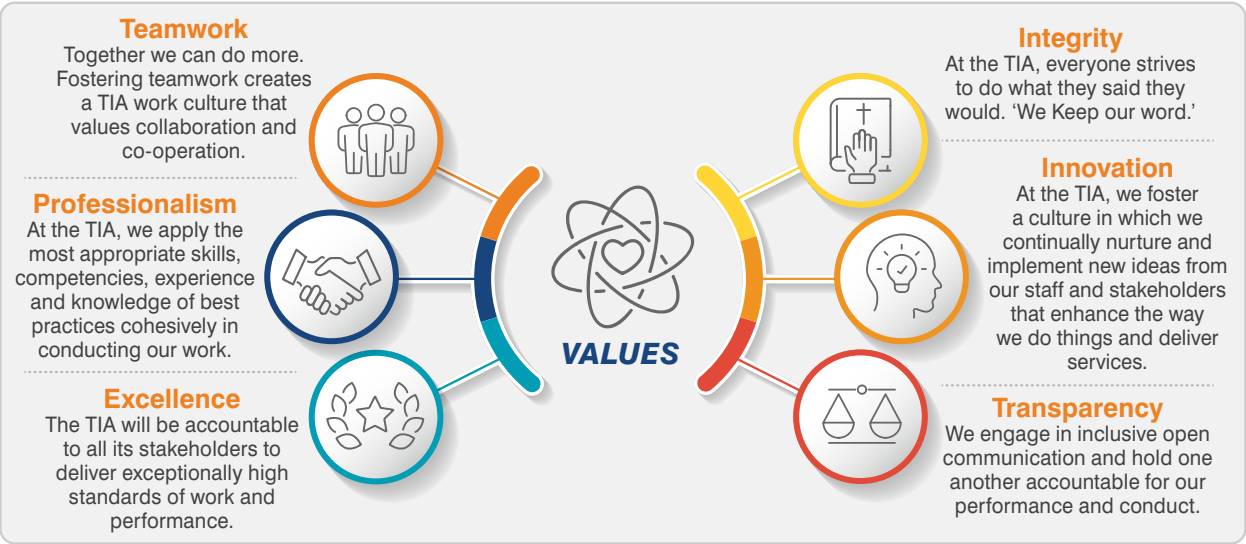
8. STRATEGIC OVERVIEW

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

The Agency's impact statement is **'Improving the quality of life of all South Africans through innovation'**. In support of this, the TIA's 2020–2025 Strategic Plan seeks to position the Agency within the NSI through the pursuit of three outcomes:



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



9. LEGISLATIVE MANDATE

The TIA was established as a Schedule 3A public entity under the provisions of the PFMA (Act 1 of 1999, as amended by Act 29 of 1999). The Agency's mandate is derived from the provisions of the TIA Act (No. 26 of 2008)[1], which establishes the TIA as an agency to promote the development and exploitation, in the public interest, of discoveries, inventions, innovations and improvements. The Agency's objective is to support the state in stimulating and intensifying technological innovation that improves economic growth and the quality of life for all South Africans.

10. ORGANISATIONAL STRUCTURE

The TIA's Board-approved organisational structure as at 31 March 2025 is illustrated in Figure 4.

Figure 4: TIA's organisational structure

[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.


PLANNED
01:29:18
01:29:18 / 01:29:18
SETUP
01:29:18
RUNNING
01:29:18
01:29:18 / 01:29:18
SHIFT
JOB
OUT
EVENTS
STARTS
245649/900000
245617/900000

PART B
PERFORMANCE INFORMATION

11. EXTERNAL AUDITOR'S REPORT AGAINST PREDETERMINED OBJECTIVES

The external auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management. The overall audit outcome of the public entity is unqualified with findings. This is the same as the previous year's audit outcome. The Report on the Audit of the Annual Performance Report is contained in Section 37.

12. PERFORMANCE OVERVIEW

12.1 SERVICE DELIVERY ENVIRONMENT

The TIA recorded a year-end output performance achievement of 79%, representing a total of 15 targets achieved out of 19 output indicator targets for the year. This performance has been achieved in an environment marked by a constrained fiscus and budget cuts.

MTEF baseline allocations in this period has reflected a decrease of R28.0 million in comparison to the previous year. This situation constrains the funding available for projects. Accordingly, there remains a large unfunded pipeline of investments, placing emphasis on the Agency's having to leverage additional funding by means of various partnership models. As the Agency moves into a new strategic period with a projected decline in the available funding for investment, a new funding strategy and model have been proposed and are currently undergoing rigorous planning and refinement.

In his 2025 State of the Nation address, the President of the Republic of South Africa pointed out many significant challenges faced by the country which have a negative effect on some of the gains that have been made by government. The triple challenges of poverty, unemployment and inequality continue to persist, with youth unemployment remaining very high. The address identified that more than 40 of the country's 257 municipalities in 2024 were under administration. Municipalities are responsible for administration, budgeting and planning to meet the fundamental needs of their communities, while also driving both social and economic development. However, many struggle due to a lack of technical skills and resources. The problems at municipal level continue to exacerbate the challenge of underdevelopment, which has substantial implications and an enormous ripple effect on many sectors and domains of the state.

Gross expenditure on R&D as a percentage of gross domestic product (GDP) was at 0.61% in 2022/23, which is unchanged from 2021/22. Applied research remained the most prevalent type of research, which accounted for half of all R&D activity, totalling R20.449 billion in 2022/23. Expenditure on basic research totalled R11.53 billion, with the majority (64.4%) conducted in the higher education sector. Expenditure on experimental development was lower, at R8.94 billion, with most of it (51.8%) carried out in the business sector. Experimental development continues to be less prevalent, with the lowest share in funding. This type of research is important to innovation which involves the translation of existing scientific, technological, business and other relevant knowledge and skills to new or improved products, processes or services.

A key positive development in this period was the continual reduction of loadshedding incidents. This improvement has had a positive impact on business sentiment. Business plays a critical role in the economy and therefore the reduction in loadshedding brings significant relief to this critical sector.

In response to the challenges and opportunities in the TIA's service delivery environment, significant efforts were directed towards reimaging and reconfiguring the Agency in response to a 2022 Ministerial Review of the TIA. Details of these efforts are provided in the section that follows.

12.2 ORGANISATIONAL ENVIRONMENT

12.2.1 TIA 2.0 INITIATIVE

In 2022, the then Minister of Higher Education, Science and Innovation appointed an expert independent panel to undertake a review of the TIA. The review report provided detailed findings and recommendations on various policy and strategic implementation issues that have affected the TIA's ability to fulfil its mandate.

A key recommendation from the review was the development of a ten-year TIA 2.0 Corporate Strategy that envisaged the Agency's evolving over a period of ten years in a manner that repositions it strategically in the NSI to enable it to make a greater socio-economic impact in future. Accordingly, much effort was devoted by the Agency in 2024/25 to a strategic reconfiguration and reimagination process under what has become known as the TIA 2.0 initiative.

The strategy was developed internally through a series of strategic planning engagements in late 2023 and during 2024 among the senior management team and with the TIA Board. Essentially, the strategy envisages the Agency's assuming a stronger curator and thought leadership role in the NSI by adopting and implementing a new business model and a new operating model. The Agency envisages the journey to TIA 2.0 taking place in three phases, namely: Consolidate, Grow and Scale, as depicted in Figure 5.

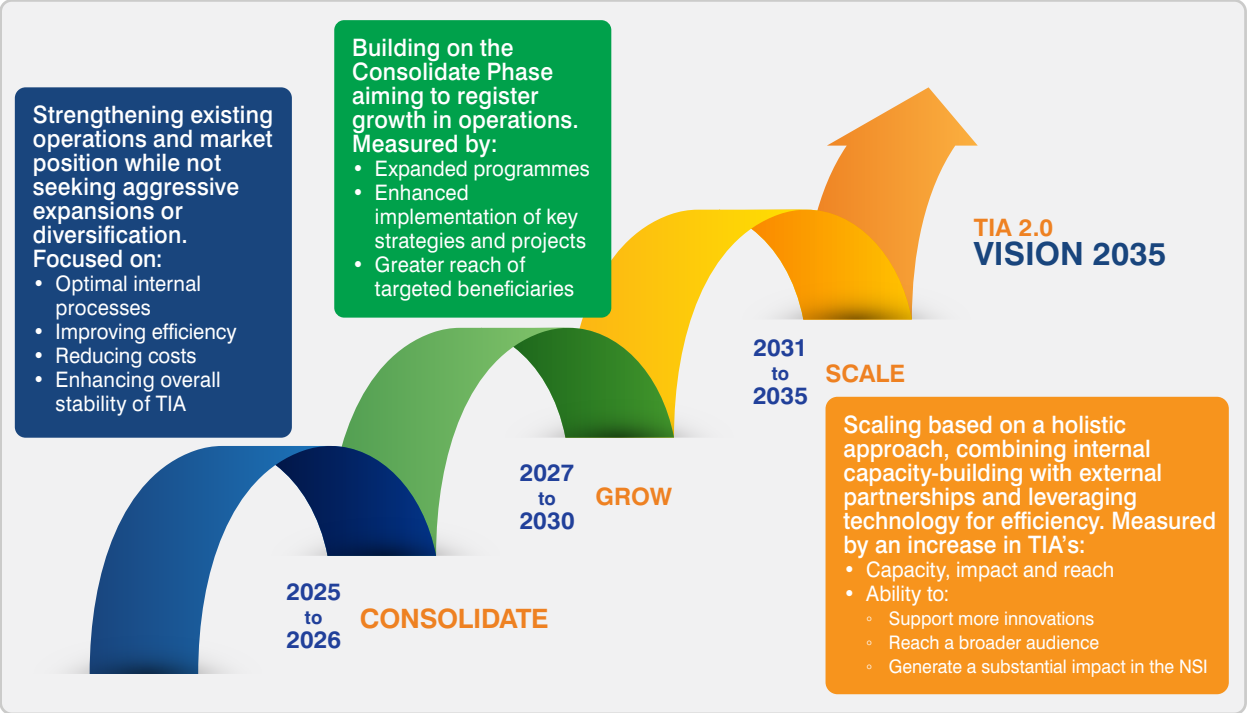


Figure 5: The Consolidate, Grow and Scale phases of the journey towards a TIA 2.0.

Two key features of the new business model are the TIA's becoming a respected curator in the innovation ecosystem while retaining its traditional innovation curator role. As a curator in the innovation ecosystem, the Agency aims to foster collaboration, network formation and partnerships, including the formation of collaborative innovation programmes. The Agency aims to mobilise increased levels of funding through local and international partnerships, while also improving funding efficiencies. The Agency also will advocate an appropriate policy and regulatory environment that will enhance the performance of the innovation ecosystem, while also seeking to improve the efficient functioning and capability of the research and technology entrepreneurship ecosystem.

As an innovation curator, the Agency will continue to build a pipeline and portfolio of innovation ideas which have been rigorously assessed and developed towards commercialisation. The Agency will also continue to facilitate access to innovation infrastructure, support capacity-building and facilitate market access, funding and investment for both innovators and businesses.

The draft TIA 2.0 Corporate Strategy was submitted to the Minister and the DSTI on 30 October 2024. The Minister responded formally in a high-level response to the TIA Board Chairperson on 24 March 2025, requesting certain actions to be undertaken in order for the TIA to finalise the strategy. This included workshopping the draft TIA 2.0 Corporate Strategy with DSTI officials to ensure its alignment with the national STI policy agenda. This reinforced the requirement, first, that the Agency should consult with key stakeholders in the innovation ecosystem in order to foster buy-in and support for its new vision and, second, that it recruit a Chief Executive Officer who possesses the appropriate skills to lead the agency towards TIA 2.0.

In 2025/26 TIA will finalise the TIA 2.0 Corporate Strategy and develop an implementation roadmap to guide the Agency's efforts during the period 2025/26–2034/35.

12.2.2 OPERATIONAL STRUCTURE

The organisational structure remains constant, with a headcount of 193, as approved. It is critical to note that the current financial year marked the last year of the 2020–2025 organisational strategy. The end of the cycle initiates a period of reflection for the organisation to enable it to integrate the future planning process with the strategies needed to navigate the organisation in a direction in which it adapts and evolves in response to critical environmental changes.

12.2.3 OPERATING ENVIRONMENT

In response to the internal and external forces of change, the organisation has realised the need for cultural transformation, which is a collective long-term commitment to building an environment that supports all employees to adapt as the organisation evolves towards TIA 2.0. The process has included reviewing the current values as they relate to the organisational culture, and also reviewing and updating our operational policies and processes in an effort to drive the desired operational efficiencies and organisational behaviours.

The development of the TIA 2.0 Corporate Strategy, conducted through holistic staff engagement sessions, involved considerable reflection on the organisation's control environment, operational efficiencies, business processes and its digital maturity. The outcomes of these reflections will be carried forward as critical action plans in the new financial year to ensure greater alignment.

The organisational values were reviewed through a holistic engagement process that included both the TIA Board members and the employees. The reviewed

values will be incorporated into the Corporate Strategy when it is approved.

12.2.4 CUSTOMER SERVICE AND QUALITY MANAGEMENT

The annual stakeholder satisfaction survey is underway across relevant industries to solicit stakeholder sentiments on the business performance and to understand the satisfaction levels among the TIA's clients, partners and other stakeholders that provide complementary services. The survey will also assess the drivers of and barriers to satisfaction and seeks to identify any service-delivery improvements or any decline since the previous survey. Management continues to ramp up the implementation of its programmes and initiatives, the marketing and communications plans and the engagement activities with key stakeholders in the NSI through various channels and modalities.

The organisation maintained and achieved its ISO 9001:2015 recertification for the year under review. The certification is used to demonstrate the Agency's ability consistently to provide products and services that meet both customer and regulatory requirements by implementing quality management processes, policies and procedures to ensure compliance.

12.2.5 SYSTEMS AND PROCESSES

Business process management and innovation were key deliverables during the year under review. With the TIA ecosystem evolving rapidly, this necessitated a rigorous assessment of its processes and operations to ensure sustainable growth and continuity in meeting stakeholder demands. In the wake of digital transformation, with rapidly emerging technologies requiring the TIA to adapt to changing industry and operational trends, business process innovation was implemented. The project depended greatly on robust buy-in by all staff to ensure operational success by adapting to the applied changes.

In alignment with the stated TIA 2.0 aspirations, the focus of the IT unit was to drive the organisation's growth and innovation by enabling seamless, secure and agile digital technologies. These solutions were implemented to improve collaboration, data-driven decisions and operational efficiency while maintaining cybersecurity, scalability and sustainability. The ERS, which is central to managing investment life cycles, was optimised to attain better operational efficiency.

During this artificial intelligence (AI) paradigm, the process of scaling technology adoption required a conducive internal environment in which user trust and readiness, a business model, the regulatory framework and talent availability played crucial roles. As cyber threats evolve, they introduce new challenges, spanning from operational technology risks and encompassing critical infrastructure to vulnerabilities associated with mobile device security – which affected almost every employee in the Agency. Consequently, various control measures were deployed, including the commissioning of the requisite tools and appropriate expertise to respond to and recover from any cyber security vulnerabilities identified.

12.2.6 BRAND VISIBILITY

The TIA 2020–2025 Strategic Plan expresses brand visibility as one of the key focus areas for the Agency. In the year under review, the TIA has made strides in enhancing its brand awareness in the market by embarking on a number of activities that continue to indicate solid performance towards achieving greater brand visibility.

Media and public relations

The drive to manage and increase brand equity through tactical and business support initiatives and marketing and communication activities to increase brand awareness was continued, as was the Agency's positioning and communicating the success stories stemming from TIA-supported initiatives. These activities included marketing campaigns, strengthening relations with the media and both strengthening existing and setting up its own new communication channels.

The Marketing and Communication strategy focuses on reputation management aimed at communicating and showcasing the work of the TIA. Opinion pieces by TIA representatives, advertorials in key publications, outside broadcast (SAfm) and proactive engagements with media are some of the key mechanisms used to broadcast the TIA story.

For the year under review, the TIA generated a total of 857 media clippings with an advertising value equivalence of R25.59 million. The coverage was led by print media followed by online, broadcast and social media.

Most of the media coverage generated for the TIA derived from social, online, print and broadcast sources. The coverage clippings were led by social (41%), followed by print (21%), online (29%) and broadcast (9%). The coverage sentiment for the period was led by positive tonality, followed closely by neutral tonality, and no negative sentiment was expressed towards the brand during this reporting cycle.

Marketing

During March to April 2024, the then Department of Science and Innovation commissioned a brand awareness survey to explore people's awareness of the Department and its entities. The survey was conducted nationally, with respondents 18 years and older participating in the survey. The TIA brand awareness for the period improved from 10% to 16% compared to the previous reporting period. This indicates that the marketing efforts and activities have yielded growth in brand awareness.

Brand campaign

During the reporting period, the Agency launched a digital brand campaign through TIA-owned and paid-for media channels. The theme of the campaign was #TIA change makers. The campaign positions and communicates the TIA's mandate of and commitment to improving the quality of life for all South Africans. The campaign was executed through paid media on various communication platforms, including online and social media, and supported by public relations.

The effective strategy to build and nurture a brand image is to employ a multidisciplinary method that blends owned, earned and paid media in a co-ordinated digital ecosystem composed of public relations, social, search and other elements. In the evolving marketing and communications landscape, TIA is embracing the new opportunities presented by the new environment and trends. These include AI channels, investing in content creation and omnichannel integration.

Website

The TIA website is the centrepiece of the digital marketing activities of TIA Marketing and Communications. In the reporting period, the TIA revamped, enhanced and launched two websites, namely, TIA corporate and Biosafety. The revamped websites are modern, informative and user friendly and they position the Agency as an enabler and connector in the ecosystem. Since their launch the number of visitors has increased, with an improved engagement rate.

Social media

The TIA strategically uses social media platforms to foster stronger connections with its target audiences. The Agency engages audiences by sharing captivating content. Through these interactions, it aims both to elevate brand recognition and to cultivate brand advocacy.

Staff engagements

Effective internal communications build organisational commitment, influence corporate reputation, share knowledge, gain trust, instil a sense of belonging, create awareness and engage employees. The TIA's employees are considered an important stakeholder; they influence the Agency's reputation and act as ambassadors of the brand. During the reporting period, monthly staff engagements were conducted; these were, and continue to be, aimed at keeping TIA employees engaged with and informed about developments in the organisation.

Strategic engagements and events

One key strategy that the TIA employs to enhance its brand awareness is to secure strategic partnerships and sponsorships and to organise and participate in events to increase its brand visibility. Accordingly, the Agency hosts, sponsors and partners with major events to reach a broad audience and enhance its brand recognition. Events are an effective platform for continuous engagement with various stakeholders in the NSI, industry, the public sector and HEIs.

During the year under review, the Agency hosted and participated in 35 events as a strategic partner, headline sponsor or participant; these included several strategic local and international industry events, which also attracted innovators and government officials.

12.2.7 OFFICE FACILITIES AND REMOTE WORKING

The hybrid work arrangements persisted during the year under review in accordance with the Remote-Work Policy. Taking advantage of organisational collaboration tools, employee performance was ensured in achieving the organisation's annual targets. Continuous communication and engagement with employees were prioritised, with monthly staff engagements being held and broader communication channels maintained to keep everyone abreast of progress with the organisation's performance and strategic alignment matters.

Health and safety regulations and compliance were adhered to in the workplace to mitigate the risk of illness or death of the employees. To this end, risk assessments in the form of monitoring were conducted for all the offices prior to the commencement of office work. In addition, office occupancy was kept at no more than 50% of capacity daily, which allowed for any hazardous impact to be managed proactively. Furthermore, preventive equipment was provided to employees and open-plan offices were managed to minimise any risks of infection.

12.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

During the period under review, the National Small Enterprise Amendment Act was signed to law. It seeks to streamline the services provided by the government in support of SMMEs to ensure economic growth, reduce unemployment and poverty and increase the participation of small businesses in the economy. The Act sets forth the establishment of the Small Enterprise Development Finance Agency, which absorbs both the Small Enterprise Development Agency and the Cooperative Banks Development Agency. The new Small Enterprise Development Finance Agency will function as a one-stop-shop for aspiring entrepreneurs and promote the development of co-operative banking institutions.

The provision of financial and non-financial support to SMMEs is a key TIA function. This support is provided through the provision of funding for innovation and of non-financial support in the form of skills development and mentorship programmes. Developments in the SMME environment that seek to improve this space is of great interest to the Agency, as this enables it to identify opportunities to accelerate the impact SMMEs can make.

Furthermore, the Act establishes the Small Enterprise Ombud Service, which will be tasked with managing complaints and making motivated suggestions to the Minister of Small Business Development should it feel that certain practices are having a negative impact on small enterprises, and where practices may be declared as unfair trading.

South African SMMEs employ just 28% of the working population; globally, this figure sits at the 60–70% mark, and the reason behind these poor local figures is that SMMEs do not have a long life (only one in five SMMEs

will make it to the five-year mark) as there is a lack of support from government, a lack of available funding opportunities and markets are fraught with monopolistic and other unfair practices. But SMMEs contribute roughly 34% of the national GDP and make up 90% of all registered businesses and so they are therefore vital to our economy.

Another key piece of legislation that was promulgated is the Public Procurement Act 28 of 2024, which aims to regulate public procurement practices, promote transparency, prescribe a single preferential procurement framework and resolve any weaknesses in the current procurement processes, including corruption, cadre deployment and tenderpreneurs. Furthermore, the Act aims to achieve more efficient, effective and economical use of public resources and advance the transformation agenda while broadening economic participation. The new Act ensures that related regulations comply with the stipulation in section 217 of the Constitution in that the 'contracting of goods and services by organs of state in all spheres of government must occur in accordance with a system which is fair, equitable, transparent, competitive and cost-effective'.

The new regulations also detail the specific criteria that preclude certain entities or individuals from submitting bids for public tenders. These include public office-bearers, employees of Parliament or provincial legislatures, any officials or employees of, among others, public entities, constitutional entities, municipalities and municipal entities and their immediate family members. In addition to the preclusion of specific persons from bidding on public tenders is the new requirement that all organs of state must ensure that they comply with these regulations with efficiency, cost-effectiveness and integrity, and they are encouraged to use technology to achieve this.

The Electricity Regulation Amendment Act came into effect on 1 January 2025, allowing the state to put in place the building blocks of a competitive electricity market. Over time, this will allow multiple electricity-generation entities to emerge and compete. Private-sector investment mobilisation into the transmission network is being encouraged to connect more renewable energy to the grid. The TIA remains committed to supporting the government's drive towards renewable energy sources and supports many related initiatives.

The Water Services Amendment Bill has been enacted to enable the expansion of the bulk water infrastructure and improve the management of existing water assets to ensure water security during the next decade. The government will introduce a licensing system for water service-providers and remove licences where providers do not meet the minimum standards for quality drinking water.

The South African National Water Resources Infrastructure Agency SOC Ltd Bill establishes a new agency that will be responsible for developing and managing the national water infrastructure. This agency will be able to mobilise finance for new projects through innovative models that crowd in private investment. The new legislation forms part of reforms in the water sector aimed at increasing investment in the maintenance and construction of water infrastructure and improving water quality. The TIA seeks to play a critical role in supporting the government's drive to manage water resources by identifying and supporting innovations that can make this possible.

12.4 IMPACT STATEMENT AND PROGRESS TOWARDS ITS ACHIEVEMENT

The TIA's impact statement is 'Improving the quality of life for all South Africans through innovation'. Since being enacted in 2008 and becoming operational in 2010, the Agency has had a strong impact on the NSI. This has been done through bridging the co-called 'innovation chasm' between promising local research and the market, a challenge identified in the 2002 National Research and Development Strategy. The TIA's interventions in this regard centre on de-risking promising technologies that have been developed based on IP produced through public-funded R&D. The focus is on supporting biotechnologies due to the promise of the 'green revolution' and the potential of the bio-economy to contribute significantly towards socio-economic development in South Africa.

The TIA funds the process of de-risking early-stage technologies to increase their chances of attracting follow-on funding to commercialise the outputs of public-funded research. Successfully commercialising technological innovations benefits the economy through the sales and revenue growth associated with new products or services being introduced to the market. Other benefits include contributing towards re-industrialising the economy, the localisation of production, and export growth. New enterprises or spin-out companies may also be created based on their unique technological innovations, leading to job creation.

The Agency also supports the development of an enabling environment for innovation to take place and flourish. The Agency has a specific focus on providing SET and enterprise development services to SMMEs and co-operatives. It also focuses on supporting bio-based entrepreneurs and grassroots innovators in this regard. The purpose of its interventions in this area is to help entrepreneurs and enterprises to sell new or improved products or services or to make improvements to the competitiveness or efficiency of their operations, in this way generating profits and either retaining existing or creating new jobs.

The Agency's impact across different areas is provided in Table 1.

Table 1: Impact created through the TIA's interventions (2020–2025)

Impact Area	Indicator	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Enhancing the competitiveness of SMMEs	Competitiveness improvements	1,004	541	867	1,642	566	**4,620**
	Tests or analysis undertaken	705	1,249	1,091	759	629	**4,433**
New business development	Products, processes or services taken up in the market	33	49	60	76	87	**305**
	Products launched through technological innovation	21	37	43	58	56	**215**
Inclusive innovation	Technologies diffused to communities	5	12	18	22	34	**91**
Transformation	Percentage of uncommitted investment funds spent in underserved provinces	No data	No data	66% (R43.6m)	50% (R28.3m)	81% (R46.9m)	– **(R118.8m)**
	Percentage of uncommitted investment funds spent towards designated groups	No data	No data	47% (R30.8m)	79% (R44.5m)	54% (R30.9m)	– **(R106.2m)**
Co-investment in innovation	Funds leveraged	R1.37bn	R746.5m	R600.9m	R686.85m	R518.50m	**R3.92bn**

The TSP provides subsidised support services to science and engineering challenges experienced by businesses and entrepreneurs in relevant industrial sectors; in these ways, it supports investments and provides technical services to SMMEs to enhance their competitiveness. Their efforts also contribute to applied research, technology development and the diffusion of knowledge and skills through technology demonstrations. The overarching goal is to support competitive enterprises in becoming productive, creating jobs, accessing markets and exporting products that meet national and international standards. The reach of Technology Stations has also expanded to include non-governmental organisations (NGOs) and co-operatives – empowering, for example, women in rural areas to generate income. The combined number of competitiveness improvements and tests or analyses undertaken during the five-year period is a staggering 9,053.

Regarding new business development, the Agency recorded 305 products, processes or services taken up in the market through new or continued supply contracts between SMMEs which were supported through the TSP and the SMMEs' clients; these resulted from improvements in their competitiveness. The TIA also launched 215 products into the market across all of its funded or supported interventions, based on supported technological innovation and commercialisation efforts. The TIA continues to make a greater impact in respect of technologies diffused to communities in pursuit of inclusive innovation; this it does by implementing the DSTI's Technology Acquisition and Deployment Fund (TADF) alongside the existing Innovation for Inclusive Development programme. The former initiative aims to promote the procurement of locally developed technologies by the state. Market-entry support is provided to innovators by the provision of first-purchaser funds to enable samples to be produced and trialled by public-sector clients. Successful trials may result in innovators' subsequently securing offtake agreements. A strong contributor to this impact measure in future will be the fairly new Centres for Innovation and Entrepreneurship (CIE) programme. During the 2020–2025 strategic period 215 technologies were diffused to communities.

In support of transformation more broadly, the TIA aims to disburse a portion of the uncommitted investment funds to beneficiaries in underserved provinces and to transformed recipients (in designated groups). The Agency introduced formal indicators to measure its performance in this regard from 2022/23 and has consistently met its targets and increased its performance over the years – particularly relating to the funds deployed in underserved provinces. The TIA's spend for designated groups declined slightly in 2024/25 after showing a positive upward trend in previous years. During the period 2022/23 to 2024/25, the TIA recorded R118.8 million in uncommitted investment funds deployed towards beneficiaries in underserved provinces against a target of R53.9 million and R106.2 million in uncommitted investment funds deployed towards transformed recipients against a target of R71.1 million.

The Agency funds technology development and related activities with the objective of de-risking the technologies, in this way rendering them more market-ready. The co-funding of this process by third parties is therefore a strong indicator that such parties also see merit in the technology being developed and the

resultant innovation to be taken up in the market. The TIA's targets for the amount of funds contributed by other parties for the purposes of funding technology development, technology commercialisation and related support activities have been exceeded by substantial margins during the period under review – exceeding its targets in all years. (The reason for the apparent drop in leveraged funds is that in 2020/21 this included in-kind and other non-direct monetary contributions, whereas from 2021/22 only cash contributions were considered.) In conclusion, the TIA's interventions resulted in notable outcomes during the five-year period. These included more than 4,600 competitiveness improvements for SMMEs, more than 4,400 technical tests and analyses conducted and the successful market introduction of 305 products, processes or services. The Agency also supported the diffusion of 91 technologies into communities, which contributed to inclusive development objectives. Through targeted initiatives, the TIA significantly increased its support for underserved provinces and designated groups, deploying more than R118.0 million and R106.2 million respectively in uncommitted investment funds between 2022/23 and 2024/25.

The TIA's efforts also catalysed co-investment from external parties, leveraging nearly R4.0 billion in additional funding for technology development and commercialisation. The TSP played a key role in this effect, supporting SMMEs and co-operatives across multiple sectors, facilitating applied research and technology transfer and contributing to job creation and market access. Collectively, these interventions strengthened South Africa's NSI by supporting enterprises in becoming more competitive, innovative and inclusive.

IMPACT SUCCESS STORIES

AGRICULTURE BIO-ECONOMY INNOVATION PARTNERSHIP PROGRAMME EVALUATION

The Agriculture Bio-economy Innovation Partnership Programme (ABIPP) was evaluated in October 2023 with the purpose of assessing the implementation and emerging outcomes of the ABIPP during a five-year period, from 2018/19 to 2022/23.

The evaluation found that the programme is aligned with the development priorities of South Africa and the broader region, though it has faced challenges due to its ambitious scope. While the programme's wide range of interventions aimed at achieving various developmental goals, the available resources were insufficient to support these ambitions fully. Despite these challenges, ABIPP has been effective in achieving its objectives, often surpassing the targets set. The programme has played a critical role in fostering a responsive and co-ordinated national system, promoting human capital development and leveraging knowledge and innovation to contribute to economic growth. Notable successes include the advancement of the product pipeline in the agricultural bio-economy and the impressive amount of co-funding it attracted, which amplified its economic and societal impact.

During Phase 2, the programme successfully introduced 15 products to market, surpassing its initial target. The programme also supported the development of a digital platform at the University of Pretoria (UP) called the Biosecurity Hub, which is designed to pilot tools and technologies such as early warning systems to help the government and producers to manage biosecurity threats. The Biosecurity Hub plays a vital role in training small-scale and developing producers to use these biosecurity tools, enabling the early detection of threats in the grain value chain. However, areas such as supporting black technicians and developing new plant or animal lines have been identified as needing further attention.

During its first two phases, ABIPP supported 23 projects, with the Grains and Oilseed Partnership Programme receiving the most significant portion of the funding. The expansion of productive agro-processing sectors and the establishment of new value chains and markets have contributed to job creation and enhanced income, while also improving food security and nutrition. Furthermore, ABIPP has made remarkable progress in human capital development, technology development and innovation support for emerging farmers, job creation, and attracting co-funding and investments. These achievements underscore its pivotal role in advancing the agricultural bio-economy. They also highlight ABIPP's potential to drive sustainable economic growth, promote social inclusion and resolve environmental challenges. The programme has also shown a strong commitment to minimising environmental impacts by promoting sustainable resource management and dealing with climate change. Regarding economic sustainability, ABIPP has focused on fostering economic growth, creating employment opportunities and improving livelihoods, in these ways contributing to inclusive and sustainable development. However, there remains room for improvement in ensuring the long-term sustainability of the programme, particularly through securing additional funding.

The evaluation recommended that the effectiveness and impact of the ABIPP could be enhanced in several ways. First, the TIA and DSI should facilitate networking and knowledge sharing among stakeholders, including farmers, researchers, policymakers and industry representatives, through various platforms such as conferences, workshops and online forums to respond to misconceptions about ABIPP and to promote collaboration. In addition, ABIPP's visibility should be increased by either enhancing its presence on the local bio-economy website or establishing an independent website supported by active promotion through social media platforms. Furthermore, it is recommended that the Project Management Unit receive adequate financial and human resources to ensure regular project site visits. To maintain integrity in the programme, the Steering Committee should strictly adhere to conflict of interests policies and the DSI is encouraged to explore mechanisms that balance potential conflicts

against co-funding requirements. Changes to the ABIPP governance structure are also suggested, including the establishment of a dedicated PMU with clear roles, sufficient resources and formalised operations of sub-committees, with defined remuneration for any experts involved.

Given ABIPP's successes, the DSI and TIA should actively promote the programme, publicise its impact and advocate increased funding. In addition, the TIA should support the development of more commercially viable activities among SMMEs so as to create sustainable business models and reduce reliance on public funding. Finally, a thorough evaluation study should be commissioned to assess the programme's impact, develop theories of change and ensure continuous improvement.

FOREST BIO-ECONOMY INNOVATION CLUSTER EVALUATION

The evaluation, undertaken in August 2023, assessed the strategic mandate and performance of the Forest Bio-Economy Innovation Cluster against the objectives of the Technology Innovation Cluster Programme (TICP) in supporting the NSI and meeting the needs of their stakeholders in the context of the Bio-economy Strategy. An expert panel was formed who reviewed key policy and programme documents and engaged various key stakeholders to answer the evaluation questions.

The FBIC is a merger of the Biorefinery Industry Development Facility (CSIR-BIDF) and the Forest Molecular Genetics Programme (FMG) at the UP. However, the evaluation found that these two entities do not collaborate on common projects or work together, which undermines the goal of harmonising a fragmented sector with low co-operation levels. This lack of synergy increases operational costs due to the duplication of resources. A review of the cluster's structure is necessary to determine whether these programmes should remain united or operate independently. If split, the FMG Programme could continue focusing on R&D for the forestry and horticulture sectors, while the CSIR-BIDF would focus on biorefinery technology development and implementation across suitable industries, including SMMEs.

The evaluation panel recommends continued government funding for the FMG programme but also suggests increasing industry funding by expanding into other sectors such as horticulture. This expansion would require a more inclusive project title and the development of a strategy to gradually reduce dependence on government funding. The strategy should aim to generate income through spin-offs, pay-for-service models and international collaborations. In addition, the TIA should fund personnel to diversify the team's skill set, including hiring an operations manager and senior postdoctoral fellows. Succession planning for the principal investigators is crucial to safeguarding the investment in the specialised knowledge and technology in this programme. The involvement of small-scale growers in the cluster should be reassessed by the Agency. It should also be determined whether their direct participation remains a necessary objective, given their integration into the overall value chain. The current TICP model of direct partnering may not align with the sector's value or supply chain.

For the CSIR-BIDF programme, additional funding is recommended, as it is strategically important to South Africa. The panel suggests that the TIA provide additional financial support for senior engineers and an operations manager or a project co-ordinator due to the current staffing shortages. Funding requests should be evaluated based on the technologies and equipment already available in the facility, with an emphasis on supporting SMMEs in the bio-economy sector to align with South Africa's transformation priorities. The CSIR-BIDF should prioritise commercialisation efforts based on industrial and social needs, adopting an industry-driven technology pull approach similar to that of the FMG programme. Although the CSIR-BIDF currently employs a 'technology push' approach due to in-house equipment, a strategy to increase industry participation is necessary. The programme has produced limited patents and no demonstrators, which indicates a need for a more focused effort. In addition, the CSIR-BIDF should aim to participate in internationally funded projects to enhance local skills and expertise.

FOREST MOLECULAR GENETICS PROGRAMME EVALUATION

This economic impact assessment of the FMG Programme took place in May 2021 and spanned the period since its inception in 2003 until 2020/21. The evaluation involved engagements with key stakeholders, a review of secondary data and literature, and a cost-benefit analysis.

The evaluation found that the FMG Programme had made significant contributions to technology, innovation and the bio-economy in South Africa through its R&D efforts. Since its inception, the programme has produced 106 publications, five books/chapters, nine keynote addresses and 15 conference papers, all of which have enhanced scientific knowledge in forestry genomics and biotechnology. It has developed 20 technologies that have contributed to innovation, particularly in molecular breeding and pest and disease resistance. These technologies and services have already benefitted the forestry industry and are expected to have a lasting positive impact. The programme is recognised as a leading biotechnology platform in South Africa and has gained international recognition, positioning the country as a competitive player in the global biotechnology arena. Its main contribution to the bio-economy is the creation of specialised knowledge and the development of human capacity, which is crucial to ensuring the sustainability of forestry operations and the security of woody biomass. The programme's molecular genomic technologies enable breeders to select superior trees rapidly, in this way improving and sustaining productivity in the forestry sector.

Economically, the FMG Programme has generated substantial benefits for the forestry industry, particularly through its DNA fingerprinting services and enhanced genetic breeding technologies. The programme has reduced the risks and errors associated with material

handling and plantation growing, which has significantly improved production efficiency for large-scale growers such as Mondi and SAPPI. Early in the programme, the error rates in tree identification were as high as 50%, but these have now dropped to zero, thanks to the DNA fingerprinting services. This reduction in errors has prevented major losses to forestry companies and contributed to a sustained growth in production. In addition, the programme's precision breeding technologies allow growers to predict the performance of trees at the seedling stage, in this way accelerating the breeding cycle and improving genetic gains. The programme's ongoing development of technologies offers future benefits, such as improved tree resilience against pests and diseases and advances in genetic engineering. Although small growers have not yet fully benefitted from the programme, they are expected to gain significantly as these technologies become more widely available. Small growers, whose livelihoods depend on the trees they cultivate, stand to benefit more than larger growers from these advancements. The programme also supports Broad-Based Black Economic Empowerment (B-BBEE) by providing small growers with access to the same technologies used by large growers, helping them to remain competitive. During the period, the programme employed 28 staff members and involved 81 students, many of whom contributed to the service platforms that deliver essential technologies to the industry.

The FMG Programme's total investment of R162.3 million has had a substantial economic impact on South Africa, contributing R543.2 million to total production, R222.3 million to GDP, creating 716 jobs, generating R85.9 million in income and R9.4 million in taxes. The programme's total production multiplier is estimated to be 3.35, meaning that for every one million invested, total production increased 3.35 times. Although this is slightly below the national average multiplier of 3.64, it is comparable to related industries such as research, which has a multiplier of 3.32. This indicates that the programme's economic impact is on a par with those of other sectors in the economy. From an environmental perspective, the programme has had a twofold impact: it increases plantation productivity, allowing more production with less land, which helps mitigate land conflicts and benefits the environment; it also improves processing methods, particularly in pulp mills, by developing wood that is easier to process, reducing chemical requirements and reducing the environmental footprint. This contributes to more sustainable forestry practices. Socially, the programme plays a crucial role in supporting livelihoods dependent on plantation forestry. The forestry sector directly employs more than 140,000 people whose livelihoods and quality of life are sustained by employment in the industry.

The evaluation team concluded that the programme lacks detailed expenditure tracking, hindering a comprehensive analysis of its efficiency and economic impact. It is recommended that the TIA implement a detailed procedure for expenditure tracking and management. This would enable a better estimate of the programme's impact on the economy, including macroeconomic indicators such as GDP and employment. The programme also does not track the progress of students and interns after they leave. Given the focus on human capacity development and transformation, it is recommended that a system be instituted for tracking students and interns, including data on their demographics, employment status and career progression. This system should be initiated when students and interns join the programme and updated regularly after they exit it. With the potential increase in demand for DNA fingerprinting services in the industry, it is recommended that the TIA, in collaboration with UP, develop a plan to scale up these services to meet future demand.

To ensure continuing benefits from investments, it is recommended that the programme prioritise funding for technologies close to the point of commercialisation. This should include focusing on enhancing the DNA fingerprinting capacity rather than investing further in GM technologies, which may not yield immediate benefits due to global regulatory challenges. The programme has achieved less than 50% transformation since its inception; to remedy this, it is recommended that a specific and active transformation programme be created that is aimed specifically at promoting diversity and inclusivity. The programme is currently limited to UP forestry activities; it is recommended, therefore, that the programme be expanded to a national level, potentially involving other universities, in order to broaden its impact. Moreover, the programme should focus more on R&D that directly benefits small-scale farmers, such as those involved in wattle cultivation. No areas or aspects of the programme were identified for removal.

uYILO EMOBILITY PROGRAMME EVALUATION

An economic assessment was undertaken in 2021 to determine the social and economic impact of the programme that was in place from 2017 to 2021. This involved a data and literature review, interviews with key stakeholders and economic impact assessment modelling

The evaluation found that the uYilo eMobility programme had made significant strides in achieving its vision and strategic objectives, as highlighted by the core strategies it has pursued. During the review period, the programme engaged in 52 public-policy advocacy activities, contributing to the development of South Africa's eMobility policy landscape. It also undertook 337 stakeholder engagements, a substantial proportion of them involving domestic stakeholders (213) and the remainder involving international stakeholders (124). The programme has developed 168 thought leadership products, including 34 interviews and articles, and participated in 134 conferences and webinars, establishing itself as a leader in the field. In addition, the programme processed 108 Kick Start Fund applications, successfully funding nine projects with a combined value of R16.5 million. Impressively, it leveraged R6.1 million in seed funding to attract an additional R10.4 million in private-sector co-funding,

achieving a leverage ratio of R1:R1.70. The programme also contributed to the transformation of South Africa's technology and innovation environment by offering internships to 21 candidates, most of whom were previously disadvantaged individuals. These interns received nearly 57,000 hours of training, mentoring and coaching, which led to a 90% job placement rate, with almost half of the interns securing employment in the eMobility ecosystem. Furthermore, the programme conducted 12 demonstration, pilot and live testing projects which showcased innovative technologies and raised awareness about eMobility.

The assessment confirmed that the programme met all its stated outcomes in its 2016 business plan and associated operational plans, even when delays occurred, which were always justified and ultimately resolved. Importantly, the programme demonstrated a clear upward trajectory in all measurable outputs, despite the disruptions caused by the Coronavirus disease 2019 (COVID-19) pandemic. This suggests that the uYilo eMobility Programme is effectively supporting the development and commercialisation of electric vehicles (EVs), charging infrastructure, electric powertrains and battery systems in South Africa, contributing positively to the country's eMobility sector.

The programme has positively influenced South Africa's production, GDP, employment and household income. Moreover, an additional R18.6 million in benefits has been generated for the South African economy through the programme's operations. Overall, the benefits accrued from the programme have exceeded the TIA's grant funding contribution by a factor of 3.41. This means that for every R1.00 of TIA grant funding invested in the programme, R3.41 has been generated in benefits for the broader South African economy. This highlights the significant positive impact the programme has had during the review period.

The evaluation concluded that the TIA should realign the programme's core strategies, set measurable targets and ongoing performance tracking, ensure the transfer of institutional knowledge and increase the overall grant funding allocation, particularly to the Kick Start Fund.

SEED FUND PROGRAMME EVALUATION

Key initiatives undertaken by the TIA in 2023/24 and 2024/25 included the restructuring of the Seed Fund Programme and the DSTI funding approval to pilot the restructured Seed Fund through calls for funding.

The implementation of the approved remodelling of the Seed Fund Programme is designed to respond to current challenges and inefficiencies in the existing model. The revised framework is informed by the findings of a comprehensive review and impact study, which focused on enhancing support for enabling activities, particularly for those partners facing difficulties in their efforts at commercialisation. The restructured Seed Fund Programme therefore seeks to improve operational efficiency, enhance commercialisation skills and reinforce technology transfer initiatives at research institutions. Key elements of the remodelling include the following:

- The programme has been restructured into Pre-Seed and Seed Fund components, streamlining operations while adding value and continuing to use the partner deployment model. The updated SFP now targets TRLs 3–6 (previously 3–8) to deal better with bottlenecks at the early technology stages and to support smoother transitions from proof of concept to Minimum Viable Product.
- Two new delivery models have been piloted: a matured partner model which grants autonomy to established partners and a bespoke model for historically disadvantaged institutions that includes capacity-building.
- In addition, 20% of each project's budget is set aside for enabling activities such as pre- and post-investment support from implementing partners.

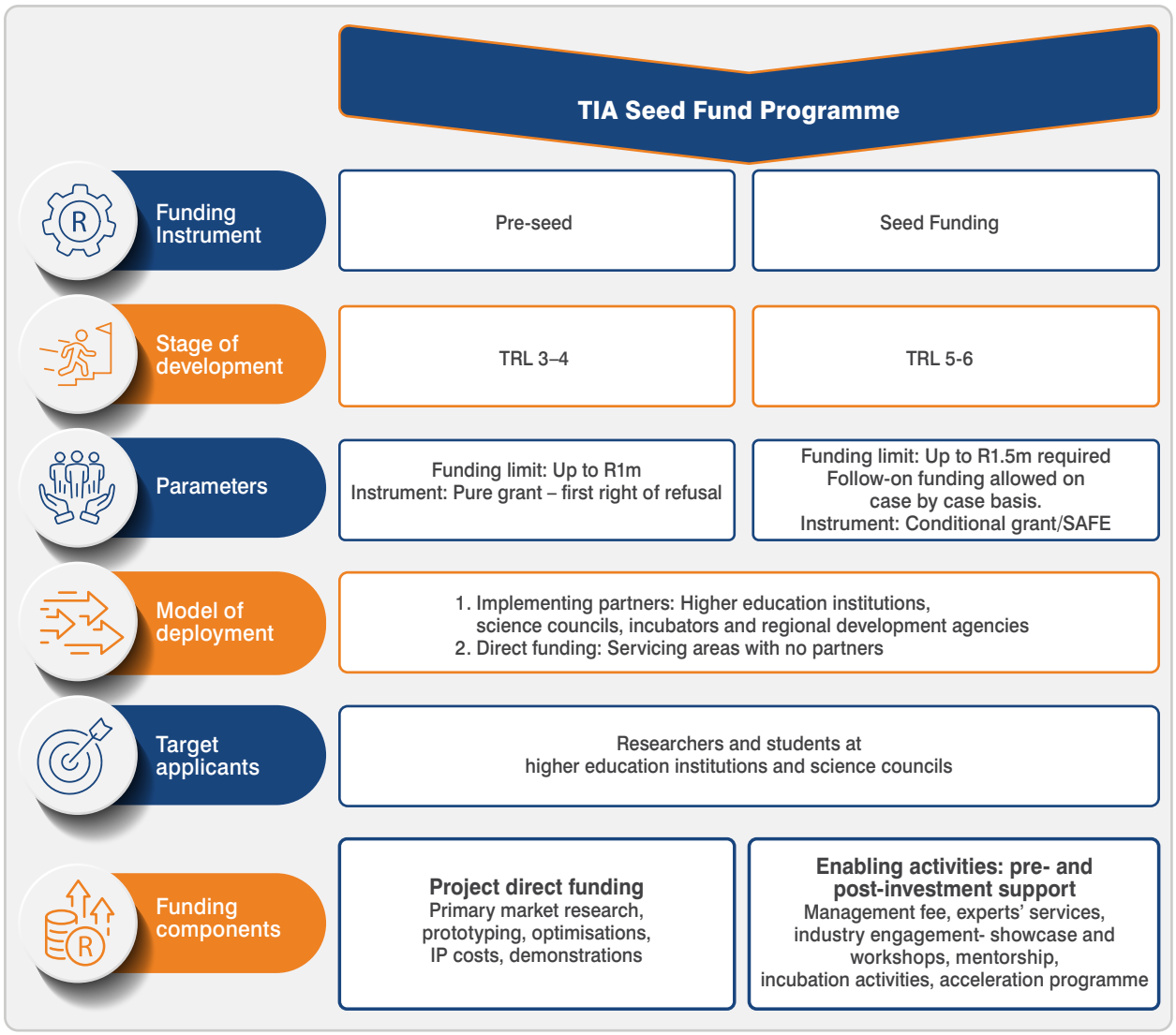


Figure 6: The remodelled Seed Fund Programme

The DSTI entered into a one-year contract with the TIA, ending 31 March 2026 to the value of R74.0 million to launch the restructured Seed Fund. This entails an amount of R35.0 million allocated to a portfolio of 35 projects in the Pre-seed Fund and R39.0 million for 21 projects in the Seed Fund. The latter reflects the importance attached to empowering implementing partners to provide post-investment support interventions to underlying beneficiaries. On the back of these developments, the TIA issued two separate calls.

The first was a 'Closed Call to Matured Partners to submit Annual Implementation Plans of the Seed Fund'. This model involves giving autonomy to the current active Seed Fund matured implementing partners that have proven to be capable of managing the programme and funding, of adhering to the processes and procedures and of fulfilling their contractual obligations with limited TIA involvement. This call closed on 30 November 2024, with five applications received to the value of R47.0 million. All five were approved to the value of R22.1 million. This funding will go towards supporting 16 Pre-seed and seven Seed Fund applications.

The second was a 'General Call', from November 2024 to February 25, to all implementing partners to submit qualifying applications for the Pre-seed Fund and Seed Fund for 2024/25.

SEED FUND PERFORMANCE SNAPSHOT FOR THE PAST FIVE YEARS

The Seed Fund Programme has played a significant role in supporting and enabling innovation from publicly funded research outputs to ensure the translation of ideas to technological products and services that solve national challenges, with the potential to improve the competitiveness of South African industries. For the past five years, a total of 244 innovative projects have been funded, of which 183 projects are from universities and science councils and 61 are from SMMEs. Currently, the portfolio has 148 actively disbursing projects.

Despite the Covid-19 challenges, noteworthy progress has been made by the programme in achieving its de-risking role by developing knowledge innovation products. During the past five years, 293 knowledge products were developed, where 65% represent prototypes, 18.3% new IP registrations and 16.6% technology demonstrators that are providing a pipeline of projects which are ready for follow-on funding and in this way ensuring their commercialisation.

During the past five years, the Seed Fund Programme has played a role in enabling the commercialisation of 23 technologies, of which 30% stem from university-based and science council research and the remainder from SMMEs. In addition, universities also licensed 10 technologies, transferring IP for greater impact in industry.

12.5 OUTCOMES AND PROGRESS TOWARDS ACHIEVEMENT

The TIA's 2020–2025 Strategic Plan has sought to improve the quality of life for all South Africans through innovation. To position the activities of the TIA within the framework of the Medium-Term Strategic Framework (MTSF), the NDP and other DSTI priorities, the Agency's 2020–2025 Strategic Plan and its 2024/25 APP were structured around three outcomes which sought to direct the initiatives of the Agency during this period.

Through these three outcomes, the TIA has responded primarily to Priority 2 (economic transformation and job creation) of the government's 2019–2024 MTSF, but also to Priority 3 (education, skills and health).

The TIA's performance against its three outcomes is presented in Table 2.

Table 2: TIA's performance in 2024/25 against its three outcomes and associated outcome indicators

Outcome indicator and definition	Baseline	2020/21 performance	2021/22 performance	2022/23 performance	2023/24 performance	2024/25 performance	Five-year performance	Comments on 2024/25 performance
Outcome 1. Commercialised innovations								
1.1 Number of technologies commercialised (Number of technological innovations that have been introduced into the market for social benefit or commercial gain, directly or indirectly (products, processes or services))	77	26 against a target of 9	49 against a target of 31	63 against a target of 40	80 against a target of 45	90 against a target of 50	308 against a target of 175	Over-performed due to a concerted effort to support the commercialisation of technologies across all thematic areas.
Outcome 2. Delivering on the Bio-economy Strategy								
2.1 Number of successfully demonstrated bio-based technologies (Bio-based technologies, products or services that have reached demonstration stage in agriculture, health, industrial biotechnology, IKS and other bio-based domains)	–	37 against a target of 9	36 against a target of 12	37 against a target of 15	50 against a target of 18	60 against a target of 21	220 against a target of 75	Over-performed due to continued efforts towards improving post-investment monitoring and increased support to specifically contracted programmes.
2.2 Number of bio-based entrepreneurs and organisations accessing high-end SET services (Bio-based entrepreneurs and organisations accessing high-end SET support for the purposes of developing innovative, bio-based products or services through the financial or non-financial support of the Technology Platforms network)	–	165 against a target of 105	45 against a target of 110	67 against a target of 120	197 against a target of 130	140 against a target of 135	614 against a target of 600	Target met.

Outcome indicator and definition	Baseline	2020/21 performance	2021/22 performance	2022/23 performance	2023/24 performance	2024/25 performance	Five-year performance	Comments on 2024/25 performance
Outcome 3. SMMEs supported through strategically informed and regionally distributed Technology Stations								
3.1 Number of SMMEs accessing SET services (SMMEs that access SET support for the purposes of developing innovative products or services through the financial or non-financial support of the Technology Stations network)	10,530	1,990 against a target of 2,390	3,167 against a target of 3,150	2,671 against a target of 3,250	3,114 against a target of 3,400	2,907 against a target of 3,560	13,849 against a target of 15,750	Target underachieved due to budget allocation constraints and less than optimal functionality of the Technology Stations network.

OUTCOME 1: COMMERCIALISED INNOVATIONS

Outcome 1: Commercialised Innovations contributes directly to the TIA's mandate, which emphasises supporting the development and exploitation of technological innovations by translating knowledge into market-ready innovations. The planned focus of the Agency's five-year strategic cycle is to support advancements that revitalise and transform key industry sectors of the economy and new-venture creation through commercialising the Agency's maturing investment portfolio.

During the 2020–2025 strategic period the TIA sought to build on the gains made in past years in which the Agency built a significant portfolio of early-stage technologies that have been de-risked, enabling other investors to take these to market. In this, the TIA has sought to enhance the Agency's commercialisation efforts. Through this strategic thrust, the TIA aimed to:

- intensify efforts to increase the rate of translation of locally developed technologies;
- exploit IP from publicly funded institutions;
- ensure that these are commercialised in a manner that promotes economic growth and the competitiveness of industry; and
- respond to the imperatives of transformation and inclusive development.

The efforts in and rigour for full investment lifecycle management have unearthed possible redemption opportunities and increasing royalty income. This affirms the true potential of these technologies to contribute to meaningful economic transformation and to realise equitable acquisitions that will grow the financial position of the Agency.

For the period 2020/21–2024/25 the TIA has recorded 308 technologies commercialised as against a five-year target of 175. The reasons why the TIA has over-performed against these targets is that there has been a concerted effort to support the commercialisation of technologies across all the Agency's thematic areas over the years. Deliberate enablement strategies and direct support to investees in market validation were some of the actions introduced.

OUTCOME 2: DELIVERING ON THE BIO-ECONOMY STRATEGY

The bio-economy is an important contributor to South Africa's economic development, estimated to contribute more than 8% to GDP. Efforts to implement the Bio-economy Strategy aim to significantly grow this contribution in future. Through this focus area, the TIA's efforts have been directed towards creating new bio-based products and processes and promoting the creation of new enterprises that will ultimately lead to job creation.

The TIA's implementation of the Bio-economy Strategy aims to translate South Africa's knowledge assets into sustainable bio-based solutions that respond to social challenges and drive economic growth. This approach aims to drive socio-economic outcomes across five key sectors, namely, agriculture, health, industry, the environment and IK-based innovation.

Between 2020/21 and 2024/25, the Agency successfully supported 220 bio-based technology demonstrations, significantly exceeding its five-year target of 75. This outstanding performance resulted from the Agency's expanded implementation of specifically contracted programmes, particularly ABBIP and SIIP, combined with increased funding allocated to growing the IKS portfolio. The results also reflect the Agency's ongoing commitment to enhancing post-investment monitoring and strengthening support for contracted investments.

The Agency achieved satisfactory performance by supporting 614 bio-based entrepreneurs and organisations which accessed high-end SET services during the five-year period. This achievement demonstrates the accessibility of TIA-funded technology platforms to enable technology development and innovation to stakeholders in the NSI.

OUTCOME 3: SMMES SUPPORTED THROUGH STRATEGICALLY INFORMED AND REGIONALLY DISTRIBUTED TECHNOLOGY STATIONS

The TIA aims to foster an enabling environment for innovation with a specific focus on achieving improvements in competitiveness, driving transformation and ensuring inclusion. The Agency also contributes to redressing geographic disparities and promoting rural development, transformation and inclusive development, with a particular focus on youths, women and persons with disabilities. The TIA sought to achieve this during the 2020–2025 strategic period by providing SET and enterprise development services to SMMEs, which are crucial drivers of job creation, through the TIA's existing Technology Stations Network and other innovation-enabling interventions.

The TIA also aims to increase access for innovators across the country by establishing new technology and innovation centres which provide SET and enterprise development services to underserved areas and marginalised communities. In addition, some Technology Stations collaborate with larger industry players to provide training for upskilling and product development support for small suppliers. The TSP represents one of the Agency's key institutional capabilities for realising greater impact in the NSI and it has been largely responsible for driving transformation and inclusion in the execution of the Agency's mandate.

For the 2020–2025 strategic cycle it is unfortunate that this outcome is limited only to the TSP because the contribution of this programme totals 13,849 SMMEs which are supported, against a five-year target of 15,750. In 2024/25 alone, 2,907 beneficiaries were supported against a target of 3,560, which is more than an 80% achievement against the annual target. Unfortunately, only 80% of the established Technology Stations were operational and functional at this time, which negatively affected delivery against the five-year target. Another contributing factor is decreased funding for the Technology Stations. The programme's five-year budget allocation was R540.0 million, which represents a budget reduction from R105.9 million in 2020 to R93.98 million in 2025. Furthermore, there was no significant investment in high-end equipment during this period. Consequently, the working capital budget decrease and the low capital equipment budget also significantly affected delivery against this outcome.

Supporting transformation through directing TIA's investment budget

As part of the TIA's transformation efforts, it aims to set aside and allocate at least 30% of its available investment funds for deployment to investees in the underserved provinces. The total available investment funds were R57.69 million, which results in a target of R17.31 million for the year for such deployment. The Agency allocated a total of R46.88 million of the available R57.69 million, or 81%, exceeding its target significantly.

Furthermore, the TIA aims to set aside and allocate at least 50% of its available investment funds for deployment to black investees, furthering the TIA's transformation drive. The total available investment funds were R57.69 million, resulting in a target of R28.85 million for the year for such deployment. Instead, the Agency allocated a total of R30.93 million of the available R57.69 million, or 54%, exceeding its target.

During the three years that TIA has had formal output measures, it has consistently exceeded the targets set, which indicates its success in contributing to transformation efforts by deploying its available investment funds, as shown in Figure 7.

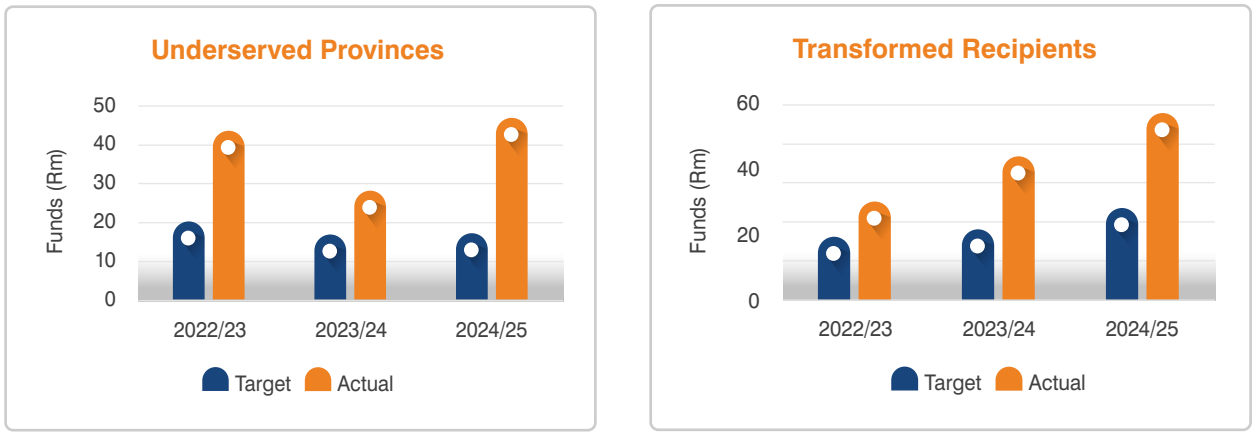


Figure 7: The TIA's historical performance against its transformation-related performance targets by deployment of its investment funds

The TIA is charged with derisking promising IP that emanates from publicly funded research. The Agency's shareholder, the DSTI, has accordingly requested the TIA to direct the bulk of its investment expenditure (approximately 70%) at publicly funded recipients.

In the year under review the TIA's disbursements to publicly funded research organisations (universities and science councils) amounted to 60% compared to 40% to non-public (private) beneficiaries. Over the past few years, the Agency has strived to ensure that the bulk of the disbursements are directed at publicly funded research organisations for the purpose of commercialising the outputs of publicly funded research. The Agency's performance during the 2020/21–2024/25 period is shown in Figure 8 and Figure 9. For this period, the percentage disbursements to publicly funded research organisations equalled 48%, which is slightly lower than the Agency's performance of 57% in the previous strategic period 2015–2020.

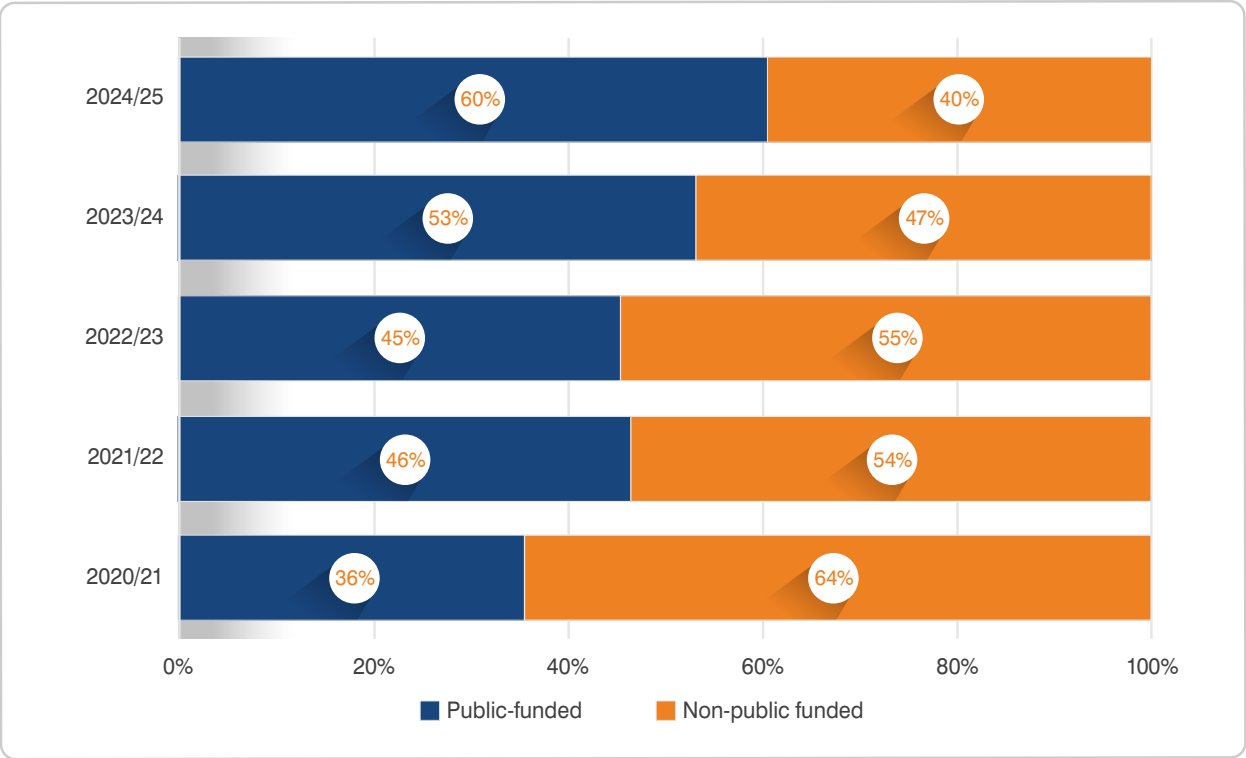


Figure 8: The TIA's annual disbursements to publicly funded research organisations compared to non-public (private) beneficiaries during the period 2021/22–2024/25

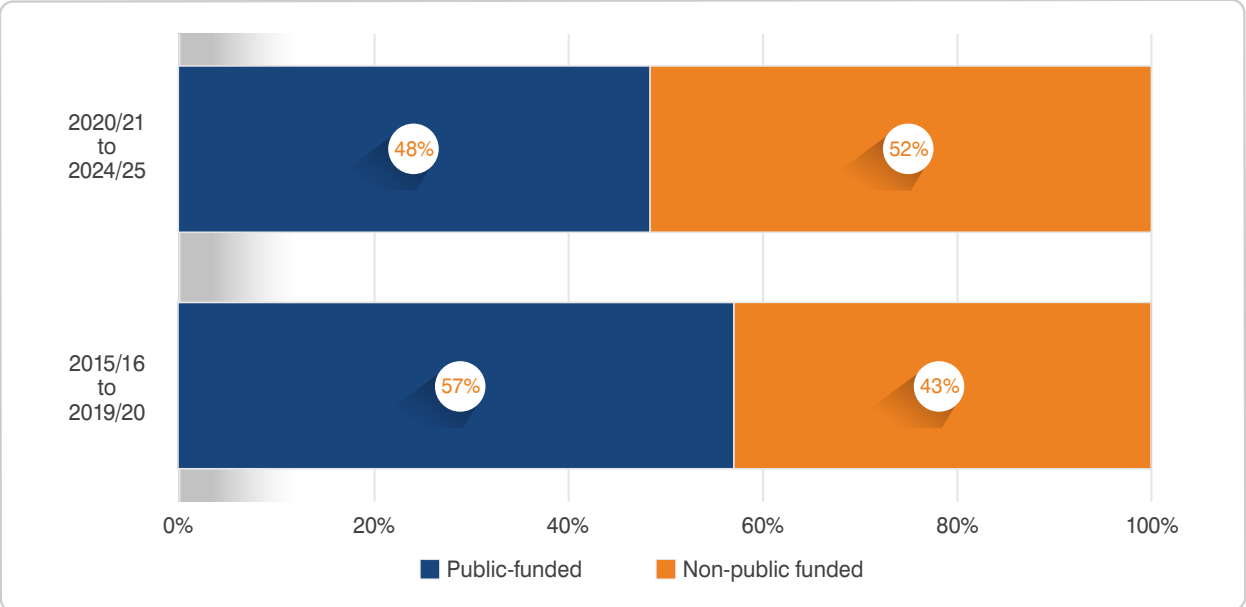


Figure 9: The TIA's total disbursements to publicly funded research organisations compared to non-public (private) beneficiaries during the period 2021/22–2024/25

Support to women, youths and persons with disabilities

At the outcome performance level, sub-targets are set for women, youths and persons with disabilities. The TIA remains committed to transformation and inclusive innovation. The Agency seeks to invest in a developmental manner to support women, youths and persons with disabilities. Its performance against its output sub-targets for the proportion of women, youths and persons with disabilities for the period 2020/21 to 2024/25 is presented in Table 3.

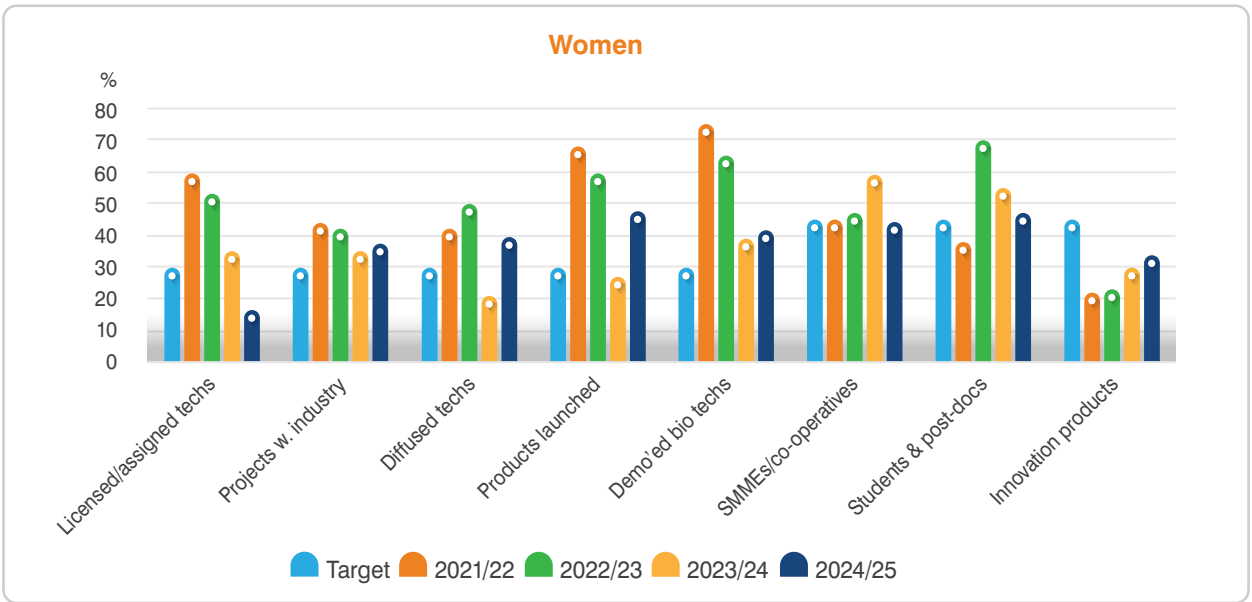
Table 3: The TIA's performance against its demographic outcome sub-targets for the period 2020/21–2024/25

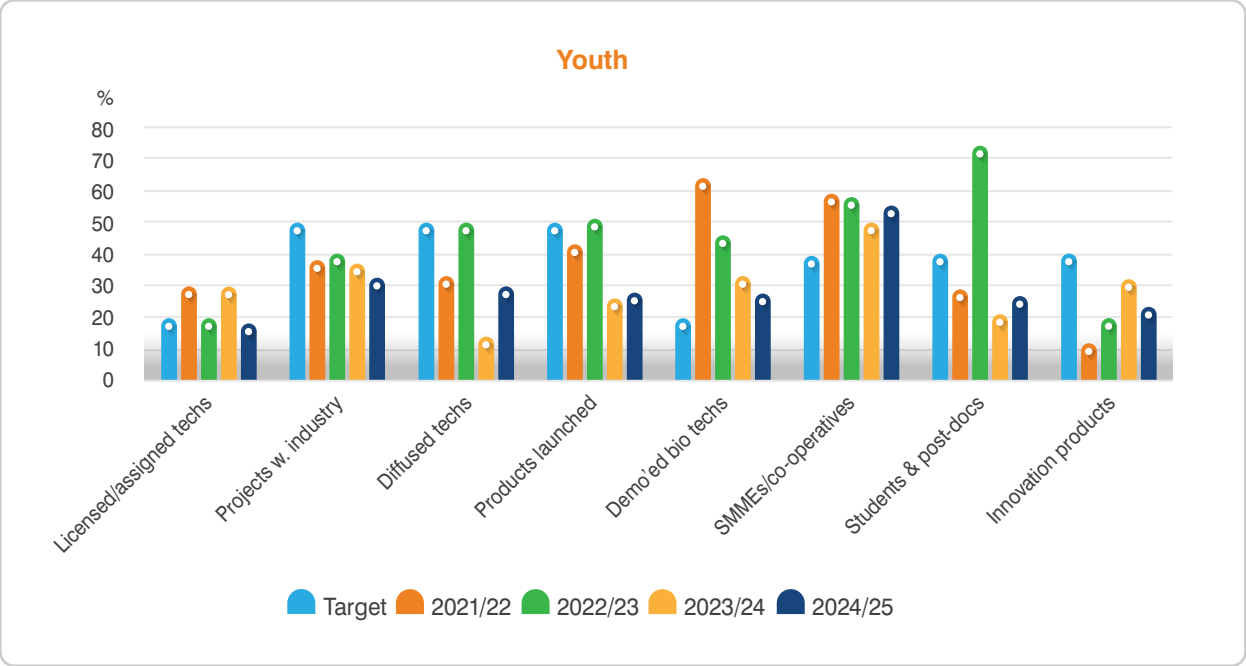
Outcome	Outcome indicator	Target	2020/21	2021/22	2022/23	2023/24	2024/25
1. Commercialised innovations	1.2 Number of technologies commercialised	Women: 30% Youths: 20% PWD: 10%	No data	● Women: 55% ● Youths: 38% ● PWD: 10%	● Women: 55% ● Youths: 51% ● PWD: 3%	● Women: 24% ● Youths: 20% ● PWD: 0%	● Women: 44% ● Youths: 29% ● PWD: 0%
2. Delivering on the Bio-economy Strategy	2.1 Number of successfully demonstrated bio-based technologies	Women: 30% Youths: 20% PWD: 10%	● Women: 14% ● Youths: 14% ● PWD: 3%	● Women: 75% ● Youths: 64% ● PWD: 10%	● Women: 65% ● Youths: 46% ● PWD: 0%	● Women: 39% ● Youths: 33% ● PWD: 0%	● Women: 41% ● Youths: 28% ● PWD: 1%
	2.2 Number of bio-based entrepreneurs and organisations accessing high-end SET services	Women: 45% Youths: 40% PWD: 3%	No data	No data	No data	No data	No data
3. SMMEs supported through strategically informed and regionally distributed Technology Stations	3.1 Number of SMMEs accessing SET services	Women: 45% Youths: 40% PWD: 3%	● Women: 36% ● Youths: 51% ● PWD: 1%	● Women: 45% ● Youths: 59% ● PWD: 3%	● Women: 47% ● Youths: 58% ● PWD: 1%	● Women: 59% ● Youths: 50% ● PWD: 0%	● Women: 44% ● Youths: 55% ● PWD: 2%

Note: Some data regarding the disaggregation of beneficiaries in 2020/21 and 2021/22 are not available due to insufficient evidence records needed to validate evidence submitted and also due to evidence collection systems in the TIA and at its partners not requiring the capturing of such data.

Key: ● Target met or exceeded ● Target not met

At the output performance level, sub-targets are also set for women, youths and persons with disabilities. The TIA's performance against these targets for the period 2021/22 to 2024/25 is shown in Figure 10.





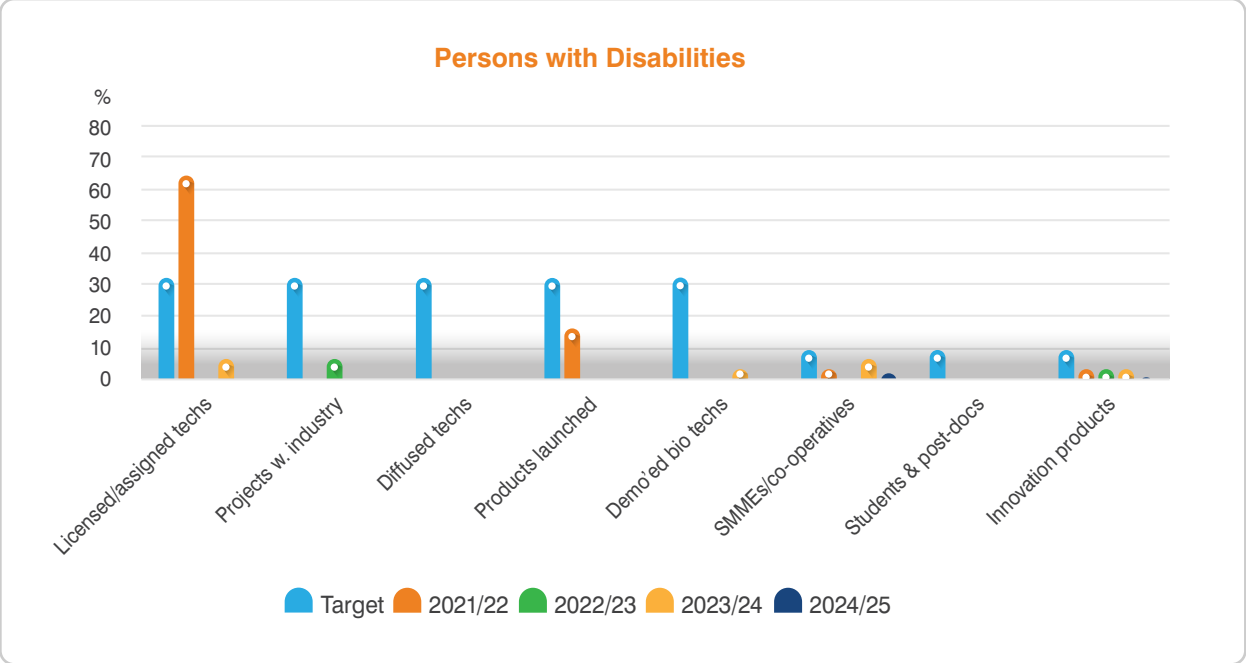


Figure 10: The TIA's performance against its demographic output sub-targets for the period 2021/22–2024/25

TIA's performance against its outcome and output sub-targets for women or women-owned businesses was generally met or exceeded during the period under review, except for some instances. The Agency's performance against its outcome and output sub-targets for youths or youth-owned businesses was met in approximately 50% of instances during the same period. Unfortunately, the Agency's performance against its persons with disabilities sub-targets mostly fell short of the mark. Anecdotal evidence suggests that this may be due to beneficiaries who do indeed have a disability preferring not to self-identify with the persons with disabilities category, particularly in relation to SMMEs supported through the TSP.

In future, the TIA expects to perform better against its sub-targets for women, youths and persons with disabilities now that is has launched a Youth Technology Innovation Programme, a WTIP and a Disability Technology Innovation Programme. In March 2025, the Women Technology and Innovation Programme was introduced, accompanied by a call for proposals focused on technologies focused on the challenges faced by women. Two calls for implementing partners under the Youth Technology and Innovation Programme were issued during 2024/25, with approvals planned for April 2025.

13. INSTITUTIONAL OUTPUT PERFORMANCE

The TIA recorded a year-end output performance achievement of 79%, representing a total of 15 targets achieved out of 19 output indicator targets for the year, the same as the achievement for 2023/24. The Agency's historical performance is shown in Figure 11.

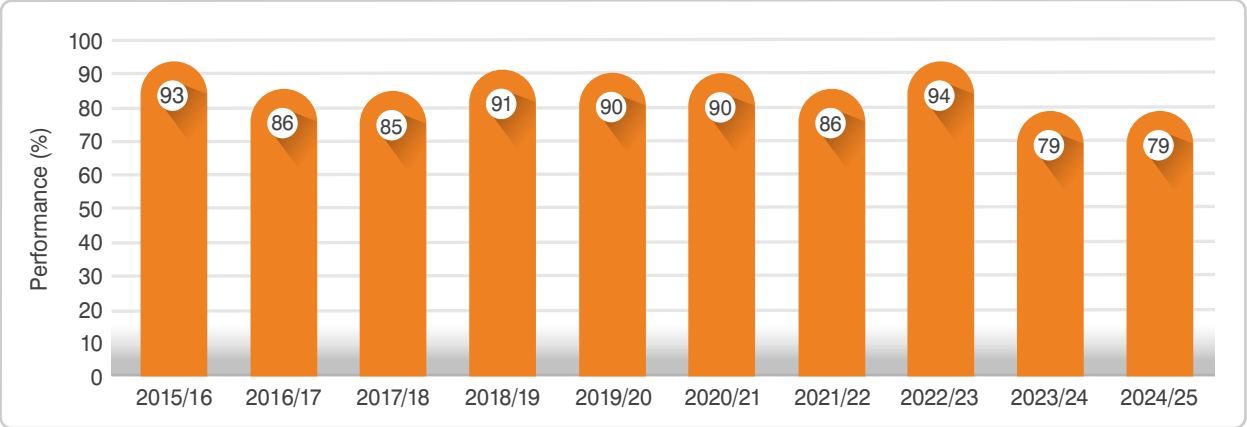


Figure 11: The TIA's historical performance against its output indicator targets

Table 4, Table 5 and Table 6 present the Agency's performance against its three outcomes for the Agency's 2024/25 APP targets. Furthermore, Table 7 presents the Agency's performance against its administration-related targets.

Table 4: The TIA's performance in 2024/25 against Outcome 1: Commercialised innovations

Output (Output Indicator)	Audited Performance 2022/23	Audited Performance 2023/24	Planned Target 2024/25	Actual Achievement 2024/25	Deviation for 2024/25	Reasons for Deviation
1.1 Technologies licensed or assigned (Number of licensed or assigned technologies)	15	10	25	15	–10	The main contributing factor is the reluctance of investees to licence, assign and sell their intellectual property (IP) to third parties.
1.2 Joint collaborations between public-funded research organisations and industry (Number of projects involving industry being executed)	48	75	52	59	7	Over-achieved owing to a focus by the TIA on facilitating the commercialise promising R&D results through industry involvement.
1.3 Technologies diffused for inclusive development (Number of successfully diffused technologies)	18	22	24	34	10	Over-achieved owing to a concerted effort to implement projects which may redress the socio-economic disparities in the country.
1.4 Products launched (Number of products launched)	43	58	44	56	12	Over-achieved owing to a higher than anticipated translation of technologies developed into products launched.
1.5 Revenue derived from commercialised innovations (Total rand value of royalties, sales and exits)	–	R43.92	R15m	R31.17m	R16.17m	Over-achieved significantly owing to the ArcAqua exit and payments from Contactable.

Table 5: The TIA's performance in 2024/25 against Outcome 2: Delivering on the Bio-economy Strategy

Output (Output Indicator)	Audited Performance 2022/23	Audited Performance 2023/24	Planned Target 2024/25	Actual Achievement 2024/25	Deviation for 2024/25	Reasons for Deviation
2.1 Bio-based technologies developed (Number of successfully demonstrated bio-based technologies)	37	54	37	60	23	TIA's over-performance is testament to the quality of proposals sourced, evaluated and managed to drive the output, which is a feeder for the future focus of the Agency in the commercialisation of developed technologies.

Output (Output Indicator)	Audited Performance 2022/23	Audited Performance 2023/24	Planned Target 2024/25	Actual Achievement 2024/25	Deviation for 2024/25	Reasons for Deviation
2.2 Technology Platforms managed and supported (Number of Technology Platforms that are operational and functional)	8	9	10	11	1	Over-achieved owing to successfully establishing two new Technology Platforms, neither of which were anticipated to have been established in 2024/25. These are the Clinical Trials Unit at the University of KwaZulu-Natal and the IK-focused Manguzi Phytochemicals Platform.
2.3 Technology Innovation Clusters managed and supported (Number of Technology Innovation Clusters that are operational and functional)	7	9	11	11	–	–

Table 6: The TIA's performance in 2024/25 against Outcome 3: SMMEs supported through strategically informed and regionally distributed Technology Stations

Output (Output Indicator)	Audited Performance 2022/23	Audited Performance 2023/24	Planned Target 2024/25	Actual Achievement 2024/25	Deviation for 2024/25	Reasons for Deviation
3.1 New centres established and supported (Number of new technology transfer centres providing SET support in targeted regions)	8	9	9	9	–	–
3.2 SET and enterprise development support provided to SMMEs (Number of SMMEs and co-operatives receiving SET and enterprise development support)	2,903	3,537	3,100	3,775	675	Over-achieved owing to the deployment and expansion of the CIE instruments and from stronger than anticipated contributions from investments in the agriculture, industrial biotech and energy sectors, international partnerships and collaborative initiatives undertaken with the National Intellectual Property Management Office (NIPMO).
3.3 High-level human capital development for competitiveness and new industry development (Number of high-level students and post- doctoral fellows admitted)	195	241	150	299	149	Over-achievement owing to stronger than anticipated contributions from the Technology Platforms Programme (TPP) and the agriculture and health-related Technology Innovation Clusters.
3.4 Innovation products produced (Number of IP- and knowledge-based products produced)	197	217	220	272	52	Over-achievement owing to concerted efforts by the Technology Stations, Seed Fund and Innovation for Inclusive Development programmes, reflecting the Agency's commitment to driving innovation, transformation and inclusivity, with increased participation by entrepreneurs from disadvantaged communities.
3.5 Leveraged funds (Total rand value leveraged)	R600.9m	R686.85m	R310.0m	R518.5m	R208.5m	Over-achieved significantly, demonstrating that the TIA's investments are strategically attractive to other funders, with funding successfully leveraged across the health, energy, industrial biotechnology and advanced manufacturing sectors, including the Innovation for Inclusive Development and the TPPs.

Table 7: The TIA's performance in 2024/25 against its Administration-related output targets

Output (Output Indicator)	Audited performance 2022/23	Audited performance 2023/24	Planned target 2024/25	Actual achievement 2024/25	Deviation for 2024/25	Reasons for deviation
A1.1 Good financial governance (Achieve an unqualified external audit opinion with no financial matters in the audit report)	Target met (unqualified audit opinion with no matters of emphasis)	Target not met (unqualified audit opinion with matters of emphasis)	Unqualified external audit opinion with no financial matters in the audit report	Target not met	Unqualified external audit opinion with financial matters in the audit report	The TIA's audit outcome reflected an unqualified audit opinion, with the audit report reflecting on certain matters for emphasis, representing areas for improvement in the forthcoming financial year.
A1.2(a) Improved investment decision turnaround time for funding applications (Investment decision turnaround time for funding <R1m)	Target not met (48 out of 93 applications assessed within four weeks, or 52%)	Target not met (16 out of 37 applications assessed within four weeks, or 43%)	Achieve a four-week turnaround time	Target not met	19 out of 85 applications assessed within four weeks (22%)	A national closed call for funding applications produced a higher than anticipated number of applications for funding simultaneously, placing a strain on the TIA's internal capacity to assess funding proposals.
A1.2(b) Improved investment decision turnaround time for funding applications (Investment decision turnaround time for funding >R1m & <R15m)	Target not met (89 out of 107 applications assessed within 15 weeks, or 83%)	Target not met (19 out of 33 applications assessed within 15 weeks, or 58%)	Achieve a 15-week turnaround time	Target not met	179 out of 255 applications assessed within 15 weeks (70%)	A national closed call for funding applications produced a higher than anticipated number of applications for funding simultaneously, placing a strain on the TIA's internal capacity to assess funding proposals.
A1.2(c) Improved investment decision turnaround time for funding applications (Investment decision turnaround time for funding >R15m)	Target met (2 out of 2 applications assessed within 26 weeks, or 100%)	Target met (1 out of 1 applications assessed within 26 weeks, or 100%)	Achieve a 26-week turnaround time	Target met	60 out of 60 applications assessed within 26 weeks (100%)	–
A1.3 Support transformation initiatives in underserved provinces (Allocation of funds to underserved provinces)	Target met (66% against a target of 30%)	Target met (50% against a target of 30%)	At least 30% of available investment funds allocated	Target met	Allocated 81% of available investment funds (+51 percentage points)	Significantly over-achieved owing to concerted efforts to support transformation in lesser-served provinces, led by the Seed Fund and TPPs, and in the agriculture sector.
A1.4 Support the transformation of the TIA's investment portfolio (Allocation of funds to transformed recipients)	Target met (47% against target of 30%)	Target met (79% against target of 40%)	At least 50% of available investment funds allocated	Target met	Allocated 54% of available investment funds (+4 percentage points)	Over-achieved owing to focused efforts to transform TIA's investment portfolio, led by the Seed Fund and Innovation for Inclusive Development programmes.

Key	Performance met or exceeded	Performance not met

With regard to achieving annual performance targets relating to the TIA's core mandate, the Agency met or exceeded 12 of its 13 performance targets, with the target for technologies licensed or assigned not being met. The TIA met both of its transformation- and inclusion-related targets and one of its four administration-related targets. The Agency did not meet two of its investment decision turnaround time targets and its target for good financial governance.

The Agency significantly over-achieved against the annual targets for technologies diffused for inclusive development (42% over-achievement), products launched (27%), revenue from commercialised innovations (107%), bio-based technologies developed (62%), SET and enterprise support provided to SMMEs and co-operatives (22%), high-level human capital development (99%), innovation products (23%) and leveraged funds (67%).

13.1 COMMERCIALISED INNOVATIONS

The TIA met four of five (80% performance) of its commercialisation-related targets for the year. It embarked on a closed-call process that is expected to yield a significant pipeline of quality projects. The major challenge remains the Agency's performance against output 1.1 (technologies licensed or assigned). This has been a challenging target for the Agency to meet over the years, since the decision to license, assign or sell IP is largely beyond the TIA's control. The Agency's business units have worked fervently to pursue agreements with the TIA's investees and other stakeholders. Selected project examples contributing to the Agency's output targets under Outcome 1 are provided below.

TECHNOLOGIES LICENSED OR ASSIGNED

The North-West University (NWU) has developed a novel **Continuous Supercritical Fluid Extraction** plant that extracts vegetable oils from seed oil while eliminating the use of toxic chemicals. The project has been completed, having successfully developed the technology. In March 2024 NWU and the Centre for Advanced Manufacturing (CFAM), the commercial partner, entered into a licensing agreement for the technology to be commercialised by CFAM.

Figure 12: The Continuous Supercritical Fluid Extraction plant

Prijap Biotechnologies and the TIA entered into a collaborative agreement valued at R975,250. This 18-month partnership encompasses attaining the good manufacturing practice of **Prijap products**, dossier preparation and regulatory registration with the South African Health Products Regulatory Authority (SAHPRA), Zimbabwe and Eswatini authorities for the purpose of commercialisation. In addition, Prijap Biolife Biotechnologies has established a strategic partnership with RP Pharma for SAHPRA registration. RP Pharma will act as the license holder and the certification of registration holder.

The Open Genome Project is a collaborative initiative between Stellenbosch University and Gknowmix (Pty) Ltd. It builds on the South African Medical Research Council (SAMRC)-funded Pharmacogenomics Platform Development Project and the TIA-funded Open Genome Project. Gknowmix entered into an agreement with CarePoint Genetics (Pty) Ltd to implement **ParaDNA device technology** for point-of-care genetic testing in Stellenbosch University's laboratory. The project includes the use of the Genecare-powered-by-Gknowmix app to generate unique client identifiers for integration with the ParaDNA system, the manufacturing and troubleshooting of ParaDNA test kits and a performance review by two consulting dietitians using the Gknowmix whole exome sequencing pre-screen reports.

The CSIR entered into a 20-year licensing agreement with Grace Pharmaceuticals (Pty) Ltd for the formulation, manufacturing and process development of ***Limosibacillus reuteri*** at both laboratory and industrial scales. This initiative supports the development of L. reuteri-based probiotic products intended for paediatric and general probiotic use, including liquid formulations, freeze-dried products and probiotic-infused gummies.

JOINT COLLABORATIONS BETWEEN PUBLIC-FUNDED RESEARCH ORGANISATIONS AND INDUSTRY

The **Memeza Public Alarm System** is South Africa's first public alarm system endorsed by the national government and the SAPS. It prioritises the safety of low-income communities and vulnerable individuals without access to private security. A total of 329 units were deployed and a further 20 units were reserved for maintenance with the assistance of the Hibberdene Police Station (KwaZulu-Natal).

A 100% South African-designed, manufactured and sourced **Low-Cost Solar Water Heater** offers numerous benefits to low-income households. It is energy-efficient, saves households money on fuel expenses and reduces energy price dependence. The geyser is durable, having a projected lifespan of more than 30 years, and is resistant to damage. It is also easy to install, leak-proof, corrosion-resistant and simple to set up.

The CSIR and the ATNS entered into an agreement to develop a passive radar solution for the Kruger Mpumalanga International Airport. As part of the project, the CSIR was required to appoint an SMME to contribute to the development. Following a procurement process,

in December 2024 the CSIR selected **SparcX** as the preferred SMME partner for the collaboration. This collaboration will gain traction once certain technical milestones have been achieved.

C-Berkie Projects and Innovations, based in Libode, Eastern Cape province, manufactures herbal medicines for individuals with compromised immune systems, using indigenous plants such as cannabis. The company receives support from the TIA-Chemin IKS Programme for product development and scientific evaluation. In collaboration with **Walter Sisulu University,** C-Berkie conducted chemical assays and bioassays on its Defender herbal product, revealing its antifungal activity against Cryptococcus neoformans. In addition, **Conoche Biotech** developed an active pharmaceutical ingredient (API) with claimed virucidal and fungicidal properties, leading to a patent application. Conoche also collaborated with **NWU** on pharmacokinetic studies, which showed no toxicity in animal models.

In January 2025, **Potatoes South Africa** and **Stellenbosch University** formalised a collaboration agreement to undertake a market feasibility study aimed at quantifying the value of wasted potatoes across the potato production value chain. This initiative seeks to explore alternative uses for surplus or discarded potatoes by developing innovative health-oriented food products that capitalise on the potato's natural nutritional benefits, such as being gluten-free and a source of quality carbohydrates and protein. As part of this initiative, several product prototypes have been developed, including a gluten-free protein flip lasagna, potato-based ice cream and a potato breakfast pie. These prototypes are currently undergoing further evaluation, including nutritional analysis and triple testing. The study is expected to be completed by September 2025.

The **Africa Health Research Institute** (AHRI) has entered into a sub-award agreement with the **UP**. The collaboration entails evaluating the safety and pharmacokinetic properties of selected compounds. The study includes in-vitro cytotoxicity testing across various cell lines to assess product safety and define the therapeutic window. In addition, pharmacokinetic screening – comprising microsomal stability assessments and cytochrome P450 (CYP) enzyme inhibition studies – will be performed to investigate the metabolic behaviour of key marker compounds.

TECHNOLOGIES DIFFUSED FOR INCLUSIVE DEVELOPMENT

ReCha, a social responsibility enterprise, was birthed through the partnership between RLabs and Third Element Holdings with the aim of maximising waste-recycled information, minimising the waste-disposed-of statistics and instituting recycling as a standard household practice. **ReCha, a mobile application**, was created to promote the recycling initiatives. Through its approach to dealing with waste, it rewards the community, the economy and the environment in numerous positive ways. In essence, higher volumes of materials are diverted from landfills, easing the burden on natural resources and reducing the pollution linked to waste disposal. Recycling helps to conserve energy and reduce the greenhouse gas emissions tied to the manufacture of new materials.

The Durban University of Technology's (DUT) **microalgae technology** was launched in August 2024 with continuous operation onsite at the Kingsburgh Wastewater Treatment Works. This has both benefitted and satisfied the eThekwini Municipality and has resulted in the continuous use of municipal infrastructure. The aim of the microalgae technology project is to produce a technology package for the production of biofuels from algae using wastewater as a nutrient, the water source itself providing tertiary treatment through this process.

Blackmore Investment Holdings and Chemin entered into an agreement valued at R887,500 to manufacture and commercialise natural cosmetic products derived from the rose geranium plant. In October 2025 the company launched three additional products – **Luminous Glow Body Cream, Hand Lotion**, and **Hair Food** – which were distributed to the Healing Hands Organisation as part of an SAPS initiative. These cosmeceutical products aim to treat skin ailments such as eczema, psoriasis and rosacea.

In addition, Jillies Naturals, supported by the TIA-Chemin Seed Fund, manufactures cannabis-based skincare products. It secured an off-taker agreement with Ganja Relaxing Paradise on 18 October 2024 to supply five products: **Cannabis Hair Oil, Witchhazel Toner, CBD Face Cream, CBD Hair Oil**, and **Body Souffle**. This agreement enables consumers to access effective cannabis-based products for treating topical conditions such as atopic dermatitis, psoriasis and rosacea.

PRODUCTS LAUNCHED

The CIE, with support from the TIA, have launched a training programme that is designed to promote wealth creation in communities through mushroom farming. Its focus is on the Nkomazi Municipality in Mpumalanga. As a result of this initiative, Mcebo Mushroom AgriBusiness has successfully introduced nine innovative products to the market: **mushroom-based biscuits, yoghurt granadilla, yoghurt strawberry, yoghurt mixed berry, yoghurt toffee, yoghurt blueberry, spread cheese, creamy sauce**, and **salted butter**.

Respo is a **multi-tenant platform** designed for Emergency Service Providers (ESPs). It leverages GPS-enabled data-driven communication software to enhance response times and improve client service during emergencies. The platform allows ESPs to maintain a client database and communicate regularly with their clients. Respo Technologies has expanded its offering to cater to the funeral sector by incorporating industry-specific features. The platform includes an admin dashboard/control panel and a client app that enable users to request emergency assistance with a single click. This instantly sends an ESP vital information such as GPS location, medical details and emergency contacts.

The Lodox project aims to develop a next-generation **Photon Counting Detection-based Full Body X-ray Imaging Scanner**. This device is designed to deliver high-resolution diagnostic-quality images with significantly reduced radiation doses, faster image acquisition times and enhanced safety for both patients and operators. Lodox Systems (Pty) Ltd (Lodox) also plans to integrate machine-learning (ML) capabilities into the system. These capabilities will enable medical specialists to access and review previous case studies with similar clinical interventions, in this way supporting improved diagnostic accuracy and decision-making. The Lodox team successfully installed, trained staff on and launched the new **Xmplar-dr system** at the Wilgeheuwel Emergency Room in February 2025.

Figure 13: Lodox installation at Bakersfield, USA, featuring the eXero-dr with the new Photon Counting Detector system funded by the TIA

Inqaba Yesizwe, a company supported through the TIA's Seed Fund Programme, focuses on the development of phyto-pharmaceuticals and nanotechnology-based solutions. The company successfully developed a **nano-formulated supplement** and achieved limited sales to select retailers, marking an initial entry of the product into the market.

13.2 DELIVERING ON THE BIO-ECONOMY STRATEGY

During the reporting period, the TIA's progress towards Outcome 2 was satisfactory, with all key performance indicators being met or surpassed. The organisation demonstrated appropriate support towards supporting demonstration of technologies in their relevant operating environment and ready to start early market development and/or commercialisation.

Selected project examples contributing to the TIA's bio-based technologies developed output target under Outcome 2 are provided below.

BIO-BASED TECHNOLOGIES DEVELOPED

The University of the Western Cape's (UWC) Institute for Microbial Biotechnology and Metagenomics isolated a gene encoding a lipid synthase which is directly responsible for the biosynthesis of the biosurfactant lyso-ornithine lipid (LOL). The gene was isolated from a South African aquatic environment. The purification and preliminary characterisation of the compound had subsequently been achieved with TIA-allocated funding. In the present phase of the project, UWC is collaborating with the CSIR to upscale production of the LOL; a technology package will be delivered to UWC. The production of LOL, composed of a mixture of four fatty acids, was produced extracellularly from the micro-organism and was demonstrated at 10 L scale. A techno-economic assessment was performed at 300 L scale to determine the economic viability of its production.

The Open Genome Project integrates next-generation sequencing and whole-exome sequencing to refine the classification of medium-risk mutations for breast cancer diagnosis and treatment. The project has developed an ethics-guided decision-making framework for pathology-supported genetic testing, which translates population-level risk stratification into clinical applications. This framework ensures the ethical application of genetic testing, adhering as it does to principles of fairness, transparency and patient-centred care. The service empowers healthcare providers to make informed decisions based on genetic risk data, prioritising beneficence to improve patient outcomes in personalised medicine.

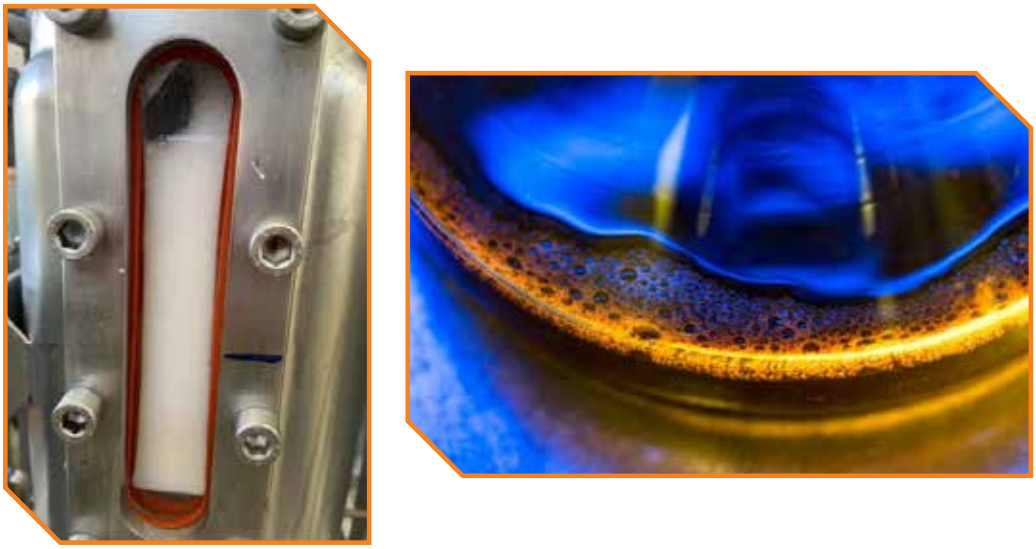


Figure 14: The reactor (left) in which the biosurfactant lyso-ornithine lipid linquid (right) was synthesised

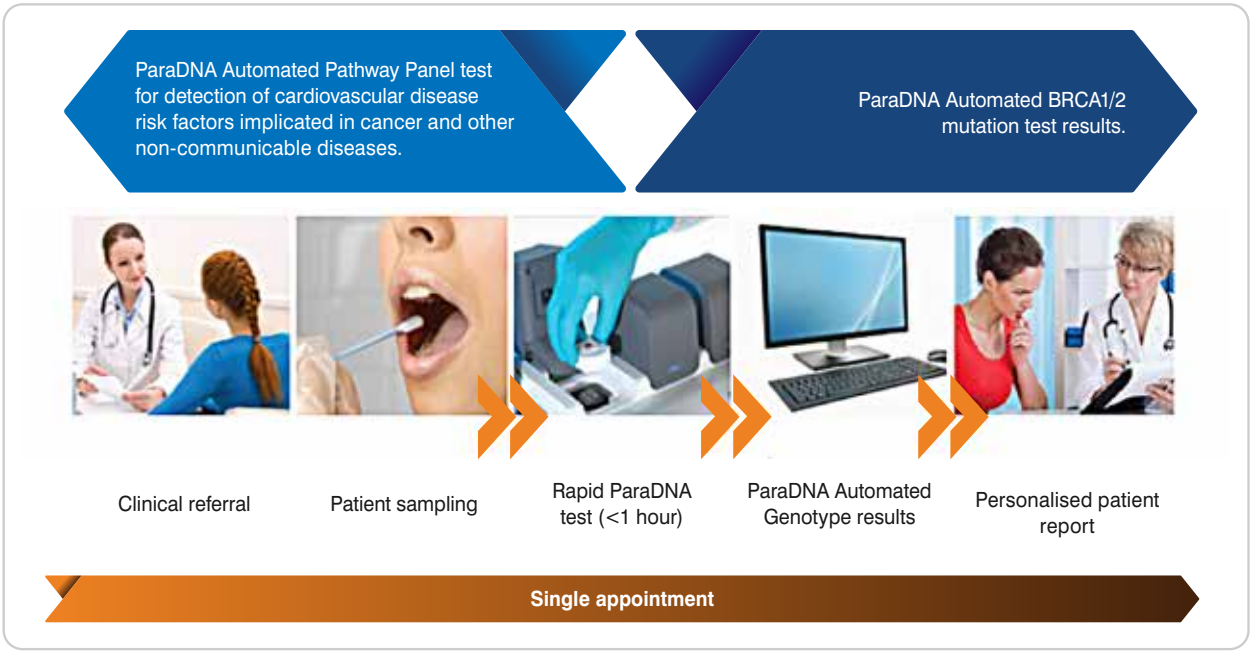


Figure 15: Depiction of the ethics-guided decision-making framework for pathology-supported genetic testing

The TIA, through the ABIPP, funded a CSIR project involving advanced agro-processing scale-up technologies to add value to dairy waste, such as cheese waste liquid, and to develop novel food products with varying flavours. The project also aims to optimise its production methods to meet industry standards for two targeted protein purity levels. The project successfully developed a **high-protein ready-to-eat whey porridge** at TRL 6, with a protein content exceeding that of similar products on the market.

13.3 INNOVATION ENABLING AND SMME SUPPORT

The TIA either met or exceeded all of its output performance targets for the year. This was due to strong and concerted efforts under its existing instruments and programmes, such as the Technology Stations, Seed Fund and the Innovation for Inclusive Development programmes, and the continuing deployment and expansion of the CIE Programme.

The TIA expanded its national network of innovation infrastructure by supporting Innovation Centres, including the Living Labs and the CIEs. These centres play a critical role in broadening geographic access to innovation services, in particular for grassroots innovators in underserved regions. During the year, more innovators accessed support for technology development, business incubation and skills development, which served to reinforce the Agency's commitment to equitable and inclusive innovation.

The TIA has to date invested a total amount of R44.0 million in establishing 31 innovation centres, consisting of 13 Living Labs and 18 CIEs distributed across various provinces. In the year under review, the Agency funded the establishment of nine new CIEs, bringing the total portfolio to 18.

SET AND ENTERPRISE DEVELOPMENT SUPPORT PROVIDED TO SMMES

The TIA provided support to 3,775 SMMEs against an annual target of 3,100. This result has been realised through the deployment of various TIA instruments and interventions, including the TSP, the TPP, CEIs and other sector-specific investment divisions such as Agriculture, Industrial Biotechnology and Energy. Its international partnerships and collaborative initiatives undertaken in partnership with the NIPMO have also contributed to this positive outcome.

This achievement is indicative of the Agency's effective strategies and dedicated efforts in empowering these businesses. The support provided by the Agency is having a positive impact on the growth and development of SMMEs and co-operatives. By equipping these enterprises and individuals with the necessary entrepreneurial skills, business support and SET resources, the Agency has enabled them to develop innovative products and services, improve their chances of being taken up in markets and improve their competitiveness.

HIGH-LEVEL HUMAN CAPITAL DEVELOPMENT FOR COMPETITIVENESS AND NEW INDUSTRY DEVELOPMENT

The TIA seeks to provide support to high-level (honours and above) students, work-integrated learning students, internships, graduate training, post-doc fellows and other innovation support opportunities in TIA-funded initiatives and to give them industry-relevant project experience. It also enables students to gain practical experience and build connections with potential employers and establish new start-ups. By providing them with industry-relevant project experience, the TIA is helping to develop a highly skilled workforce that can contribute to the growth and competitiveness of South Africa's industries.

The TIA exceeded its target for the year by a significant margin. Key TIA programmes that largely accounted for this achievement are the Technology Platforms, Technology Innovation Clusters in Agriculture and Health, along with the Technology Stations. These efforts are indicative of the Agency's support of initiatives by the DSTI to promote strong research skills in the NSI in line with the strategic intentions of the White Paper on STI and the Decadal Plan.

INNOVATION PRODUCTS PRODUCED

Knowledge-based innovation products include invention disclosures, patents, prototypes, technology transfer packages, technology demonstrators and plant-breeders' rights. The TIA supports the development of knowledge-based innovation products in pursuit of translating the outputs of scientific research and related knowledge into innovations. These knowledge-based innovation products are crucial to driving innovation and economic growth. A strong collaboration with research institutions and publicly funding universities, centres and implementation partners in NSI continues to be a key enabler in fostering innovation by producing these knowledge-based products that are earmarked for their contribution to the development of new technologies and solutions.

The TIA has demonstrated strong progress in supporting the production of knowledge-based innovation products. The Agency has achieved significant results under this indicator, delivering a total of 272 knowledge products in the year under review against a target of 220. This achievement was recorded as a result of concerted efforts by the Technology Stations, Seed Fund and the Innovation for Inclusive Development programmes and largely reflects the performance of these instruments in driving innovation, transformation and inclusivity with increased participation by entrepreneurs from disadvantaged communities. It also demonstrates the positive contribution that is made by universities, research institutions and Technology Innovation Clusters and the potential that exists to contribute to socio-economic growth and development from the outputs of publicly funded R&D.

LEVERAGED FUNDS

The TIA measures the amount of funds leveraged by investees as a proxy indicator of its making good choices to invest its limited financial resources wisely in high-potential in programmes and projects. When TIA investees are able to attract third-party funding, this is a strong indication that the TIA-funded projects are strategically attractive to other funders. Funding has been successfully leveraged across multiple sectors, including Health, Energy, Industrial Biotechnology, Advanced Manufacturing, Innovation for Inclusive Development and the TPP. Below are some examples of the successes for the year under review.

The Department of Agriculture and Rural Development committed to co-funding Phase 2 of the Beef Genomics Programme. The allocated budget for the implementation of the **Kaonafatso ya Dikgomo Scheme** is **R30.32 million**. The scheme is a transformation programme or vehicle used by the Beef Genomics Programme to support emerging farmers.

Novelquip secured R30.35 million from the Industrial Development Corporation to commercialise the technology and build the first engineering demonstration model dubbed 'EDM1'.

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Figure 16: The Novelquip technology being demonstrated in the field

Immobazyme, a biotechnology company producing recombinant proteins, secured **R23.61 million** (US$1.3 million) in investment from the University Technology Fund and Innovus to scale up its operations. The company focuses on supplying inputs for the cultivated meat industry, a fast-growing segment of the biotech sector. This funding boost aims to help Immobazyme expand its production capacity and advance South Africa's competitiveness in high-tech protein production.

CapeBio has received **R10.53 million** in funding from the Department of Trade, Industry and Competition to develop innovative diagnostic kits. These kits use DNA amplification technologies to detect human reportable infectious diseases, including Human immunodeficiency virus infection (HIV) and hepatitis. This investment enables CapeBio to advance its diagnostic capabilities, in turn enhancing public health outcomes.

The Sterile Insect Technique Programme under the Nuclear Technologies in Medicine and Bioscience Initiative (NTeMBI) received an award of **R7.21 million** (€380,540) from the **International Atomic Energy Agency**. This investment has supported the programme's aim to sterilise male mosquitoes in order to breed out mosquito populations that cause malaria.

13.4 PERFORMANCE AGAINST ADMINISTRATION-RELATED TARGETS

The TIA met one of its four Administration-related targets for the year. Targets met or exceeded by year-end relate to the investment decision turnaround time for funding applications greater than R15 million. The Agency did not meet its target for investment decision turnaround time for funding applications less than R1 million and between R1 million and R15 million. It did also not meet its target for good financial governance.

GOOD FINANCIAL GOVERNANCE

Throughout the year, management has remained dedicated to upholding strong financial governance and fostering an efficient and supportive environment that enables the Agency to effectively execute its strategy, notwithstanding its not meeting its target of a clean external audit for the previous period

(2023/24). The TIA's audit outcome reflected an unqualified audit opinion, with the audit report reflecting certain matters for emphasis that constitute areas for improvement in the forthcoming financial year.

IMPROVED TURNAROUND TIMES FOR INVESTMENT DECISIONS

The Agency's funding application assessment process is comprehensive and thorough. It ensures that decisions regarding the deployment of its limited discretionary funds are taken based on a sound and rigorous due diligence process. Indeed, the demand for technology development funding is and always has been far greater than TIA's financial resources. Nevertheless, the Agency's investment decision turnaround time is a proxy for the efficiency of the systems and capabilities used when assessing applications for funding.

Technological innovation is inherently complex and uncertain, particularly if it is of a radical or disruptive nature. Often applicants work at the cutting edge of technology development and in fields where boundaries are being pushed. There is also often no benchmark or point of reference for evaluating proposals. Hence the complexity of some applications sometimes requires additional time and scrutiny during the due diligence (scientific, technical, IP, financial and/or business features) process. In addition, the TIA sometimes receives proposals which are not investment-ready or applications that are missing critical details such as financial models. This requires extensive support and engagement with applicants for application-building.

The TIA has implemented an organisation-wide Enterprise Resource System (ERS) to provide case management and workflow capability for the management of investments from cradle to commercialisation for core divisions. This enables the Agency to determine the investment decision turnaround time for funding applications. The adoption and use of this system represents a dramatic improvement compared to the time-consuming manual processes for measuring this in the past. However, some challenges still hinder the realisation of a more effective and efficient assessment of the time taken to reach an investment decision. These include the fact that not all of the TIA instruments are catered for on ERS, that there is an incomplete uptake of ERS across the Agency and that data-entry errors occur. Nevertheless, the accuracy of data and the use of the ERS has improved dramatically during the year under review. A further initiative to improve investment decision turnaround times is the engagement of a panel of external experts to complement the limited internal expert capacity. These experts provide advice on technical and commercial due diligence, IP advice and deal structuring in the proposal assessment process. The TIA currently has 140 of these experts on its books.

The TIA's Delegation of Authority was revised to cater for approvals to be granted at lower-level decision-making structures for lower-value funding amounts to enable quicker decision-making. The Investment Framework Policy was also revised to enable greater flexibility in investment decision-making while upholding compliance requirements.

In 2024/25 a national closed call for funding applications produced a higher than anticipated number of applications for funding all at once, placing a strain on the TIA's internal capacity to assess funding proposals. The volume of applications received was significant, with 544 funding applications received from core business units in 2024/25, excluding programmes such as the Seed Fund (approx. 60 applications per annum), the Innovation for Inclusive Development (approx. 500–600) and the Global CleanTech Innovation Programme South Africa (approx. 100). Of these, the Agency reached a funding decision for 399 applications, with it approving 36 of these or 9% of the eligible applications.

The TIA reached a funding decision (whether this was to approve an application for funding or reject it) within the target of 26 weeks in 100% of instances for applications made in excess of R15 million. For applications below R1 million, the Agency met its target investment decision turnaround time of four weeks in 19 out of 85 instances (22%). For applications between R1 million and R15 million, the TIA met its target of 15 weeks in 179 out of 255 instances (70%). The Agency therefore met only one of its three investment decision turnaround time targets for the year. During the past three years the TIA has not met its four-week target for applications below R1 million and its 15-week target for applications between R1 million and R15 million. The results of the TIA's investment decision turnaround time performance are presented in Table 8 and Figure 17.

Table 8: TIA's investment decision turnaround time for 2024/25

Category and range of applications for funding	Eligible applications received	No. of applications which met the target	% applications which met the target	No. of applications approved	% applications approved
A1.2a: <R1m	85	19	22	10	12
A1.2b: R1m–R15m	255	179	70	23	9
A1.2c: ≥R15m	59	59	100	3	5
Total	**399**	**263**		**36**	**9**

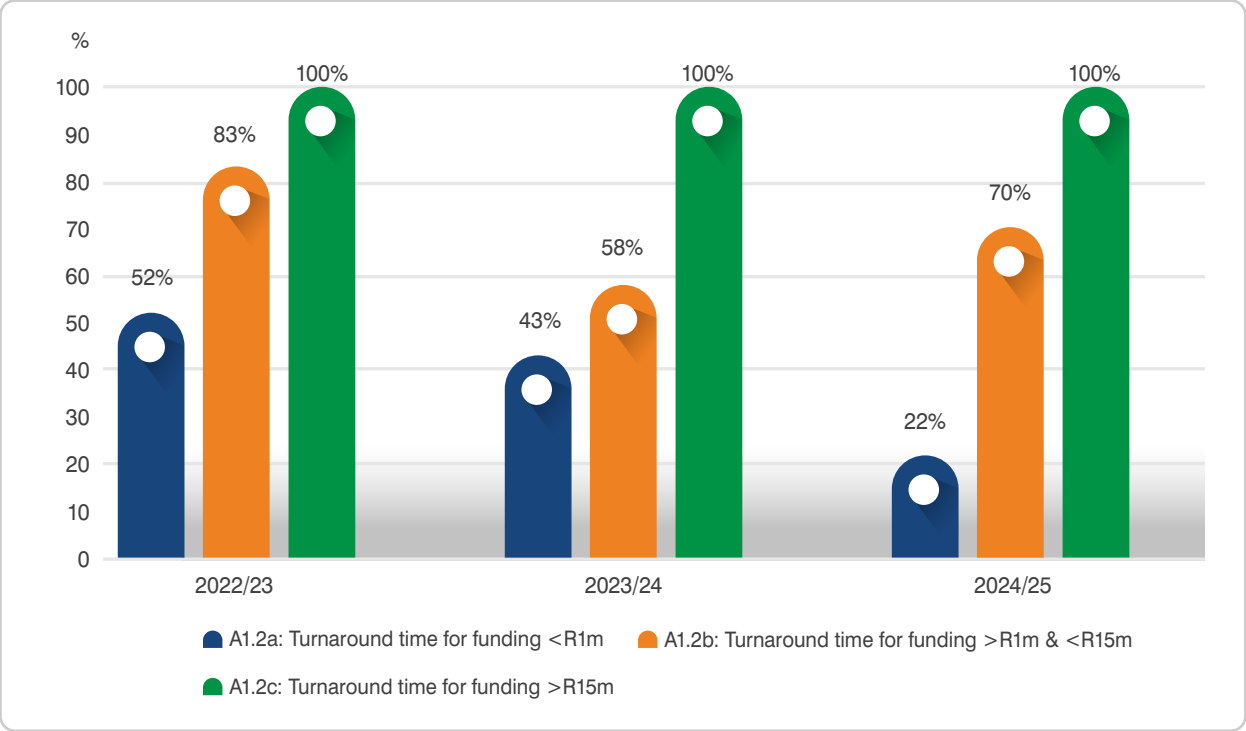


Figure 17: A comparison of the TIA's investment decision turnaround time by funding strata for 2022/23–2024/25

The TIA has reviewed its performance indicators in consideration of actual historical investment decision turnaround times and has taken a decision to amend the associated performance indicators and targets to be more realistic and practical during the next five-year strategic period. For example, the target for applications below R1 million will be 70% of the applications assessed within 12 weeks of receipt of a full funding application. Previously, the target was to assess all applications within four weeks. Furthermore, investment decision turnaround times are to be monitored twice a year as opposed to annually, and investment decisions must be recorded during the quarter in which an investment decision is taken, irrespective of the date of receipt of a full funding application, even if this is in a previous financial year.

The planned future measures to improve investment decision turnaround times further entails the continuation and progressing of existing measures and incorporating new approaches under the TIA 2.0 Corporate Strategy. This includes digitalising and automating processes, particularly through ERS, expanding ERS to cater for other TIA instruments and performance reporting, shifting to using a Fund-of-Funds and implementation intermediaries, a business process review and optimisation, the expansion and greater use of the Agency's panel of external experts, and effecting a culture change towards the greater use and uptake of the available systems.

14. DIVISIONAL PERFORMANCE

14.1 COMMERCIALISATION DIVISION

14.1.1 OVERVIEW

The purpose of the Commercialisation Division is to support the process of technological development across key economic sectors by providing funding and other support.

It aims to commercialise innovations that are economically sustainable in order to enable them to have a positive impact on the lives of all South Africans. The TIA seeks to direct a greater proportion of its resources at the translation and commercialisation of IP that emanates from publicly funded organisations such as universities and science councils for the purpose of improving the lives of South Africans and contributing to economic growth and development.

The division has a portfolio of 120 active projects totalling about R1.0 billion, with 35 active disbursing projects and 85 active non-disbursing projects within its portfolio. The portfolio cuts across various industrial sectors, such as Advanced Manufacturing, Natural Resources, ICT, Energy, and Space.

The portfolio has progressed well, with at least 85 (71%) of these at a technology readiness level (TRL) of 6–9. Moreover, it is spread across all of the provinces (except Limpopo), with greater concentrations in Gauteng (45%) and the Western Cape (33%).

Of the 120 active projects, 30 have reached the commercialisation stage, representing a 25% translation rate. Of these 30 projects:

- 21 are paying some royalty, which is 70% paying back their investments;
- 29 entail industry involvement and participation.

During the reporting year, several strategic initiatives were undertaken to strengthen the Agency's role in commercialising publicly funded R&D for socio-economic benefit. A key area of focus was dealing with the fragmented and sub-optimal technology commercialisation practices within the organisation. In response, the Agency developed an organisation-wide Commercialisation Enablement Strategy which incorporates mechanisms such as convertible instruments to enhance commercialisation outcomes. This strategy was presented to the Board, comments were solicited and its implementation is ongoing.

Another critical issue responded to was the leakage of IP, which undermines the potential socio-economic returns of public investments in research, development and innovation. To mitigate this, the Agency committed itself to implementing the findings and remedial actions of an independent study commissioned to investigate IP leakage at both the national level and within the Agency itself. A working group comprising the heads of NIPMO, TIA, DSI and other key stakeholders has been established to co-ordinate efforts on the IP Leakage Strategy.

The TIA also engaged in national policy discussions regarding the regulatory barriers that hinder the commercialisation of publicly funded IP through the creation of spin-out companies. The organisation participated in a DSI-led working group tasked with exploring possible exemptions from certain provisions of the PFMA that currently create these barriers. Progress on this initiative is ongoing and updates are expected in the subsequent reporting period.

In order to position itself in the Fourth Industrial Revolution (4IR), the TIA identified shortcomings in the co-ordination and alignment of its 4IR investments. To overcome these shortcomings, work commenced on a comprehensive TIA-wide 4IR Strategy designed to ensure a more integrated and strategic approach to 4IR initiatives across all the business units in the organisation.

Energy security, particularly the imperative of a Just Energy Transition in South Africa, was another strategic focus area. The Agency collaborated with the Secretariat of the Presidential Climate Commission to contribute to national climate-change objectives. As part of this initiative, a study led by Promethium Carbon was initiated to conduct a stocktake of the available technologies that could effectively respond to climate change challenges and support a Just Energy Transition in the country.

14.1.2 BUSINESS UNIT OVERVIEWS

The Commercialisation Division consists of the Advanced Manufacturing, Energy, Information and Communications Technologies, and Natural Resources business units. Each of these units is reported on in this section.

ADVANCED MANUFACTURING

The purpose of the Advanced Manufacturing unit is to support the TIA's vision by building a quality portfolio of projects that contribute to transforming South Africa's manufacturing industry into one that is competitive, high-tech and high-value-creation. The unit's objectives and operating model ensure that the projects which are chosen align with the national priorities for manufacturing. The unit has prioritised the three Decadal Plan thrusts, namely, supporting small businesses in adopting advanced technologies, promoting new approaches for emerging industries and applying new strategies to established industries.

The business unit focused on the following areas across **six of the nine provinces**. These focus areas are aligned with Sustainable Development Goal 9, which relates to investment in industry, innovation and infrastructure as factors influencing economic growth and development:

- Space Technology – 3%
- Additive Manufacturing – 2%
- Automation – 16%
- Advanced Electronics – 13%
- Radar Technology – 27%
- Production Technology – 3%
- Photonics – 5%
- Nano-technology – 7%
- Medical Devices – 9%
- Automotive – 3%
- Advanced Process – 12%.

During the year under review, the unit showed great progress towards commercialising projects in its portfolio. Below is a set of cameo descriptions of the notable advancements from the Advanced Manufacturing business unit's investment portfolio:

ArcAqua (Pty) Ltd, with TIA funding, has developed a proprietary ozone-based sanitisation solution that significantly improves food safety and shelf life in post-harvest processing and packaging environments. The core product is a nozzle system that enables ozone gas to be effectively spread using water molecules without dissolving the ozone in water. This provides consistent and efficient surface sanitisation that has a significantly lower environmental impact than traditional chemical-based systems. In February 2025, the Agency acquired a minority equity TIA acquired a minority equity stake (14.71%) in ArcAqua based on an independent valuation performed at the time of conversion of the conditional grant of R7.2 million into equity.

Figure 18: ArcAqua equity conversion signing ceremony

Novelquip (Pty) Ltd, in partnership with a commercial partner from Finland, Ponsse Oyj, has developed a fully mechanised multi-head planting solution for the commercial forestry industry. This planter provides full silviculture to the forestry industry. With the assistance of Ponsse, the concept planter was tested and demonstrated in Brazil and is currently being demonstrated in Paraguay.

In 2024, Ponsse ordered the first demonstration model, which was delivered to Ponsse Brazil in January 2025. This model is currently being demonstrated in Chile and the demonstration will continue in Uruguay and Paraguay. The second demonstration model was ordered in December 2024 and is in the process of being built.

Lodox Systems (Pty) Ltd developed a new-generation Photon Counting Detection-based Full Body X-ray Imaging Scanner that will produce high-resolution and diagnostic-quality images at relatively low doses and with faster acquisition times and lower radiation exposure to both patient and operator. Lodox Systems (Pty) Ltd also aims to include ML as part of the offering that will enable medical specialists to review previous case studies using similar interventions.

Following the successful completion of the Xhibit-dr project, which incorporated the use of the photon-counting detector into the X-ray machine, Lodox proceeded to introduce X-ray machines as variants of the eXero-dr (designed for forensic pathology) and the Xmplar-dr (intended for trauma hospitals). The eXero-dr was launched both domestically in Gauteng, South Africa, and internationally in the United States. In addition, the Xmplar-dr system has been installed at Life Wilgeheuwel Hospital in Gauteng.

Hosted by the CSIR, the **Passive Radar (Pty) Ltd** project's enterprises include the development of hardware and software that will allow the current Passive Radar system to integrate with current Air Traffic Navigation Systems (ATNS) Air Traffic Control (ATC) Systems. Kruger Mpumalanga International Airport (KMIA) is being used to pilot the development of this technology. This further development will see the technology progress from TRL 7 to TRL 9.

The **PNC for 3D Printing initiative**, led by the CSIR, is dedicated to the development of a conductive polymer nanocomposite filament tailored to various 3D printing applications. This project aims to facilitate market testing and enhance adoption rates, in order to advance the technology from TRL 6 to TRL 8.

The project originated from the Additive Manufacturing call announced during the fiscal year under review. Of 17 applications received by the Advanced Manufacturing business unit, this project was selected. During the review period, the unit onboarded the project after it was approved by TIA in March 2025.

Figure 19: Raw material and 3D-printed prototype made using the polymer nanocomposite

GasCam is a CSIR project that focuses on developing the Sulfur hexafluoride (SF6) and Volatile Organic Compound (VOC) Gas Detection Cameras to detect and locate hazardous gas leaks in the petrochemical, chemical and electrical industries so that the gas leaks could be repaired and environmental pollution stopped. Following the successful development and licensing of the technology to UViRCo, the team concluded all their project activities. The project was formally closed during the reporting period.

Space Innovation Initiative

The Space Innovation Initiative is a Strategic Innovation Programme of the DSTI and the Space Infrastructure Hub (SIH), the large-scale national investment to

drive strategic interventions to grow Space Science capabilities, technology and infrastructure in the South African Space economy. The Space Science capabilities, technologies and infrastructure safeguard national sovereignty and serve as a nexus of SET capabilities that are applied and used in many industries for socio-economic growth and in scientific measures to safeguard the overall wellbeing of the planet.

The DSTI has entered into a three-year agreement with the TIA to implement the Space Innovation Initiative (SII) to contribute to the national imperatives of the SIH investment. Specifically, this initiative is intended to accelerate the growth and transformation of the South African Space economy by supporting the development and commercialisation of space technologies that will benefit South Africa. The SII supports the TIA's mandate by extending the Agency's value proposition and competencies towards advancing the national space science and technology imperatives. The Agency executes the strategic objectives of SII call for proposals and investment in the development and commercialisation of IP from the space science research community, innovators and entrepreneurs to realise commercial products and services from space innovations that will benefit South Africa and compete in the global space economy. The strategic outcomes of the SII are expected to support the state in extending the SIH investments to include investing in the development and commercialisation of innovative space technologies that will respond to national challenges; another outcome will be to enable the participation of black-owned small and medium enterprises as new players that will contribute to the transformation and growth of the South African space economy.

ENERGY

The Energy unit contributes to the TIA's mandate and objectives by funding and supporting technological innovations in the energy sector that will have a high impact in the South African economy while improving the quality of life of citizens. The current focus areas of the unit are energy storage, hydrogen and fuel cells, renewable energy, and distributed generation. In order to have a high impact on the technology innovation value chain, the unit forms relationships with centres of knowledge generation, technology developers, OEMs and IP owners to forge opportunities for localised IP enhancements. The IP produced by the HySA programme, that is, HySA Systems, HySA Catalysis and HySA Systems, will be the focus area for the next three years. Strategic partnerships with industry are formed in order to stimulate the market to absorb the new technologies and services and to leverage funding. The unit supports both existing and new technology improvements (to pursue high efficiencies and/or reduce product costs); it also pursues different technologies that have a similar function and target market in order to promote competitiveness.

uYilo Programme

Launched by the TIA in 2013, the uYilo Programme continues to facilitate an enabling environment which supports the increased uptake of electric mobility vehicles, the creation of technology solutions and the deployment of innovative business models, at the same time supporting a human capital skills base that can support both innovation and commercial activities and lead to the commercialisation of battery electric vehicle technologies, products and services. Hosted at the Nelson Mandela University in Gqeberha, the programme's activities include government lobbying, industry engagement, pilot projects, capacity development, enterprise development and thought leadership. uYilo's facilities and expertise comprise national accredited battery testing, materials testing, electric vehicle systems and a smart grid ecosystem that serves as a live testing environment for the interoperability of the various system components of the smart grid. The programme's uYilo KickStart Fund continues to support product and/or service development by providing much-needed funding for applied R&D. The following benefits have been realised through the programme:

- **21 interns:** Skills development and training
- **31 Individuals:** Training offered to previously disadvantaged individuals (PDIs)
- **12 employees:** uYilo Programme staff members employed
- **ISO 17025 Certification and accreditation** for both lead-acid and lithium-ion batteries in the Eastern Cape province
- **R13,524,151:** Amount spent through KickStart Fund to fund 21 projects to date
- **R20,317,416:** Co-funding raised for the 21 projects
- **R16.8 million contribution to GDP; 110 job opportunities and R11.1 million contribution to household income:** Contribution to Eastern Cape community
- **Successful/commercialised projects:** Roll-out of 60 buses for use as public transport under the Cape Town Municipality, namely, Golden Arrow Bus Services; utility vehicles used in game drives by PowerMote and the development of charging points for EVs by GridCars.

Nelson Mandela University and Mobius Technologies (Pty) Ltd are engaged in developing and/or commercialising the technology to create a working prototype of an E-Axle for regenerative 48 V battery charging, to be tested on a vehicle as part of proof of concept. uYilo also has entered into a collaborative agreement with **Auto-X** to conduct material analysis on battery plates, lead oxide and polypropylene samples, and also battery testing on various battery types. In addition, uYilo has successfully taken a **High Voltage Direct Solar EV fast charger** to market in collaboration with LLP Investments, trading as Microcare.

uYilo has successfully facilitated the launch of innovative business models, including **electric vehicle/taxi services and their charging infrastructure** driven by startups and SMMEs such as GoMetro South Africa. This initiative plays a crucial role in advancing sustainable mobility solutions in the South African market.

Another key initiative supported through uYilo included a detailed feasibility study on electric bus operations in the country. Based on the successful outcomes of this project, completed in 2019, **Golden Arrow Bus Services** — a start-up/SMME — introduced 60 electric buses (with a planned total of 120) into operation as part of Cape Town's public transport system.

Balancell

The TIA has supported Balancell since its inception. The company recently opened an R80.0 million factory in Ndabeni, Cape Town, which employs more than 80 personnel. Balancell technology involves an active balancer unit that transfer charge between battery cells in a battery pack without expending any stored energy in the battery overall. The system is designed to maintain all the cells at an equal state of charge or balanced during charging and discharging. Charge is essentially removed from fuller cells and transferred into emptier cells with minimal or no loss in energy. This action maintains an equal state of charge between the cells of ta battery during charging and operation. Performed either passively (removing excess charge from high cells and delivering it to lower cells through a resistive element) or actively (removing excess charge from high cells and delivering it to lower cells), this cell-balancing technique can be applied to any type of battery, including lead-acid, lithium ion and nickel-metal hydride batteries. This technology is an add-on circuit consisting of modular units; it controls the charge and discharge rate of cells in the battery pack. The cell balancer allows for battery cycle life to be extended in existing industrial lead-acid battery installations, with of claimed extension between 3–5 years (1,500 cycles) and 15–25 years (2,500 cycles).

The **Hydrogen Catalytic Splitter** is a specialised water electrolyser that can be mounted onto a vehicle and integrated with the internal combustion engine. The unit continuously produces hydrogen through water electrolysis and co-feeds the gas into the combustion chamber of the engine. The unit can offer an immediate solution to the required reduction in fuel consumption and emissions, particularly for logistics vehicles. The project team has secured a letter of intent from Truckers Association of South Africa (TASA) for 10–30 systems for their commercial vehicles. The TIA will start commercialisation discussions with the client to activate delivery of the systems.

Hydrogen Innovation Programme

The DSTI has laid the groundwork for establishing a Hydrogen Economy through its significant R&D investment of at least R1.4 billion in the HySA. The outputs from this programme, have the potential to position South Africa as a player in the global market in areas such as hydrogen production, hydrogen storage solutions and fuel-cell manufacturing. These include:

- Catalysts and MEAs for fuel cells;
- Catalysts and catalyst-coated membranes for hydrogen production; and
- Metal hydride-based hydrogen storage technologies for heavy-duty vehicles (such as forklifts) and refuelling stations.

Through the Hydrogen Innovation Programme, it is envisaged that commercialisation and sustainable local manufacturing can be enhanced through:

- the integration of publicly financed and locally developed IP in the form of value-added components in all the catalytic projects to establish a robust baseline of local capabilities and supply chain; and
- the use of smart inbound technology transfer, where synergies exist with global OEMs.

The Hydrogen Innovation Programme will focus on the following key aspects:

- Commercialisation: helping South African innovators, researchers and entrepreneurs to commercialise HySA-based technologies.
- Innovation support: attracting, facilitating and mobilising late-stage funding for the commercialisation of market-ready HySA-based technologies.
- Partnerships and collaboration: facilitating partnerships between various stakeholders to create a supportive ecosystem for innovation. Connecting and catalysing partnerships between SMMEs, industries (including OEMs), universities and science councils to develop an enabled environment that supports sector-specific innovations for global competitiveness.
- SMME support and skills development: business development and training in business modelling, market-entry strategies and financial planning.

To realise the economic and social merits of these applications, the TIA, in partnership with the DSTI, is establishing a Hydrogen Innovation Programme to drive the commercialisation of these R&D outputs.

INFORMATION AND COMMUNICATION TECHNOLOGIES

The TIA ICT business unit is dedicated to developing and leveraging ICT-driven innovations that generate broad socio-economic impacts. Its core mission is to redress unemployment, inequality and poverty while enhancing South Africa's competitiveness in the 4IR and contributing to the nation's Sustainable Development Goals.

The unit's key objectives include:

- Boosting ICT industry competitiveness: fostering collaboration across South Africa to bring digital innovations from concept to market.
- Accelerating commercialisation: speeding up the development and market entry of new ICT products and services.
- Securing strategic funding: actively seeking local and international funding to advance the ICT NSI goals.

During the current MTEF cycle, the ICT unit concentrated on the following technology areas:

- Artificial intelligence: encompassing technologies such as the Internet of Things (IoT), big data and blockchain, with applications focused on priority sectors such as agriculture, energy, green economy, health, manufacturing, mining, space and water, waste and the circular economy.
- Advanced communication systems: primarily focusing on wireless and satellite technologies to enable 5G networks, expand universal broadband connectivity and provide foundational infrastructure for 4IR.
- Cyberinfrastructure and cybersecurity: concentrating on powerful and advanced ICT systems, including cloud computing, high-performance computing and quantum security, which are all crucial to the 4IR.
- Digital economy: supporting digital innovations that redress social injustices scalably and sustainably and advance public service delivery, business efficiency and consumer services.

The ICT unit manages a substantial portfolio, consisting of a mixture of deep and shallow technology products. These innovations, developed by startups, universities and science councils, are at various stages of development and maturity.

During the period under review, the portfolio showed expected progress towards commercialisation, despite inherent industry challenges. Some notable advancements from the ICT investment portfolio are provided hereafter.

TrackView Rail Smart Sensor

In 2022, HisWay Labs (Pty) Ltd secured funding to develop and commercialise the TrackView™ Smart Sensor technology, a cutting-edge railway signalling solution. TrackView™ responds directly to critical railway-industry challenges, including the vandalisation of rail-break detection sensors and inefficient railway-track capacity management.

HisWay Labs has progressed significantly with this project, moving from conceptual demonstration to a market-ready product. Recent milestones include advancing to open line testing for type approval with PRASA and Transnet, deploying additional devices in operational rail environments and obtaining ICASA Radio Equipment Type Approval Certification. These achievements position TrackView™ as a leading solution for train and rail-break detection, driving ongoing commercial discussions in both South Africa and Australia.

A key to the success of HisWay Labs is its growing relationship with the South African Rail Safety Regulator (RSR) and the African Rail Industry Association (ARIA). The collaboration with RSR has been instrumental in promoting TrackView™ and validating its potential to improve rail safety standards. By working closely with RSR, HisWay Labs ensures that its technology aligns with the stringent safety requirements of the South African rail industry, enhancing its credibility and paving the way for broader sector adoption. Furthermore, an official partnership with the Passenger Rail Agency of South Africa (PRASA) for the 'Type Approval' pilot of TrackView™ could lead to its eventual adoption by both PRASA and Transnet Freight Rail.

Geo-Location Spectrum Database project: The CSIR, through its commercial partner AdNotes Digital, has launched 'Spectrum Switch', a new telecommunication managed service. This innovative solution, built upon the TIA-funded Secondary Geo-location Spectrum Database technology, empowers Mobile Network Operators and Wireless Internet Service Providers to deploy 4G/5G Fixed Wireless Access networks using the TV White Spaces spectrum. Seamlessly integrating with existing core networks, Spectrum Switch simplifies rural coverage expansion and facilitates the efficient deployment of enterprise and private networks, bringing connectivity to underserved areas.

Jobox is a multi-award-winning early talent discovery ecosystem based in Johannesburg. The platform connects employers, students and universities, creating opportunities for young professionals to access top-tier employment. By leveraging its innovative approach, Jobox helps to bridge the gap between academia and industry, ensuring a seamless transition for students intent on entering the workforce.

During the reporting period, Jobox made significant strides, notably being selected for the UNDP's Meet the Toshikas Programme, securing some grant funding and preparing for an exclusive investor roadshow in Japan. Despite the challenges in closing deals, the persistence of the company resulted in a major partnership with the University of South Africa (UNISA) and product upgrades that have greatly improved the user experience.

PAISA Technology is developing and validating its Collision Avoidance System for mining vehicles. This innovative system uses stereo cameras and lidar to accurately detect and classify objects and their distance, exceeding the Level 9 requirements of the Earth Moving

Equipment Safety Round Table (EMESRT). It deals with common industry challenges such as poor accuracy in harsh conditions, false alarms and limited visibility on large vehicles, offering superior depth and distance detection.

PAISA has significantly advanced its CAS 2.0 system, which has reduced costs and improved reliability. They have developed a proprietary processing unit, modularised sensor data processing for edge computing and designed specialised camera sensors. AI model refinements for various machinery and standardised communication protocols have been validated. Successful deployments on several machines at Exxaro Belfast and Sasol have demonstrated the system's effectiveness. Strategic partnerships and compliance testing position PAISA for market expansion and commercialisation.

Quickprop Software (Pty) Ltd is a technology-driven enterprise that specialises in providing lease administration and property management solutions. Their flagship product, the Quickprop Lease Administration Platform, is designed to streamline tenant and property management processes by using digital tools, including online applications, tenant screening, electronic leases and integrated payment solutions. The company has demonstrated substantial progress in its commercialisation efforts, having successfully developed and integrated key functionalities despite encountering financial and technical challenges. Notably, Quickprop has secured a significant off-take agreement with a specialised commercial property financing company. This strategic relationship is anticipated to facilitate Quickprop's market validation and to expedite its market entry, in this way demonstrating its robust market validation.

NATURAL RESOURCES

The strategic focus areas of the Natural Resources business unit are water resources management, waste management, the circular economy, climate resilience and the mining value chain. The business unit focuses on ensuring water security by using advanced technologies to improve efficiencies. It supports technologies that respond to the water crisis and water security, including those technologies that minimise the impact on the environment. It supports technologies in the circular economy and initiatives aimed at the reduction of the carbon footprint. The mining value chain is critical to the economy of South Africa and therefore a significant amount of focus is geared towards this thematic area. The business unit focuses on technologies that improve process efficiencies in the extraction and exploitation of mining.

KSBA1000 Commercial Aquaponics Project

Aquaponics is a sustainable farming method that combines aquaculture (fish farming) and hydroponics (soilless plant farming) in a closed-loop ecosystem. In this system, fish waste provides nutrients for the plants and the plants naturally filter and clean the water, which is then recirculated back to the fish tanks. It is a self-sustaining ecosystem in which both the plants and the fish benefit from one another's presence.

The Kleinskuur Boerdery Aquaponics (KSBA) system comes in several sizes as determined by the number of barrels (24, 150, 1,000 and 4,000) in the system for a specific target market. The barrels are specially designed drain-efficient buckets that are refilled with gravel media and planted with single fruiting crops such as tomatoes and brinjals. The bucket design is supported by a syphon system – the core of the technology that enhances the efficacy of the system by promoting optimal aeration and circulation of water and also reduces the risk of diseases. The filled barrel units are arranged either in series or in lines of 13 units each. Once the water reaches a certain level in the syphon system, it is syphoned out and pumped into the deep-water-culture rafts that host the leafy vegetable type.

The current project is developing a KSBA1000 Semi Commercial Aquaponic System comprising 1,040 buckets or barrels that will serve as a demonstrator for clients, funders, investors and organisations interested in financially viable climate-smart agriculture. In addition, the unit will function as a training centre for aquaponics, other agricultural methods and the processing, packaging and marketing of produce.

The pipes with syphons are completed and the 1,040 gravel barrels for the fruiting crops are made ready for installation. This is major progress in the core of the system build. The fish and water tanks are also in place while on the deep-water culture the polystyrene boards are being drilled for the holes to hold the sponges that will host the leafy plants.

This application also seeks to construct a basic fish packhouse and hatchery. The project is completing the civil work for the system, has procured all the materials and is finalising the laying-out of the barrels, the deep-water culture rafts, the fish raceway and the electricals. The site for the packhouse for processing the produce from the system has been marked out.

The project won an award at the Grassroot Innovation Programme awards function and the entity is part of the newly established TIA Women Technology Innovation Programme (WTIP) launched in March 2025. The project on order has completed the build of a community-size unit on a farm in Free State province. The original quotation was signed in June 2024, but the agreement was finalised in November 2024 and the building was completed in February 2025.

Aerial view of the terrain

Pipes and syphon structure

Floor of the structure after a heavy rainstorm

Gravel barrels in place and ready for pipes and syphon structure installation onto the pipe and syphon structures

Figure 20: The KSBA1000 Semi Commercial Aquaponic System being constructed

Mintek Acid Mine Drainage – cloSURE™ successful crop testing

The Demonstration of a Biological Process for the Treatment of Acid Mine Drainage (AMD) Project is a passive Acid Mine drainage treatment solution developed by Mintek, Thungela (Pty) Ltd, a small SMME called the Moss Group and the UP. The process is a bacteria sulphate reduction (BSR) process using low tech, low cost and low maintenance technology aimed at resolving the menacing AMD problem prevalent in South Africa. The objectives of the project are to demonstrate this process at a semi-commercial scale at a live mine site and to optimise the process to inform the parameters of commercial-scale plant. The solution has been trademarked as cloSURE™.

The project site selected for the project is the eMalahleni Water Reclamation Plant run by Thungela (Pty) Ltd, a major coal miner in South Africa. A 50 m^3-capacity plant capable of treating that volume of mine water per day was constructed to demonstrate the process at scale through the summer and winter cycle, with crop plants grown during the two cycles. The technology is set to benefit communities around the plant by providing water for crop planting and irrigation purposes during and after the closure of the coal mines.

The technology has been successfully demonstrated and is in the final stages of optimisation, data collection and techno-economic modelling at the Thungela Reclamation Plant at eMalahleni. The resulting water was tested for both winter and summer crop cycles.

The crops tested include wheat, lucerne, soybean and teff grass. The lucerne and teff grass irrigated with BSR-treated water had higher plant heights; however, sorghum and soybean plants irrigated with BSR-treated water produced smaller plants. While the summer crops faced challenges with heat waves and excessive rainfall, the BSR-treated water is classified as being ideal for the test crops.

The Closure Technology attracted interest when it was showcased at the Mining Indaba '25 in Cape Town. The investee reported interest from more than 50 people and several industry leads.

Figure 21: View of the cloSURE™ system at Thungela

The **Mining Shroud Detection Technology** relates to an initiative by the South African Nuclear Energy Corporation (NECSA), in conjunction with NTP (Pty) Ltd, that entails tagging shrouds with Scandium 86 (Sc-86) radionuclide capsules that emit specific signals. The aim is to detect broken-off shrouds from mining equipment and prevent damage to crushers by triggering a warning to divert the truck to a lay yard for the retrieval of the shroud on detection. The detection occurs via a sensor mounted on a gantry through which the truck passes en route to the crushers.

The design packages, including the tagging element design, have been completed. The gantry structure has also been completed and will be built outside the NECSA Gate 1 in 2025. The NECSA team will go on a site visit to HBFYHB in China to observe and confirm the performance of the gamma sensors before purchasing the gamma panels.

Figure 22: Painted gantry structure ready for assembly outside NECSA

UK–SA Water Innovation Lead Customer Programme

The UK–South Africa Water Innovation Lead Customer Programme represents a strategic bilateral initiative co-funded by Innovate UK and the TIA to accelerate innovation that responds to pressing water-security challenges in both countries. By harnessing the power of digitalisation, circular economy principles and data-driven solutions, the programme sought to catalyse the development and deployment of technologies that promote efficient, resilient and clean water systems.

Through an investment of R4.8 million from the TIA, the programme supported the implementation of five cutting-edge water and sanitation projects, each selected for its alignment with municipal priorities and industry demands in both South Africa and the UK. These projects enabled the live demonstration of locally relevant technologies, validating their commercial and operational potential while fostering cross-sectoral collaboration and market interest.

One flagship initiative was the GeoTerra Aquainsight Project, which focused on the development of the WaterSphere360 platform – an advanced decision-support tool that integrates satellite and terrestrial data to enhance water-quality monitoring and resilience planning. Tailored for use by municipalities and resource managers, the platform aggregates real-time insights into rainfall, groundwater levels, vegetation indices, dam volumes and water-surface dynamics. A significant milestone reached was the successful deployment of a user-friendly dashboard incorporating water-quality metrics which has since been adopted by Grain SA to provide farmers with near-real-time agricultural data. This rollout represents a major step forward in supporting climate-resilient farming through evidence-based decision-making.

Stone Three: Engineering Home-grown Mining Intelligence

When Stone Three Digital, an industrial innovation company based in Stellenbosch, first approached the TIA in 2018, its goal was clear: develop intelligent digital tools that could solve real problems in the mining sector. At the time, South Africa's deep-level mines were grappling with the dual pressures of safety risks and rising operational inefficiencies. The Agency's support enabled the development of a locally engineered platform that combines smart sensors, real-time analytics and process advisory dashboards, which are designed to give plant operators a clearer view of what has been happening inside their systems and the tools to act on it.

Stone Three is an industrial IoT company that leverages deep domain expertise, data science, enterprise software and device capabilities to develop sustainable solutions for recurring problems in complex global industries. With a current team of around 70 people, the business has scaled significantly since its early-stage engagement with the TIA. More than R20.2 million in TIA investment – R14.7 million through the Technology Development Fund and R5.5 million via the Innovation Fund – has supported the company in developing, validating and rolling out its platform across more than 25 active client sites, including operations managed by Impala Platinum, Harmony Gold, Thungela and De Beers.

The platform's real-time monitoring and fault-detection capabilities have helped plants to reduce their downtime, improve throughput and optimise maintenance interventions. With an annual turnover exceeding R70.0 million and strong client retention, Stone Three has also begun exploring global expansion, with engagements now underway in Latin America and Southeast Asia. The Agency's support was instrumental in enabling the company to mature its offering and establish its value in the market, in alignment with South Africa's broader drive towards smart mining and industrial resilience. Stone Three continues to meet its repayment obligations to the Agency through ongoing annual royalty payments and quarterly loan repayments, demonstrating a maturing commercial model and commitment to reinvestment in the NSI.

Progress has since been made in areas such as socio-economic development and management control, with further improvement actions in progress. The evolution of the business illustrates how long-term innovation funding can play a catalytic role in enabling responsive technically advanced solutions that are both locally relevant and globally scalable.

Kaloola

South Africa faces significant sanitation challenges, driven by water scarcity, climate change, urbanisation and ageing infrastructure. Only 65% of the population is currently serviced by wastewater treatment systems, with many communities remaining dependent on inadequate solutions such as bucket toilets and pit latrines. To respond to this gap, Loowatt (a UK entity) and Khanyisa Projects (an SA entity) partnered to introduce and implement a waterless sanitation system in Durban.

The partnership between Khanyisa and Loowat was funded through the UK–South Africa Water Lead Customer Programme, a collaboration between Innovate UK Business Connect and the TIA. The programme was established to find innovative solutions to water-security challenges in both regions. It focuses on funding projects and technologies that improve water access and promote sustainable water management. By leveraging digitalisation and waste-management solutions, the initiative aims to ensure efficient, resilient and clean water resources for populations in South Africa and the UK.

The partnership developed an innovative, non-sewered sanitation solution that requires no water, offers an improved user experience and enables energy and nutrient recovery from waste. The technology is digitally enabled, allowing for efficient payment collection, service tracking and performance monitoring. It is designed for integration into utility systems via decentralised locally managed service models.

Since its pilot implementation, the service – branded 'Kaloola' – has successfully reached more than 700 residents in more than 100 township households in Durban. Residents pay a monthly fee for safe, dignified and hygienically serviced home toilets.

Another notable success is the Invictus Project, which introduced the Clean-in-Place (CIP) Sense system at a leading beverage-production facility. The system achieved a 15% reduction in CIP cycle times, saving approximately 4,000 m^3 of water and 31 MWh of energy per line per year. These resource savings translated into a projected payback period of just two months. The pilot has since attracted the attention of several leading food and beverage manufacturers, demonstrating how innovation can unlock significant efficiency gains in water-intensive industrial processes.

Collectively, the UK–SA Water Innovation Lead Customer Programme showcases the transformative potential of cross-border collaboration, public–private partnerships and technology deployment in achieving sustainable water futures. It reinforces the role of innovation as a key enabler of climate resilience, economic development and equitable access to essential services.

Figure 23: Kaloola toilet installations in an informal settlement in Durban

Municipal Operations App for Water Management

The Municipal Operations App, developed by Khanyisa Projects, is a digital tool designed to assist municipalities in managing non-revenue water (NRW) losses through improved data collection, infrastructure tracking and service verification. Since 2019, the TIA has invested a total of R4.4 million in the development and commercialisation of the App. This includes R249,769 through the Rapid Response Fund for initial piloting and R2.4 million through the Technology Development Fund to advance the solution to TRL 8, followed by a further R2.0 million under the Innovation Fund to support a national commercial rollout. The technology was piloted in four municipalities – eThekwini, Johannesburg Water, Zululand District and Newcastle – where it demonstrated real-time operational benefits and decision-making improvements.

South Africa's non-revenue-earning water remains unsustainably high, with nearly half of treated water lost through leakages, burst pipes, theft or non-payment – a stark contrast to the global benchmark of 15%. The App deals directly with these challenges by enabling bulk meter recording, fault identification, repair verification and customer-satisfaction measurement, all through a paperless real-time platform. With the Agency's ongoing support, the project is now focused on scaling its impact through rollout to four additional municipalities and two private-sector organisations. This expansion is accompanied by a shift in the commercial model, with Khanyisa Projects offering both the software and the data-collection services enhancing ease of procurement and delivery.

Figure 24: The Municipal Operations App being trialled in the field in Newcastle Municipality

The App provides municipalities with a mobile and web-based platform for quality assurance and asset management. Key features include GIS integration, real-time dashboards, reverse data billing and customisable fault tracking, which enable faster repairs, improved customer service and enhanced audit readiness. Johannesburg Water now uses the App as part of its internal asset management system and views it as a critical tool for compliance and the verification of services, particularly in informal settlements. Notably, the App was customised for use in their Bulk Metering Division and has enabled direct data flows between departments, contributing to streamlined operations. Field teams trained under the project have included previously disadvantaged individuals, with eight people from marginalised communities receiving digital upskilling and the company achieving 51% black ownership.

The project strongly aligns with the Decadal Plan's Innovation for Service Delivery Programme, which promotes the integration of locally developed technologies into public-sector systems in order to drive efficiency, responsiveness and accountability. The App is a direct response to this call, enabling as it does municipalities to manage infrastructure more effectively, track service delivery in real time and make informed data-driven decisions. Through its inclusive deployment model and growing demand across the water sector, the Municipal Operations App contributes to building a more capable innovation-ready state. The project continues to build on the TIA's investment in advancing digital tools for improved water management, with the aim of enabling broader national deployment and contributing to more efficient data-driven service delivery across municipalities.

14.1.3 BUDGET AND EXPENDITURE

A comparison of the budget for and actual expenditure of the Commercialisation Division is presented in Table 9.

Table 9: Budget and expenditure of the Commercialisation Division for 2023/24 and 2024/25

	2023/24			2024/25		
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	15,369	30,406	(15,037)	15,369	2,083	13,286
Energy	9,442	16,864	(7,422)	14,442	12,234	2,208
Information and Communications Technology	33,114	33,964	(850)	23,799	22,737	1,062
Natural Resources	11,694	25,009	(13,315)	11,693	11,794	(101)
Stakeholder events	1,000	–	1,000	1,000	-	1,000
Journey to TIA 2.0	5,000	–	5,000	5,000	4,158	842
Total	**75,620**	**106,242**	**(30,623)**	**71,303**	**53,006**	**18,297**

14.2 BIO-ECONOMY DIVISION

14.2.1 OVERVIEW

The Bio-economy Division is tasked with leading the implementation of the Bio-economy Strategy which in turn aims to translate South Africa's knowledge assets into sustainable bio-based solutions that resolve social challenges and drive economic growth. The division provides both financial and non-financial support to support technology development and the commercialisation of bio-based solutions in agriculture, health, industrial biotechnology and IKS.

The Bio-economy Division has more than 100 directly funded projects and a further 24 strategic innovation programmes. The latter include contracted programmes from the DSTI, technology innovation clusters and technology platforms.

The 2024/25 APP committed the Bio-economy Division to several strategic initiatives for the year. The division's progress against these strategic initiatives has been as follows:

The TIA and other players in the NSI provide a range of initiatives aimed at improving bio-entrepreneurship outcomes without there being evidence of co-ordination and complementarity. Therefore, the Agency is conducting an assessment of its existing bio-entrepreneurship interventions to evaluate whether the current support mechanisms respond effectively to ecosystem needs. A comprehensive landscape assessment is underway to map the existing bio-entrepreneurship offerings across the country. This assessment, scheduled for completion in 2025/26, will serve as the evidence base for determining whether the Agency should launch a dedicated bio-entrepreneurship programme.

South Africa's bio-manufacturing ecosystem is hindered by a lack of dedicated pilot-scale bio-manufacturing facilities. These facilities are crucial to supporting emerging entrepreneurs in scaling up their innovations. To respond to this gap, the TIA will consult with key stakeholders in the bio-manufacturing innovation ecosystem to map and implement a strategic expansion plan for bioprocessing infrastructure. As part of this process, the feasibility study for establishing a Biofoundry facility has been successfully completed. This proposed facility will equip South Africa's biomanufacturing sector with advanced high-throughput capabilities for developing proprietary expression systems. In addition, the collaborative programme between UVU Bio and the Agency's Bioprocessing Platform for joint hosting bioprocessing projects has received approval.

The Bio-economy Division's support is currently skewed towards projects and programmes in Gauteng, KwaZulu-Natal and the Western Cape provinces, resulting in unequal access to innovation support services across the country. As part of its plans to improve its reach to underserved provinces, the division will implement dedicated programmes aimed at beneficiaries in these areas. The Agency has established a strategic partnership with the Cannabis Training Academy, which collaborates with the University of Limpopo to deliver comprehensive training programmes to current and prospective TIA applicants in cannabis production processes, business management and medicinal applications. This capacity-building initiative remains active and continues to promote access to opportunities in the cannabis sector.

The Agency seeks to diversify its investment portfolio to focus its funding and impact in specific sectors within the bio-economy. To this end, it will identify and develop emerging investment opportunities that build transformative capabilities, strengthening and advancing South Africa's existing bio-economy capacity and socio-economic impact. The Bio-economy Division has solicited and is funding projects in four areas covering ethno-veterinary medicines, digital health solutions, township agriculture and biofuels technologies.

14.2.2 BUSINESS UNIT OVERVIEWS

The division consists of the Agriculture, Health, Industrial Biotechnology, Indigenous Knowledge Systems (IKS) and TPP business units. The division also hosts several contracted programmes, namely SABDI, ABBIP and SIIP.

AGRICULTURE

The Agriculture business unit aims to contribute to the development of high-growth and high-impact technologies, products and services that will result in a competitive, broad-based, inclusive and sustainably growing agriculture sector in South Africa, Africa and globally. Its focus areas are breeding and productive technologies in livestock and field crops, animal and plant health, and nutrition, in addition to agro-processing and post-harvest technologies.

The business unit also focuses on smart agriculture technologies to deal with climate change and to support the aspirations of farmers to become more competitive. This is in line with the Decadal Plan, which prioritises the modernisation of key strategic sectors such as manufacturing, agriculture and mining. The ultimate goal is to contribute to the promotion of food safety and food security, rural and township development, a reduction in unemployment and the creation of greater resilience to climate change across the agriculture value chain.

Furthermore, the unit contributes towards the development of high-impact technologies, products and services that would result in a competitive, broad-based, inclusive and sustainably growing agricultural sector in South Africa through well-co-ordinated partnerships and collaborations with key strategic stakeholders.

Under the ABIPP the **Fine Bubble Technologies** project piloted the use of nano-bubble systems in aquaponics at the De Grendel School of Skills. This innovation aimed to demonstrate improvements in nutrient and water efficiency in integrated agricultural settings. By introducing advanced aeration and nutrient delivery technologies, the initiative supported learners in agricultural education and showed promise for sustainable agriculture and aquaculture integration.

Figure 25: Andre Smith, the principal of De Grendel School of Skills with Sibusiso Manana of TIA and Paul Botha, the innovator behind the Fine Bubble Technology

Agriculture Bio-economy Innovation Partnership Programme

Established in 2017/18, the ABIPP is a DSTI programme implemented by the TIA with the objective of advancing the Bio-economy Strategy. Within the Bio-economy Strategy, the agricultural focus is on boosting bioscience innovation to assure food security, improve nutrition and health, and to allow job development through the growth and intensification of sustainable agricultural production and processing. ABIPP is geared to funding the pipeline of technological innovations, the establishment of new value chains and skills needed to drive productiveness and also to promoting competitiveness in the agricultural sector and transformation through skills development.

Since its inception, the ABIPP has implemented more than 30 multi-stakeholder initiatives, which have enabled significant progress in agricultural research, innovation and inclusive development.

Beef Genomics Programme

Established in 2015, the Beef Genomics Programme is an industry–public collaborative initiative in South Africa focused on enhancing the competitiveness and sustainability of the beef industry. It employs genomic technologies to improve the genetics of beef cattle populations, benefitting both emerging and commercial farmers. The programme aims to increase the quality and quantity of beef production with a view to improving profitability and global competitiveness.

Genomic testing, now a standard in leading beef-producing nations, provides critical insights into genetic potential, detects single-gene mutations and improves the accuracy of genetic predictions. Since its inception, the programme has received support from the TIA in the amount of R68.0 million and through Agency support the BGP leveraged funding in the amount of R89.0 million from industry and the public sector. The Beef Genomics Programme is in its second phase.

Eastern Cape Agro-processing Programme

Established in 2021, the Eastern Cape Agro-processing Innovation Cluster aims to facilitate an enabling environment for the advancement of technology innovation and commercialisation by adopting a value chain approach which is in line with the Eastern Cape provincial agro-processing industry.

The programme is implemented in partnership with the East London Industrial Zone Science and Technology Park and the Department of Economic Development, Environmental Affairs and Tourism in the Eastern Cape province to support the agro-processing-based SMMEs in the Eastern Cape – one of the underserved provinces in South Africa. Since its inception, the Agro-processing Programme has received support from the TIA in the amount of R6 million and has also leveraged funding in the amount of R600,000.

Sorghum Cluster Initiative

Established in 2023, Sorghum Cluster Initiative is implemented by the Sorghum Trust through an ABIPP programme. The programme is used as the vehicle through which most of the proposed sorghum market revitalisation initiatives can be promoted and implemented, the key stakeholders are engaged and the proposed programmes are launched and funded.

Figure 26: A Sorghum Cluster Initiative team member being interviewed

The Sorghum Cluster Initiative emanates from the feasibility study that was initiated by the DSI's undertaking, Automotive Investment Holdings, which included, among other study areas:

- an analysis of regional and global best practices for sorghum; and
- potential cultivars and agronomic conditions that may lend themselves to the South African climate.

Since its inception, the Sorghum Cluster Initiative has received funding support in the amount of R6.7 million and has leveraged an additional R1.2 million from the sorghum industry.

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 impacts. Its focus is on supporting the development of healthcare products and services that focus on the prevention, diagnosis and treatment of priority diseases that affect South Africa and the broader sub-Saharan African region. These priority disease areas include HIV/AIDS, tuberculosis (TB), malaria, respiratory infections and a growing burden of NCDs such as diabetes, CVDs, cancer and mental health conditions. The overarching goal of the business unit is to stimulate and enable the development, regulatory approval, local manufacturing and commercialisation of innovative health solutions that meet national healthcare needs and contribute to the growth and sustainability of the local health innovation ecosystem.

Medical Device and Diagnostic Innovation Cluster

The Medical Device and Diagnostics Innovation Cluster (MeDDIC) is a national initiative which was established through a partnership between the DSTI, the TIA and the SAMRC. It seeks to capitalise on South Africa's considerable concentration of skills, expertise, infrastructure and industry presence in the medical devices and diagnostics sector. By facilitating strong public–private collaboration among government departments, research institutions and industry players, MeDDIC aims to take on critical challenges faced by the sector, such as limited local manufacturing capacity, regulatory complexities and skills shortages.

Medical Device & Diagnostic
INNOVATION CLUSTER
MeDDIC

Through co-ordinated efforts, the cluster supports skills development, accelerates innovation and promotes sustainable job creation in the sector. Ultimately, MeDDIC's goal is to enhance the competitiveness of the local medical devices industry, increase the availability of high-quality locally developed medical technologies and improve health outcomes across South Africa by strengthening the entire medical device and diagnostics value chain.

VIVAsite: Africa's First Locally Manufactured Needle-free Valve

Needle-stick injuries are a major concern to healthcare workers and patients in South Africa, as they expose healthcare workers and patients to the risks of contracting blood-borne illnesses. A needleless valve offers a sterile, safe and efficient alternative to traditional needle use in healthcare settings, owing to its automatic sealing and smart fluid displacement features that offer added protection.

Needle-free valves are the standard in the rest of the world but they are used in only 40% of public hospitals in South Africa. This is due to the prohibitive importation costs that prevent most public hospitals from using them.

Funded through the MeDDIC Cluster, M and L Medical Suppliers has created Africa's first locally manufactured needle-free valve for the delivery of intravenous therapy. MeDDIC serves as a platform to promote collaboration and the leveraging of South Africa's capabilities in the medical devices sector to produce locally developed solutions.

Figure 27: M and L Medical Suppliers' needle-free valve

The company has been awarded a tender to provide intravenous blood supply consumables (including the needle-less valve) by the Department of Health in the Western Cape province. This represents a local innovation in the complete manufacturing chain in South Africa.

Another entity supported through MeDDIC, **AI Diagnostics**, successfully developed an advanced digital stethoscope powered by AI to screen for TB. This affordable, easy-to-use device enables early detection of TB with significantly greater accuracy than current methods. It allows healthcare workers, including those without specialised training, to screen for TB rapidly and cost-effectively.

Figure 28: AI Diagnostics' advanced digital stethoscope

The **API Cluster** was developed as a national priority to demonstrate South Africa's self-reliance in the manufacturing of small molecule APIs. The concept serves to bring together existing capabilities (HEIs, science councils, research institutions and also other industry players) across the country to achieve a synergistic and synchronised programme. The broad aims include developing the value chain from lab to market and the in-licensing of mature pharmaceutical technologies to develop the manufacturing capability. Partners include the SAMRC, IDC, DTIC, IDC, DOH, TIA and DSTI. The first phase of the cluster based at NWU was concluded in mid-2024, with five funded projects reaching early demonstration. The second phase is being hosted at the CSIR and was approved for funding in March 2025. Phase one projects of importance to South Africa and the continent will continue, with two additional funding calls targeting transformation, women and commercial-scale criteria being planned.

The **South African BioDesign Initiative (SABDI)** is a strategic programme funded by the DSTI and implemented through the TIA. It is designed to promote and support collaborative interdisciplinary research and innovation in the fields of functional genomics, synthetic biology, systems biology, metabolic engineering and bio-informatics. The initiative forms part of South Africa's broader efforts to develop a knowledge-based bio-economy, as outlined in the national Bio-economy Strategy. SABDI aims to build a strong pipeline of high-impact bio-innovations by supporting research consortia that include universities, public research institutions and private-sector partners.

One of the projects supported through the initiative, the **Open Genome Project**, launched a cost-effective point-of-care genetic testing platform for NCDs and pharmacogenetics at the 4th Point of Care International Colloquium held in Cape Town in November 2024. Currently being piloted by a medical scheme, the platform enhances access to genetic testing and supports personalised patient disease management.

Another project, the **Bioremediation of Mine Pit Lakes**, used bio-informatics to develop a specialised microbial consortium capable of removing salts and metals from mine pit lakes through ureolysis. The process maintains water quality in line with the South African Class 1 drinking water standards without producing harmful nitrogen by-products. This demonstrates a promising approach to sustainable mine-water treatment. This innovation has the potential to support environmental rehabilitation efforts in mining-affected regions and to contribute to safer water-reuse strategies.

Altis Biologics International Commercialisation of Altis Osteogenic Bone Matrix

The Altis Biologics Porcine Osteogenic Bone Matrix (OBM) was funded by the TIA to develop novel Porcine OBM trauma products for skeletal regeneration in human beings. The Altis OBM is an implant material intended as an alternative to traditional bone-graft products.

The company has pursued international accreditation within one of the six key jurisdictions recognised by SAHPRA and appointed Fortmed, a Brazilian company, as their official representative in South America. Following a rigorous audit by the Agência Nacional de Vigilância Sanitária (ANVISA), the Brazilian Health Regulatory Agency, Altis Biologics has been awarded the Brazilian Good Manufacturing Practices (bGMP) Certificate.

Altis Biologics has submitted the required product dossier data, which has been accepted, and they await final registration in ANVISA's database to enable order placements and initial shipments. This achievement highlights Altis Biologics' commitment to global quality standards and marks a significant step in their expansion into Latin America. This is the first instance of the successful registration of a Class III medical device fully developed in South Africa.

These developments position Altis Biologics to meet the rising demand for regenerative medicine in a key emerging market. This registration will allow major trading between BRICS nations, adding value to both economies while repatriating currency that actively fosters the development of new technologies – in addition to providing many jobs for top-tier South African researchers, technicians, engineers and scientists.

The TIA investment in Altis Biologics has yielded more than the product: it has had a positive socio-economic impact. The development of this product has allowed Altis Biologics to educate, train and create jobs for young previously disadvantaged scientists. To date, the company has created more than a dozen direct jobs and more than a hundred indirect jobs.

This being a South African product, it translates into great value for money for local patients with bone injuries as they do not have to contend with the prohibitive cost of imported medical devices. Homegrown technologies promote self-reliance and reduce imports while driving inclusive economic growth.

Kiara Health entered into a partnership agreement with the CSIR to support the development and commercialisation of the plant-made Bevacizumab mAb in South Africa. The collaboration aims to understand customer needs better, to identify market opportunities and to guide strategic decision-making in order to ensure the product's commercial viability. The introduction of a cost-effective Bevacizumab biosimilar presents a significant opportunity to enhance access to treatment for cancer and ophthalmic diseases, responding to a critical healthcare need in South Africa. With a supportive regulatory environment, a growing biotechnology sector and increased investment in local pharmaceutical manufacturing, the partnership positions South Africa as a hub for biosimilar production. Kiara Health is committed to supporting the CSIR in building biosimilar manufacturing capabilities for both South Africa and the broader African continent.

INDUSTRIAL BIOTECHNOLOGY

The Industrial Biotechnology Business Unit aims to contribute to the promotion of the green economy by supporting the development and commercialisation of environmentally sustainable technologies. The key focus areas for intervention of this business unit include supporting and strengthening the development of biomanufacturing capacity and capabilities in the country, creating partnerships and linkages to enhance the diffusion of green technologies and supporting the establishment of SMMEs to create sustainable jobs. The business unit will continue to focus on investing in market-ready technologies to support the production of locally developed products, with an emphasis on the improvement of the production of bulk and specialty chemicals. Notable achievements during 2024/25 are described below.

LignOrganic (Pty) Ltd, an SMME supported by the TIA through the Biomanufacturing Enterprise Support Initiative, successfully developed three bio-based technologies to achieve TRL 6. The three technologies are:

- the use of lignin as a binder for coal fines, which entails using lignin to bind discarded coal fines into conglomerates (granules and snowballs);
- the conversion of cellulose from extracted lignin to a cellulose ester, sodium carboxymethyl cellulose (Na-CMC). Sodium carboxymethyl cellulose is a versatile compound with applications across several industrial sectors, including food, pharmaceuticals and cosmetics; and

- the extraction of silica from SAPPI's black liquor derived from bagasse using LignOrganic's lignin extraction technology. This is a novel extraction process for producing silica from renewable resources without mining, a costly industrial process. Silica is widely used across several industries, including construction, glass manufacturing, oil and gas extraction, and environmental bioremediation.

Figure 29: Lignin derived from nut shells

The **South African Sugar Milling Research Institute (SMRI)** has completed phase 1 of the Continuous Seed Preparation System (CSPS) project which aims to develop a system for the continuous preparation of a sucrose seed magma that could feed secondary pans directly. This system has various benefits, which include a reduction in energy consumption, lower operating costs and improved efficiency. It is expected to contribute directly to the sugar industry's competitiveness, which is a key objective of the South African Sugar Value Chain Masterplan 2030. Phase 1 of the project focused on the development and demonstration of the technology at a pilot plant scale. The technology was evaluated by the Sugar Industry Review Committee (IRC) consisting of key industry partners, who recommended further investment to develop and test commercial systems for adoption by sugar milling factories in the country. During the period under review, the SMRI spent a further R1.21 million in co-funding to support project activities.

Figure 30: Pan boiling and in the laboratory and a closeup of the resulting massecuite crystals from the sugar refining crystallisation process under the SMRI project

Through TIA funding, the **CSIR** successfully developed and demonstrated a 30 L optimised fed-batch fermentation process using Micrococcus luteus for the production of polyhydroxybutyrate (PHB) **biodegradable bioplastic**. The percentage composition of extracted PHB was 42.50% for a glucose-fed batch. PHB granules were formulated into a biodegradable denture bath, a first-generation product prototype, which was assessed for its cost-effectiveness, mechanical strength and biodegradability by Ductile Plastics and Extruders, a company based in Port Elizabeth. The CSIR contributed R1.16 million in leveraged funding to support this initiative.

Figure 31: First-generation denture bath prototype

Forest Bio-economy Innovation Cluster

Ziziba was funded by the TIA under the Forest Bio-economy Innovation Cluster to demonstrate the scalability of upstream process development for single-cell protein (SCP) production.

The result was the successful production of protein-rich biomass (SCP) for fish feed in the form of dried powder using fungal-cell factories and second-generation feedstocks. This will be used as fish feed in the aquaculture industry.

With the planned construction of an aquaculture facility, the project will possibly generate construction jobs, post-construction permanent jobs running the facility, and entrepreneurial opportunities.

The product will improve food security locally and regionally in the fish, shrimp and abalone farming sector. Ziziba have signed a license agreement with the CSIR and they are currently engaging, and have signed a Memorandum of Understanding, with a possible client, Evergreen Egypt United, a global fish farming company based in Egypt.

The technology used by this project to develop fish feed can be adapted to produce SCP for human consumption, possibly contributing to nutrition security.

The **CSIR-BIDF** demonstrated a technology for valorising sawdust biomass through fractionation to recover hemicellulose (xylose), cellulose and lignin. The project aims to develop and commercialise a cost-effective process for producing xylitol from sawdust biomass. The team also developed a technology to produce biodiesel from biocrude oil derived from feedstocks such as sawdust, woodchips and wood pellets. This technology, funded by the TIA, was licensed by the CSIR to Nonyanda (Pty) Ltd, an SMME located in Sundumbili, Mandeni area in KwaZulu-Natal.

GHIA Healthcare (Pty) Ltd developed a technology for the beneficiation of grape residues (a by-product of the wine-making industry) to produce resveratrol. Resveratrol is a natural compound found mostly in red grapes that has industrial applications in the pharmaceuticals, food, cosmetics and beverages sectors.

Strategic Industrial Bio-innovation Partnership Programme

Through the **Industrial Biocatalysis Hub (IBH)** programme, the CSIR has established partnerships with several SMMEs to develop and demonstrate technologies that focus on localisation and import substitution. One such partnership was with the company **Puris Natural Aroma Chemicals**. The CSIR developed and transferred to Puris a technology dossier for the bench-scale production of Orris butter, an important intermediate chemical ingredient in the flavour and fragrance industry. Under this partnership, the CSIR has developed a technology demonstrator (now at TRL 6) for the production of maple furanone for Puris. Maple furanone is primarily used as a flavour and fragrance agent in the food, beverage and cosmetics industries. The CSIR has also developed a downstream process aimed at separating a phenibut isomer and the esterified/cyclised isomer, resulting in a novel biocatalysis technology to produce R-phenibut for **Linuset (Pty) Ltd**. R-phenibut has a commercial application as an intermediate compound in the production of biopharmaceuticals.

Recobre (Pty) Ltd developed a technology for producing fatty acids from a variety of plant oils, with application in the mining industry. The industry requires a fatty acid with an oleic acid and a linoleic acid content that exceeds 70%. Currently, large quantities of free fatty acids are imported for mineral processing during mining. The screening of immobilised commercially available enzymes was conducted using sunflower, soya, canola oils and soap. The oleic and linoleic acid concentrations range from 76% to 86%.

The TIA-supported **Mycosure (Pty) Ltd**, in partnership with the CSIR, successfully developed a mycelium-based liquid fermentation technology to create a range of bio-products with several industrial applications, including alternative proteins, functional foods and nutraceutical ingredients. A technology package has been transferred from the CSIR and licensed to Mycosure.

Immobazyme (Pty) Ltd, in partnership with the CSIR, developed a process for producing recombinant Fibroblast Growth Factor Basic (FGF2). The FGF2 is a critical component in the cultivated/cultured meat industry. Sales of FGF2 have been realised at the Pharmacen Institute at NWU; moreover, a European distributor (Life Science Group, UK) has received samples and has requested the supply of FGF2 to supplement 3000 L of cell culture media by the end of 2025. Immobazyme has now signed distribution agreements with Inqaba Biotech and BIOCOM Africa for the sale of FGF2.

LignOrganic formulation of bio-based products from lignin

LignOrganic is a black owned SMME that is developing bio-based alternatives to chemicals in the hair and skin cosmeceutical industry. With support and funding from the TIA through the Biomanufacturing Enterprise Development Initiative (BEDI), LignOrganic has seen significant growth, leading to its being at the forefront of the rapid evolution of biorefinery initiatives to promote and harness bio-innovation for economic growth and social development.

The company has established the first-ever total biomass valorisation demonstration bio-refinery plant. It has also commercialised LignOrganic soda lignin as a natural UV blocker and bio-surfactants, through the NatUVcare® and O'PHYLL® product ranges, respectively.

LignOrganic's sulphur-free lignin has been completely valorised. The company has formulated bio-based products and demonstrated these in the cosmetic industry. These include a soda lignin powder, a complex organic polymer used as a UV blocker, antioxidant and antimicrobial agent in cosmeceutical formulations. Some of the other products that have been developed include micellar water, a handwash and a make-up brush cleaner in the O'PHYLL® range.

Figure 32: The LignOrganic facility

Figure 33: O'PHYLL antibacterial handwash and makeup brush cleaner

INDIGENOUS KNOWLEDGE SYSTEMS

The IKS Business Unit seeks to curate a portfolio of traditional knowledge-based technology innovations across the following thematic areas: African Traditional Medicines, including ethno-veterinary medicine, cosmeceuticals, nutraceuticals, health infusions and cannabis- and hemp-focused innovations.

In line with the TIA 2.0 mandate, the IKS Business Unit has recorded the following notable achievements during 2024/25, both in building a curated portfolio of project investments within its technology domain and in managing a range of strategic innovation programmes that it has developed in the previous financial years.

African Traditional Medicine

The Decadal Plan on STI makes a strong case for the use of IK-rooted approaches to responding to human health-related challenges in South Africa. To this end, the Decadal Plan identifies cancer, HIV/AIDS, diabetes, TB and emerging and re-emerging conditions such as Covid-19.

During the same reporting period, the **Product Nkabinde Project**, which is an HIV/AIDS clinical trial that is being implemented by the **AHRI** in KwaZulu-Natal province, sought patent protection in foreign jurisdictions through a Patent Co-operation Treaty (PCT) application filed on behalf of the AHRI by an IP law firm, Adams & Adams. The process of optimising the original version of the traditional remedy was also concluded, thus developing a product that can be used in HIV/AIDS clinical trials. This is a joint investment between the TIA and the SAMRC in which the Agency is contributing a total portion amounting to R11.1 million.

Several project investments aimed at developing and commercialising indigenous plant-based solutions for the treatment of diabetes were concluded with several SMMEs, including **Sangoma Diaries (Pty) Ltd**, and with public institutions such as the University of Johannesburg (UJ).

To this end, **Kiara Health** has entered into a collaborative partnership with UJ with the objective of developing the phytoconstituent for diabetes treatment and to advance the evaluation of its antidiabetic properties. This strategic collaboration focuses on several key objectives, including the formulation of an optimal delivery medium, ensuring regulatory compliance throughout the development process and exploring the use of hollow-fibre technology to conduct antimicrobial and antidiabetic testing in controlled environments. The aim is to reduce dependence on animal models. The partnership also includes provisions for the possible licensing of the phytoconstituent for future commercial application.

TIA-Chemin IKS Seed Fund Partnership Programme

Bokgabo Beauty Products (Pty) Ltd launched and exhibited their brand and product range during the Bokgabo Launch Event held on 6 July 2024 at the Pretoria Ditsong African Museum. Bokgabo's indigenous plant-based product range is produced using a selection commonly available medicinal plants occurring in the Limpopo region. The nine-product range comprises Aloe Ferox anti-ageing gel, Marula oil, Ximenia oil lip balm, Marula-infused petroleum jelly, Ximenia oil, Marula scrub, Javanica repellent cream and Devil's Claw shampoo/body wash.

Natural Indigenous Products Programme (NIPP) Fund

The IKS Business Unit continued to support the investments jointly made between the TIA and the **Industrial Development Corporation (IDC)** as part of the NIPP Fund, to support Machaba Herbs and Setšong Tea Crafters, respectively.

Setšong Tea Crafters (Pty) is a Limpopo-based community-led enterprise that commercially exploits the health benefits of two indigenous plants located in their region. Setšong's efforts to establish a national footprint for their brand and product range consisting of eight variants of indigenous herbal teas and a range of iced tea made of four variants. During the reporting period, these products were made available and marketed at various Food Lovers' Market and Spar stores nationwide. Setšong has thus made significant progress in increasing its retail footprint, successfully increasing its footprint within Food Lover's Market by 100%, completing a listing with Spar North Rand and currently engaging with stores and taking opening orders. Setšong is also in the process of finalising a listing with Dischem.

Ensuring the sustainability of the established market and exploring potential future markets is crucial to Setšong's long-term success. By maintaining a strong market presence, the company can sustain the jobs it has created through the NIPP fund while also generating additional employment opportunities for youth, women, and rural communities. This commitment to job creation and economic empowerment underscores Setšong's positive impact on local rural communities.

Indigenous Knowledge-based Phytochemicals Platform

In addition to the support provided through these strategic projects, the IKS Business Unit has also invested in the establishment of an IK-based Technology Platform, namely, the Phytochemicals Platform. This platform is being implemented through the UJ and its primary objective is to valorise the IK relating to medicinal plants and other forms of biodiversity located in the kwa-Mhlabuyalingana District Municipality in KwaZulu-Natal province.

TECHNOLOGY PLATFORMS PROGRAMME

During 2025/26, the TIA added two new entities to its portfolio of technology platforms through the implementation of the nanotechnology-based platforms at the UWC and Rhodes University (RU). The UWC focuses on using Green Nanotechnology research for the synthesis of nanoparticles for the production of disinfectants, wound-healing products, cosmetic products, water-treatment solutions and TB diagnostic tests. RU synthesises nanomaterials for cancer treatment and diagnosis, antimicrobial resistance and Dye-sensitised Solar Cells (a technology that harvests solar energy into electricity).

OneBio Innovation Centre – TIA establishes new Technology Platform

The TIA's most recently established platform, the OneBio Innovation Centre (OBIC), was officially opened in Salt River, Cape Town in September 2024. OBIC was established to support South African biotech start-ups by offering access to fully equipped, world-class biotech laboratory and office space.

State-of-the-art equipment to the value of R5.0 million was provided by Eppendorf South Africa. Through this, Eppendorf SA becomes OBIC's private funder that will complement the public funding from the TIA. Eppendorf is a leading life sciences company that develops and sells instruments, consumables and services for liquid, sample and cell handling in laboratories worldwide. Eppendorf's product portfolio includes pipettes, pipette tips, centrifuges, mixers and ultra-low-temperature equipment in addition to a wide range of high-quality consumables.

Support for OBIC also included donations from VividAid, Integra Biosciences and Lasec for additional laboratory equipment to supplement the initial TIA investment.

African Medicines Innovations and Technologies Development Platform

The African Medicines Innovations and Technologies Development (AMITD) Platform in partnership with ProHealth has developed and diffused six varieties of herbal infusion tea mainly in the Eastern Cape province. The collaboration with ProHealth entails specifics on certain projects that mainly focus on community health research, health training and business development (and, in this instance, the two parties are working closely on the diffusion of these herbal beverages).

AMITD
Health and technology solutions inspired by iconic indigenous botanicals

The respective communities based in the Eastern Cape and the North West provinces have claimed health benefits for potential consumers upon consumption of these beverages. The raw material (plants) is sourced from Ntshatshongo and Krwa Krwa in the Eastern Cape province and from Lekubu and Mokgola in the North West province.

The plants are processed and developed by the AMITD Platform to manufacture these six varieties of tea:

- Haw Haw (*Phyla dulcis*) Benefits: may assist in colds and flu relief.
- Gancair (*Buddleja saligna*) Benefits: may contribute to the management of bloatedness and colic (calmative properties).
- Zinibar (*Lippia jaranica*) Benefits: may be supportive in sinusitis and nasal congestion.
- Mosukujane (*Lippia scaberrimma*) Benefits: may promote maintenance of a healthy skin.
- Moologa (*Croton gratissimus var. gratissimus*) Benefits: may assist in the management of bloatedness and constipation.
- Resurrection Bush (*Myrothamnus flabellifolius*) Benefits: may assist in the management of asthma and coughing (respiratory congestion relief).

The **National Metabolomics Platform (NMP)** is a technology platform funded by the TIA to provide metabolomic analyses to the NSI. NMP has entered into a service level agreement with the **Mayo Clinic** to undertake whole genome sequencing (WGS) for rare genetic diseases in underrepresented populations. Mayo Clinic is the largest integrated not-for-profit medical group practice in the world. The goal of this collaboration is to compare the quality or compatibility of WGS data obtained by analysing different less-invasive specimen types (urine, saliva, buccal swaps, dried blood spots (DBS) and whole blood of diagnostic patients) using a genomic sequencing platform. The **NMP** has also entered into a partnership with Sanofi Aventis (Pty) Ltd to offer an analytical service to screen and test for a rare metabolic disease. Sanofi will pay for services at a cost per sample for a period of 24 months, within the framework of a newly signed agreement.

The Holistic Drug Discovery and Development (H3D) is a technology platform funded by the TIA to fulfil its role in the NSI. H3D has three main disease area platforms: TB, malaria and anti-microbial resistance (AMR). The **H3D** and **Medicines for Malaria Venture (MMV)** entered into a collaboration in which they have established a research programme to identify novel malaria drug candidates that target the asexual blood stage of the Plasmodium falciparum malaria parasite, ideally with additional lifecycle activity for chemoprotection and/or transmission blocking, and with a key objective to identify two or more Late Leads leading to one or more Candidates. **H3D** has also partnered with **LifeArc** to establish the Centre for Translational AMR Research (CTAR), a R114.9 million collaboration over five years. This partnership will advance AMR projects, targeting the development of a preclinical candidate for treating hospital-acquired infections caused by Acinetobacter baumannii.

The **NWU**, through its CHM-National Metabolomics Platform (NMP), has partnered with **Netcare Hospitals** to raise awareness of newborn screening (NBS), which helps to identify rare health conditions in newborns. This promotional project, starting on 1 February 2025, will run for three years. In addition, **Pfizer** is supporting CHM-NMP to deliver online webinars and onsite training in Inborn Errors of Metabolism (IEM), with Pfizer's logo included in all related materials. Netcare has agreed to distribute NBS informational pamphlets in baby gifts and welcome boxes, with the university paying R1.00 per pamphlet inserted.

The **KwaZulu-Natal Research Innovation and Sequencing Platform (KRISP)** has entered into a service-level agreement with **Watchmaker Genomics**. Under this agreement, KRISP will provide a range of genomic services, including quality control, library preparation and dilution, and also sequencing using Illumina platforms such as the NextSeq 2000, NovaSeq 6000 or NovaSeqX. In addition, KRISP will manage the resulting data, ensuring high-quality deliverables that support the R&D objectives of Watchmaker Genomics.

H3D Drug Discovery Platform

H3D is a Technology Platform Programme and Africa's first integrated drug discovery and development centre. The centre was founded at the University of Cape Town (UCT) in 2010 and pioneers world-class drug discovery in Africa with the aim of translating scientific discoveries into potentially life-saving medicines in areas such as tuberculosis, malaria and AMR.

H3D has leveraged £5 million (R115 million) in investment from LifeArc, a self-funded medical research charity, to co-establish the new CTAR. This strategic partnership aims to respond to the urgent global health threat posed by antimicrobial resistance (AMR).

Figure 34: Inspection of a S. aureus plate in a H3D AMR lab

Recent studies show that 1.91 million people are currently dying as a direct result of AMR, and failure to resolve the problem could result in 39 million deaths between 2025 and 2050 – equivalent to three people every minute. It is also estimated that AMR will reduce GDP by US$1–3.4 trillion per year by 2030. The discovery of new antibiotics that can overcome clinical drug resistance is a critical component of the strategy to tackle this 'silent pandemic'. This is of extraordinary importance to the African continent because both the incidence and prevalence of resistance are widespread.

The CTAR Programme is a groundbreaking collaboration between the parties, one aimed at identifying and developing first-in-class therapeutics for infections caused by multidrug-resistant (MDR) Gram-negative bacteria, including Acinetobacter baumannii. This is among the pathogens of concern as it is responsible for a number of severe infections in people with weakened immune systems. In many low- and middle-income countries, 80–90% of these bacteria are resistant to common treatments.

The collaboration will enhance H3D's research capabilities to facilitate efficient AMR drug discovery. This will be achieved through the secondments of experienced scientists from LifeArc to UCT and scientific research visits of H3D scientists to LifeArc to gain exposure to the new technologies and techniques available through LifeArc. CTAR was officially launched in December 2024.

14.2.3 BUDGET AND EXPENDITURE

A comparison of the budget and actual expenditure for the Bio-economy Division is presented in Table 10.

Table 10: Budget and expenditure for the Bio-economy Division for 2023/24 and 2024/25

	2023/24			2024/25		
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)**
Health	11,745	24,558	(12,813)	15,679	8,676	7,003
Agriculture	25,731	42,846	(17,115)	20,630	5,579	15,051
Industrial Biotech	11,330	7,301	4,029	18,230	9,706	8,524
IKS	24,829	28,348	(3,519)	20,790	9,510	11,280
TPP	52,500	80,756	(28,256)	55,500	59,760	(15,448)
TICP	15,679	5,745	9,934	15,679	22,950	(7,271)
Thought Leadership	5,250	14,284	(9,034)	5,250	–	5,250
Stakeholder Events	3,000	–	3,000	3,000	2,026	974
Specific contracts (SIIP, ABIPP & SABDI)	35,000	5,520	29,480	35,000	26,525	8,475
Journey to TIA 2.0	23,251	–	23,251	6,751	5,711	1,040
GCIP-SA	2,500	–	2,500	2,500	–	2,500
Total	**210,814**	**209,357**	**1,457**	**199,009**	**150,443**	**48,566**

14.3 INNOVATION ENABLING DIVISION

14.3.1 OVERVIEW

The Innovation Enabling Division undertakes the development of innovators alongside technology development. It is responsible for delivering interventions aligned to Chapter 6 of the Decadal Plan that places emphasis on 'creating an innovation enabling environment'. The division mainly contributes to delivering on Outcome 3, specifically the provision of funding, skills and SET support to researchers, innovators, technology entrepreneurs and SMMEs.

At the heart of the division's work is the imperative to drive transformation and inclusivity, expanding the Agency's geographical footprint to increase access to innovators and entrepreneurs through implementation partnerships with universities and science councils, incubators and the Technical and Vocational Education and Training (TVET) community. The division comprises four sub-programmes, namely, Seed Fund, Technology Stations, Innovation for Inclusive Development, and Strategic Partnerships and Stakeholder Relations – all of which provide both financial and non-financial support.

During the reporting period, the TIA pursued a series of strategic initiatives to respond to systemic challenges and expand the socio-economic impact of publicly funded R&D. One of the key challenges identified was the limited capacity for commercialisation at historically disadvantaged HEIs. In response, the Agency began negotiating partnership arrangements with various SETAs to establish a bespoke Commercialisation Management Programme known as CHUMA. This broader systemic intervention aims to benefit both previously disadvantaged institutions and the wider innovation ecosystem. In the interim, the Agency remodelled its Seed Fund programme to incorporate non-financial support mechanisms, enabling universities to commercialise their technologies more effectively.

In addition, the TIA supported the development of a Venture Builder Programme that targets previously disadvantaged institutions. This initiative, funded through a UK partnership with the Technological Higher Education Network South Africa (THENSA), is currently under consideration following the submission of a formal proposal.

In response to the underdeveloped state of regional innovation ecosystems, particularly in underserved provinces, the Agency began formulating a Regional Innovation Strategy. This includes selecting delivery partners from local regions to implement transformation programmes. The Agency's Innovation Centres, Living Labs and CIE contributed to strengthening local innovation systems, especially in rural areas. In addition, Innovation Champions were deployed at the district and local municipality levels, with notable support being provided to Vhembe, OR Tambo District Municipality and Musina Local Municipality to enable them to integrate innovation into their local economic development strategies.

In promoting the African innovation agenda, the TIA initiated the development of an SADC Innovation Programme. Early progress included the formation of the Southern African Innovation Collectives, which brought together ecosystem enablers from partner countries. The Agency is also establishing governance structures

with representatives from five countries and has been nominated to co-ordinate the initiative, with a Programme Management Unit and Secretariat to be serviced by M-Lab.

Finally, the TIA sought to capitalise on opportunities arising from South Africa's 2023 BRICS Presidency by advancing R&D collaborations with individual BRICS countries. While a planned R30.0 million joint funding call with FASIE of Russia was delayed due to their internal planning constraints, the initiative has been deferred to the subsequent financial year.

14.3.2 BUSINESS UNIT OVERVIEWS

The division consists of the following sub-programmes and business units: Seed Fund, Innovation for Inclusive Development, **SMME support programme**, Technology Stations and Strategic Partnerships and Stakeholder Relations.

SEED FUND PROGRAMME

The Seed Fund Programme aims to help innovators, researchers and SMMEs to overcome early-stage challenges and access funding for prototype development and market validation. The programme partners with universities, science councils and incubators to provide support. Fundamentally, the programme is expected to increase the quality and quantity of project proposals to other TIA funds and other funders and to improve the commercialisation probability of South African technologies.

By the end of 2024/25, the Seed Fund Programme had 148 actively disbursing projects in its portfolio, supported through 33 active Implementing Partners of the Seed Fund. The Seed Fund portfolio is heavily weighted towards early-stage development projects, with almost 78% of the projects falling into TRL 3 and TRL 4, playing a role in supporting the development of new ideas and technologies.

Pyrol Tech revolutionises waste management

Pyrol Tech has revolutionised waste management with its innovative pyrolysis technology, transforming biomass waste into valuable products such as agriculture-grade biochar and bio-oils. Supported by the TIA Seed Fund Programme through Savant Foundry in 2022, the company developed an off-grid modular pyrolysis plant that processes biomass waste efficiently. The local biochar market in South Africa was valued at R110.0 million in 2023, with global projections reaching US$3.1bn by 2025, driven by growing environmental awareness and the need for sustainable solutions. Pyrol Tech has also made significant technological advancements, upgraded its pyrolysis plant to a full-scale model and created 37 jobs, with further expansion generating additional employment opportunities. The company has also engaged 21 local service providers, indirectly supporting the local economy.

Looking ahead, Pyrol Tech plans to scale its operations, possibly generating 98 new jobs and processing over 370 kilotons of waste annually by 2027. Their carbon-negative Pyrocrete product underscores their commitment to sustainability and innovation. Despite facing scaling challenges and communication issues with funding partners, Pyrol Tech continues to demonstrate the transformative potential of pyrolysis technology. By focusing on eco-friendly solutions, job creation and rural economic development, Pyrol Tech is contributing to South Africa's environmental and economic goals. Continued investment is crucial for the company to maximise its impact, positioning it as a leader in the market for sustainable biochar-based materials.

University of Witwatersrand: Advancing Diagnostic Technology

The University of Witwatersrand, with support from the TIA Seed Fund Programme, embarked on a pioneering project to develop diagnostic technologies for critical healthcare cases such as TB, HIV and COVID-19. This initiative focused on creating market-ready products aimed at treating diseases that disproportionately affect marginalised communities. By leveraging TIA funding, the team successfully turned prototypes into commercialised products through a spinout company called SmartSpot Quality (Pty) Ltd, in this way extending their reach and impact.

The funding process, managed through Wits Enterprise, featured clear guidelines, a simplified application process and timely fund disbursement, which enabled the project to advance efficiently. The research yielded significant healthcare innovations, including more accessible and reliable diagnostic tests, which contribute to improved health outcomes and disease management. In addition, the project **created seven new jobs** through the spinout company, which has continued to grow and support further employment and innovation.

Overall, the diagnostic technology project underscores the transformative power of targeted funding in advancing both research and commercialisation. By responding to critical healthcare challenges and promoting socio-economic development, the initiative highlights the importance of strategic support in bridging the gap between innovation and market readiness. Despite their considerable achievements, the team recognises the need for larger sustained funding to support long-term development and scaling. With continued investment and partnerships, this project is poised to have a lasting impact on healthcare and community development in South Africa and beyond.

INNOVATION FOR INCLUSIVE DEVELOPMENT

The Innovation for Inclusive Development portfolio in the TIA represents one of the key interventions in the Agency's arsenal of instruments for driving inclusivity through the transformation and expansion of its spatial footprint in the country. The portfolio is largely made up of DSTI contract-based sub-programmes such as the Grassroots Innovation programme (GIP), Living Labs, the TADF and a number of specialised Sustainable Human Settlements initiatives targeting rural and peri-urban communities.

Through this, the TIA has also established five stand-alone and bespoke transformation programmes for women, youths and persons with disabilities and the CIEs. The Agency established the Small Business Research and Innovation (SBRI) Programme as part of its response to resolving service delivery challenges through innovation – a key priority of the MTDP. Recognising the minimal public-sector investment in innovation, the Agency piloted a South African version of the Small Business Innovation Research Programme. A funding call was issued under Pillar 1 of this programme for low-complexity technological solutions, which resulted in 57 applications and 18 projects shortlisted for due diligence.

The section below provide details on the Innovation for Inclusive Development Programme's performance and activities across its various sub-programmes.

Grassroots Innovation Programme

The GIP has a R260,000 ticket size of grant funding targeted to beneficiaries outside of formal innovation systems and networks. Through this, community-based solutions are developed to respond to local situations and the interests and values of the communities involved, in particular where those communities have control over the process and outcomes. While the programme has increased the number of projects to 292, there is an opportunity to further empower underrepresented groups. In broad terms, therefore, the portfolio is progressing positively and continues to be one of the TIA's most attractive instruments among youths and budding entrepreneurs in marginalised communities.

The programme has attracted the interest of partners in the NSI where the TIA has successfully supported 20 innovators in partnership with the Department of Tourism and 20 with INSETA who have developed solutions aligned with their priorities. In addition, the Agency supported the piloting of four solutions with the City of Tshwane in partnership with the UNDP and the Innovation Hub and also two solutions with ESKOM's Komati power station.

A high-level summary of the GIP and its performance to date is presented in Figure 35.

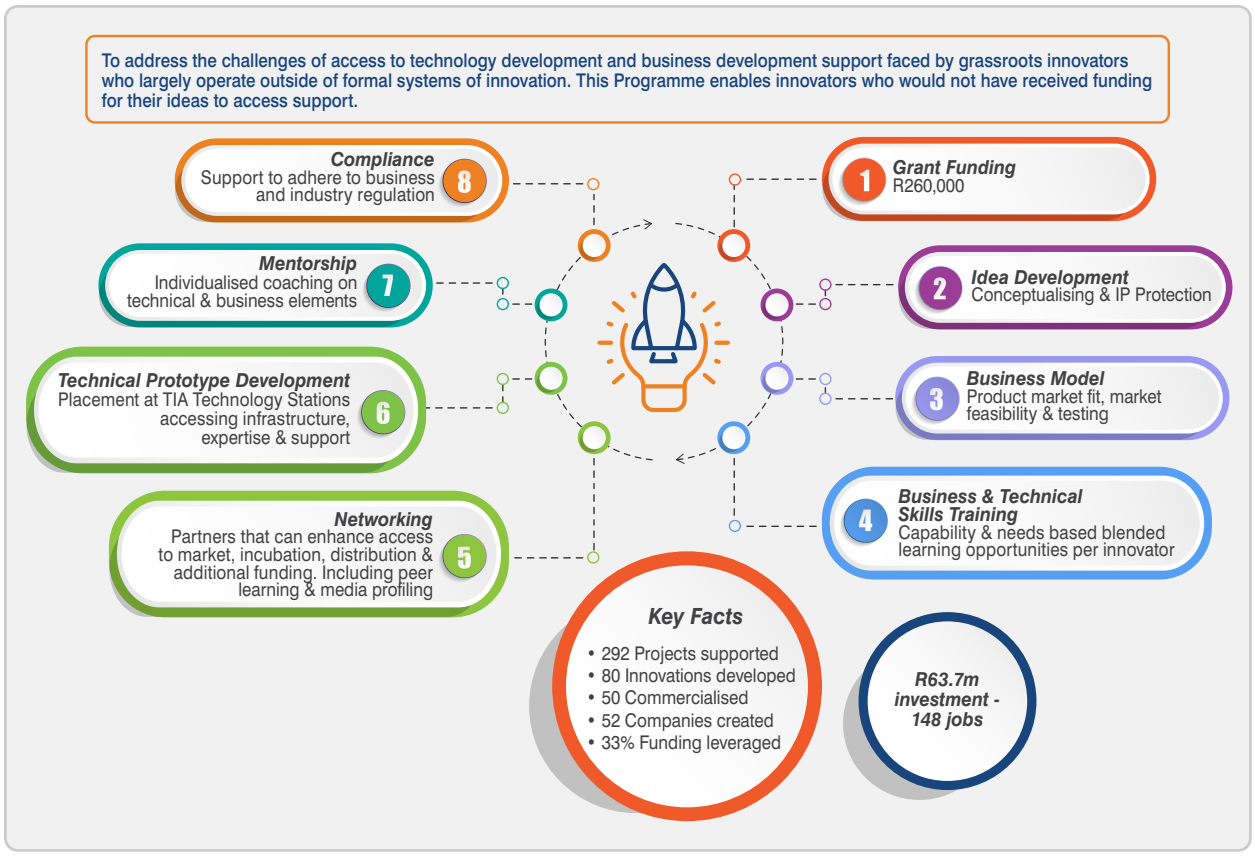


Figure 35: The GIP's offerings and achievements

Grassroots Innovation Awards 2024

The Grassroots Innovation Awards were hosted in Gauteng in December 2024 and celebrated and honoured exceptional grassroot innovators who dare to push the boundaries of innovation with their ground-breaking and impactful innovative initiatives. The TIA in collaboration with the DSTI hosted the Grassroots Innovation Awards ceremony at the Science Forum 2024. The awards were established to acknowledge grassroots innovators for their contribution to the NSI and to show the value of these ideas and achievements to the public.

Grassroots Innovation Awards serve as a motivation to innovators across the board to strive for excellence and facilitate the collaboration of diverse support networks and sponsors to empower innovators with broad access to additional funding and support, particularly from private-sector contributors. They promote the uptake and diffusion of the technologies in the market and society by showcasing these solutions to an audience that includes international guests. This prestigious event serves as a beacon to ignite a vibrant discussion about the role of innovation in society between all stakeholders, the scientific community, government, industry and civil society.

These entrepreneurs operate outside of formal innovation systems; they usually come from townships, rural areas and other marginalised communities. The aim is to attract even more young people by showing them that there is government support through the TIA to develop their ideas to commercialisation.

Innovators were awarded in eight categories and the Grassroots Innovator of the Year 2024 Award was presented to Sydwell Mahlangu for his African Hut Mushroom Dome. The innovation is a structure that provides a micro-climate which enables the production of mushrooms at a lower cost than the conventional commercial mushroom production structures. This dome allows the fruiting of oyster mushrooms even in harsh climatic conditions using no electricity or fossil energy. This technology also uses less water.

Figure 36: Sydwell Mahlangu received recognition for his African Hut Mushroom Dome innovation

Innovation for Service Delivery

The TIA has supported innovations that are aimed at overcoming service delivery challenges. While these were not structured into a single programme, efforts are being made to consolidate them into a structured programme, namely, Innovation for Service Delivery, consisting of different instruments tailored to various needs.

Technology Acquisition and Deployment Fund

The TADF was established by the government in 2018 as a pilot to promote and enable the acquisition and deployment of locally developed technology solutions to enhance service delivery. The TIA has invested a total of R16.7 million in 18 projects from two rounds of calls in November 2022 and February 2023. The TADF programme demonstrates strong potential, with five out of 18 projects achieving TRL 9, signifying successful deployment. Furthermore, more than 70% of the projects are currently at or above TRL 6, indicating significant progress towards commercialisation.

To date the IID Steering Committee has approved nine projects with a total value of R8.0 million. Once finalised, the combined TADF project portfolio will increase to 27 projects under management.

Visibility and Validation of Innovations for Service Delivery Programme

The Visibility and Validation of Innovations for Service Delivery Programme is one of three work streams within the Support Programme for the NSI funded by the European Union and National Treasury to support the government in improving the NSI and to respond to the priorities of the NDP. The programme focuses on supporting a small number of pilot projects that demonstrate the systemic viability of innovations for improving the access, availability, acceptability, adaptability and quality of essential basic services.

Through this programme, the TIA supports the development of decision support tools, namely, interactive information systems that analyse substantial amounts of data to provide insights for business decision-making. These tools enhance the decision-making process of organisations by evaluating the importance of uncertainties and the trade-offs associated with choosing one option over another. A decision support tool provides help to the management, operations and planning levels of an organisation. Through this, the Agency will invest a total of R18.0 million in decision support tools for 11 municipalities.

In February 2025, the Agency issued a call for proposals targeting three specific areas: AI systems to tackle challenges crime and illegal dumping and a Building Information Management system. The focus of this initiative is to enhance infrastructure management, urban planning and resource allocation in South Africa, which should foster more sustainable, efficient and connected communities.

Centres for Innovation and Entrepreneurship

The TIA has to date invested a total amount of R44.0 million in establishing 31 innovation centres, consisting of 13 Living Labs and 18 CIEs distributed across various provinces. In the year under review, the Agency funded the establishment of nine new CIEs, bringing the total portfolio to 18. Nine new CIEs were established during the financial year:

- **Shonaquip** – a disability CIE in the Western Cape. The CIE will expand the operations and enhance the testing capacity of the existing Rural Assistive Device Test Lab and also establish empirical data that will serve as a resource for manufacturers, clinicians and policymakers within South Africa and internationally. The aim of the CIE is to ensure that wheelchairs and assistive devices become more sustainable, ultimately enhancing the mobility, functionality and overall quality of life of individuals. The CIE will serve as a hub for research, data collection and product development, contributing to the growth of a sustainable locally-driven assistive device market.
- **Mcebo Mushroom Agribusiness** – the company will replicate its scale-up process in the rural areas of Pietermaritzburg, KwaZulu-Natal province. A total of 50 individuals from five different regions will be trained in mushroom production and value-added products. The company has established good working relations with the University of KwaZulu-Natal, where R&D is being performed. Land and buildings have been identified where a fully fledged centre will be set up that will include an R&D facility, production, value addition and packaging. Land is available for beneficiaries to grow and harvest mushrooms.
- **Jwale Farms CIE** – this centre will prioritise innovation and entrepreneurship development, especially in agriculture-related initiatives, while supporting a range of sectors in and around the supply chain. This centre will be accessible to the rural Ga-Matlala region; it has an aquaponics farm, a laboratory and an agro-processing drying facility that can help SMMEs to develop product ranges.
- **InHub MP** – the centre is based in the village of Leroro in the lowveld region of Mpumalanga province. The facility is designed to serve as a hub for scientific exploration, technological innovation and the empowerment of SMMEs from the village. The primary purpose of Inchub CIE is to bridge the digital divide and foster a culture of innovation, learning and entrepreneurship in the local community. The centre aims to provide residents with access to cutting-edge technology, resources and educational programmes in order to empower them to contribute actively to the digital economy. The facility will feature an SMME incubation centre that is dedicated to supporting and nurturing local entrepreneurs.
- **FarmRu CIE** – its low-cost environmental monitoring systems will help farmers to track and manage water usage, making it easier for them to decide when to apply fertiliser and to water crops. The training site will provide skills training for youths, women and persons with disabilities in rural communities. The training will cover areas such as insect farming, using technology (IoT) such as FarmRu systems and learning about sustainable farming practices such as those used by FlyBox. The aim is to help people gain practical skills, overcome challenges and create sustainable livelihoods in farming and technology. The centre will be located in Tshimbupfe Thondoni, a rural village in the Collins Chabane Local Municipality, in the Vhembe District Municipality in Limpopo province. The CIE will focus on serving Tshimbupfe Thondoni and surrounding villages in the Vhembe District.
- The **Agrivoltaic-Sanzone Garden CIE** – by combining solar photovoltaic production with agricultural production, the CIE aims to optimise land use, enhance energy yields and improve agricultural productivity. The CIE is located in Tlhabine Village, Lenyene, Mopani District, Tzaneen, Limpopo province. In partnership with the University of Limpopo's Digital Hub, the centre will expose youths, students and community-based SMMEs in Limpopo province to new technologies and value-added services that promote entrepreneurial opportunities.
- **Aquaponice CIE** – this centre introduces an aquaponics system that combines fish farming with hydroponics and is located in the Makana Local Municipality in the Eastern Cape province. The CIE offers the following modules: introduction to aquaponics, aquaculture, water management and testing, vegetable and indigenous crop cultivation, conservation and the circular economy, renewable energy integration, packhouse operations, innovation, entrepreneurship and business development.
- **Kasi Gas CIE** – this transforms organic waste into biogas and organic fertilisers, dealing with major issues in rural South Africa such as waste management and dependence on fossil fuels. The centre will be located in Gert Sibande District, at the Springgrove Estate, Lothair, Mpumalanga province. It will also demonstrate successful applications of the Kasi Gas system and Farmer Charlie's (UK technology) sensors, allowing community members to see these technologies in action. Engaging local stakeholders in training sessions will foster a sense of ownership and collaboration, which is vital to building trust and encouraging technology adoption. The training site will also facilitate networking among farmers, SMEs and local businesses, creating a supportive ecosystem that encourages innovation and collaboration in sustainability.
- **Snake Nation CIE** – this centre implements the 'Roots to Revenue' project that provides a comprehensive roadmap to re-imagine South Africa's creative economy through the lens of digital innovation, decentralisation and inclusive growth. By leveraging AI and blockchain, the centre empowers young South Africans to preserve their heritage, tell their stories and access new income pathways globally. The long-term vision is a continentally integrated and digitally sovereign creative ecosystem that positions South Africa as a leader in African digital content production, protection and trade.

AfriLabs Annual Gathering

The TIA partnered with AfriLabs for the AfriLabs Annual gathering held in Cape Town in November 2024. AfriLabs is a network organisation that is committed to driving innovation and entrepreneurship on the continent by bringing together technology hubs, startups, investors and other key stakeholders in the ecosystem. It counts 496 hubs across 261 cities in 53 African nations as part of its network.

This year's Annual Gathering emphasised the importance of collaboration to drive economic growth and social development through Africa's innovation ecosystem. It featured seven key tracks, each focusing on pivotal sectors that are essential to Africa's future: makerspaces, gender and inclusion, investment, and hub solutions. The TIA participated in this event through speaking opportunities and exhibitions. It also supported living labs and centres of innovation at this event, sponsoring the participation of 13 Living Labs and nine CIEs at the event. The Living Labs and CIEs demonstrated and showcased their own capabilities and also the innovators through their innovation support and incubation programmes.

Innovation with municipalities: Innovation Champions for Local Economic Development

The Innovation Champions for Local Economic Development (IC4LED) programme started in 2019 and it is a pilot flagship initiative that positions innovation as a key driver of local economic transformation. It empowers local leaders and stakeholders to drive economic transformation in their communities, in this way responding to challenges such as economic growth, unemployment and enterprise growth. By embedding Innovation Champions in municipalities and universities, the programme ensures that innovation is inculcated in the municipal operational systems and strengthens local innovation ecosystems and fosters inclusive innovation-driven development. IC4LED promotes partnerships between municipalities, academic institutions, local businesses and innovation actors to unlock the economic potential of the locality. The programme intentionally focuses on rural and underserved regions. It is currently being piloted in Vhembe District, OR Tambo District and Namakwa District, with Zululand earmarked as the fourth district to be onboarded to the programme. The programme is implemented by the universities of Venda, Walter Sisulu and Sol Plaatje, respectively, and the University of Zululand is expected to implement the project in Zululand District. The programme is consolidating lessons and best practices to establish a replicable framework for broader national rollout.

The Vhembe IC4LED project has successfully completed its Phase 1 deliverables, and the TIA is currently finalising the contracting process for the Phase 2 with the University of Venda. In contrast, the OR Tambo and Namakwa districts are still in Phase 1, and recent efforts have focused on developing a structured implementation framework for the programme to guide projects, with the aim of creating a replicable model that can be scaled and adopted by municipalities nationwide.

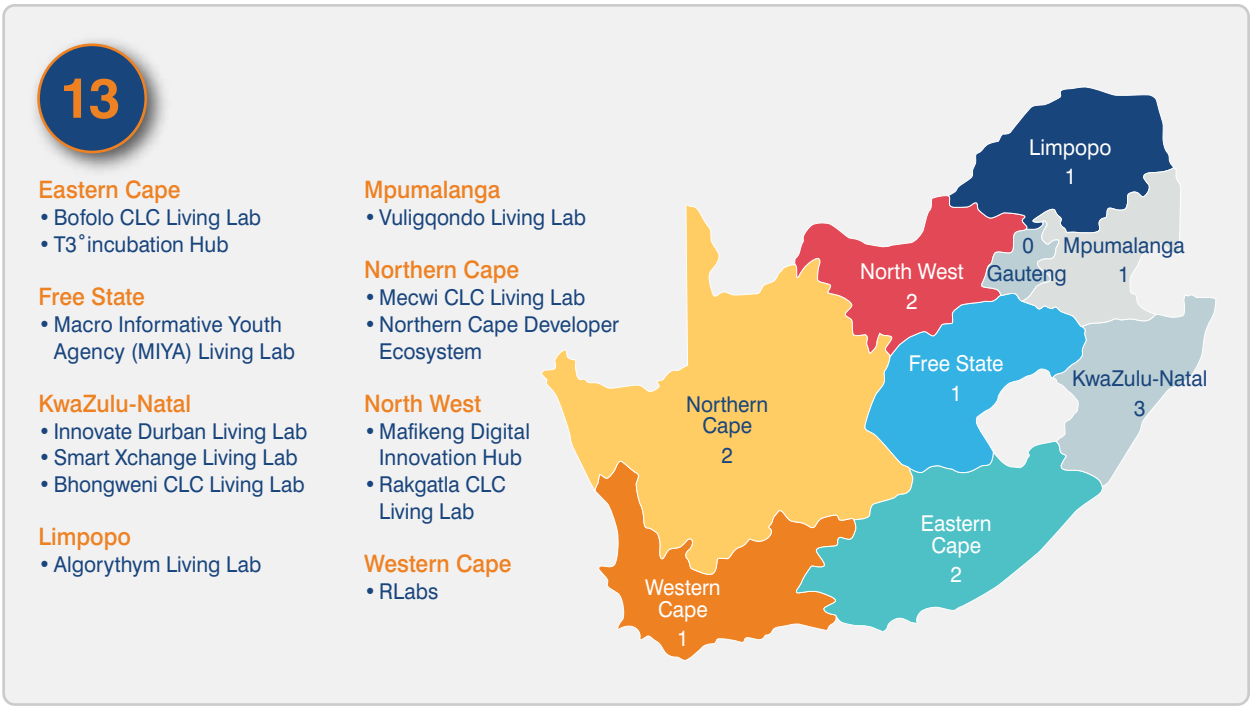


Figure 37: Locations of Living Laboratories

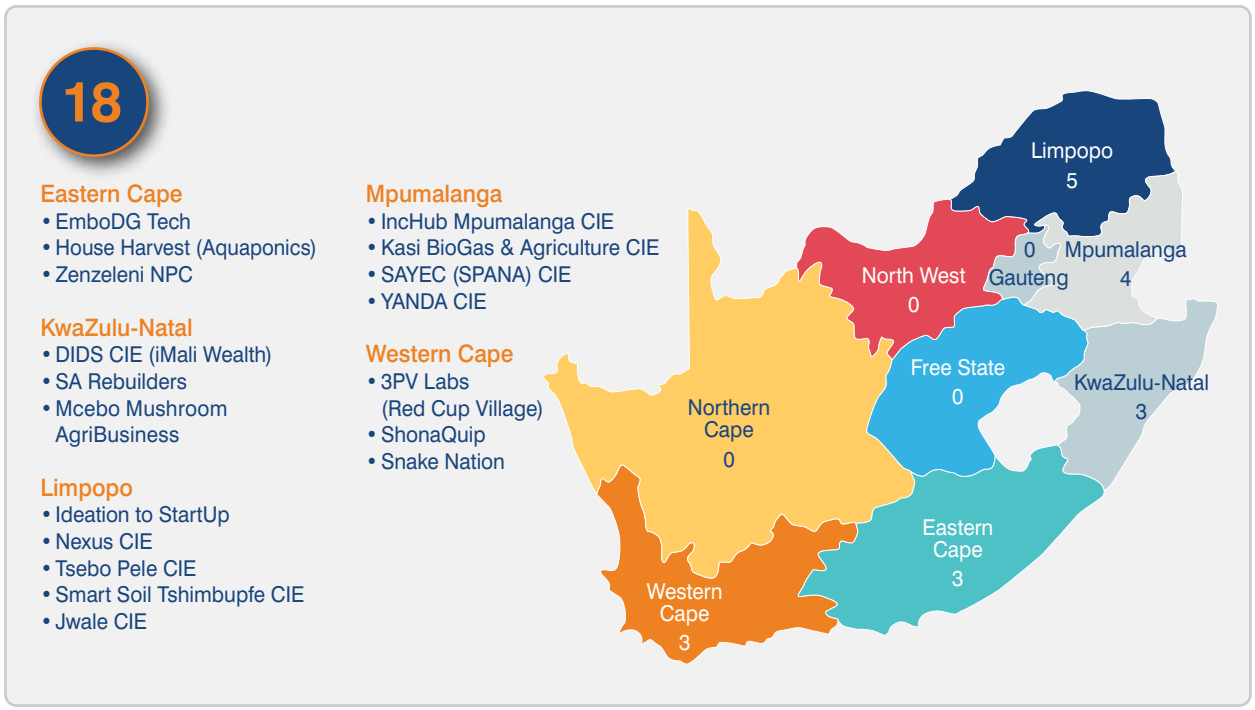


Figure 38: Locations of CEIs

Essential Oils Programme

The Essential Oils Programme is a strategic initiative aimed at promoting rural industrialisation, inclusive growth and value addition in the natural products sector. It supports the development and commercialisation of high-value essential oil crops as a means of stimulating rural economic development and job creation. The TIA invests in research, innovation and capacity-building across the essential oils value chain; through this programme it empowers smallholder farmers and emerging agribusinesses to improve their cultivation and processing expertise and to access lucrative global markets. The programme plays a vital role in diversifying rural economies and enabling meaningful participation in the bio-economy.

Figure 39: Mobile distillation unit

The core programme activities include promoting improved cultivation techniques, exploring the provision of mobile distillation units, offering technical training and facilitating value chain co-ordination. In the current financial year, deliverables were completed on the fabrication of a 250 kg mobile distillation unit and the development of ESS-Nhance, an advanced drug-delivery system which uses a natural essential-oil-based alternative. These projects have resulted in two prototypes: a fully constructed mobile distillation unit and a liquid gel formulation. A service provider will be appointed to commission and validate the functionality of the distillation unit, while further testing will be conducted on the liquid gel to assess its safety and non-toxicity, in this way strengthening its commercial viability.

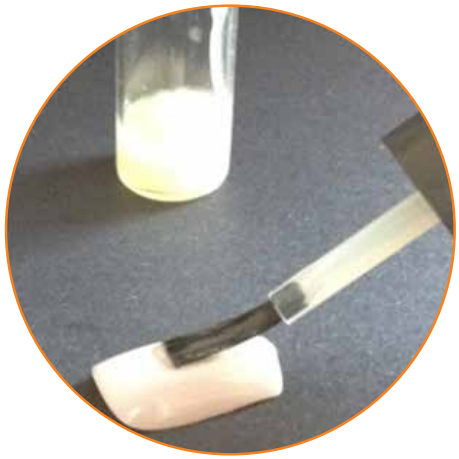


Figure 40: Nail applicator advanced drug delivery system

Transformation Programmes

Starting in 2023, the TIA began conceiving and designing three targeted transformation programmes focused on women, youths and people with a disability in South Africa's innovation ecosystem. This was done in response to national priorities of inclusive economic growth and transformation, recognising the persistent inequalities in participation by these groups. While broader policies and frameworks exist, the Agency

acknowledges that its own efforts have been inconsistent and insufficiently deliberate, warranting a structured and intentional approach aligned with the White Paper and the Decadal Plan on STI.

Each programme is tailored to respond to distinct challenges. The Women in Innovation Programme aims to counter the high level of economic inactivity among women, which recent figures put at 46.3% compared to 34.2% for men, and their underrepresentation in tech start-ups. Despite progress being made in female entrepreneurship, systemic barriers persist, including limited access to capital, networks and innovation-driven opportunities. The programme will focus on increasing participation in STI, facilitating start-ups, supporting innovation to respond to gender-specific challenges and creating succession pipelines for women in leadership roles.

The Youth Technology Innovation Programme responds to the severe youth unemployment crisis, with the 2024 unemployment rate among those aged 15–24 years standing at 45.5% and for those aged 25–34 years at 32.3%. The TIA has identified four youth segments for targeted interventions, including students, graduates and those outside formal research systems. The programme aims to unlock innovation opportunities for youths, supporting skills development, entrepreneurship and start-up creation aligned to the STI mandate.

For persons with disabilities, the programme recognises their significant exclusion from economic participation, with the national disability prevalence standing at approximately 7.5%. Existing government initiatives are fragmented and lack targeted innovation support. Accordingly, the TIA's programme will promote inclusion through funding, business support and technology development to respond to accessibility and welfare challenges, aiming to foster entrepreneurship among people with a disability.

The TIA intends delivering these programmes via implementation partners, drawing on models used in existing funding schemes. This approach intends to overcome internal capacity constraints, strengthen stakeholder engagement and ensure measurable impact through rigorous monitoring and evaluation mechanisms. Funding will come from existing TIA budgets, DSTI allocations, cross-government partnerships and international investment. The following progress has been made in implementing these programmes.

Youth Technology Innovation Programme

The TIA issued two calls to solicit proposals for delivery partners to implement training initiatives for students and TVET and HEI lecturers on innovation and entrepreneurship in the youth programme in underserved provinces. The first, in November 2024 for Limpopo and Mpumalanga, and the second, in February 2025 for Free State, Eastern Cape, Northern Cape and North West provinces. From these calls, 19 proposals were submitted and 14 were approved.

Women Technology Innovation Programme

The TIA launched the WTIP at a special event in March 2025. The event highlighted the critical role of women in technology innovation and created a platform for deeper conversations, smarter funding strategies and a more inclusive ecosystem. Dr Judy Dlamini, the Chancellor of the University of the Witwatersrand, delivered a powerful keynote address highlighting the importance of funding thresholds, co-creating solutions with those that are experiencing problems so that they can own solutions and creating unique platforms for women technology entrepreneurs to thrive.

Three products were launched at the event; 12 women from TIA's Technology Stations, Technology Platforms and Innovation Centres were recognised for their leadership role in heading the Agency's Infrastructure programmes. The event concluded with a series of four panel sessions that drew a mixture of government, private-sector and TIA investees as panellists. The Agency also issued a call for the submission of technology solutions that deal with the challenges faced by women which will be assessed in the forthcoming financial year.

Figure 41: Launch of the Women Technology Innovation Programme

Disability Technology Innovation Programme

In delivering the Disability Technology Innovation Programme, the TIA will integrate its internal expertise with an Implementation Delivery Partner Model in the delivery and execution of the programme with roleplayers in the innovation-entrepreneurship system. In order to promote effective co-operation and facilitate the co-ordination of roleplayers, the Agency will employ social facilitation in the process of innovation development, thus creating an atmosphere that is conducive to the seamless implementation of the project cycle and beyond.

In the year under review, the TIA set up a database of technologies for persons with disabilities who are innovative or innovators, established an advisory committee, initiated sensitivity-awareness training for TIA staff and funded a CEI focused on rural assisted devices in the amount of R1.6 million. The centre will support SMMEs in product development in wheel-chair technologies and other rural assisted devices. The centre will also develop internationally accepted standards and a testing laboratory for assisted devices.

SMME SUPPORT PROGRAMME: SET SUPPORT INFRASTRUCTURE

The TSP enables academia and industry to participate in technology transfer and development by facilitating interaction and reducing barriers to market access through subsidised services. In partnership between hosting universities, the TSP continues to commit to this vital role in achieving the DSI's and national objectives relating to enabling STI. A network of 15 operational and functional Technology Stations was put in place to contribute to the indicators of the DSTI and to act as a critical enabler in the TIA's Strategic Pillars Outcome 3 and a key to supporting the regional innovation systems.

The TSP provides SET and enterprise development support to technology innovators in targeted industries and communities. It does so by providing access to state-of-the-art equipment, infrastructure and expertise in specialised fields that would not otherwise be available or where they would not be able to afford to commercialise their innovations themselves.

Support services provided by Technology Stations range from prototyping to pre-commercialisation. They include testing and analytical services, rapid prototyping and manufacturing, consultation, technology audits and feasibility studies, process or product improvements, applied development, engineering and design, R&D, and technology demonstration and training. The initiative supports mainly SMMEs, individual innovators and researchers.

The TSP continues to be a crucial enabler in fostering innovation, supporting industrialisation and contributing to socio-economic development in South Africa. The programme achieves this by facilitating mutually beneficial interactions between universities, communities and both public and private entities, offering SET services.

The TSP aims to boost innovation and the application of R&D by serving as a bridge between academic theory and experiential training. This provides an environment for students to apply their knowledge to industry-relevant projects, in this way creating a skilled workforce for future industries through applied research and technology innovation. The following achievements were noted in the year under review:

- Postgraduate Support: 112 high-level postgraduates were supported, with 54 collaborations involving industry-related projects.
- Curriculum Improvements: 120 reformed tailor-made Short Learning Programmes were offered, with 83 (60%) fully accredited by SETAs and relevant authorities.
- Infrastructure Utilisation: the high-end infrastructure at Technology Stations is used by SMMEs 73% of the time, with the remaining 27% devoted to university research and innovation initiatives.
- Inter-Technology Stations Collaboration: Technology Stations collaborated on 10 specific projects involving SME projects.
- Technology Transfer and Diffusion: 446 techno-entrepreneurs, 2,028 start-ups and individuals, 31 co-operatives and 4 non-profit organisations (NPOs)/ NGOs received SET and knowledge transfer through services offered by Technology Stations, alongside 105 large companies.
- Accredited Facilities: 10 certified and accredited facilities from 15 operational Technology Stations.
- SMME Support: 3,044 SMMEs received technological support.
- Beneficiary Demographics: Transformed demographics of beneficiaries supported in the Technology Stations include 50% women, 62% youths and 1% persons with disabilities.

The TSP encourages collaborative R&D projects between academia and industry, leading to new technologies and solutions being diffused into markets. This promotes a modernised and enhanced industry that is competitive through effective technology transfer and support for SMMEs:

- Publications and Disclosures: 45 publications and 25 disclosures by Technology Stations were made in OTTs, as per IP legislation.
- Knowledge Innovation Products: 74 Knowledge Innovation-based products were supported by Technology Stations to benefit enterprises, including 41 prototypes, 27 technology assistance packages and 6 technology demonstrators.
- Competitive Improvements: 566 competitive improvements were achieved, including 104 product and process improvements and 385 developments manufactured with the stations' technical support for TSP beneficiaries.
- Market Uptake: 87 products and processes were taken up in the market with technical support from Technology Stations.
- Stakeholder Referrals: 71 referrals and collaborations were achieved with stakeholders and/or other agencies within the NSI.

- Leveraged Income: R47.0 million was generated as other income from preferential cost recovery, agencies and entities to subsidise SMMEs.

The TSP's efforts contribute significantly to eliminating the triple challenges by 2030, fostering an inclusive economy, building capabilities and enhancing the state's capacity. The programme also extends its services to NGOs and cooperatives, empowering individuals such as women in rural areas to earn an income. The focus for the medium term is to align with sectoral master plans led by the DTIC, enabling local manufacturers to unlock potential localisation and export opportunities, often requiring rigorous testing to ensure quality standards.

In 2024/25, the TSP recorded 629 testing and analytical services for SMMEs, which include material testing and behaviour analysis, and also quality testing. These services include the application of R&D as analytical reports or routine testing jobs according to existing standards or clients' specifications, using readily available high-end software and equipment. These services are crucial to enabling market access and stability for SMMEs as the Technology Stations network gives access to accredited facilities and world-class infrastructure that SMMEs would normally have not access to or have to pay a significant amount to access.

The one example that can be mentioned is the eNtsa testing laboratory accredited with ISO17025:2017. The eNtsa testing laboratory supports industry, especially SMMEs, in meeting international standards and expectations to enable local manufacturers to deliver products which meet international standards and expectations. The testing and analysis includes enabling local manufacturers to unlock localisation and export opportunities, especially in meeting rigorous quality standards as required by initiatives such as the 60% localisation target contained in the 2035 Automotive Industries Master Plan. In the previous financial year, 33 solutions were adopted in markets, while in 2024/25 87 were reported, showing a 164% increase.

INNOVATION SKILLS AND ENTERPRISE DEVELOPMENT

The business unit aims to stimulate a culture of innovative thinking in the NSI, therefore increasing the rate of translation of innovative ideas into novel technologies, products and services. It provides focused and targeted training interventions to strengthen the entrepreneurial capacity of researchers and innovators in the commercialisation of their research outputs.

The Innovation Skills programme provides entrepreneurs, students and graduates with SET skills through placement in industry and other technical environments and with investees for enhancing human capital development.

In the year under review the business unit achieved significant progress in strengthening entrepreneurial capacity, building commercialisation talent pipelines and driving regional and sectoral inclusivity in South Africa's innovation ecosystem. Through its flagship programmes and collaborative initiatives, the unit contributed meaningfully to skills development, socio-economic inclusion and the development of a globally competitive innovation-driven economy.

Leaders in Innovation Fellowship

The Leaders in Innovation Fellowship (LIF) programme, funded by the UK Government and implemented in partnership with the Royal Academy of Engineering (RAEng), remained a cornerstone for enhancing commercialisation and entrepreneurial skills among South African innovators. Through LIF Global 2024, seven South African finalists attended a two-week residential training course in the United Kingdom that covered essential business skills such as business planning, marketing, IP, finance management and pitching techniques. Notably, several of the selected fellows were previous beneficiaries of the TIA GIP and the Seed Fund.

South African innovators continued to perform strongly in the international LIF programme. Of 60 participants globally, five South African innovators secured top category placements, with two making it into the top 14 and three receiving special awards during LIF Global 2024. In preparation for LIF Global 2025, a budget of R1.7 million was approved, with the agreement with RAEng in progress and more than 30 new applications received from South African innovators.

The LIF programme also supported in-country activities, including networking events and masterclasses in collaboration with OXENTIA and the University of the Witwatersrand. Furthermore, LIF alumni were supported through post-accelerator platforms and received opportunities to showcase their innovations both locally and internationally.

Global CleanTech Innovation Programme

The Global CleanTech Innovation Programme in South Africa (GCIP-SA) is part of a global initiative by the United Nations Industrial Development Organization (UNIDO) that aims to respond to the most pressing energy, environmental and economic challenges of our time through promoting clean technology (CleanTech) innovation and supporting SMMEs and start-ups. With funding from the Global Environment Facility (GEF), the TIA is collaborating with nine hubs as implementation partners for embracing new economic opportunities in green technologies that can drive industrial development, innovation and economic diversification towards a sustainable and economically resilient future. The cleantech focus areas covered are energy efficiency, renewable energy, waste beneficiation (including e-waste), water efficiency and green buildings, advanced materials and chemicals, green transportation, agritech and environmental protection (air, sea and land).

The TIA has been the implementing agent for GCIP-SA since 2014. To date, more than 200 innovators have been supported with various cleantech innovations aimed at reducing environmental impact and promoting resource efficiency. These technologies are vital to dealing with climate change, creating economic opportunities and

building a sustainable future. Through the GCIP-SA accelerator, innovators receive the necessary technical support, funding opportunities, business mentorship and market access to develop and scale successfully. By investing in start-ups and SMEs, the Agency is strengthening South Africa's position as a leader in energy efficiency, waste beneficiation, renewable energy, water efficiency and green transport.

The programme provided business acceleration services to 13 semi-finalists during the 2024 accelerator cycle, with finalists competing in national judging sessions and participating in networking and investor events. A key achievement was the GCIP-SA Awards Gala, where the top eight South African cleantech innovations were recognised.

The 2024 award went to AB Farms led by entrepreneur Mogale Maleka with his innovative hydroponic farming system which functions without a continuous water or electricity supply. As part of the winning prizes the winner and two runners-up will be joining winners from partner countries at the GCIP Cleantech Days in Istanbul, Türkiye, in September 2025, where the global GCIP winner will be selected.

'Science, technology, and innovation are powerful tools in addressing environmental challenges. Through GCIP-SA, TIA is supporting South African innovators who are developing solutions to improve energy efficiency, reduce waste, and enhance water security. Their work is essential in building a cleaner, more sustainable future for all. This year's winner exemplifies the spirit of innovation that GCIP-SA fosters' said Minister of Science, Technology and Innovation, Prof. Bonginkosi 'Blade' Nzimande at the awards ceremony.

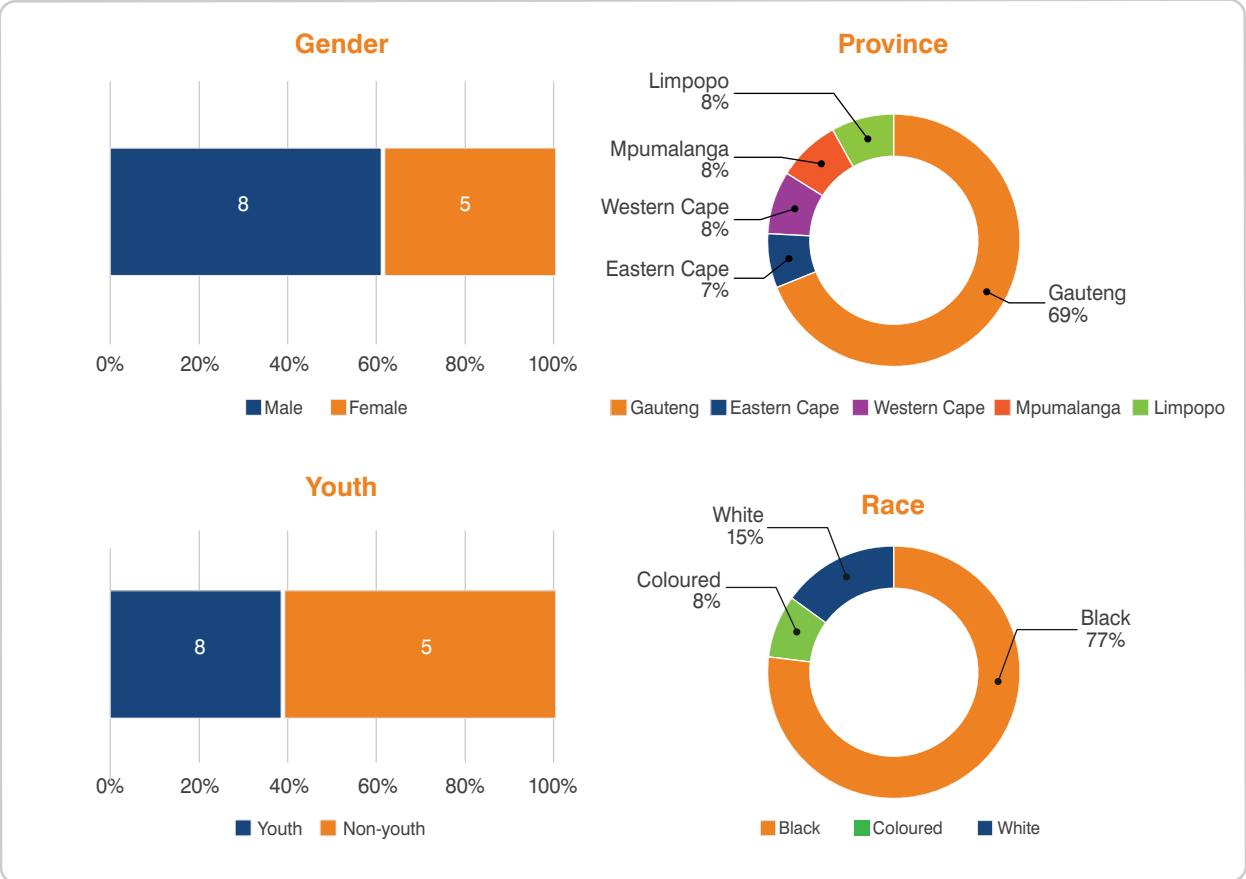


Figure 42: Specifics of the Global Cleantech Innovation Programme

Through initiatives such as GCIP-SA, the TIA continues to shape South Africa's transition to a low-carbon sustainable economy. By investing in cleantech entrepreneurs, the Agency is fostering job creation, industrial diversification and global competitiveness in the green economy sector.

During the year under review, the GCIP-SA facilitated alumni engagement through a post-accelerator support call, which attracted 46 previous participants and provided pathways for follow-on support and investment facilitation. In addition, nine cleantech centres and hubs were identified for inclusion in a proposed provincial hub-and-spoke model under GCIP-SA 2.0, which was aimed at improving co-ordination and extending the programme's geographic footprint.

GCIP-SA also contributed to international knowledge exchange by participating in UNIDO's global Cleantech Days and the International Vienna Energy and Climate Forum, where South African participants showcased innovations and participated in high-level panel discussions on entrepreneurship and public–private development partnerships.

As part of the Strengthening the Adaptation Capacity of Industry for a green and resilient economy in South Africa project, the TIA also implemented a Cleantech Advance Accelerator which focused on climate adaptation in the agro-processing sector. This component delivered targeted support to medium and large agro-processing enterprises to accelerate the adoption of clean energy and water-efficient technologies.

In the year under review the programme's commitment was to consolidate the curatorship and thought leadership role to significantly strengthen the cleantech innovation and entrepreneurship ecosystem. The PMU as the Project Execution Entity in South Africa for GCIP, co-ordinated a series of policy localisation consultative workshops. These crucial sessions, facilitated in partnership with the CleanTech Group, brought together key policymakers and implementers from across the NSI. The focus was to critically assess existing cleantech policies with a keen eye on bolstering early-stage ventures and championing the inclusion of women, people with a disability and youths. The outcome was a comprehensive report, a testament to the Agency's collaborative spirit, where stakeholders from government, industry, academia and civil society collaboratively identified the high-impact policies essential to advancing cleantech innovation in South Africa. The TIA did didn't stop there, though: it meticulously discussed implementation considerations, identified key actors, established timelines and outlined success metrics for each shortlisted policy, ensuring a clear path from recommendation to tangible results.

In demonstrating the TIA's thought leadership, the Agency hosted the 1st Annual Cleantech Network Workshop in January 2025. This pivotal event, facilitated by the Network for Global Innovation, convened leaders from 20 TIA-supported hubs and innovation centres. The workshop was instrumental in forging a shared vision and a clear roadmap for GCIP-SA's future implementation, culminating in the development of a robust TIA Cleantech Network Framework. This framework will guide the co-ordination and growth of our implementing partners, especially as we expand our geographic footprint through the proposed provincial hub-and-spoke model under GCIP-SA 2.0.

The Agency's dedication to robust governance and global collaboration is evident through its well-co-ordinated project alignment via our national-level Project Steering Committee, chaired by the DSTI and comprising a diverse range of influential organisations. Globally, our reach was extended by a TIA GCIP alumnus and expert serving on the Global Advisory Board. This board, featuring representatives from leading international bodies such as UNIDO and the University of Oxford, ensures that GCIP's global impact is maximised and its long-term sustainability is continually reinforced.

CHUMA Commercialisation Programme

The TIA CHUMA Commercialisation Programme is a specialised internship programme aimed at bridging the gap of critical and scarce skills in technology transfer, commercialisation, IP and project management. The CHUMA programme continued to play a vital role in responding to the critical shortage of commercialisation and technology transfer professionals in the national innovation landscape. This two-year experiential learning programme places interns in strategic institutions, including the TIA, Offices of Technology Transfer (OTTs), venture capital firms and science councils. CHUMA builds foundational skills in IP management, venture creation, commercialisation strategy and innovation policy.

The CHUMA internship stream advanced the TIA's efforts to develop critical skills in technology commercialisation, IP management and innovation support services. Through partnerships with the Energy and Water Sector Education and Training Authority (EWSETA) and an agreement under finalisation with the Media, Information and Communication Technologies (ICT) SETA, CHUMA expanded its reach to provide work-integrated learning (WIL) opportunities to students and graduates.

CHUMA also supported entrepreneurship training, hackathons and innovation management workshops, with a strong emphasis on building innovation support capacity within technology transfer offices, technology stations and living labs. The programme's internship component contributed to strengthening the operational capacity of the Agency and its partners, while enhancing career pathways for young graduates in the NSI.

Alumni Support and Mentorship

The TIA maintained a strong post-accelerator support focus during the reporting period. A national post-acceleration support call reached more than 300 alumni across the LIF, GCIP-SA and other acceleration programmes. From 110 responses, 60 innovators were selected to participate in pitching events held across five provinces. Based on adjudication, R48.4 million in funding support was recommended for immediate disbursement to 17 innovators, with a further R4.8 million being earmarked for additional support subject to final proposal submissions.

The TIA also put into operation a structured mentorship programme by onboarding 12 paid mentors (eight female and four male) to provide targeted support to GCIP-SA semi-finalists. The mentors assisted with business model development, investor readiness and pitch preparation, representing a significant enhancement to the support services available to TIA-funded entrepreneurs.

TIA Internship Programme

The TIA's Internship Programme has since inception placed 820 interns for work exposure, leveraging in excess of R70.0 million from partners; 51% or 417 of the interns were placed internally in the TIA, with 38 absorbed internally through being permanently employed.

In 2024/25 there were 62 interns in the programme, with 40 placed in TIA business units and platforms, 14 placed at university Offices of Technology Transfer, science councils and incubators, and eight placed with SMMEs, including TIA investees.

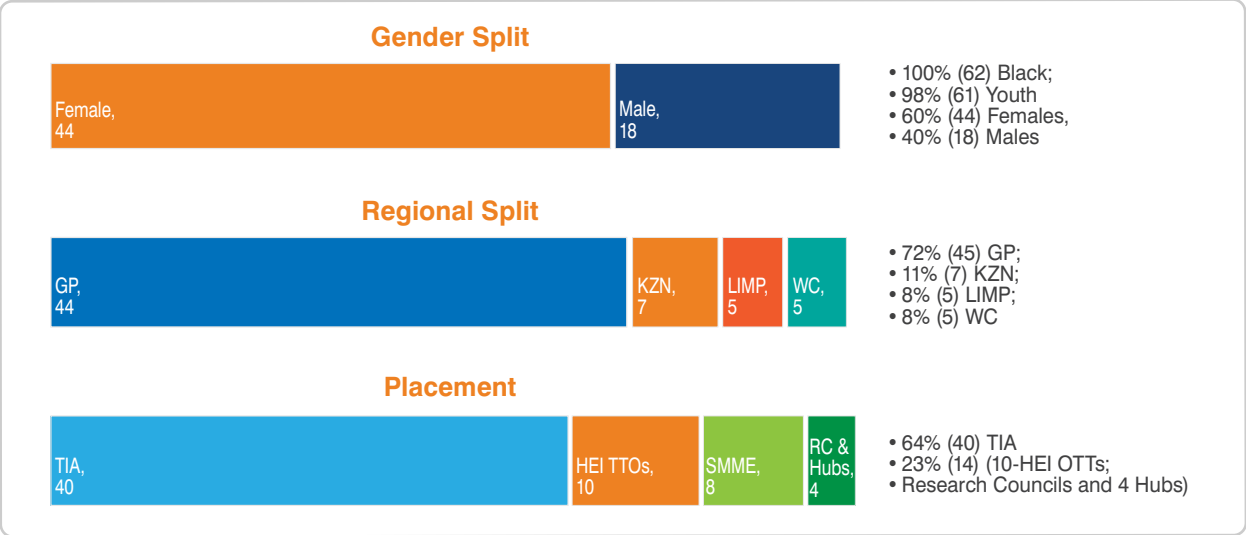


Figure 43: Demographics of interns placed in 2024/25 in TIA's Internship Programme

The Energy and Water Sector Training Authority and the Human Sciences Research Council (HSRC) are key funding partners for the TIA Internship Programme. During the HSRC 2024 internship graduation ceremony, the Agency's Internship Programme Administrator received an award for Best Host Administrator and Ambassador promoting and building new partnerships and supporting interns for the programme.

PARTNERSHIPS AND STRATEGIC ENGAGEMENTS

The Strategic Partnerships and Stakeholder Relations business unit plays a pivotal role in advancing TIA's mandate to drive innovation, foster collaboration and enhance brand visibility within the NSI. Throughout the 2024/25 financial year, the unit delivered a wide range of engagements and partnerships that strengthened TIA's strategic positioning locally, continentally and internationally, while deepening relations with key stakeholders in government, academia, industry and the public sector.

Strategic Engagements and Partnerships

The TIA continues to act as a vital catalyst in unlocking innovative new products, services and business opportunities, with a particular focus on nurturing regional innovation ecosystems. During the year, the unit facilitated and supported several strategic initiatives to deepen partnerships and enhance innovation pathways. For example, the Agency engaged with the Northern Cape Provincial Department of Economic Development and Tourism, Sol Plaatje Municipality and the Science and Production Unit to support the development of a Smart City road map for the province following their symposium on Smart City in Kimberley.

The Agency also collaborated with the Southern African Research and Innovation Management Association and the University Industry Innovation Network to host a University–Industry Stakeholder Engagement session in Johannesburg. This event brought together senior industry R&D managers, universities, research councils, government entities and IP specialists to discuss improved frameworks for partnership management, entrepreneurship training for academics and students, and incentives to stimulate university innovation activities.

In support of IP awareness-raising, the Agency co-hosted a World Intellectual Property Day event in North West province, with partners including the CIPC, NIPMO, North West University and the SEDA. The event aimed to raise awareness of IP's economic significance among students, academia and the broader community.

Further engagements included a two-day stakeholder workshop with the Chemin Incubator that focused on innovation in IKS. Key concerns identified were the onboarding process for SMMEs, capacity-building, the broader inclusion of knowledge holders in reporting and grant-funding structures. The Agency remains committed to ongoing collaboration with the Chemin Incubator to raise these issues and facilitate inclusive innovation development.

The unit also prioritised brand equity management through tactical marketing, communication and business support initiatives to ensure consistent positive visibility for the TIA across multiple platforms. This involved continuous engagement with ecosystem players to foster thought leadership and open market access opportunities for Agency investees, underpinning the Agency's mandate.

Internationalisation and Continental Partnerships

On the continental front, the TIA actively participated in the BRICS Young Innovator Prize Competition, which showcased South African youth-led innovations aligned with sustainable development goals. The competition enabled cross-border knowledge exchange and partnerships, which reinforced South Africa's leadership role in the BRICS innovation ecosystem. The award of the Best Innovator Certificate to local scientist Vukile Mnyande demonstrated the quality and impact of homegrown innovation talent.

The TIA's participation in the AfriLabs Annual Gathering in Cape Town further strengthened ties with Africa's

network of technology hubs and innovation stakeholders. By supporting 13 Living Labs and nine CIEs, the TIA was able to showcase incubation and innovation support capabilities, at the same time promoting inclusive growth across the continent.

A faculty exchange programme hosted in Tanzania and a high-level delegation from Ethiopia, facilitated by UK Foreign, Commonwealth and Development Office partnerships, provided platforms for knowledge exchange and cross-border collaboration. These engagements underscore the TIA's commitment to shaping continental innovation agendas aligned with the STI Strategy for Africa 2034.

Local Events

The TIA's participation in major national events reflects its commitment to positioning the Agency as a thought leader and enabler in South Africa's innovation landscape.

The Agency was a headline partner at the 2024 South African Innovation Summit held in Cape Town – the continent's largest start-up event. The summit, themed 'Catalysing Capital: Accelerating Africa's Innovation Ecosystem', attracted more than 1,500 participants, including entrepreneurs, investors, government officials and corporates. The Agency's personnel delivered keynote addresses, led panel discussions, judged pitching competitions and hosted an exhibition pavilion which showcased nine funded innovators. This platform generated more than 30 business leads for exhibitors and enhanced investor engagement.

empowerment. Similarly, the Indigenous Plant Use Forum, which the TIA sponsored, provided a platform for dialogue among diverse IK stakeholders, again supporting the Agency's pipeline development for IK-based innovation investments.

The official opening of the OneBio Innovation Centre in Salt River, Cape Town marked a significant milestone in supporting South Africa's biotechnology start-up ecosystem. The Innovation Centre offers a fully equipped laboratory and office space for biotech research across genomics, proteomics and metabolomics, with a mandate to facilitate sustainable biotech innovation through shared infrastructure and networking.

The TIA's presence at the African Agri Investment Indaba demonstrated its strategic engagement in the agri-food value chain. The event brought together key stakeholders to raise climate change and food security challenges. At this event, the Agency's head of agriculture contributed as a panellist and four investees exhibited their technologies, raising considerable interest from potential co-funders and industry partners. The TIA actively showcased its innovation portfolio at sector-specific events such as the Mining Indaba, the Mpumalanga Mining Indaba and the Eskom Business Connect. These engagements enabled the Agency to demonstrate technologies under development by its investees, facilitate commercial leads and promote the Agency's role in advancing sustainability and industrial innovation.

Figure 44: Delegates at the Indigenous Knowledge and Bio-Trade Indaba

In partnership with the National Science and Technology Forum (NSTF), the TIA co-hosted the 26th NSTF Awards, which recognise outstanding contributions to STI. The Agency sponsored the Green Economy Category award, further signalling its commitment to sustainable development.

The Indigenous Knowledge and Bio-Trade Indaba, hosted in partnership with Nelson Mandela University, drew 236 participants, including traditional health practitioners, academics and industry stakeholders. The event focused on mainstreaming the commercialisation of IK-based bio-innovations, with a strong emphasis on women's

Public-sector Collaboration

Collaboration with public-sector entities was enhanced during the year through targeted engagements and frameworks designed to leverage the TIA's capabilities in support of government priorities.

Notably, discussions with the Gauteng Department of Economic Development explored opportunities to integrate the TIA's innovation projects into the province's 'Massive Employment Program'. This programme aims to reduce unemployment by linking university research, government initiatives and private-sector participation. The Agency proposed a collaborative framework that

includes support for Technology Stations at universities as a way of accelerating commercialisation and job creation.

Engagements with the City of Johannesburg's Innovation Unit progressed with the drafting of a memorandum of understanding to facilitate the deployment of TIA-supported technologies in critical sectors such as waste, energy, ICT, water and sanitation. The agreement also includes provisions for youth-targeted competitions to stimulate local innovation uptake.

Bilateral meetings with key science councils, including the CSIR and the National Research Foundation, focused on renewing memoranda of understanding to enhance co-funding arrangements and fill experimental development funding gaps. The TIA's involvement in national skills programmes and efforts to establish an African network of innovation agencies further positions the organisation as a strategic collaborator in regional innovation initiatives.

Scale Out for Impact Programme

The Scale Out for Impact (SOFI) Programme is a partnership initiative between the TIA and Innovate UK Business Connect. It is designed to support SMMEs from South Africa and the UK in co-developing innovative solutions for South African communities. The programme prioritises the scaling of the impact of solutions – rather than scaling individual enterprises – and fosters technology partnerships between the two countries, with a strong emphasis on collaboration rather than on importing technology into South Africa.

The second iteration, SOFI 2, was launched in 2024 to accelerate the deployment of high-potential locally relevant innovations aimed at overcoming critical challenges in underserved communities. Supported by targeted funding of R500,000 from the TIA and £25,000 from Innovate UK per project, SOFI 2 has focused on forming SA–UK SMME partnerships that co-create impactful solutions in the food, energy and water nexus. In addition to funding, the programme has offered technical and project support and facilitated strategic partnerships to strengthen implementation and long-term sustainability.

A call for proposals was issued in May 2024 that targeted co-developed solutions already at TRL 4. Nine collaborative projects were selected and contracted between October and November 2024 for an eight-month implementation period. These projects were aimed at resolving challenges in underserved provinces, including Limpopo, Mpumalanga, the Northern Cape and the Eastern Cape. The intention was for the knowledge and technologies developed to be relevant to and transferable across both South Africa and the UK.

SOFI 2 formally concluded in March 2025, an extension having been granted to June 2025 to allow project teams to finalise their deliverables. The programme resulted in nine prototypes that are currently being diffused for broader community benefit, with a view to transitioning from pilot phase to wider market adoption. The initiative demonstrated significant potential for generating measurable social and economic impact through collaborative innovation.

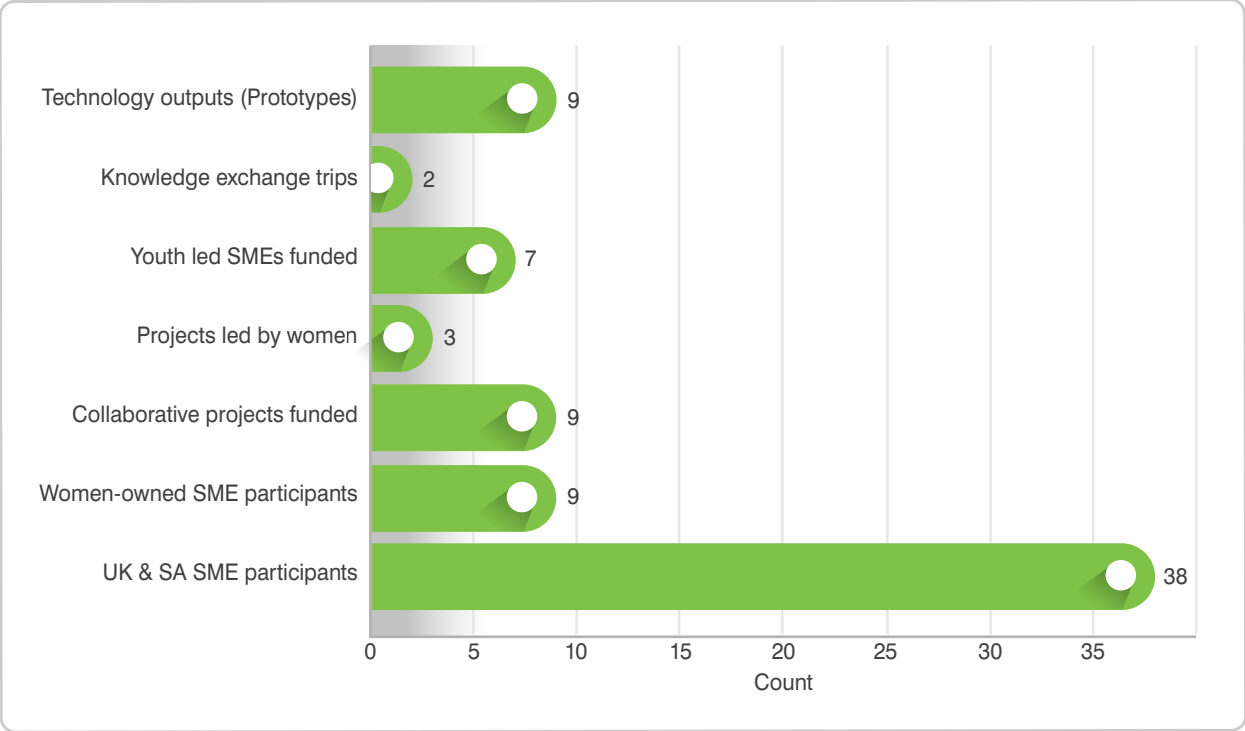


Figure 45: Record of the SOFI Programme's achievements

14.3.3 BUDGET AND EXPENDITURE

A comparison of the budget and actual expenditure for the Innovation Enabling Division is presented in Table 11.

Table 11: Budget and expenditure for the Innovation Enabling Division for 2023/24 and 2024/25

	2023/24			2024/25		
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)**
Youth Technology Innovation Programme	–	46	(46)	–	35	(35)
Innovation Skills and Enterprise Development	1,000	1,400	(400)	2,000	282	1,718
TSP	92,013	123,531	(31,518)	14,862	61,142	(46,280)
IID	22,000	37,814	(15,814)	22,000	41,699	(19,699)
Innovation Fund	-	-	-	-	115,538	(115,538)
GCIP-SA	11,583	3,334	8,249	11,583	7,922	3,661
SFP	14,033	14,179	(146)	6,033	49,964	(43,931)
Africa Programme	9,600	2,051	7,549	9,600	4,030	5,570
Strategic Partnerships and Stakeholder Relations	700	2,749	(2,049)	1,950	998	952
Living Laboratories	–	–	–	8,000	2,462	5,538
SBIR	–	–	–	10,000	–	10,000
Transformation Programmes	–	–	–	14,000	1,592	12,408
Stakeholder events	2,000	–	2,000	2,000	2,026	(26)
Journey to TIA 2.0	1,249	–	1,249	1,249	–	1,249
Total	**154,178**	**185,104**	**(30,926)**	**103,277**	**287,690**	**(184,413)**

15. SPECIAL FOCUS: IMPLEMENTATION OF THE INNOVATION FUND

Innovation Fund overview

The DSTI established the Innovation Fund that will enhance South Africa's capacity to commercialise technological innovations. The objectives of the fund are to serve as an opportunity to de-risk investments through technology development and demonstration and as a catalyst for co-investment and follow-on investment from industry and private-sector sources (commercial funding). The TIA is one of the implementing partners alongside the SA SME Fund, the Public Investment Corporation, the IDC and others. This public–private funding instrument aims to facilitate and accelerate project commercialisation.

The Agency received an allocation of R80.0 million for a portfolio of 20 projects approved by the DSI under Phase 1 of the Innovation Fund. A further R102.2 million was received under Phase 2 and another R100.0 million under Phase 3. A further R100.0 million was received under Phase 4. In March 2025 the Agency received a further R80.0 million for Phase 5. To date, R44.23 million has been generated in interest income, with a further R1 million generated from a Stone Three repayment of the investments. A project payment of R241.1 million has also been made.

For 2024/25 a total of R115.0 million has been disbursed against project milestones (R6.8 million against Phase 2, R8.6 million against Phase 3 and R100.0 million against Phase 4). To date (that is, from the commencement of the Innovation Fund until 31 March 2025) a total of R241.1 million has been disbursed against project milestones (R68.4 million against Phase 1, R50.7 million against Phase 2, R15.1 million against Phase 3 and R100.0 million against Phase 4). The Agency has received a total of R462.2 million in capital during Phases 1–5 of the Innovation Fund.

TIA committed to sustainable funding of innovation in South Africa

The TIA launched the Industry Matching Fund (IMF) in 2019 as a fund-of-funds model to leverage innovation funding from industry and the private sector. Since the launch of the IMF, the fund has attracted partnerships from venture capital, angel investors, development finance institutions, and corporates.

One of the recently launched instruments to bolster the IMF is the Innovation Fund, which is intended to further enhance TIA's commitment to the long-term sustainable funding of innovation across South Africa. The Innovation Fund, recognised by the President during the State of the Nation Address in February 2025, has enabled, among the direct investments since 2021, the establishment of a TIA commercialisable portfolio, a R300 million High Impact Seed Fund of Funds launched at the end of 2024 in partnership with the SA SME Fund and E Squared Investments.

The R300 million High Impact Seed Fund of Funds is aimed at providing critical early-stage capital to startups. This initiative will fund at least 50 technology-driven startups through experienced fund managers, with a focus on innovation and transformation in South Africa.

Figure 46: Representatives from TIA, SA SME Fund and E Squared Investments at the launch and signing ceremony of the High Impact Seed Fund of Funds

The Agency has also successfully launched two systematic calls under the Innovation Fund designed to provide critical funding support to emerging and high-impact innovators. The first call, the High-Impact Seed Fund of Funds seeks to attract 51% black Venture Capital Fund Managers, including a focus on Women Fund Managers. This initiative attracted 34 respondents, reflecting the growing demand for early-stage investment in groundbreaking ventures. This fund will provide early-stage capital to startups, focusing on technology-driven businesses and aiming to support at least five fund managers. Allocations are expected to be announced shortly.

In February 2025 the TIA issued a second call, the Innovation Fund: First-Time and Emerging Fund Managers, inviting funding applications from new and emerging black or women-owned fund managers. The call was aimed at emerging fund managers interested in participating in a programme to provide necessary support to achieve the goal of establishing a first-time VC Fund. The Agency has been encouraged by the positive market response to the call: it received high-quality applications from more than 90 respondents and looks forward to making announcements on the next steps.

The positive market response to the recent calls by the Agency demonstrates that South Africa has a wealth of black and female fund managers ready to invest in the country's potential. It also indicates that there is real support for innovators across our nation and tangible support from fund managers who bring a more diverse and representative profile to the table.

The TIA remains positioned and committed to supporting and ensuring the exploitation of technological innovation through both financial and non-financial means in partnership with the private sector, institutional investors and the global market. With continuing investment in innovation, the potential for economic and technological growth and real transformation is limitless.

PROJECT HIGHLIGHTS

Stone Three Mining Solutions

Stone Three's Smart Sensor Process Advisory Dashboard has made significant progress, successfully completing several trials both locally and internationally. The project has now reached its close at the TIA, with all its milestones having been successfully met.

Over the past year, Stone Three has increased their levy payment to the Agency from R717,198 to R1,400,367. In addition, the company has continued to meet its Innovation Fund loan repayment obligations of R338,453 per quarter, which commenced in September 2022.

Inundu Pod (CSIR)

Inundu is an air-to-air training and evaluation airborne platform that allows older-generation fighter aircrafts to exhibit new-generation (fourth and fifth) aircraft capabilities in the electromagnetic spectrum, thus allowing airforces to improve their training realism at a lower cost.

During this reporting period, the project team successfully completed all its milestone 2 activities. In addition, they designed and tested a prototype antenna for the Pod, achieving excellent results at the Anechoic chamber. Following testing, the procurement process for the actual antenna design commenced at the CSIR, with delivery expected in June 2025. The team also successfully upgraded and demonstrated the RF Payload of the antenna. The Command, Control, and Telemetry Unit was fully developed and demonstrated during this period. Finally, the Software and Pilot Control Unit were completed.

At the African Airshow Defence 2024, the project team demonstrated a static version of the Inundu system, which received positive feedback from visitors at the CSIR stand. This indicated strong interest in the technology. As a result, multiple parties such as EWST and the French Air Force have expressed interest in the technology, influenced by recent geopolitical issues. The team plans to invite these interested parties to a demonstration in June 2025.

ERS Tech (Graf in Tech Pty Ltd)

Graf-in Tech custom weighbridge software system (OneScale) secured a R5.3 million contract from Pikitup SOC – an entity of the City of Johannesburg Municipality. The implementation of this automated software system is replacing the inefficient paper-based manual process that was traditionally used by Pikitup SOC to record customer transactions and issue paper receipts at selected landfill sites.

Graf-in Tech is about 80% complete with the development and customisation of the automated weighbridge system for Pikitup SOC. They have completed the installation of hardware equipment at the first landfill site, Marie Louise landfill. Furthermore, they have successfully completed integrating and testing the software system with the weighbridge hardware equipment and infrastructure such as the weighbridge indicators, ANPR camera, waste category camera, access card readers and controllers, boom gates, traffic lights and loop controllers. In October 2024 the company conducted a live demonstration of the custom weighbridge software system to Pikitup Landfill and IT teams, including the Landfill Acting Executive Manager and IT General Manager at Marie Louise landfill.

PART C
GOVERNANCE

INTRODUCTION

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

The TIA was established by, and derives its mandate from, the TIA Act 26 of 2008, as amended (the TIA Act); it is a Schedule 3A public entity under the provisions of the PFMA (Act 1 of 1999). The objective of the Agency in terms of the TIA Act is to support the state in stimulating and intensifying technological innovation to improve economic growth and the quality of life of all South Africans by developing and exploiting technological innovations.

16. PORTFOLIO COMMITTEE

The TIA is accountable to Parliament through the Parliamentary Portfolio Committee on STI. The Portfolio Committee exercises oversight over the Agency with an emphasis on service delivery and enhancing economic growth.

During the year under review, the Agency appeared before the Portfolio Committee twice. It provided an orientation briefing to the newly appointed Committee on 23 August 2024 on the programmes, plans, finances and challenges of the organisation. On 9 October 2024, it presented its 2023/24 Annual Report and Audit Outcomes to the Committee.

17. EXECUTIVE AUTHORITY

Oversight by the Executive Authority rests on the prescripts of the PFMA. The Executive Authority has the power to appoint and dismiss the Board of a public entity and it must ensure that Board members having an appropriate mix of skills are appointed to guide the public entity.

The Executive Authority is accountable to Parliament for achieving the goals and objectives of the TIA. For this reason, it takes an interest in risk management to the extent necessary to derive comfort that properly established and functioning systems of risk management are in place to protect the Agency against significant risks. As risk management is an important tool with which to support the achievement of this goal, it is important that the Executive Authority provide leadership in the areas of governance and risk management.

The Agency's Executive Authority is the Honourable Minister of Science, Technology and Innovation, Prof. Bonginkosi Emmanuel Nzimande.

During the year under review, the following statutory reports were submitted to the Executive Authority:

- 2024/25 Quarter 1 Performance Report (19 July 2024)
- 2024/25 Quarter 2 Performance Report (18 October 2024)
- 2024/25 Quarter 3 Performance Report (20 January 2025)
- 2024/25 Quarter 4 Performance Report (22 April 2025)
- 2023/24 AFS and Annual Performance Report (31 May 2024)
- 2023/24 Annual Report (26 August 2024)
- Draft TIA 2.0 Ten-year Corporate Strategy (30 October 2024)
- 2025/26 APP and 2025–2030 Strategic Plan (31 January 2025).

18. ACCOUNTING AUTHORITY

The TIA's Accounting Authority is its Board. The then Minister of Higher Education, Science and Innovation, Prof. Bonginkosi Emmanuel Nzimande, appointed the Board with effect from 1 November 2021 in terms of section 8(4) of the TIA Act.

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 on the grounds of their knowledge of 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 the practice of good corporate governance to be a fundamental component contributing to the success of the Agency's business. In pursuit of and in its commitment to the highest standards of governance, the Board provides strategic oversight and effective direction by adhering to the relevant codes of best practice and principles of fairness, integrity, responsibility, accountability and transparency.

18.1 BOARD CHARTER

A Board Charter is in place which sets out the roles and responsibilities of the Board in relation to the Agency and governs the conduct of the Board. The Board Charter is central to determining the way in which the Board interacts with management, the shareholder and other stakeholders. In addition, Board members' responsibilities and limitations are primarily set out in the TIA Act, the PFMA, the King reports on corporate governance and the common law of South Africa.

The Board is responsible for:

- acting as the focal point for, and the custodian of, corporate governance by managing its relationship with management, the shareholder and other stakeholders of the Agency along sound corporate governance principles;
- providing effective leadership founded on ethical principles;
- appreciating that stakeholders' perceptions affect the Agency's reputation;
- adopting strategic plans;
- appointing a suitably skilled and qualified person as the CEO of the Agency, which appointment must be made after following 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, and with substance prevailing over form;
- developing a Code of Conduct that anticipates and deals with conflicts of interests, particularly those relating to Board members and management;
- ensuring that there is an appropriate balance of power and authority on the Board, such that no individual or select individuals can dominate the Board's decision-making;
- defining and monitoring the information needs of the Board;
- identifying and monitoring the non-financial aspects relevant to the business of the Agency; and
- through its sub-committees, prioritising and managing risks which seek to impede the business of the Agency.

18.2 COMPOSITION OF THE BOARD

During the period under review, two additional Board members were appointed on 14 June 2024: Prof. Keolebogile Motaung and Mr Loyiso Tyira. Ms Matsi Modise's term on the Board terminated effective 7 December 2024. Mr Tyira was appointed as Chairperson of the Board on 20 December 2024.

Table 12 provides a detailed list of the current TIA Board members.

Table 12: TIA Board members and their particulars

Full Name and Designation	Dates of Appointment and Resignation/ Termination	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams
Ms Bonolo Matshidiso Modise (Chairperson)	1 November 2021 to 7 December 2024	BCom (Marketing and Advanced Management) Financial Insights for non-financial directors AltX Director Induction Programme (IODSA)	Venture capital (early- stage investment experience) Technology entrepreneurship Strategy Business development Governance Green skills and sustainability	Furaha Afrika Holdings (Pty) Ltd Furaha Solutions (Pty) Ltd Furaha Green Solutions (Pty) Ltd Finclusion (Pty) Ltd SiMODiSA Start-Up SAB Foundation (Trustee) Metropolitan Momentum Holdings ESD Trust (Trustee) City Power (Board member)	Agri-Vie Private Equity Fund (Advisor) SA Venture Capital & Private Equity Association Google Africa Launchpad Programme (Business Mentor) Endeavor SA Trust (Mentor) World Economic Forum (Global shaper) Young Presidents Organisation (Member) Wits University Deputy Vice-Chancellor's External Advisory Committee on Innovation (Advisor)
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 (till March 2025), B-BBEE ICT Sector Council	KasiTel, Future Business Consulting, Tyira Enterprises, ICT SMME Chamber, Protea Domains, & SAMDDRA
Ms Anati Judith Canca (member)	1 November 2021 to date	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 date	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	

Full Name and Designation	Dates of Appointment and Resignation/ Termination	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams
Ms Edith Lindiwe Matlali (member)	1 November 2021 to date	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)
Mr Butana Andrew Mboniswa (member)	8 August 2019 to date	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 Advisors	-
Prof. Shirley Caroline Keolebogile Mamotswere Motaung (member)	14 June 2024 to date	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/ Termination	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams
Ms Joy Sebenzile Patricia Matsebula (member)	1 May 2017 to date	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 Ngwedi Investment Managers 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, Short Statured Persons South Africa The Sebenzile Matsebula Foundation

Full Name and Designation	Dates of Appointment and Resignation/ Termination	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams
Mr Thabiso Gerald Ramasike (member)	1 May 2017 to date	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 Global (Pty) Ltd 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 Thabiso Ramasike Investments (Pty) Ltd 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 Foundation NPC Ramasike Family Trust Khula Trust MaxwelL Mahole Morapeli Trust Mosotho Trust	Chairman: Audit and Risk Committee – TIA Chairman: Audit and Risk Committee – African Unity Life Ltd Chairman: Audit and Risk Committee – MES NPC Chairman: Remuneration & Nominations Committee – African Unity Life Ltd Chairman: Phakamo Tech (Pty) Ltd Member: Audit and Risk Committee – Office of Tax Ombud (South Africa) Member: Human Resources and Remuneration Committee – TIA
Mr Lesejane Patrick Krappie (Acting CEO and ex officio Board member)	13 June 2020 to 31 January 2025	BCom (Hons) Economics	Economic policy International diplomacy & negotiation Collaborative leadership Stakeholder management Partnership building Strategy and execution	Ex-Officio (TIA)	Member: Innovation Challenge Pilot Project Steering Committee Co-Chair: IID Steering Committee Member: Afrique du Sud Steering Committee

Full Name and Designation	Dates of Appointment and Resignation/ Termination	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams
Mr Ismail Abdoola (Acting CEO and ex officio Board member)	1 February 2025 (ex officio)	BCom (Acc) (Hons), CA(SA)	Strategy and execution Governance Financial Modelling Risk Management Venture Capital	Ex officio (TIA)	-

The Board convened for a total of 17 meetings during the period under review. The dates of the meetings and Board member attendance are provided in Table 13.

Table 13: Board dates of meetings and attendance record

Member	No. of meetings attended	4 Apr	9 May	15 May	28 Jun	10 Jul	25 Jul	30 Jul	29 Aug	11 Sep	7 Oct	10 Oct	21 Oct	30 Oct	11 Nov	14 Jan	12 Mar	27 Mar
Ms Matshidiso Modise	14	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Mr Loyiso Tyira	13					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Anati Canca	15	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Prof. Keolebogile Motaung	13					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr Revel Iyer	13	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✗	✓	✓
Ms Lindiwe Matlali	14	✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✗	✓	✓	✓	✓	✓
Ms Sebenzile Matsebula	17	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr Butana Mboniswa	14	✓	✓	✓	✗	✗	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr Thabiso Ramasike	16	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Mr Patrick Krappie	9		✓		✓	✓	✓	✓		✓			✓	✓		✓		
Mr Ismail Abdoola	2																✓	✓

Legend ✓ In attendance ✗ Not in attendance Not required

The Board has recognised the relevance and significance of the TIA's role in the innovation ecosystem and has prioritised commercialisation, implementation of the Bio-economy Strategy and support to SMMEs and co-operatives for the successful implementation of the Agency's mandate.

18.3 COMMITTEES

The TIA's Audit and Risk Committee (ARC), Investment and Finance Committee (IFC), Human Resources and Remuneration Committee (HR&REMCO) and Board Technical Committee (BTC) have been tasked with specific responsibilities in order to attend to the matters of the Board effectively.

18.3.1 AUDIT AND RISK COMMITTEE

The ARC is constituted in terms of section 77 of the PFMA, read with Chapter 27 of the Treasury Regulations. The ARC 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 all the 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 ARC.

During the reporting period, the committee monitored the effectiveness of the Agency's internal controls, governance and compliance with its risk management framework, and received reports on ongoing litigation matters. The combined assurance plan was implemented to ensure that the Agency adopts a co-ordinated approach to all assurance activities. While several material risks emerged, no internal or external audit findings have come to the attention of the committee to indicate that any material breakdown of internal controls occurred during the year under review. Internal Audit has indicated that management and the ARC can be reasonably assured that the most significant risks at the Agency are at acceptable levels, with significant improvements being required in specific areas to improve the efficiency, effectiveness and adequacy of its governance, risk management and internal controls.

The Committee convened for a total of 13 times during the period under review, as shown in Table 14.

Table 14: ARC dates of meetings and attendance record

Member	No. of meetings attended	19 Apr	28 May	7 Jun	19 Jul	24 Jul	13 Sep	30 Sep	18 Oct	15 Nov	13 Dec	21 Nov	20 Jan	7 Mar
Mr Thabiso Ramasike	13	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Lindiwe Matlali	10	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✗	✓	✓
Mr Butana Mboniswa	13	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr Loyiso Tyira	3						✓	✗	✓	✗	✓	✗		

Legend ✓ In attendance ✗ Not in attendance

18.3.2 INVESTMENT AND FINANCE COMMITTEE

The IFC provides oversight and advice to the Board on issues central to the Board's core mandate. The committee makes funding decisions in pursuit of the TIA's mandate and strategic objectives within the specific thresholds determined in and guided by the Investment Framework Policy, as prescribed by section 5(3) of the TIA Act.

The IFC considers investment proposals where the Agency's exposure per project is above R15 million but below or equal to R30.0 million; and it oversees the management of financial resources within its delegated authority. The IFC also considers ad hoc matters as delegated to it by the Board from time to time. During the reporting period, the committee approved investments in the amount of R71,755,939. The committee convened for a total of seven times during the period under review, as shown in Table 15.

Table 15: IFC dates of meetings and attendance record

Member	No. of meetings attended	15 May	14 Jun	28 Aug	18 Sep	27 Nov	25 Feb	19 Mar
Mr Butana Mboniswa	6	✓	✓	✓	✓	✓	✓	✗
Ms Lindiwe Matlali	7	✓	✓	✓	✓	✓	✓	✓
Ms Matshidiso Modise	5	✓	✓	✓	✓	✓		
Dr Revel Iyer	7	✓	✓	✓	✓	✓	✓	✓
Mr Loyiso Tyira	4				✓	✓	✓	✓
Prof. Keolebogile Motaung	4				✓	✓	✓	✓

Legend ✓ In attendance ✗ Not in attendance

18.3.3 HUMAN RESOURCES AND REMUNERATION COMMITTEE

The HR&REMCO derives its authority from the Board and was established in order to oversee and provide advice to the Board on matters central to the TIA's HR capability, design and strategy in addition to remuneration and succession planning.

The committee is responsible for ensuring that the Agency develops a framework, policies, guidelines and an environment that enables it to employ, reward and retain dedicated, motivated, efficient and loyal employees so as to achieve its long-term strategic goals. The social 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, dealing with matters such as the environment, health and safety, consumer relationships, labour and employment.

During the period under review, the committee considered reports on the Agency's recruitment plan, CEO profile, organisational design for the TIA corporate strategy, a salary benchmarking study and revised various HR policies.

The committee convened a total of 11 times during the period under review, as shown in Table 16.

Table 16: HR&REMCO dates of meetings and attendance record

Member	No. of meetings attended	11 Jun	24 Jun	23 Sep	26 Sep	7 Nov	21 Nov	28 Nov	9 Dec	20 Jan	11 Feb	10 Mar
Ms Sebenzile Matsebula	11	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Anati Canca	11	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr Thabiso Ramasike	11	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof. Keolebogile Motaung	7				✓	✓	✓	✓	✗	✓	✓	✓
Mr Loyiso Tyira	3									✓	✓	✓

Legend ✓ In attendance ✗ Not in attendance

18.3.4 BOARD TECHNICAL COMMITTEE

The purpose of the BTC is primarily to provide high-level strategic and strategy-related technical advice to the Board and management of the TIA. The BTC is a convening platform for key opinion leaders in the NSI and globally to help the Agency to think about its strategic positioning, function and the way it contributes to the global and international discourse. The committee may also consider matters of a technical nature that relate to other aspects of the Agency's mandate and it advises the Board on the strategic priorities which should be adopted in the context of the NSI, the overall objectives of the South African government and the objectives of Agency as set out in the TIA Act.

The committee also considers matters which may be referred to it by the Board or presented to it by the management of the Agency. The committee operates within the specific thresholds determined by the Delegation of Authority Framework as approved by the Board.

During the period under review, the committee was involved in the development of the new TIA strategy, considered progress reports on the implementation of the Ministerial Review reports, funding instruments, transformation programmes and innovation ecosystem mapping, among other matters.

The committee convened a total of 5 times during the period under review, as shown in Table 17.

Table 17: BTC dates of meetings and attendance record

Member	No. of meetings attended	20 Jun	24 Jul	25 Sep	5 Dec	17 Mar
Ms Anati Canca	5	✓	✓	✓	✓	✓
Ms Sebenzile Matsebula	5	✓	✓	✓	✓	✓
Dr Revel Iyer	4	✓	✓	✓	✗	✓
Mr Patrick Krappie	4	✓	✓	✓	✓	

Legend ✓ In attendance ✗ Not in attendance

18.4 REMUNERATION OF BOARD MEMBERS

Board members receive fees for the services they render to the Board and the Executive Authority in accordance with the relevant tariffs as determined by the National Treasury. These fees are regulated and updated from time to time and approved by the Minister. All Board members' travel costs in relation to executing their duties as TIA Board members, such as airfares and car hire, are paid for by the Agency. Board members are also reimbursed for incidental expenses related to parking, tolls and transfers. For the use of their personal vehicles in conducting the Agency's business members are reimbursed per kilometre as permitted by its travel policy. The breakdown of each member's remuneration is presented in note 28 (members' emoluments) of the AFS, presented in Part F of this report.

19. RISK MANAGEMENT

The TIA has an approved risk management policy and strategy in place. These are reviewed regularly to ensure that they remain aligned with the Agency's evolving objectives, regulatory requirements, emerging risks and best practice. The policy is aimed at formalising and standardising the approach towards ERM practices across the Agency and to enable it to identify, analyse, evaluate, treat, communicate and consult, monitor and review risks consistent with the enterprise-wide risk management approach.

The Agency conducts annual risk assessments at both the operational and the strategic level. Quarterly reviews and monitoring of the risk registers are also carried out to identify new risks and evaluate whether the mitigation strategies are managing risks to acceptable levels.

The Board has established an Audit and Risk Committee (ARC) which is responsible for overseeing the overall system of risk management and which regularly reports to the Board. In addition, the Agency has an internal Risk Management Steering Committee that plays a crucial role in enhancing the risk function in the combined assurance approach. This steering committee provides robust oversight and direction regarding risk-related matters, ensuring that identified risks are adequately dealt with and mitigated. Through the efforts of both committees the Board is kept well informed about the effectiveness of the risk management strategies and any emerging risks that require attention.

The ARC advises the Agency about risk management and independently monitors the effectiveness of the risk management system. This committee provides independent assurance and oversight, ensuring that the Agency's risk management processes are robust and effective. It reviews the risk management practices, assesses the adequacy of the risk mitigation strategies and advises the Board on improvements.

19.1 GOVERNANCE

The Board has overall responsibility for risk management, ensuring that it is embedded in all the processes and activities of the TIA. Effective risk management is essential to the Agency's strategic planning and operational success. As we navigate a business environment that is becoming increasingly complex and dynamic, it is crucial that we identify, evaluate and mitigate the risks that could have an impact on the achievement of our strategic objectives.

The Agency remains committed to a robust enterprise-wide risk management system by proactively identifying, managing and monitoring risks. It therefore strives to safeguard its interests, enhance stakeholder confidence and ensure sustainable growth in the long term. This ensures that the Agency takes a holistic view of the risks inherent in its strategy, operations and business and that the management of risks is embedded in the planning, business and decision-making processes in accordance with the approved Enterprise Risk Management Policy and Strategy and the Risk Appetite and Tolerance Framework.

The Agency's Executive Management acknowledges the dynamic nature of risks and the value of regular reviews. Furthermore, the Executive Management is accountable for designing, implementing and monitoring the process of risk management and for integrating it into the Agency's day-to-day activities.

As part of enhancing support for the risk management function, the Agency established an internal Risk Management Steering Committee that is a key role-player in maturing the risk function in the combined assurance approach. The committee provides robust oversight and direction regarding risk-related matters and ensures that the risks identified are adequately responded to and mitigated. The ARC provides an oversight role regarding the effectiveness of the Agency's risk management process, which is integrated into and central to its strategic planning process.

The Agency maintains a steadfast commitment to continuous improvement in risk management because effective risk management is a continuous process that requires ongoing monitoring and adaptation.

19.2 RISK CATEGORIES

The TIA manages risks at three levels, namely, strategic, operational and project.

Strategic risks are those that are most consequential to the Agency's ability to execute its strategy and achieve its constitutional mandate. These risk exposures can ultimately affect the Agency's shareholder value and long-term sustainability.

Operational risk refers to those risks that are inherent in the Agency's operations and processes. They are introduced by either internal factors (such as people, systems, legal and compliance, fraud) or external factors (such as suppliers, politics and the economic climate).

Project risks refer to those risks that could hinder the progress, result or outcome of a specific project funded by the Agency. They would result in deviations in expected returns on a project or affect the planned outcomes of specific value-creating initiatives.

19.3 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 and when problems and/or challenges emerge. The TIA Board and the Executive Management continuously review the principal risks to ensure they are aligned with the overall operating environment and that internal controls are in place to mitigate the risks to an acceptable level of residual risk. In total, ten strategic risks and 41 root causes were identified; these are listed in Table 18.

Table 18: 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
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

Figure 47 reflects the inherent risk and residual risk rating per risk after taking existing controls into account.

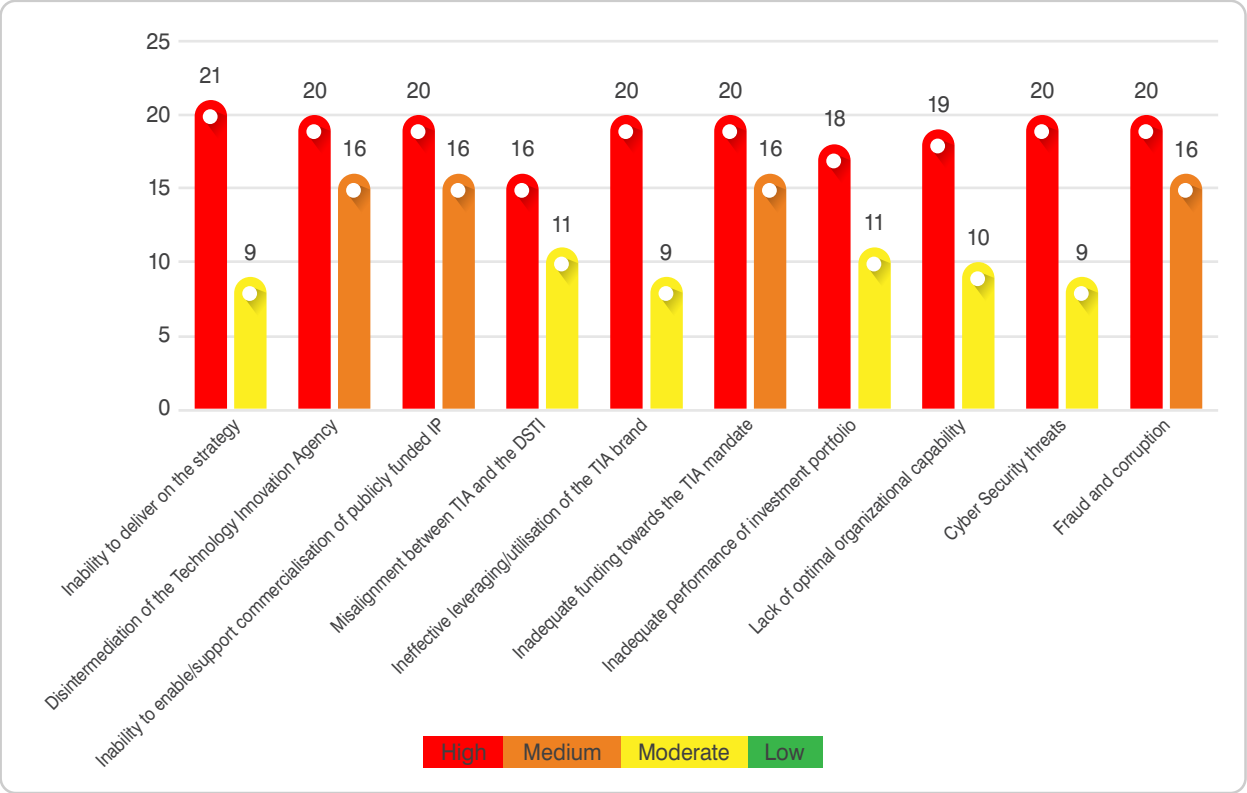


Figure 47: The TIA's strategic risks

19.4 RISK MANAGEMENT

At a strategic level, the risk management functions performed by the Board, Executive and Management include:

- the definition of risk;
- the determination of the risk appetite and tolerance levels;
- the development of adequate strategies and policies for managing risk; and
- the development of adequate systems and controls to ensure that, overall, risk remains within an acceptable level.

At an operational level, risk management is performed by the Risk Management function at an enterprise-wide level. Enterprise risk management activities are performed by the relevant business units and are entrenched through adherence to the operational procedures and guidelines set by management. Operational risk management strategies and policies are used in conjunction with delegated powers of authority which detail both the authority levels for various transactions and other approved organisational policies.

Project risk assessments are performed to identify key risks that could affect the progress, results or outcome of a specific project; and internal control processes and procedures are designed to mitigate adequately the risks identified. The implementation and effectiveness of planned actions are monitored throughout the duration of a project.

20. INTERNAL CONTROL UNIT

While the TIA does not have a separate Internal Control unit, the Agency'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 the Agency's management relies to mitigate the risks to acceptable levels are appropriate and functioning as intended; and it develops recommendations for enhancing and improving the Agency's overarching control environment.

21. INTERNAL AUDIT

21.1 PURPOSE AND OBJECTIVES

It is a requirement of the PFMA that an Internal Audit function must exist in all public entities. The primary objective of the Internal Audit function is to provide management, the ARC and the Board with an independent and objective level of assurance on the control environment of the Agency. By partnering and collaborating with the TIA's management, Internal Audit provides an assurance that is designed to add value to and improve the Agency's operations, its internal control environment and its risk management and governance processes. In addition, Internal Audit helps the Agency to accomplish its objectives by bringing a risk-based, systematic and disciplined approach to evaluating and improving the effectiveness of the risk management, internal control and governance processes.

The Internal Audit function remains in-house and the unit has maintained its independence by reporting functionally to the ARC and administratively to the CEO. The unit has established processes and procedures that are supported by a sound Internal Audit methodology. The purpose, authority and responsibility of Internal Audit are encapsulated in the Internal Audit Charter, which is approved periodically by the ARC.

21.2 KEY INTERNAL AUDIT ACTIVITIES

The primary scope of the Internal Audit function is to provide the TIA with an independent capability to perform assurance audits that are consistent with the relevant legislation, respond to the Agency's priorities and are aligned to its objectives. The function provides value-added assurance, supports positive change in the Agency and also supports stewardship and accountability in the spending of public funds.

Internal Audit focuses on the following key activities (among others):

- 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.
- Instances of non-compliance with the TIA's corporate governance, policies and procedures, applicable regulations and statutory requirements are identified and implementation plans are put in place to resolve these matters.

21.3 SUMMARY OF WORK DONE IN 2024/25

In accordance with the National Treasury requirements, an Annual Internal Audit Plan was prepared for 2024/25, which was approved by the TIA's ARC as required. The plan was developed to enhance organisational value by providing risk-based and objective assurance, advice and insight through professional practices to cope with emerging challenges.

During the period under review, an annual allocation of resources to audit activities was established on the basis of a systematic risk-based assessment, taking into account various governance structures, financial, operational and strategic internal and external risks, policies and processes, and also the requirements of the PFMA, Treasury Regulations, etc. In line with the approved Annual Internal Audit Plan for FY2024/25, internal audits were conducted across various TIA functional areas. In addition, a certain amount of capacity was devoted to ad hoc audit assignments including audits of the Agency's investments, projects and programmes, special investigations and requests from management, the ARC and the Board.

From an overarching perspective, during the period under review, Internal Audit completed all its audit activities planned for the year. These include internal assurance audits, project and programme audits, advisory assignments and ad hoc requests. In this regard, no evidence was presented to suggest that there were material breakdowns in, or threats to, the internal control environment and that the most significant risks at the TIA are at acceptable levels. A year-on-year comparison by Internal Audit showed that there has been a marginal improvement in the control environment. However, there was a regression in the adequacy and effectiveness of controls in certain functional areas. In this regard, the Agency has developed and implemented more stringent controls to ensure that the key matters identified are appropriately resolved. All the recommendations provided by Internal Audit have been appreciated and adopted by the Agency's management, where applicable.

22. COMPLIANCE WITH LAWS AND REGULATIONS

The TIA has implemented sufficient adequate processes, procedures, policies and frameworks to ensure that it complies with those legislative or regulatory matters that affect the Agency. The Internal Audit planning process identifies audit areas in a manner that ensures compliance with legislative requirements and supports a value-added audit process. Information relating to compliance matters is submitted to the ARC and the Board quarterly. Instances of non-compliance with applicable regulations and statutory requirements are identified and guidance is provided for implementation plans to respond to and resolve these matters. During the year being reported on, specific instances of non-compliance were identified during a corporate-wide compliance review that was proactively commissioned by the TIA's management to assist with compliance-related matters and improvements.

23. 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 themself 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.

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 ARC 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.

Once a disclosure has been made, management must be obligated to:

- acknowledge receipt of the disclosure in writing;
- within a period of 21 days after receiving the protected disclosure, decide whether to investigate the matter or to refer the disclosure to another person or body, if the disclosure could be investigated or dealt with more appropriately by that other person or body; and
- inform the employee making a disclosure about the steps that have been taken once the disclosure has been made.

The Agency 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 Internal Audit and also by independent external forensic firms (when necessary).

24. 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 ARC 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.

25. 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 (ARC, 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.

26. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Compliance with Occupational Health and Safety requirements has been the starting point for the Agency, which has required it to focus on assessing the health and safety needs across all the TIA's offices. The TIA has matured through the consistent and ongoing application of preventive controls within its work environments. Effective facilities management is achieved by analysing the environmental requirements and developing tailored solutions.

Facilities management

The TIA has been committed to maintain building compliance to uphold the integrity of its facilities and protect both staff members and the public in its environments. Building improvements are implemented to attend to and resolve any defects in accordance with building standards and regulations, including enabling greater accessibility for individuals with a disability. The possibility of reducing the office building size was based on the cost, competitive advantage and accessibility of TIA's office locations.

Environmental assessment

Members of the Occupational Health and Safety Committee are appointed and trained to conduct Hazard Identification and Risk Assessments (HIRA). They identified possible environmental hazards and threats, and implemented controls to prevent any occupational incidents. Regular disinfection of the work environment and the provision of disinfectant consumables help maintain a clean and safe workplace. Technologies and systems have been integrated into Business Continuity Planning (BCP); these have comprised both hardware and software that enhance operational workflows, security, efficiency and business accessibility for both onsite and offsite devices. Fire-detection systems and emergency equipment serve as essential emergency alert mechanisms in the TIA's premises, ensuring readiness for any emergencies.

27. COMPANY SECRETARY

The Company Secretary has an important role to play in ensuring effective governance in an organisation. The Company Secretary provides the Board with professional and independent guidance on corporate governance matters and its legal duties. In addition to co-ordinating the functioning of the Board and its committees, the Company Secretary acts as a central source of information for and advice to the Board on matters of ethics, adherence to good corporate governance principles and compliance with procedures and the applicable statutes and regulations. The unit facilitates the induction and ongoing training of Board members and helps to develop the Board's annual work plan and meeting agendas. It also prepares and distributes meeting materials, attends meetings, records minutes and manages action items that arise from these meetings.

In accordance with Principle 10 of the King IV Report on Corporate Governance for South Africa, 2016 (King IV™ 2016), the Company Secretary reports functionally to the Board and administratively to the CEO as the member of the Executive Management team designated for this purpose. The Company Secretary is not a Board member and has unfettered access to the Board but maintains an arm's- length relationship with the Board and its members. The Board must ensure that the Company Secretary is empowered and supported by it in carrying out the functions of their office. The appointment of the Company Secretary, Mr Kobus Louw, including his employment contract and remuneration, was approved by the Board.

The Company Secretary has certified that, to the best of his knowledge and belief, the TIA has lodged all such returns as are required in terms of the Companies Act 71 of 2008 and that such returns are true, correct and up to date. In addition, he has certified that the Agency has lodged with the Minister of Higher Education, Science, Technology and Innovation the financial statements in respect of the preceding financial year.

28. AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (ARC) is appointed in terms of section 51 of the PFMA, read with Principle 8 of King IV. The committee has performed its duties and carried out its responsibilities in accordance with its regularly reviewed ARC Charter and has executed specific duties delegated to it by the Board. Among other things, the Charter empowers the committee to exercise the following responsibilities:

- Examine and review the AFS and the report on the financial results.
- Appoint and evaluate the qualification, appropriateness, eligibility and independence of the external auditor and recommend the audit fees for Board approval.
- Approve the Internal Audit plan and the Internal Audit Charter.
- Evaluate the scope and effectiveness of the Internal Audit function to ensure that effective internal controls have been identified and are in place.
- Ensure that the TIA complies with all 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 the TIA.
- Discharge its duties relating to the safeguarding of assets, the implementation of adequate IT systems, effective control processes, the preparation of accurate

financial reporting, and generating statements in compliance with all applicable legal requirements and accounting standards.
- Monitor financial and all other risks, ensuring that mitigating action plans are in place.

28.1 AUDIT COMMITTEE RESPONSIBILITY

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. The committee also reports that it has adopted appropriate formal terms of reference as its Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained in the Charter.

28.2 EFFECTIVENESS OF INTERNAL CONTROLS

The committee's review of the findings of the Internal Audit's work, which is based on the risk assessments conducted in the public entity, revealed certain weaknesses, which were then raised with the public entity.

The Internal Audit is responsible for evaluating the effectiveness of the TIA's internal controls, including recommending their improvement. Therefore, the Internal Audit must determine whether the internal controls designed and applied by management are adequate and whether they function as intended.

The Internal Audit work provided the following assurance to the Agency's management and the Board for the year under review:

- Assets are adequately and appropriately safeguarded.
- Funds disbursed by the Agency are managed economically, effectively and efficiently.
- The applicable laws, regulations, directives and contracts are complied with by the public entity.
- Resources are acquired economically, used efficiently and protected adequately.
- Significant financial, managerial and operating information is accurate and reliable.
- Internal controls and systems (including IT systems) are efficient and effective.
- Financial and operating information is effective.

The Internal Audit made recommendations for the improvement of the efficiency and effectiveness of the public entity's operations. Whereas several areas requiring improvement were identified, there is reasonable assurance that the most significant risks at the Agency are at acceptable levels. It is the Internal Audit's overall view that the control environment remains effective; however, improvements are required in certain areas to improve the efficiency, effectiveness and adequacy of its governance, risk management, financial management and internal controls.

28.3 IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORTING

The public entity has reported both monthly and quarterly to the National Treasury, as is required by the PFMA.

28.4 EVALUATION OF FINANCIAL STATEMENTS

We have reviewed the AFS prepared by the public entity.

28.5 AUDITOR'S REPORT

We have reviewed the entity's implementation plan for audit matters raised in the previous year and we are satisfied that the matters have been adequately resolved. The committee concurs with and accepts the conclusions of the external auditor on the AFS and is of the opinion that the audited AFS should be accepted and read together with the report of the external auditor.

Thabiso Ramasike

Mr Thabiso Gerald Ramasike
Audit and Risk Committee Chairperson
Technology Innovation Agency

Date: 28 August 2025

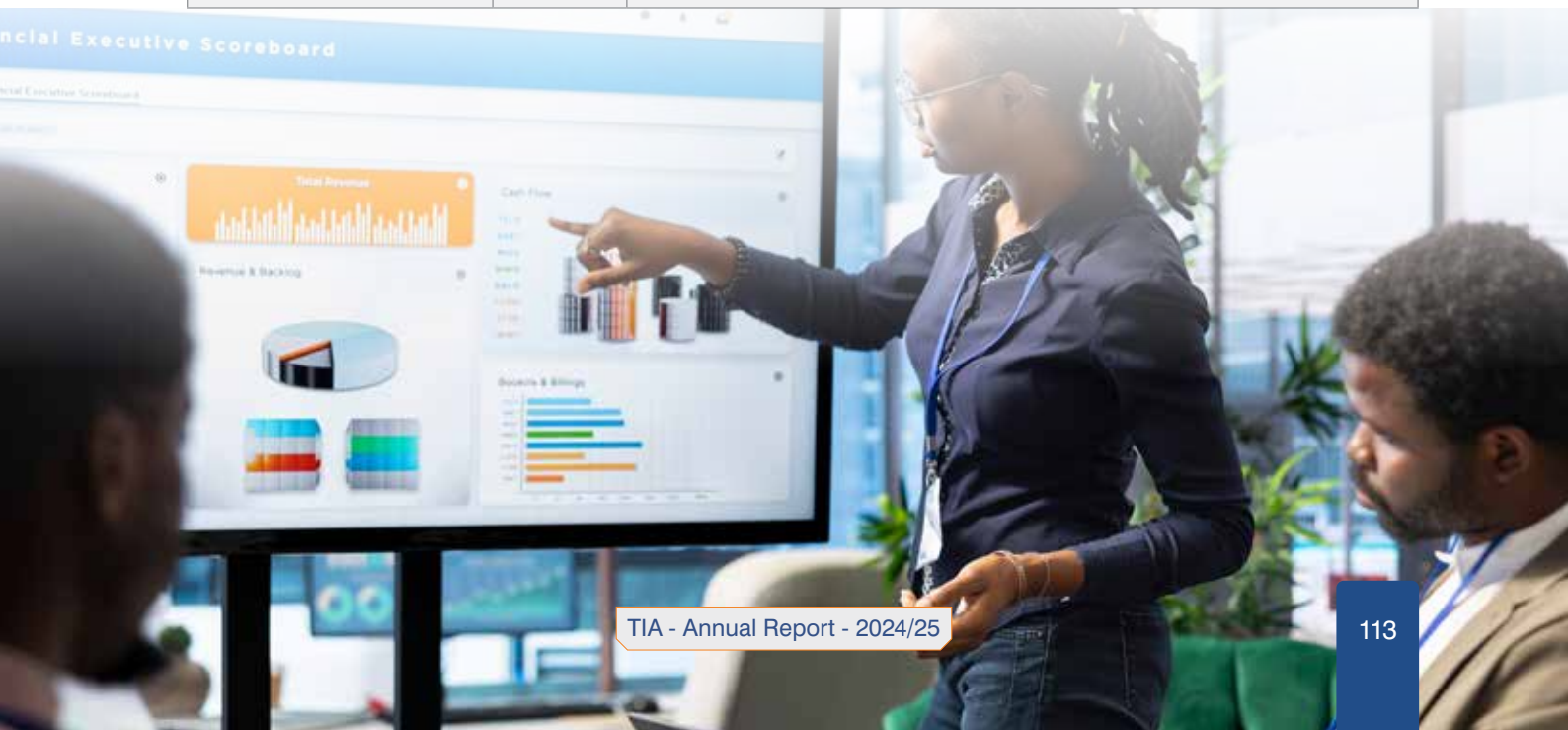
29. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The TIA remains dedicated to advancing the country's transformational agenda and adhering to the policy objectives of B-BBEE. This commitment is manifested through contributions in various sectors, including skills development, enterprise and supplier development, and preferential procurement. For 2024/25, the Agency set a target of allocating 15% of the total procurement spend to Black women and 5% to Black youths, a target that was successfully achieved. Procurement expenditure increased slightly (by 2.3%) from R77.5 million as at 31 March 2024 to R79.3 million as at 31 March 2025. Procurement from Black-owned businesses increased significantly, rising from 43.5% to 80.6%. The spend on Black youth-owned businesses increased from 7.1% to 11.5%.

The Agency not only focuses on its own B-BBEE contribution, but also ensures that the principles of B-BBEE are entrenched in the businesses of its funded projects through continuous monitoring of the projects' transformational plans. Table 19 contains more information regarding the ways in which the Agency has applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1–8).

Table 19: Application of B-BBEE Codes of Good Practice

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1–8) with regard to the following:		
Criteria	**Response Yes/No**	**Discussion**
Determining qualifying criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	–
Developing and implementing a preferential procurement policy?	Yes	The TIA has a Supply Chain Management Policy that is aligned to the Preferential Procurement Policy Framework Act, 2000 and the Preferential Procurement Regulation, 2022. The Agency sets annual targets such as supporting Black women-owned businesses (15% of the procurement spend) and supporting Black youth-owned businesses (5% of the procurement spend). The Agency reports quarterly on its procurement spend from Black women-owned businesses, Black youth-owned businesses, SMMEs and Black-owned businesses.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	–
Developing criteria for entering into partnerships with the private sector?	N/A	–
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	N/A	–



PART D
HUMAN RESOURCE MANAGEMENT

30. INTRODUCTION

The TIA is faced with the need to embark on cultural transformation, a collective long-term commitment to building an environment that supports all employees in adapting to environmental changes as the organisation evolves towards TIA 2.0. The process includes examining the current organisational culture and reviewing and updating our business processes and policies with a view to driving the desired organisational values and behaviours.

The Agency aims to build relevant capacity in preparing for the future; this will include analysing the past in order to prepare for the changes ahead while supporting our employees. The interplay between the standard behaviours, our recruitment and employee termination patterns and the way we treat our employees daily describes the TIA culture and it has an impact at all levels of the business. The envisaged cultural transformation will support the creation of an empowering work environment that will enable everyone to drive the TIA towards 2.0.

The organisation adopted the cultural transformation model that drives the organisational core values, which will be reviewed in alignment with the TIA 2.0 Corporate Strategy and those behaviours that reflect the values and norms outwardly. The transition period is managed through a change management process which is structured in a systematic manner to ensure pro-active communication and the creation of platforms for open discussions. The staff engagement session held in the last quarter of the current reporting year was a platform created for open discussions between the Board and the employees about the new corporate strategy, the TIA 2.0 vision and our expectations.

The shared vision is that the TIA 2.0 will be characterised by:

- improved performance and enhanced efficiency;
- increased agility;
- enhanced competitiveness and stronger brand positioning; and
- enhanced employee engagement with clear vision.

TIA 2.0 is more than a mere evolution: it represents a paradigm shift in the way the Agency will operate, moving from a traditional role to one where it actively curates, leads and stewards the innovation ecosystem. This new approach will focus on leveraging strategic partnerships, enhancing commercial success rates and ensuring that innovation reaches every corner of the nation. The HR initiatives will be aligned to ensure that this journey is supported accordingly. By fostering a positive and progressive culture, the TIA aims to unlock the full potential of the workforce.

31. HUMAN RESOURCES OVERSIGHT STATISTICS

31.1 PERSONNEL COST BY DIVISION

The TIA structure comprises three core divisions, namely, Bio-economy, Commercialisation and Innovation Enabling. The support functions under the Office of the CEO, Finance and Corporate Services are reported under Administration. The personnel costs to the organisation are guided by the Remuneration and Rewards policy as approved. These costs are part of the HR budget managed and monitoring throughout the year. The core divisions of the organisation incur the highest personnel expenditure, which is aligned to the technical skills and headcounts in those areas.
The personnel costs by division for 2024/25 are shown in Table 20.

Table 20: Personnel costs by division for 2024/25

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*	68,739	37,294	54.25	69	540
Bio-economy	215,798	49,433	22.91	34	1,454
Innovation Enabling	323,445	17,074	5.28	31	551
Commercialisation	78,672	21,434	27.24	18	1,191
TOTAL	**686,654**	**125,235**	**18.24****	**152**	**824**

** Administration incorporates Corporate Services, the CEO's Office and the CFO's Office.*

*** This is the average for the TIA, not the sum of the above averages.*

Note: The table includes only those positions funded through the MTEF allocation. It excludes Board remuneration, interns, workman's compensation and other provisions.

31.2 PERSONNEL COST BY SALARY BAND

The personnel costs by salary band for 2024/25 are shown in Table 21.

Table 21: Personnel costs by salary band for 2024/25

Level	Personnel expenditure (R'000)	% of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Top management	8,601	6.87	4	2,150
Senior management	25,404	20.29	17	1,494
Professional qualified	63,516	50.72	72	882
Skilled	20,075	16.03	51	394
Semi-skilled	867	0.69	3	289
Unskilled	754	0.60	5	151
Other*	6,018	4.81	0	0
TOTAL	**125,235**	**100.00**	**152**	**824**

** Other costs include workman's compensation and other provisions.*

Note: The table includes only those positions funded through the MTEF allocation.

31.3 PERFORMANCE REWARDS

The performance rewards are awarded in line with the TIA's Performance Management and Remuneration and Rewards policies. The rewards are an integral part of the Employee Value Proposition to contribute to increasing employee motivation, engagement and overall productivity.

Rewarding the performance incentives is preceded by a structured process of reviewing performance and the moderation of individual, business unit and divisional ratings in alignment to the overall organisational performance. The performance incentives are Board-approved, taking into consideration budget availability.

The TIA's performance rewards for 2024/25 are provided in Table 22.

Table 22: Performance rewards for 2024/25

Level	Performance rewards (R'000)	Personnel expenditure (R'000)	% of performance rewards to total personnel cost
Top management	467	8,601	0.37
Senior management	2,330	25,404	1.86
Professional qualified	4,336	63,516	3.46
Skilled	1,716	20,075	1.37
Semi-skilled	63	867	0.05
Unskilled	67	754	0.05
Other*	0	6,018	0
TOTAL	**8,979**	**125,235**	**7.17****

** Other costs include workmen's compensation and leave provisions.*

*** This is the average for the TIA, not the sum of the above averages.*

Note: Performance rewards for positions funded through investments (ringfenced) are also included.

31.4 TRAINING COSTS

Training and development initiatives are implemented to offer continuous learning opportunities to boost employee engagement by the acquisition of knowledge, skills or attitudes that prepare employees for new directions or responsibilities.

The training offerings include reskilling and upskilling interventions that enable employees to gain additional skills that will boost their own career growth for retention and business continuity, especially in cases where the TIA loses key and critical capacity due to natural attrition.

The TIA's training costs for the year under review are shown in Table 23.

Table 23: Training costs for 2024/25

Programme	Personnel expenditure (R'000)	Training expenditure (R)	Training expenditure as % of personnel cost	Number of employees trained	Average training cost per employee (R'000)
Administration*	37,294	514,263	1.37	93	5,530
Bio-economy	49,433	81,285	0.16	40	2,032
Innovation Enabling	17,074	73,243	0.43	27	2,713
Commercialisation	21,434	19,216	0.09	12	1,601
TOTAL	**125,235**	**688,007**	**0.55****	**172**	**4,000*****

Note: The total number of employees trained includes interns

** Administration incorporates Corporate Services, the CEO's Office and the CFO's Office.*

*** This is the average for the TIA, not the sum of the above averages.*

**** Training for positions funded through investments (ringfenced) is also included.*

31.5 EMPLOYMENT AND VACANCIES

The number of vacancies presented includes both funded and unfunded vacant positions. The HR budget allocated is not sufficient to support the filling of all vacant positions and it is reviewed quarterly to determine any savings to be employed in funding more unfunded vacant positions.

The considerations taken into account to fund vacant positions include prioritising critical capabilities that support the organisation in achieving the targets set in a particular year. The TIA acknowledges that every position in the organisational structure plays a critical role and that unfilled positions can in some instances affect the organisation and customers negatively. In this regard, efforts to retain the current workforce remain key.

The employment levels and vacancies by division and by salary band are shown in Table 24 and Table 25 respectively.

Table 24: Employment and vacancies by division for 2024/25

Programme	2023/24 number of employees	2024/25 approved posts	2024/25 number of employees	2024/25 vacancies	% of vacancies
Administration*	72	93	67	26	28
Bio-economy	39	51	39	13	25
Innovation Enabling	14	25	23	2	8
Commercialisation	18	24	14	10	42
TOTAL	145	193	143	51	26**

** Administration incorporates Corporate Services, the CEO's Office and the CFO's Office.*

*** This is the average for the TIA, not the sum of the above averages.*

Note: The table excludes interns, but includes ringfenced positions.

Table 25: Employment and vacancies by salary band for 2024/25

Level	2023/24 number of employees	2024/25 approved posts	2024/25 number of employees	2024/25 vacancies	% of vacancies
Top management	4	7	3	4	57
Senior management	18	32	16	6	19
Professional qualified	69	89	72	21	24
Skilled	45	57	43	20	35
Semi-skilled	4	3	4	0	0
Unskilled	5	5	5	0	0
TOTAL	**145**	**193**	**143**	**51**	**26***

** This is the average for the TIA, not the sum of the above averages.*

Note: The table excludes interns but includes ringfenced positions.

31.6 EMPLOYMENT CHANGES

The employment changes are attributed to the number of appointments and terminations experienced during the year. The professionally qualified and the skilled levels experienced the highest movements, which is a reflection of the competitive job market in the area of technical skills. The Agency's retention efforts are intensified at these levels because they form the core of the organisation.

The employment changes by salary band are shown in Table 26. They include internal recruitment and promotions.

Table 26: Employment changes by salary band for 2024/25

Level	Employment as at 1 April 2024	Appointments	Terminations	Employment as at 31 March 2025
Top management	4	1	2	3
Senior management	18	0	2	16
Professional qualified	69	6	2	73
Skilled	45	3	6	42
Semi-skilled	4	0	0	4
Unskilled	5	0	0	5
TOTAL	**145**	**10**	**12**	**143**

Note: The table excludes interns and changes in opening and closing balances due to internal promotions and movements.

31.7 REASONS FOR STAFF LEAVING

In the current year, our turnover rate remained under 10% at 12 people out of a total headcount of 143 (8.4%), with 10 (7.0%) being voluntary exits with a variety of reasons for leaving. These reasons for employees' leaving are used as feedback to the organisation in order to enhance our Employee Value Proposition so as to strengthen the organisation's employee retention efforts. This is to embrace the fact that a stable workforce positively affects morale and contributes to sustainable long-term operational efficiencies, healthy team dynamics and deepened institutional knowledge.

The reasons for staff leaving are shown in Table 27 and the reasons for staff resignations are indicated in Table 28.

Table 27: Reasons for staff leaving in 2024/25

Reason	Number	% of total number of staff leaving
Death	0	0
Resignation	10	83.3
Dismissal	1	8.3
Retirement	0	0
Ill health	1	8.3
Expiry of contract	0	0
Other	0	0
TOTAL	**12**	**99.9***

** Does not add up to 100.0% due to rounding.*

Note: The table excludes interns.

Table 28: Reasons for staff resignations in 2024/25

Reason	Number	% of total number of staff leaving
Own business	0	0
Career growth opportunity	1	10
Reason not disclosed	1	10
Personal reasons	4	40
Improved work–life balance	1	10
TOTAL	**10**	**100**

Note: The table excludes interns.

31.8 LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

The disciplinary policy as approved provides certainty and consistency in the application of consequence management processes. The aim is not punitive but to ensure corrective and progressive discipline is applied in accordance with the severity of the misconduct. The disciplinary process is about working with employees to maintain high standards of conduct and competence and encouraging improvement if they fall below these standards. A panel of labour consultants is appointed to support the organisation in instilling a harmonious work environment with relevant regulations and procedures in place.

A breakdown of the Agency's disciplinary actions in cases of misconduct is provided in Table 29.

Table 29: Misconduct and disciplinary actions in 2024/25

Nature of disciplinary action	Number
Verbal warning	0
Written warning	2
Final written warning	1
Dismissal	1

Note: The table excludes interns.

31.9 EQUITY TARGET, EMPLOYMENT EQUITY STATUS AND TRANSFORMATION

The TIA is committed to transformation and the recruitment of women, youths and persons with disabilities is fundamental to this national priority. Aligning with the economically active population, the recruitment practices in 2024/25 focused on the recruitment of core technical skills.

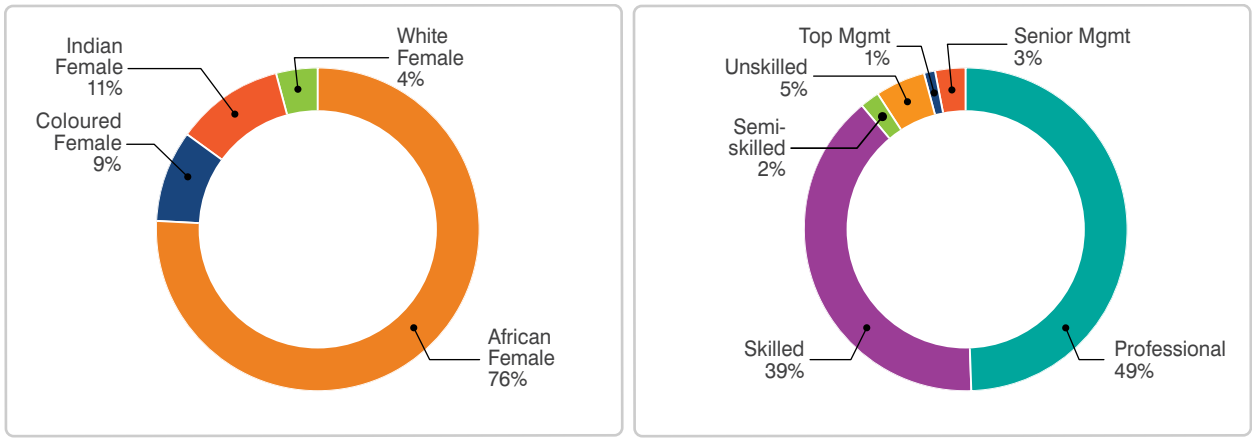
The TIA's employment equity profile as at 31 March 2025 is shown in Table 30. The table depicts the actual number of employees (according to demographic category) currently employed by the Agency compared to the ideal based on the economically active population.

Table 30: The TIA's employment equity profile as at 31 March 2025

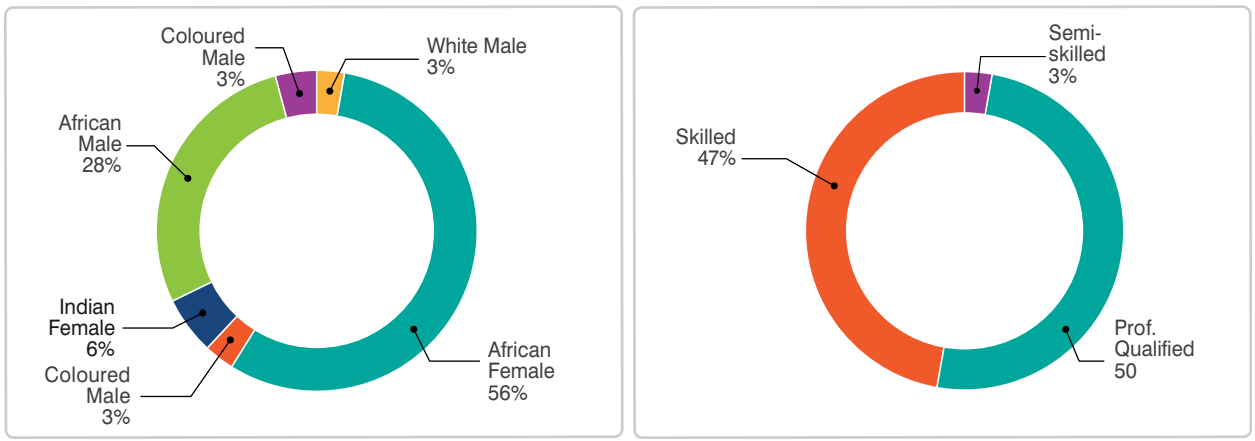
Employment equity level	Female				Female total	Male				Male total	Foreign nationals		Grand total
	A	C	I	W		A	C	I	W		Male	Female	
Top management	1	0	0	0	1	1	0	1	0	2	0	0	3
Senior management	2	0	0	1	3	6	1	2	3	12	1	0	16
Professional qualified	30	3	9	3	46	19	2	2	3	26	0	0	72
Junior management	31	4	1	0	36	7	0	0	0	7	0	0	43
Semi-skilled	1	1	0	0	2	2	0	0	0	2	0	0	4
Unskilled	5	0	0	0	5	0	0	0	0	0	0	0	5
TOTAL	**70**	**8**	**10**	**4**	**93**	**35**	**3**	**5**	**6**	**49**	**1**	**0**	**143**

The TIA's 2022/24 Employment Equity Plan aimed to enhance the Agency's representation in designated groups at all levels of the organisation. Notable progress has been made at the professionally qualified, junior management and semi-skilled levels. This can be attributed to the ability to attract the required skill sets. However, the number of vacant positions at the senior and top management levels remains high, which affects the employment equity representations at those levels. A structured and targeted sourcing plan will be adopted by the organisation to close these management and leadership skills gaps in alignment with the Employment Equity Plan.

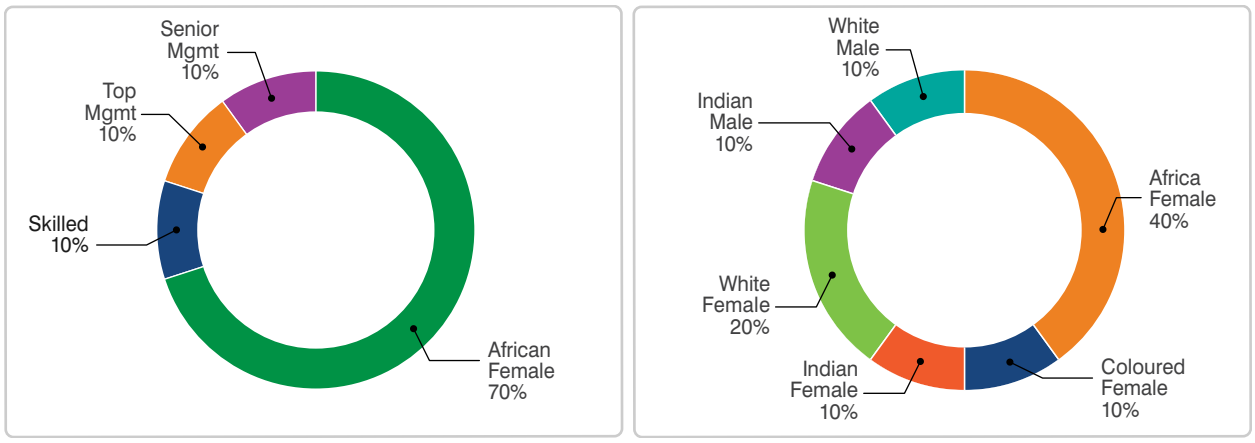
The employment equity demographics and occupational levels in the three categories of women, youths and persons with disabilities are presented in Figure 48 and Tables 31, 32, 33 and 34.



Demographics (left) and occupational levels (right) of the women employment segment



Demographics (left) and occupational levels (right) of the youth employment segment



Demographics (left) and occupational levels (right) of the persons with disabilities employment segment

Figure 48: Employment equity demographics and occupational levels of women, youths and persons with disabilities in the respective employment segments for 2024/25

Table 31: Female employees at the TIA for 2024/25 as at 31 March 2025

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	2	0	1	0	0	0	0
Senior management	2	5	0	1	0	1	1	1
Professional qualified	30	39	3	3	9	8	3	3
Skilled	31	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	**70**	**82**	**8**	**10**	**10**	**12**	**4**	**4**

Note: This table excludes interns.

Table 32: Male employees at the TIA for 2024/25 as at 31 March 2025

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	6	7	1	1	2	2	3	3
Professional qualified	19	22	2	2	2	2	3	3
Skilled	7	17	0	1	0	0	0	0
Semi-skilled	2	1	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**35**	**50**	**3**	**4**	**5**	**5**	**6**	**6**

Note: This table excludes interns.

Table 33: Persons with disabilities employed at the TIA for 2024/25 as at 31 March 2025

Level	Female		Male	
	Current	Target	Current	Target
Top management	0	0	1	1
Senior management	0	0	1	1
Professional qualified	7	2	0	0
Skilled	1	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**8**	**2**	**2**	**2**

Note: This table excludes interns.

Table 34: Youths employed at the TIA for 2024/25 as at 31 March 2025

Level	Current	%
Top management	0	0
Senior management	0	0
Professional qualified	16	11
Skilled	15	47
Semi-skilled	1	1
Unskilled	0	0
TOTAL	**32**	**22.4***

** This is the average for the TIA, not the sum of the above averages.*

Note: This table excludes interns.


CV
CV
HR

PART E
PFMA COMPLIANCE

32. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

32.1 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, R0.2 million of irregular expenditure was identified and no irregular expenditure was condoned during the reporting period.

2024/2025

During the current year, Disaster recovery services amounting to R0.2 million was procured based on a single source deviation process. However, the External Auditor's assessment differed from management's interpretation, concluding that a competitive quotation process should have been followed. This amount is undergoing determination.

2023/2024

In September 2021 the Agency entered into an agreement with its shareholder, the DSTI, relating to the Strategic Industrial Bio-innovation Programme (SIIP), with a funding commitment of R43.5 million over a three-year period. Subsequent reviews revealed that several projects, totalling R23.7 million, were approved beyond the bounds of the Agency's Delegation of Authority. This resulted in irregular expenditure, of which R1.9 million relates to the 2023/24 financial year, with the remainder pertaining to previous years.

In the previous financial year, the Agency also procured IT software licences and engaged the services of a labour relations expert through a limited bidding process, amounting to R1.5 million. These decisions were taken by management following due consideration of the Agency's procurement policy. However, the external auditor's assessment differed from management's interpretation, concluding that a competitive quotation process should have been followed.

Table 35: Reconciliation of irregular expenditure

Description	2023/24	2024/25
	R'000	R'000
Opening balance	38,131	41,587
Adjustment to opening balance	0	0
Opening balance as restated	38,131	41,587
Add: Irregular expenditure confirmed	3,456	207
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recoverable and written off	0	0
CLOSING BALANCE	**41,587**	**41,794**

Table 36: Reconciliation of irregular expenditure confirmed

Description	2023/24	2024/25
	R'000	R'000
Irregular expenditure that was under assessment		
Irregular expenditure that relates to the prior year and identified in the current year		0
Irregular expenditure for the current year	3,456	207
TOTAL	**3,456**	**207**

Details of irregular expenditure under assessment, determination and investigation

Table 37: Irregular expenditure under assessment, determination and investigation

Description	2023/24	2024/25
	R'000	R'000
Irregular expenditure under assessment	3,456	207
Irregular expenditure under determination		3,456
Irregular expenditure under investigation		
TOTAL	**3,456**	**3,663**

Details of irregular expenditure condoned

The entity anticipates submitting relevant irregular expenditure for condonation to National Treasury following undertaking necessary determination tests and implementation of consequence management as may be appropriate.

Table 38: Irregular expenditure condoned

Description	2023/24	2024/25
	R'000	R'000
Irregular expenditure condoned	0	0
TOTAL	**0**	**0**

Details of irregular expenditure removed but not condoned

To date no irregular expenditure has been removed from the register.

Table 39: Irregular expenditure removed but not condoned

Description	2023/24	2024/25
	R'000	R'000
Irregular expenditure removed but not condoned	0	0
TOTAL	**0**	**0**

Details of irregular expenditure recoverable

Based on all the determination tests concluded, a 'Nil' value has been recorded as a loss that requires recovery.

Table 40: Irregular expenditure recoverable

Description	2023/24	2024/25
	R'000	R'000
Irregular expenditure recoverable	0	0
TOTAL	**0**	**0**

Details of current and previous year's irregular expenditure written off

To date a 'Nil' value has been recorded as a write off.

Table 41: Current and previous year's irregular expenditure written off (irrecoverable)

Description	2023/24	2024/25
	R'000	R'000
Irregular expenditure written off (irrecoverable)	0	0
TOTAL	**0**	**0**

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

One matter is currently ongoing in regard to consequence management with the outcome of the disciplinary hearing unknown at the date of this report. This currently awaits the outcome of the investigation or determination.

32.2 FRUITLESS AND WASTEFUL EXPENDITURE

The opening balance in 2022/23 relates to previous-year expenses that could have been avoided for interest and penalties on PAYE (R80) for two controlled entities which were subsequently deregistered. In addition, included in the opening balance is an amount (R5,486) that could have been avoided for interest and penalties in taxes for one controlled entity that has since been deregistered.

Table 42: Reconciliation of fruitless and wasteful expenditure

Description	2023/24	2024/25
	R'000	R'000
Opening balance	85	85
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	**85**	**85**

No new fruitless expenditure has been recorded during the past two years.

Table 43: Reconciliation of fruitless and wasteful expenditure confirmed

Description	2023/24	2024/25
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	85	85
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	**85**	**85**

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.

32.3 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.

33. LATE AND/OR NON-PAYMENT OF SUPPLIERS

There are no unpaid invoices older than 30 days or an agreed period, whether without dispute or in dispute.

Table 44: Late and/or non-payment of invoices

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	7,163	404,829
Invoices paid within 30 days or agreed period	7,088	396,368
Invoices paid after 30 days or agreed period	75	8,461
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

34. SUPPLY CHAIN MANAGEMENT

34.1 PROCUREMENT BY OTHER MEANS

Details of procurement by other means

Section 16A6.4 of the Treasury Regulations for departments, trading entities, constitutional institutions and public entities issued in terms of the PFMA, 1999 states that if in a specific case it is impractical to invite competitive bids, the accounting officer or Accounting Authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids are recorded and approved by the accounting officer or the Accounting Authority. The TIA acquired the goods and services tabled below by deviating from inviting competitive bids.

Table 45: Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Stand for Mining Indaba	Hyve Events SA Limited	Deviation	TIA21011	R1,074,181.92
Total				**R1,074,181.92**

34.2 CONTRACT VARIATIONS AND EXPANSIONS

Details of contract variations and expansions

The TIA experienced two contract expansions for 2024/25. They were for a three-year lease extension for the Western Cape office and for job grading, remuneration and benchmarking services. There was one contract variation for 2023/24 audit overruns.

Table 46: 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 expansions) or variations) (if applicable) (R'000)	Value of current contract expansion or variation (R'000)
Three-year lease extension for the Western Cape office	Redefine Properties	Expansion	POS08814	R701,781.72	R701,781.72	R2,289,608.41
Job grading, remuneration benchmarking	Emergence Growth	Expansion	TIA19195	R415,454.32	R0	Total value +/- R699,966.45 for year 2024: R339,787.60 and for year 2025: +/- R360,174.85 (depending on CPI)
Audit for 2023/24 overruns	Nexia SAB&T Inc	Variation	TIA20674	R914,486.00	R0	R448,500.00
Total				**R2,031,722.04**	**R701,781.72**	**R3,438,074.41**


Analysing Dashboard
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$2,688K
100%
JUN
SUN MON TUE WED THU FRI SAT
2025
Income
expenses
Jan Feb Mar Apr May Jun Jul Aug Sept Oct Nov Dec
50%
Data # 1
55%
Data # 2

PART F
FINANCIAL INFORMATION

35. 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 member	Mr L Tyira Mr TG Ramasike Ms JSP Matsebula Ms AJ Canca Dr R Iyer Ms EL Matlali Mr I Abdoola (ex-officio Board member) Prof SCKM Motaung Mr BA Mboniswa Mr P Krappie (Acting ex-officio ended 31 January 2025)
Business address	83 Lois Avenue Menlyn Pretoria 0181
Postal address	PO Box 172 Pretoria 0063
Bankers	Standard Bank Ltd 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 JPJ Louw
South African Income Tax Number	9473012178
Public Benefit Organisation Number	930036084
Preparer	The consolidated annual financial statements were internally compiled by: Ms H Manyatsa Acting Chief Financial Officer

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The reports and the consolidated annual financial statements presented to Parliament are set out below:

36. BOARD'S RESPONSIBILITIES AND APPROVAL

The members are required by the PFMA, 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 were 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 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.

The members have reviewed the economic entity's cash-flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the economic entity 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 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 136 to 141.

The consolidated annual financial statements set out on pages 142 to 184, which have been prepared on the going concern basis, were approved by the Board on 28 August 2025 and were signed on its behalf by:

Loyiso Tyira

Mr L Tyira
Chairperson

Mr I Abdoola
Acting Chief Executive Officer

37. 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 the Technology Innovation Agency and its subsidiaries (the economic entity and controlling entity) set out on pages 142 to 184, which comprise the consolidated and separate statement of financial position as at 31 March 2025, consolidated and separate statement of financial performance, consolidated and separate statement of changes in net assets, consolidated and separate statement of cash flows and 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 2025 and their financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the 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.

Emphasis of Matter

6. We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Restatement of Corresponding Figures

7. As disclosed in note 35 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of errors in the financial statements of the public entity at, and for the year ended, 31 March 2025.

Responsibilities of Accounting Authority for the Consolidated and Separate Financial Statements

8. The Accounting Authority, is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with SA 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
9. 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

10. 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.
11. 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 139 to 141, forms part of our auditor's report.

37. INDEPENDENT AUDITOR'S REPORT

to Parliament on Technology Innovation Agency

Report on the Audit of the Annual Performance Report

12. 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.
13. We selected the following outcomes presented in the annual performance report for the year ended 31 March 2025 for auditing. 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
Commercialised innovations	44	To commercialise innovations that are economically sustainable to have a positive impact on the lives of all South Africans.
Delivering on the Bio-economy Strategy	44-45	To stimulate a productive bio-economy through technology innovation, thereby making a significant contribution to South Africa's economy.

14. 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.
15. 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
16. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
17. We did not identify any material findings on the reported performance information for the outcomes.

Other Matter

18. We draw attention to the matter below.

Achievement of Planned Targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.

Report on compliance with legislation

20. 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.
21. 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.
22. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance

37. INDEPENDENT AUDITOR'S REPORT

to Parliament on Technology Innovation Agency

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.

23. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual Financial Statements

24. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA. Material misstatements of current assets, revenue, and disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Consequence Management

25. We were unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA.

Other Information in the Annual Report

26. 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.
27. Our opinion on the financial statements and our findings on the reported performance information and the report on 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.
28. 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.
29. If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Internal control deficiencies

30. 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.
31. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
32. Management did not implement effective controls in certain areas to ensure accurate financial reporting, nor did they exercise adequate oversight responsibility over compliance with applicable legislation, which resulted in material adjustments made to the consolidated and separate financial statements, and consequence management not being implemented.

Other Reports

33. 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

34. An independent consultant was requested by Management to investigate and confirm managements findings in respect of the conduct of an employee pertaining to their role and involvement in the planning and preparation for an event, which covered the period 27 September 2023 to 29 September 2023. The investigation concluded on 14 November 2023 and resulted in disciplinary proceeding against the affected employees. The disciplinary proceeding was completed at the date of this auditor's report and the employee resigned.
35. An independent consultant was requested by Management to investigate potential irregularities relating to various investments made, how these have been managed, potential significant financial losses to the organisation, management override and potential conflicts of interests. The investigation concluded on 10 January 2025 and resulted in disciplinary proceeding against the affected employee. The disciplinary proceeding was completed at the date of this auditor's report and the employee resigned.

Audit-related Services

36. At the request of the public entity, an independent consultant performed an investigative audit on the conditional grant funding awarded to a recipient funded by the public entity. The report covered the period January 2020 to 16 May 2024 and was issued to the public entity on 16 May 2024.

NexiaSAB&T

Per: Muhammed Fazel Sulaman
Director
Registered Auditor
28 August 2025

119 Witch Hazel Avenue
Highveld Technopark
Centurion
0157

37. INDEPENDENT AUDITOR'S REPORT

to Parliament on Technology Innovation Agency

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.

37. INDEPENDENT AUDITOR'S REPORT

to Parliament on Technology Innovation Agency

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.

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 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	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

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Legislation	Section, regulation or paragraph
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)

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Statement of Financial Position as at 31 March 2025

	Note(s)	(R'000) Economic entity 2025	Economic entity 2024 (Restated*)	Controlling entity 2025	Controlling entity 2024 (Restated*)
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	3	12,477	12,494	12,477	12,494
Intangible assets	4	10,974	13,357	10,974	13,357
Investments in associates	6	–	50	–	–
Loans and receivables	7	23,088	24,463	23,088	24,463
Other financial assets	8	40,322	26,300	40,322	26,300
		86,861	**76,664**	**86,861**	**76,614**
CURRENT ASSETS					
Loans and receivables	7	3,054	2,638	3,054	2,638
Receivables from exchange transactions	9	33,166	10,883	33,166	10,883
Prepayments	10	3,631	3,307	3,631	3,307
Cash and cash equivalents	11	669,285	588,029	669,285	588,029
		709,136	**604,857**	**709,136**	**604,857**
TOTAL ASSETS		**795,997**	**681,521**	**795,997**	**681,471**
LIABILITIES					
CURRENT LIABILITIES					
Operating lease liability		473	595	473	595
Payables from exchange transactions	12	64,588	34,431	64,588	34,434
Unspent conditional grants and receipts	13	416,822	385,319	416,822	385,319
Employee benefits obligation	14	14,695	14,818	14,695	14,818
Provision for audit fees	15	–	227	–	227
		496,578	**435,390**	**496,578**	**435,393**
NON-CURRENT LIABILITIES					
Unspent conditional grants and receipts	13	120,106	115,900	120,106	115,900
TOTAL LIABILITIES		**616,684**	**551,290**	**616,684**	**551,293**
NET ASSETS		**179,313**	**130,231**	**179,313**	**130,178**

** See Note 35*

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Statement of Financial Performance for the year ended 31 March 2025

		(R'000)			
		Economic entity		Controlling entity	
	Note(s)	2025	2024 (Restated*)	2025	2024 (Restated*)
REVENUE					
Revenue from non-exchange transactions	16	646,777	614,537	646,777	614,537
Revenue from exchange transactions	17	70,538	53,646	70,538	53,646
Interest revenue	18	18,474	21,195	18,474	21,195
TOTAL REVENUE		**735,789**	**689,378**	**735,789**	**689,378**
EXPENDITURE					
Employee-related costs	19	(125,235)	(122,875)	(125,235)	(122,875)
Project funding expenditure	20	(491,139)	(517,816)	(491,139)	(517,816)
Depreciation and amortisation		(5,767)	(2,145)	(5,767)	(2,145)
Lease rentals on operating lease		(9,082)	(9,768)	(9,082)	(9,768)
Impairment	21	(5,727)	(3,766)	(5,727)	(3,766)
Deficit from equity accounted investments	6	(50)	(172)	–	–
Other operating expenses	23	(49,707)	(51,637)	(49,704)	(51,637)
TOTAL EXPENDITURE		**(686,707)**	**(708,179)**	**(686,654)**	**(708,007)**
SURPLUS (DEFICIT) FOR THE YEAR		**49,082**	**(18,801)**	**49,135**	**(18,629)**

** See Note 35*

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Statement of Changes in Net Assets for the year ended 31 March 2025

	(R'000)	
	Accumulated surplus	Total net assets
ECONOMIC ENTITY		
Opening balance as previously reported	140,027	140,027
Prior year adjustments (Note 34)	9,005	9,005
BALANCE AT 01 APRIL 2023 AS RESTATED*	**149,032**	**149,032**
Changes in net assets:		
Surplus for the year (restated*)	(18,801)	(18,801)
BALANCE AT 01 APRIL 2024 AS RESTATED*	**130,231**	**130,231**
Changes in net assets:		
Surplus for the year	49,082	49,082
Total changes	49,082	49,082
BALANCE AT 31 MARCH 2025	**179,313**	**179,313**
CONTROLLING ENTITY		
Opening balance as previously reported	139,802	139,802
Adjustments		
Prior year adjustments (Note 34)	9,005	9,005
BALANCE AT 01 APRIL 2023 AS RESTATED*	**148,807**	**148,807**
Changes in net assets: Surplus for the year (restated*)	(18,629)	(18,629)
Total changes	(18,629)	(18,629)
BALANCE AT 01 APRIL 2024 AS RESTATED*	**130,178**	**130,178**
Changes in net assets: Surplus for the year	49,135	49,135
Total changes	49,135	49,135
BALANCE AT 31 MARCH 2025	**179,313**	**179,313**

** See Note 35*

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Statement of Cash Flows for the year ended 31 March 2025

	Note(s)	(R'000) Economic entity 2025	Economic entity 2024 (Restated*)	Controlling entity 2025	Controlling entity 2024 (Restated*)
CASH FLOWS FROM OPERATING ACTIVITIES					
RECEIPTS					
Grants		654,733	784,722	654,733	784,722
Interest received		51,936	45,968	51,936	45,968
Other receipts		17,494	39,393	17,494	39,393
		724,163	870,083	724,163	870,083
PAYMENTS					
Employee-related costs		(125,235)	(123,819)	(125,235)	(123,819)
Project funding expenditure		(470,781)	(509,261)	(470,781)	(509,261)
Supplier and other operational expense payments		(45,466)	(80,519)	(45,466)	(80,519)
		(641,482)	(713,599)	(641,482)	(713,599)
NET CASH FLOWS FROM OPERATING ACTIVITIES	24	**82,681**	**156,484**	**82,681**	**156,484**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	3	(2,939)	(2,123)	(2,939)	(2,123)
Proceeds from sale of property, plant and equipment	3	118	–	118	–
Purchase of intangible assets	4	(440)	(5,109)	(440)	(5,109)
Proceeds from sale of other intangible assets	4	6	–	6	–
Loans advanced to economic entities	7	(900)	–	(900)	–
Repayment of loans from economic entities	7	1,980	5,925	1,980	5,925
Proceeds from sales of investment in associate	6	750	–	750	–
Loans advanced	7	–	(1,000)	–	(1,000)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(1,425)**	**(2,307)**	**(1,425)**	**(2,307)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**81,256**	**154,177**	**81,256**	**154,177**
Cash and cash equivalents at the beginning of the year		588,029	433,852	588,029	433,852
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11	**669,285**	**588,029**	**669,181**	**588,029**

** See Note 35*

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Statement of Comparison of Budget and Actual Amounts for the year ended 31 March 2025

BUDGET ON ACCRUAL BASIS

	(R'000)					
Controlling entity	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	28,002	–	**28,002**	70,538	**42,536**	Note 33 – A
Interest received	10,500	–	**10,500**	18,474	**7,974**	Note 33 – B
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	**38,502**	**–**	**38,502**	**89,012**	**50,510**	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
DSTI allocation	432,715	–	**432,715**	432,715	**–**	
Committed conditional grant from specific contract	122,334	–	**122,334**	214,062	**91,728**	Note 33 – C
TOTAL REVENUE FROM NON- EXCHANGE TRANSACTIONS	**555,049**	**–**	**555,049**	**646,777**	**91,728**	
TOTAL REVENUE	**593,551**	**–**	**593,551**	**735,789**	**142,238**	
EXPENDITURE						
Employee-related costs	(125,193)	–	**(125,193)**	(125,235)	**(42)**	Note 33 – D
Project funding expenditure	(419,031)	–	**(419,031)**	(491,139)	**(72,108)**	Note 33 – E
Depreciation and amortisation	(4,653)	–	**(4,653)**	(5,767)	**(1,114)**	Note 33 – F
Lease rentals on operating lease	(12,209)	–	**(12,209)**	(9,082)	**3,127**	Note 33 – G
Debt Impairment	–	–	**–**	(5,727)	**(5,727)**	Note 33 – H
Other operating expenditure	(32,465)	–	**(32,465)**	(49,704)	**(17,239)**	Note 33 – I
TOTAL EXPENDITURE	**(593,551)**	**–**	**(593,551)**	**(686,654)**	**(93,103)**	
SURPLUS/(DEFICIT)	**–**	**–**	**–**	**49,135**	**49,135**	

The budget is approved on an accrual basis and covers the period from 01 April 2024 to 31 March 2025. 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 2025 is provided below.

	Operating	Financing	Investing	Total
Actual amount on comparable basis	49,135	–	–	**49,135**
Basis difference	–	–	–	**–**
Timing difference	33,546	–	(1,425)	**32,121**
Entity difference	–	–	–	**–**
	82,681	–	(1,425)	**81,256**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Accounting Policies for the year ended 31 March 2025

1. PRESENTATION OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements have been prepared in compliance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These consolidated annual financial statements have been prepared in, and in compliance with 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. Amounts are rounded off to the nearest thousand. Accounting policies applied in the Annual Financial Statements are consistent with those of the prior year.

1.1 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.

1.2 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 consolidated annual financial statements incorporate the consolidated annual financial statements of the controlling entity and all controlled entity 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 at 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 these financial statements in accordance with the Standards of GRAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. Judgements and estimates are reviewed on an ongoing basis and any revisions are accounted for prospectively.

The following significant judgements were made in areas that have a pervasive effect on the financial statements

- Determination of whether control exists over a structured or partially owned entity.
- Determination of reportable segments and the aggregation of operating segment. In this regard management uses reportable segments as per its internal reporting as aligned to its strategic reporting to the Shareholder.
- Determination of fair value of financial assets. In this regard, fair value is determined based on the reliability and availability of relevant data and information.
- Determination of the impairment on loans, receivables and property, plant and equipment. Judgement is applied in relation to the recoverability of relevant receivables. Further judgement is applied in relation to depreciation where useful lives and residual values are reviewed annually.

Further information about other significant judgements and key sources of estimation uncertainty is disclosed in the relevant notes to the financial statements, including those relating to property, plant and equipment, provisions and financial instruments.

1.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recognised at cost on their acquisition date. The cost of an item of property, plant or equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the agency. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Accounting Policies for the year ended 31 March 2025

1.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value. The depreciable amount of an asset is allocated on a systematic basis over its useful life. Management expects to use the assets for their full useful lives and therefore the residual values are estimated to be negligible.

When an asset is acquired without cost, or for a nominal cost, it is initially recognised at its fair value at the date of acquisition. This fair value becomes the asset's deemed cost for subsequent accounting purposes.

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 or the useful life
Furniture and office equipment	Straight-line	3–20 years
Motor vehicles	Straight-line	16 years
Laboratory equipment	Straight-line	5–20 years

Assets are estimated to have a zero residual value as the entity expects to use the assets until the end of their useful life.

No changes were made to the depreciation methods or the residual value estimates, as they remain appropriate in the light of the condition and the expected pattern of use of the assets.

Changes in useful life estimates were made. Details of such changes, including the financial impact, are disclosed in Note 36 to the financial statements.

The depreciation charge for each period is recognised in either surplus or deficit. Assets are reviewed annually for indicators of impairment.

Based on this review, no events or conditions were identified that would suggest the assets may be impaired. As a result, no impairment losses were recognised for the year.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or no further service potential is expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in either surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Major refurbishments are capitalised when recognition criteria are met. Routine maintenance is expensed treated as an expense.

1.5 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the Agency; or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Intangible assets' amortisation is provided on a straight-line basis over their useful life. 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	Amortisation method	Average useful life
Computer software	Straight-line	2–7 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 1.2).

CONTROLLING ENTITY ANNUAL FINANCIAL STATEMENTS

In the entity's separate consolidated annual financial statements, investments in controlled entities are carried at cost.

The entity applies the same accounting for to each category of investment.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Accounting Policies for the year ended 31 March 2025

1.6 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

Investments in controlled entities that are accounted for in accordance with the accounting policy on financial instruments in the consolidated annual financial statements are accounted for in the same way in the controlling entity's separate consolidated annual financial statements.

1.7 INVESTMENTS 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 deficit 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 of 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

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial assets	Financial asset measured at cost/fair value
Cash and cash equivalents	Financial asset measured at amortised cost
Loans and receivables	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost

1.8 FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from transactions	Financial liability measured at amortised cost

1.9 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 as an expense on the Statement of Financial Performance.

1.10 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 is recognised as an operating lease asset or liability.

1.11 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.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Accounting Policies for the year ended 31 March 2025

1.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash at bank and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are measured at fair value on initial recognition and subsequently at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents include:

- Cash on hand
- Cash held in call accounts or demand deposits
- Bank balances
- Short-term investments with original maturities of three months or less.

1.13 EMPLOYEE BENEFITS

- Skills development levies and UIF contributions
- Performance-based incentives, where applicable.

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) is recognised in the period in which the service is rendered and is 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 surplus sharing and 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.

DEFINED CONTRIBUTION PLANS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) 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 26.

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.

1.16 REVENUE FROM EXCHANGE TRANSACTIONS MEASUREMENT

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

ROYALTIES

Royalties are recognised as they are earned in accordance with the substance of the transasction. Royalties are recognised following receipt of the annual financial statements from projects and verification of supporting documents.

INTEREST INCOME

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

A management fee is charged for services provided under a specific contracted programme and is recognised in accordance with the terms and conditions of the agreement.

SUNDRY RECEIPTS

Sundry receipts are recognised as and when they are incurred.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Accounting Policies for the year ended 31 March 2025

1.17 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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 PROJECT EXPENDITURE AND OTHER OPERATIONAL EXPENDITURE

Project expenditure 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 project expenditure, amounts are expensed based on the eligibility and fulfilment of relevant contractual conditions.

The related cost of providing services recognised as revenue in the current period is included in the cost of sales.

1.19 COMPARATIVE FIGURES

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 of 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.

1.20 SEGMENT INFORMATION

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

1.21 BUDGET INFORMATION

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31 and is only for the controlling entity.

The consolidated annual financial statements and the budget are on the same basis of accounting; therefore, a comparison with the budgeted amounts for the reporting period has been included in the statement of comparison of budget and actual amounts.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

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 2025 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (amended): Financial Instruments	01 April 2025	The Agency is in the process of assessing the full impact of GRAP 104 (Revised). Increased impairments on receivables are expected, but no material impact on the financial position is anticipated.
• GRAP 1: Presentation of Financial Statements	To be determined by the Minister of Finance	Impact is currently being assessed.
• GRAP 103: Heritage assets	To be determined by the Minister of Finance	Unlikely that there will be a material impact as the Agency does not currently hold any heritage assets.
• 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 106: 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 107: Mergers	To be determined by the Minister of Finance	Unlikely that there will be a material impact as no mergers are anticipated.
• IGRAP 22: Foreign Currency Translation and Advance Consideration	01 April 2025	Unlikely that there will be a material impact as there are minimal foreign currency transactions.

3. PROPERTY, PLANT AND EQUIPMENT

	R'000					
	2025			2024 (Restated)		
Economic entity	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and office equipment	27,547	(18,696)	8,851	31,512	(22,609)	8,903
Motor vehicles	348	(282)	66	371	(280)	91
Leasehold improvements	160	(77)	83	1,960	(2,027)	(67)
Laboratory equipment	12,376	(8,899)	3,477	13,039	(9,472)	3,567
TOTAL	**40,431**	**(27,954)**	**12,477**	**46,882**	**(34,388)**	**12,494**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	R'000					
	2025			2024 (Restated)		
Controlling entity	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and office equipment	27,547	(18,696)	8,851	31,512	(22,609)	8,903
Motor vehicles	348	(282)	66	371	(280)	91
Leasehold improvements	160	(77)	83	1,960	(2,027)	(67)
Laboratory equipment	12,376	(8,899)	3,477	13,039	(9,472)	3,567
TOTAL	**40,431**	**(27,954)**	**12,477**	**46,882**	**(34,388)**	**12,494**

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 – ECONOMIC ENTITY – 2024 (RESTATED)

	R'000			
	Opening balance	Additions	Depreciation	Total
Furniture and office equipment	8,055	1,593	(745)	8,903
Motor vehicles	94	–	(3)	91
Leasehold improvements	(129)	74	(12)	(67)
Laboratory equipment	3,251	481	(165)	3,567
	11,271	**2,148**	**(925)**	**12,494**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY AND EQUIPMENT – CONTROLLING ENTITY – MARCH 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 AND EQUIPMENT – CONTROLLING ENTITY – MARCH 2024 (RESTATED)

	R'000			
	Opening balance	Additions	Depreciation	Total
Furniture and office equipment	8,055	1,593	(745)	8,903
Motor vehicles	94	–	(3)	91
Leasehold improvements*	(129)	74	(12)	(67)
Laboratory equipment	3,251	481	(165)	3,567
	11,271	**2,148**	**(925)**	**12,494**

** 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 and Capitalisation 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.*

	R'000		
Reconciliation of purchase of property, plant and equipment	Cash out flow	Non- cash flow	Total
Furniture and office equipment	2,575	–	2,575
Leasehold improvements	99	104	203
Laboratory equipment	265	–	265
	2,939	**104**	**3,043**

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 project expenditure. Refer to Note 20 for further details.

CHANGE IN ESTIMATE

In line with GRAP 17 (para 56), 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 R0.4 million in the current year. The following represents the impact per asset class:

MAINTENANCE OF PROPERTY, PLANT AND EQUIPMENT

Repairs and maintenance relating to property, plant and equipment amounted to R150,000 (2024: R94,000).

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

4. INTANGIBLE ASSETS

	R'000					
	2025			2024 (Restated)		
Economic entity	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	22,166	(11,192)	10,974	20,018	(8,476)	11,542
Work in progress	–	–	–	1,815	–	1,815
TOTAL	**22,166**	**(11,192)**	**10,974**	**21,833**	**(8,476)**	**13,357**

	R'000					
	2025			2024 (Restated)		
Controlling entity	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	22,166	(11,192)	10,974	20,018	(8,476)	11,542
Work in progress	–	–	–	1,815	–	1,815
TOTAL	**22,166**	**(11,192)**	**10,974**	**21,833**	**(8,476)**	**13,357**

RECONCILIATION OF INTANGIBLE ASSETS – ECONOMIC ENTITY – MARCH 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 – ECONOMIC ENTITY – MARCH 2024 (RESTATED)

	R'000			
	Opening balance	Additions	Amortisation	Total
Computer software	9,662	3,294	(1,414)	11,542
Work in progress	–	1,815	–	1,815
	9,662	**5,109**	**(1,414)**	**13,357**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

4. INTANGIBLE ASSETS (CONTINUED)

RECONCILIATION OF INTANGIBLE ASSETS – CONTROLLING ENTITY – MARCH 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 – MARCH 2024 (RESTATED)

	R'000			
	Opening balance	Additions	Amortisation	Total
Computer software	9,662	3,294	(1,414)	11,542
Work in progress	–	1,815	–	1,815
	9,662	**5,109**	**(1,414)**	**13,357**

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 R1k in current year and is expected to reduce amortisation in the outer years based on respective useful lives. The following represents the impact:

	R'000		
	Original amortisation	Change in amortisation	Amortisation after change
Computer software	24	1	25
	24	**1**	**25**

5. INVESTMENTS IN CONTROLLED ENTITIES

	R'000			
Name of company	% holding 2025	% holding 2024	Carrying amount 2025	Carrying amount 2024
Natural Carotenoids South Africa (Pty) Ltd*	98.8	98.8	–	–
			–	–

The carrying amounts of controlled entities are shown net of impairment losses.

** The investment in Natural Caretonoids is currently in the process of deregistration and remains dormant with no assets and liabilities to be reported on. All net assets were previously transferred into an established technology platform called Microalgal Technology Development and Demonstration Centre.*

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

6. INVESTMENTS IN ASSOCIATES

Name of entity	Reporting period end	% holding 2025	% holding 2024	R'000 Carrying amount 2025	R'000 Carrying amount 2024
ACTIVE INVESTMENTS					
LifeAssay Diagnostics(Pty) Ltd	28 February	26.00	26.00	–	–
Ribotech (Pty) Ltd	31 August	35.00	35.00	–	–
Tenacent SA (Pty) Ltd	28 February	–	20.00	–	50
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	–	–
				–	50

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.*

During the current year, the Agency disposed of Tenacent SA (Pty) Ltd at cost for R0.75 million. No profit/loss was realised in the disposal.

RECONCILIATION OF INVESTMENTS – 2025

	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)	–	–	–
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)**	**–**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

6. INVESTMENTS IN ASSOCIATES (CONTINUED)

RECONCILIATION OF INVESTMENTS – 2024

	R'000		
	Cost	Impairment	Net book value
LIFEASSAY DIAGNOSTICS (PTY) LTD	1	(1)	–
Ribotech (Pty) Ltd	36,789	(36,789)	–
Tenacent SA (Pty) Ltd	750	(700)	50
INVESTMENTS IN THE PROCESS OF DEREGISTRATION/ LIQUIDATION	1,004	(1,004)	–
Niocad (Pty) Ltd			
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	**(53,211)**	**50**

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-stimulating factor (rhG-CSF), a product which is used in cancer treatments
Tenacent (Pty) Ltd	Development and sales of technical devices for the control of containers

All the above entities are incorporated in South Africa.

	R'000	
	Controlling entity	
	2025	2024
SUMMARY OF CONTROLLED ENTITY'S INTEREST IN ASSOCIATE		
Total assets	1,442	1,544
Total liabilities	(59,584)	(62,087)
Revenue	–	1,965
Deficit	(97)	(535)

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 used the latest available financial information for the purposes of disclosure.

For Ribotech (Pty) Ltd, the financial year-end was 31 August 2024. 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.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

6. INVESTMENTS IN ASSOCIATES (CONTINUED)

UNRECOGNISED SHARE OF LOSSES OF ASSOCIATES

The economic entity has discontinued recognising its share of the deficit of its active associates (Ribotech (Pty) Ltd and LifeAssay Diagnostics (Pty) Ltd), as the investments are held at RNil (2024: RNil) and the economic entity has no obligation for any deficit of the associate. The total unrecognised deficit for the current period is R0.12 million (2024: R0.19 million). The accumulated unrecognised deficit to date amount to R57.03 million (2024: R56.91 million).

7. LOANS AND RECEIVABLES

	(R'000)			
	Economic entity		Controlling entity	
	2025	2024 (Restated*)	2025	2024
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 provision for impairment.	–	–	–	–
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.	20,409	20,841	20,409	20,841
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.	4,033	3,960	4,033	3,960
AGRIREVOLUTION (PTY) LTD A loan amount of R1 million was advanced in the year prior 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) as at year-end amounts to R1.19 million. This loan has been fully provided for as the business remains in financial distress.	–	–	–	–
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	1,700	2,300	1,700	2,300
GRAF IN TECH (PTY) LTD The Agency disbursed funding to the entity as part of funds of managed on behalf of the Innovation Fund. A total loan of R0.9 million was advanced during the year with repayment expected on 30 April 2025. As at 31 March, only R0.5 million was received.The remaining loan balance of R0.4 million was not repaid as at 30 April 2025 and has been fully impaired.	–	–	–	–
	26,142	**27,101**	**26,142**	**27,101**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

7. LOANS AND RECEIVABLES (CONTINUED)

ANALYSIS OF NET BOOK VALUE OF LOANS AND RECEIVABLES – 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**

ANALYSIS OF NET BOOK VALUE OF LOANS AND RECEIVABLES – 2024

	(R'000)		
	Loan balance due before impairment	Accumulated impairment	Net balance
Agriprotein (Pty) Ltd	2,037	(2,037)	–
Balancell Energy (Pty) Ltd	20,841	–	20,841
Stone Three Digital (Pty) Ltd	4,033	(73)	3,960
Agrirevolution (Pty) Ltd	1,058	(1,058)	–
TMI Consultancy CC	2,300	–	2,300
	30,269	**(3,168)**	**27,101**

	(R'000)			
	Economic entity		Controlling entity	
	2025	2024 (Restated*)	2025	2024
OVERALL RECONCILATION OF LOANS AND RECEIVABLES				
Opening balance	27,101	27,056	27,101	27,056
Repayment of loans	(1,980)	(5,925)	(1,980)	(5,925)
Interest earned	648	608	648	608
Adjustments to provision for impairment	(527)	3,858	(527)	3,858
Loans granted	900	1,504	900	1,504
	26,142	**27,101**	**26,142**	**27,101**
Non-current assets	23,088	24,463	23,088	24,463
Current assets	3,054	2,638	3,054	2,638
	26,142	**27,101**	**26,142**	**27,101**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

7. LOANS AND RECEIVABLES (CONTINUED)

LOANS TO ECONOMIC ENTITIES IMPAIRED

As at 31 March 2025, loans to economic entities of R103.8 million (2024: R103.28 million) were impaired and provided for. The movement from the prior year to the current year includes current year impairment and a reversal of prior year impairment.

RECONCILIATION OF PROVISION FOR IMPAIRMENT ON LOANS AND RECEIVABLES

	(R'000)			
	Economic entity		Controlling entity	
	2025	2024 (Restated*)	2025	2024
Opening balance	103,279	107,137	103,279	107,137
Provision for impairment	527	2,862	527	2,862
Reversal of provision	–	(6,720)	–	(6,720)
CLOSING BALANCE	**103,806**	**103,279**	**103,806**	**103,279**

The creation and release of provision for impaired receivables has been included in operating expenses in the statement of financial performance. Amounts provided for impairment are generally written off when the recovery of such amounts is improbable.

8. OTHER FINANCIAL ASSETS

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	14,022	–	14,022	–
TOTAL OTHER FINANCIAL ASSETS	**40,322**	**26,300**	**40,322**	**26,300**
NON-CURRENT ASSETS				
Share capital	17,022	3,000	17,022	3,000
Shareholder loan	23,300	23,300	23,300	23,300
	40,322	**26,300**	**40,322**	**26,300**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

8. OTHER FINANCIAL ASSETS (CONTINUED)

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	
	2025	2024 (Restated*)	2025	2024
LEVEL 3				
ArcAqua (Pty) Ltd	14,022	–	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, as well as status and 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 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 17.

No material changes occurred between the date of the valuation and the financial year-end. As such, management considers the fair value to be accurate.

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.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

9. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	(R'000)			
	Economic entity		Controlling entity	
	2025	2024 (Restated*)	2025	2024
Trade debtors	39,698	11,706	39,698	11,706
Deposits	282	282	282	282
Other receivables	3,704	6,782	3,704	6,782
Provision for bad debt	(10,518)	(7,887)	(10,518)	(7,887)
	33,166	**10,883**	**33,166**	**10,883**

Receivables from exchange are financial instruments as defined and are they measured at amortised cost. Included in other receivables is R3.37 million (2024: R3.37 million) to be recovered from the DSTI.

TRADE DEBTORS AND OTHER RECEIVABLES PAST DUE BUT NOT IMPAIRED

Receivables from exchange transactions which are past due are not considered to be impaired with the exception of recoveries relating to investments where the likelihood of recovery is improbable. At 31 March 2025, R10.70 million (2024: R3.10 million) of receivables from exchange transactions was past due but not impaired.

TRADE DEBTORS AND OTHER RECEIVABLES IMPAIRED

As at 31 March 2025, receivables from 'exchange transactions' of R10.52 million (2024: R7.89 million) were impaired and provided for.

The ageing of these receivables is as follows:

SUMMARY OF AGEING OF PROVISION				
Current to 3 months	5,008	–	5,008	–
3 to 6 months	4	1,581	4	1,581
Over 6 months	5,506	6,306	5,506	6,306
	10,518	**7,887**	**10,518**	**7,887**

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF TRADE DEBTORS AND OTHER RECEIVABLES				
Opening balance	7,887	7,096	7,887	7,096
Provision for impairment	2,631	791	2,631	791
	10,518	**7,887**	**10,518**	**7,887**

The creation and release of provision for impaired receivables have been included in the operating expenses in the Statement of Financial Performance. Amounts provided for impairment are generally written off when the recovery of such amounts is improbable.

No collateral is held as security.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

10. PREPAYMENTS

	(R'000)			
	Economic entity		Controlling entity	
	2025	2024 (Restated*)	2025	2024
Rentals	1,115	1,035	1,115	1,035
Software licences	2,516	2,272	2,516	2,272
	3,631	**3,307**	**3,631**	**3,307**

Prepayments comprises a total amount of R1.11 million (2024: R1.03 million) for rentals for the Western Cape, Durban and Pretoria offices as well as the Bio-processing Platform. In addition, this amount includes software licences totalling R2.52 million (2024: R2.27 million) which are paid for in advance.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	669,285	588,029	669,285	588,029

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 R536.93 million (2024: R501.22 million) as they relate to specific contracted programmes.

12. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	8,536	9,016	8,536	9,016
Short-term employee benefits*	621	624	621	624
Accruals	55,431	24,791	55,431	24,794
	64,588	**34,431**	**64,588**	**34,434**

** This relates to third party payments such as UIF.*

Included in other accruals is an amount of R53.25 million for project expenditure accruals.

PAYABLES FROM EXCHANGE TRANSACTIONS COMPRISE:				
Financial liabilities	63,967	33,807	63,967	33,810
Non-financial liabilities	621	624	621	624
	64,588	**34,431**	**64,588**	**34,434**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

13. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

	(R'000)			
	Economic entity		Controlling entity	
	2025	2024 (Restated*)	2025	2024
UNSPENT CONDITIONAL GRANTS AND RECEIPTS COMPRISE:				
Africa Programmes	3,005	6,675	3,005	6,675
Agriculture Bio-economy Partnership Programme	16,229	14,046	16,229	14,046
Bio-manufacturing Enterprise Management	4,255	4,840	4,255	4,840
Clothing and Textile Hub	5,185	4,789	5,185	4,789
Fibrelux Technology Diffusion Initiative	49	46	49	46
Innovation Fund	266,301	284,088	266,301	284,088
Innovation for Inclusive Development	63,070	79,831	63,070	79,831
Joint Technology Innovation Programme	218	201	218	201
Limpopo Agri Food Technology Station	–	153	–	153
South African Biodesign Initiative Programme	319	3,419	319	3,419
Seed Fund Programme	59,588	–	59,588	–
Space Innovation Initiative	86,896	88,780	86,896	88,780
Strategic Industrial Bio-innovation Programme	12,921	4,673	12,921	4,673
Strengthening the Europe-Africa Digital Ecosystem	284	373	284	373
Technology Station Programme	1,942	2,086	1,942	2,086
United Nations Industrial Development Organisation	3,129	7,213	3,129	7,213
Nanotech Platform	12,030	–	12,030	–
Orbis Foundation	1,500	–	1,500	–
Vaccine Development and Management Strategy	7	6	7	6
	536,928	**501,219**	**536,928**	**501,219**
MOVEMENT DURING THE YEAR				
Balance at the beginning of the year	501,219	305,159	501,219	305,159
Additions during the year	249,771	351,166	249,771	351,166
Income recognition during the year	(214,062)	(155,106)	(214,062)	(155,106)
	536,928	**501,219**	**536,928**	**501,219**
Non-current liabilities	120,106	115,900	120,106	115,900
Current liabilities	416,822	385,319	416,822	385,319
	536,928	**501,219**	**536,928**	**501,219**

Unspent conditional grants represent funds retained primarily to fund specific contracts with the 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.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

14. EMPLOYEE BENEFITS OBLIGATION

RECONCILIATION OF EMPLOYEE BENEFITS OBLIGATION – ECONOMIC ENTITY – 2025

	(R'000)				
	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay	5,591	7,953	(8,106)	–	5,438
Provision for bonus	9,227	9,000	(8,949)	(21)	9,257
	14,818	**16,953**	**(17,055)**	**(21)**	**14,695**

RECONCILIATION OF PROVISION FOR EMPLOYEE BENEFITS – ECONOMIC ENTITY – 2024 (RESTATED)

	(R'000)				
	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay	5,289	7,095	(6,793)	–	5,591
Provision for bonus	7,500	9,000	(6,787)	(486)	9,227
	12,789	**16,095**	**(13,580)**	**(486)**	**14,818**

RECONCILIATION OF PROVISIONS – CONTROLLING ENTITY – MARCH 2025

	(R'000)				
	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay	5,591	7,953	(8,106)	–	5,438
Provision for bonus	9,227	9,000	(8,949)	(21)	9,257
	14,818	**16,953**	**(17,055)**	**(21)**	**14,695**

RECONCILIATION OF PROVISIONS – CONTROLLING ENTITY – MARCH 2024 (RESTATED)

	(R'000)				
	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay	5,289	7,095	(6,793)	–	5,591
Provision for bonus	7,500	9,000	(6,787)	(486)	9,227
	12,789	**16,095**	**(13,580)**	**(486)**	**14,818**

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.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

15. PROVISION FOR AUDIT FEES

The provision for audit fees in the prior year related to a potential claim for over-runs in respect of the 2022/23 financial year- end audit due to the differing technical views between the auditors and management. The final amount payable was uncertain in the prior year.

	(R'000)			
	2025	2024 (Restated)	2025	2024
RECONCILIATION OF THE AUDIT FEE PROVISION				
Opening balance	227	–	227	–
Additions to provision	–	227	–	227
Provision utilised	(227)	–	(227)	–
	–	**227**	**–**	**227**

16. REVENUE FROM NON-EXCHANGE TRANSACTIONS

REVENUE FROM NON-EXCHANGE TRANSACTIONS				
DSTI allocation received during the year	432,715	459,431	432,715	459,431
COMMITTED CONDITIONAL GRANT FUNDING RECOGNISED FOR:				
Africa Programmes	4,030	4,052	4,030	4,052
Agriculture Bio-economy Partnerships Programme	20,014	16,449	20,014	16,449
Clothing and Textile Hub	–	112	–	112
Innovation Fund	115,538	38,059	115,538	38,059
Innovation for Inclusive Development	42,900	33,364	42,900	33,364
South African Biodesign Initiative Programme	2,512	466	2,512	466
Seed Fund Programme	15,629	11,900	15,629	11,900
United Nations Industrial Development Organisation	7,921	2,091	7,921	2,091
Strategic Industrial Bio-innovation Programme	4,944	7,238	4,944	7,238
Strengthening the Europe-Africa Digital Ecosystem	116	–	116	–
Space Innovation Initiative	1	–	1	–
Technology Station Programme	457	41,375	457	41,375
	214,062	**155,106**	**214,062**	**155,106**
	646,777	**614,537**	**646,777**	**614,537**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

17. OTHER INCOME

	(R'000)			
	2025	2024 (Restated)	2025	2024
Royalties	29,716	5,810	29,716	5,810
Sundry receipts*	17,590	2,896	17,590	2,896
Exit of investment**	–	38,108	–	38,108
Reversal of provision for impairment	3,318	6,832	3,318	6,832
Management fees	8,870	–	8,870	–
Recognition of investment on conversion of conditional grant	7,219	–	7,219	–
Gains on conversion of conditional grant to equity	3,825	–	3,825	–
	70,538	**53,646**	**70,538**	**53,646**

* *Included in sundry receipts are unspent funds refunded from investee companies and funds received from partnership programmes.*

** *During the prior year, the Agency entered into an agreement for the transfer of its exposure in the Hyplat project investment, resulting in a settlement of R38.1 million.*

OTHER INCOME FROM EXCHANGE TRANSACTIONS				
Royalties	29,716	5,810	29,716	5,810
Sundry receipts	17,590	2,896	17,590	2,896
Exit of investment	–	38,108	–	38,108
Management fees	8,870	–	8,870	–
	56,176	**46,814**	**56,176**	**46,814**
OTHER INCOME FROM NON-EXCHANGE TRANSACTIONS				
Reversal of provision for impairment	3,318	6,832	3,318	6,832
Recognition of investment of conversion of conditional grant	7,219	–	7,219	–
Gains on conversion of conditional grant to equity	3,825	–	3,825	–
	14,362	**6,832**	**14,362**	**6,832**

During the 2024/25 financial year, the Agency converted its conditional grant to ArcAqua (Pty) Ltd into a financial asset. Refer to Note 8.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

18. INTEREST REVENUE

	(R'000)			
	2025	2024 (Restated)	2025	2024
INTEREST REVENUE				
Interest earned – Loans and receivables	128	608	128	608
Interest earned – Bank	18,346	20,587	18,346	20,587
	18,474	**21,195**	**18,474**	**21,195**

19. EMPLOYEE-RELATED COSTS

Basic remuneration and reimbursive allowances	104,091	102,875	104,091	102,875
Defined contribution plans	8,302	7,635	8,302	7,635
Performance bonus	8,979	8,514	8,979	8,514
Medical aid	3,863	3,851	3,863	3,851
	125,235	**122,875**	**125,235**	**122,875**

20. PROJECT FUNDING EXPENDITURE

Project grants – third party	491,139	517,816	491,139	517,816
PROJECT FUNDING IS MADE UP OF THE FOLLOWING:				
Africa Programmes	4,030	4,052	4,030	4,052
United Nations Industrial Development Organisation	7,922	3,858	7,922	3,858
Innovation for Inclusive Development	41,699	41,007	41,699	41,007
Innovation Skills Development Programme	282	1,400	282	1,400
Seed Fund Programme	15,629	17,030	15,629	17,030
Innovation Fund	115,538	43,000	115,538	43,000
Technology Development	124,439	160,923	124,439	160,923
Technology Innovation Cluster Programme	22,950	19,948	22,950	19,948
Technology Platform Programme	70,948	80,756	70,948	80,756
Technology Station Programme	61,142	124,482	61,142	124,482
South African Biodesign Inniative program	2,512	50	2,512	50
Agricultural Bio-economy innovation Partnership Programme	20,013	16,508	20,013	16,508
Strategic Industrial Bio-Innovation Partnerships	4,000	440	4,000	440
Thought Leadership and Bio-convention	–	4,316	–	4,316
Youth Technology Innovation Programme	35	46	35	46
	491,139	**517,816**	**491,139**	**517,816**

The Agency reallocates a portion of depreciation and amortisation to project expenditure to ensure accurate disclosure in the Statement of Financial Performance. This has been reconciled below.

RECONCILIATION OF DEPRECIATION FOR BOTH THE ECONOMIC AND CONTROLLING ENTITIES		
Depreciation as per Note 3	2,978	925
Amortisation as per Note 4	2,817	1,414
Less amount allocated to project costs	(28)	(194)
	5,767	**2,145**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

21. IMPAIRMENT

	(R'000)			
	2025	2024 (Restated)	2025	2024
Provision for impairment of financial assets at amortised cost	5,200	903	5,200	903
Provision for impairment of investments expense	527	2,863	527	2,863
	5,727	**3,766**	**5,727**	**3,766**

22. OTHER OPERATING EXPENSES

OTHER OPERATING EXPENSES INCLUDES:				
Auditors' remuneration	1,567	819	1,567	819
Cleaning	481	575	481	575
Consulting and professional fees	9,924	4,618	9,924	4,534
Electricity	1,975	1,859	1,975	1,859
IT expenses	8,145	5,798	8,145	5,798
Insurance	474	442	474	442
Legal fees	2,240	12,083	2,240	12,083
Loss on sale of asset	(494)	–	(494)	–
Marketing and communications	814	1,601	814	1,601
Placement fees	186	173	186	173
Printing and stationery	83	77	83	77
Repairs and maintenance – PPE	157	94	157	94
Repairs and maintenance – other	–	31	–	31
Security	1,634	1,483	1,634	1,483
Sponsorships	1,166	530	1,166	530
Staff welfare	231	223	231	223
Subscription and certification costs	673	235	673	235
Telephone and fax	977	976	977	976
Training	680	935	680	935
Travel	13,499	9,859	13,499	9,859
Other expenditure	3,262	8,045	3,259	8,045
	49,707	**51,637**	**49,704**	**51,637**

Other expenditure covers costs such as catering, fuel, advertising, consumables and conferences.

23. 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.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

24. CASH GENERATED FROM OPERATIONS

	Note(s)	(R'000) Economic entity 2025	Economic entity 2024 (Restated*)	Controlling entity 2025	Controlling entity 2024
Surplus/(deficit) for the year		49,082	(18,801)	49,135	(18,629)
ADJUSTMENTS FOR:					
Depreciation and amortisation	20	5,795	2,339	5,795	2,339
Deficit from equity accounted investments	6	50	172	–	–
Debt impairment	21	5,727	3,766	5,727	3,766
Reversal of provision		(3,318)	(6,832)	(3,318)	(6,832)
Interest accrued on loan accounts		(648)	(1,112)	(648)	(1,112)
Investment gain realised on conversion of loan to financial asset	8	(11,044)	–	(11,044)	–
Movement in provision		(350)	7,546	(350)	7,546
Non-cash adjustment relating to property, plant and equipment		(140)	–	(140)	–
Operating lease liability		(122)	577	(122)	577
CHANGES IN WORKING CAPITAL:					
Receivables from exchange transactions		(27,892)	(7,440)	(27,892)	(7,440)
Prepayments		(324)	(61)	(324)	(61)
Payables from exchange transactions		30,156	(19,737)	30,156	(19,737)
Unspent conditional grants and receipts		35,709	196,067	35,709	196,067
		82,681	**156,484**	**82,681**	**156,484**

25. COMMITMENTS

OPERATING LEASES – AS LESSEE (EXPENSE)

	(R'000) Economic entity 2025	Economic entity 2024 (Restated*)	Controlling entity 2025	Controlling entity 2024
MINIMUM LEASE PAYMENTS DUE				
– within one year	8,556	10,419	8,556	10,419
– in second to fifth year inclusive	1,433	7,883	1,433	7,883
	9,989	**18,302**	**9,989**	**18,302**

Operating lease payments represent rentals payable by the economic entity for certain of its offices. Leases are negotiated for an average term of five years and rentals are fixed for an average of three years. No contingent rental is payable.

26. CONTINGENCIES

CONTINGENT LIABILITIES

FUNDING AGREEMENTS

The Agency enters into funding agreements with investees whereby disbursements are subject to the achievement of specified milestones and deliverables. Owing to the uncertainties regarding the timing and fulfilment of these conditions, these potential future funding commitments are disclosed as contingent liabilities, as the obligation is dependent on the successful attainment of the agreed milestones by the investees.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

26. CONTINGENCIES (CONTINUED)

These agreements will be funded using surplus cash and funds to be allocated in the financial periods in which these agreements become payable.

	(R'000)			
	Economic entity		Controlling entity	
	2025	2024 (Restated)	2025	2024
Funding agreements	117,819	176,853	117,819	176,853
Projects approved but not contracted	66,951	12,218	66,951	12,218
	184,770	**189,071**	**184,770**	**189,071**

The prior year contingent liabilities were adjusted to include R12.21 milion of projects that were approved but not yet contracted. In addition, the funding agreements were overstated by R43.33 milion due to errors in the calculations of the committments.

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 R11 million.

LEGAL PROCEEDINGS

There are several legal proceedings that are currently ongoing. These legal proceedings relate to prior or existing investments made by the Technology Innovation Agency, either for 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	5,500	500	5,500	500

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.12 of 2020/21, the Agency will make a submission to the National Treasury to retain surpluses for the 2024/25 financial year amounting to R208 million (2024: R166 million) in line with this instruction. This is based on the following calculation:

	(R'000)	
	Controlling entity	
	2025	2024
Cash reserves as at 31 March 2025	669,285	588,029
Add: Receivables	36,220	13,521
Less: Current liabilities	(496,578)	(435,390)
SURPLUS AS AT YEAR END	**208,927**	**166,160**

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.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

26. CONTINGENCIES (CONTINUED)

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. The arbitration in this matter has since concluded, however there is now an appeal process underway. The amount owing to the controlling entity is uncertain at this time.

TECHNOVERA (PTY) LTD

The Agency advanced R5 million to Technovera (Pty) Ltd under a loan instrument which is repayable on the attainment of profitability. The project has displayed significant progress, reflecting a possibility of the return of funds on investment.

27. RELATED PARTIES

The Agency is controlled by the National Government of South Africa through the Minister of Science, Technology and Innovation, Prof. Bonginkosi Emmanuel 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. These transactions include funding for project expenditures in relation to approved projects, in accordance with signed funding agreements with other entities in the National System of Innovation.

	(R'000)	
	Controlling entity	
	2025	2024
RELATED PARTY BALANCES		
RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS CONTROLLING ENTITY		
Department of Science, Technology and Innovation	3,367	3,367
COMMITTED CONDITIONAL GRANTS		
Department of Science, Technology and Innovation	(526,830)	(488,844)
RELATED PARTY TRANSACTIONS		
ALLOCATIONS RECEIVED		
Department of Science, Technology and Innovation	(432,715)	(459,431)

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

28. MEMBERS' EMOLUMENTS

EXECUTIVE MEMBERS

2025

	(R'000)			
	Emoluments	Allowances*	Bonus**	Total
Mr LP Krappie – Executive: Innovation Enabling (acting ended 31 January 2025)	2,381	463	247	3,091
Mr I Abdoola – Acting: CEO (effective: 01 February 2025)	2,645	111	220	2,976
Mr BM Mphahlele – Executive: Commercialisation (terminated: 19 December 2024)	1,748	–	–	1,748
Mr D Naidoo – Acting Executive: Commercialisation	1,402	279	117	1,798
Dr VN Phehane – Executive: Bio-economy (resigned: 30 June 2024)	700	1	–	701
Mr M Molatudi – Acting Executive: Bio-economy (appointed 01 July 2024)	1,353	203	102	1,658
Mr V Skosana – Acting Executive: Innovation Enabling (acting ended 31 January 2025)	1,120	160	236	1,516
Ms MJ Matlolane – Acting Executive: Corporate Services (acting ended 30 September 2024)	777	157	148	1,082
Mrs C Mamabolo – Acting Executive: Corporate Services (effective: 01 October 2024)	717	89	66	872
	12,843	**1,463**	**1,136**	**15,442**

** Allowances include the following: cell phone, car, acting, travel and subsistence.*

*** Performance bonuses paid during the period relate to the 2023/24 financial year.*

2024

	(R'000)			
	Emoluments	Allowances*	Bonus**	Total
Mr LP Krappie – Acting CEO	2,381	543	405	3,329
Mr I Abdoola – CFO	2,645	23	361	3,029
Mr BM Mphahlele – Executive: Commercialisation	2,178	4	–	2,182
Dr VN Phehane – Executive: Bio-economy	2,227	3	263	2,493
Mr V Skosana – Acting Executive: Innovation Enabling	1,343	175	–	1,518
Ms MJ Matlolane – Acting Executive: Corporate Services (Acting from 01 August 2022)	1,555	214	237	2,006
Dr D Naidoo – Acting Executive: Commercialisation (Acting from 26 February 2024)	138	17	–	155
	12,467	**979**	**1,266**	**14,712**

** Allowances include the following: cell phone, car, acting, travel and subsistence.*

*** Performance bonuses paid relate to the 2022/23 financial year.*

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

28. MEMBERS EMOLUMENTS (CONTINUED)

BOARD MEMBERS

2025

	(R'000)		
	Members' fees	Allowances	Total
Mr TG Ramasike	336	–	336
Ms JSP Matsebula	305	1	306
Mr BA Mboniswa	243	–	243
Dr I Iyer	250	3	253
Ms EL Matlali	244	–	244
Ms BM Modise	211	–	211
Prof. SCKM Motaung	185	–	185
Mr L Tyira	254	–	254
Ms AJ Canca	261	–	261
	2,289	**4**	**2,293**

2024

	(R'000)		
	Members' fees	Allowances	Total
Ms BM Modise	284	42	326
Ms AJ Canca	240	17	257
Mr TG Ramasike	267	2	269
Ms JSP Matsebula	234	11	245
Dr R Iyer	197	1	198
Ms EL Matlali	181	–	181
Mr BA Mboniswa	228	17	245
	1,631	**90**	**1,721**

29. 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.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

29. RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK

The economic entity's risk to liquidity can 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.

ECONOMIC ENTITY

	(R'000)			
Economic entity	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
AT 31 MARCH 2025				
Payables from exchange transactions	63,967	–	–	–
AT 31 MARCH 2024				
Payables from exchange transactions	33,807	–	–	–

	(R'000)			
Controlling entity	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
AT 31 MARCH 2025				
Payables from exchange transactions	63,967	–	–	–
AT 31 MARCH 2024				
Payables from exchange transactions	33,810	–	–	–

CREDIT RISK

Credit risk primarily arises from cash deposits, cash equivalents and trade receivables. The entity deposits only cash with major banks with high-quality credit standing and limits exposure to any one counter-party.

Loans and receivables, investment in controlled entities, investment in associates and other investments consist mainly of funding granted to start-up companies. The exposure to credit risk is managed through ongoing review of the operating results and financial position of the investee companies. If there is uncertainty regarding the recoverability or value of the loan/investment, it is considered impaired and any additional funding is thoroughly evaluated.

Financial assets exposed to credit risk at year-end were as follows:

	(R'000)			
	Economic entity – 2025	**Economic entity – 2024**	**Controlling entity – 2025**	**Controlling entity – 2024**
FINANCIAL INSTRUMENT				
Cash and cash equivalents (refer Note 11)	669,285	588,029	669,285	588,029
Receivables from exchange Transactions (refer Note 9)	43,684	18,770	43,684	18,770
Loans and receivables (refer Note 7)	30,069	30,269	30,069	30,269

The entity has little doubt regarding the recoverability of receivables from exchange transactions not considered to be impaired at year-end.

The entity has reviewed the financial position of each of the entities where they have not impaired the loan disbursed or investment made to the investee company. Based on this, management is of the opinion that at the period end the amounts are recoverable.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

29. RISK MANAGEMENT (CONTINUED)

MARKET RISK

INTEREST-RATE RISK

No material financial risk exists as 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.

	Floating interest rate
ASSETS	
Cash and cash equivalents*	669,285
Loans and receivables	26,142
	695,427

** During the year, the Agency received interest income on the CPD interest income on the (SARB) account at an average rate of 7.50%.*

CASH-FLOW INTEREST-RATE RISK

	Current interest rate	Due in less than a year
FINANCIAL INSTRUMENT		
Cash reserves at CPD (SARB)	7.50%	–

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.

No material foreign-exchange risk exists, except for fluctuations in exchange rates when making payments to foreign suppliers.

30. EVENTS AFTER THE REPORTING DATE

The entity received confirmation post year-end of a condition precedent to the conclusion of an early settlement agreement with an Investee. Based on the attainment of such settlement agreement, the entity has raised a receivable for the additional amount to settlement (R12.2 million), thus resulting in a total receivable for settlement of R22.7 million as at 31 March 2025.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

31. IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE

	(R'000)			
	Economic entity		Controlling entity	
	2025	2024 (Restated*)	2025	2024
Irregular expenditure	207	3,456	207	3,456

An agreement was signed between the Agency and the shareholder (DSTI) on 29 September 2021, pertaining to the SIIP programme, with a commitment of R43.5 million over a three-year period. It was later identified that various projects, totalling R23.7 million, were approved outside the Agency's Delegation of Authority, resulting in irregular expenditure. This amount includes R1.9 million related to the 2023/24 financial year, with the balance pertaining to prior years.

In addition, in the previous year the Agency procured IT licences and the services of a labour expert, totalling R1.5 million, through a limited bidding procurement process. This decision was made by management after careful consideration of the procurement policy of the Agency.

During the current financial year, goods and services amounting to R0.2 million, were procured on the basis of a single-source supplier through a deviation process after no additional quotations could be sourced.

The transaction is currently undergoing a determination and assessment process to establish whether any official(s) were liable in accordance with the applicable regulatory framework.

32. 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: Bio-economy, Commercialisation, Strategic Engagements and Corporate Relations and Administration. The segments were 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' performance 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, KwaZulu-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.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

32. SEGMENT INFORMATION (CONTINUED)

SEGMENT SURPLUS

CONTROLLING ENTITY – MARCH 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 received	–	–	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
Project funding expenditure	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						**49,135**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

32. SEGMENT INFORMATION (CONTINUED)

CONTROLLING ENTITY – MARCH 2024

	(R'000)					
	Bio-economy	Commer-cialisation	Innovation Enabling Programmes	Technology Stations Programmes	Administration and Strategic Engagements	Total
REVENUE						
Revenue	242,887	82,909	79,719	126,652	82,370	614,537
Interest received	–	–	–	–	21,195	21,195
Other income	87	38,108	3,194	–	12,257	53,646
TOTAL SEGMENT REVENUE	**242,974**	**121,017**	**82,913**	**126,652**	**115,822**	**689,378**
ENTITY'S REVENUE						**689,378**
EXPENDITURE						
Employee-related costs	29,046	13,837	27,029	2,515	50,448	122,875
Project funding expenditure	221,610	106,592	63,128	123,531	2,955	517,816
Depreciation and amortisation	–	–	–	–	2,145	2,145
Lease rentals on operating lease	–	–	–	–	9,768	9,768
Impairment	–	–	–	–	3,766	3,766
Other operating expenditure	11,873	830	1,236	606	37,092	51,637
TOTAL SEGMENT EXPENDITURE	**262,529**	**121,259**	**91,393**	**126,652**	**106,174**	**708,007**
TOTAL SEGMENTAL SURPLUS						**(18,629)**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

33. 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
Other income for the period includes additional royalties, management fees from certain contracted programmes, and investment gains arising from the conversion of a conditional grant.

B. Interest received
Interest was earned on additional funds in the SARB account due to effective cash flow management.

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 allowances.

E. Project expenditure
Additional project expenditure was recorded during the current year as a result of an increase in the disbursement to specific contracted programmes during the period as compared to the budget.

F. Depreciation
A higher than budgeted depreciation and amortisation expense was recorded as a result of new assets acquired and assets that previously had a zero netbook value and were brought back at a reassessed cost.

G. Lease rentals on operating leases
A lower than budget operating lease was as a result of a lease that was renegotiated for the Western Cape offices.

H. Debt impairment
The debt impairment includes a R5.19 million increase in the provision for sundry debtors related to investments, as well as R0.53 million related to the impairment of loans.

I. Other operating expenditure
Increases were noted with regard to consulting and professional fees incurred as well as travel costs incurred during the year.

34. RECLASSIFICATION OF PRIOR-YEAR AMOUNTS

The following items were reclassified in the financial statements:

- Leave accruals of R5.59 million were reclassified from Payables from Exchange Transactions in Note 12, to Employee Benefit Obligations in Note 14.
- Employee-related costs of R1.26 million were reclassified to other operating expenses.

	R'000		
Statement of Financial Position	**Balance before reclassification**	**Amounts reclassified**	**Balance after reclassification**
Payables from exchange transactions	27,417	(5,591)	21,826
Employee benefit obligation	–	5,591	5,591
	27,417	**–**	**27,417**

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

34. RECLASSIFICATION OF PRIOR-YEAR AMOUNTS (CONTINUED)

	R'000		
Statement of Financial Performance	Balance before reclassification	Amounts reclassified	Balance after reclassification
Employee costs	124,139	(1,264)	122,875
Operating expenses	50,373	1,264	51,637
	174,512	**–**	**174,512**

35. PRIOR-PERIOD ERRORS

REASSESSMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The Agency had a number of assets that were acquired or obtained at no cost, and were recorded as such in the fixed asset register without recognising the necessary valuation thereof. These assets were included in furniture and office equipment, leasehold improvements, laboratory equipment and computer software. An independent reassessment of these assets were undertaken in the current year and these assets was assigned a value of R1.19 million.

Over time, the Agency has accumulated a number of assets that had a zero carrying value but were still in use. This reflected that incorrect depreciation of R7.6 million and incorrect amortisation of R2.53 million was previously recorded. An independent reassessment of these assets, including remaining uselful lives, was conducted.

UNSPENT CONDITIONAL GRANTS AND RECEIPTS

In the previous year, unspent project funds amounting to R1.05 million were returned to TIA by an investee, as the funds were not fully utilised before the project's completion. These funds were incorrectly offset against project expenditure, whereas they should have been recognised as other income.

An amount of R1.9 million was incorrectly allocated to project expenditure rather than being recognised as specific contracted income, leading to an understatement of deferred income.

Project expenditure of R0.9 million was incorrectly recorded in the statement of financial performance as MTEF expenditure instead of specific contracted expenditure. This resulted in the MTEF project expenditure and the conditional grant liability being understated.

Interest of R0.96 million was incorrectly recognised on unspent grants in the previous year, resulting in an overstatement of interest income for that period.

The agency incurred expenditure amounting to R11.05 milion, which was not accrued as at 31 March 2024, but was instead recorded in the 2024/25 financial year. This resulted in an overstatement of the conditional grant liability and an understatement of revenue.

PAYABLES FROM EXCHANGE TRANSACTIONS

During the prior year, the agency incurred expenditure amounting to R11.05 milion, which was not accrued as at 31 March 2024, but was instead recorded in the 2024/25 financial year. This resulted in an overstatement of the conditional grant liability and an understatement of revenue.

Further to the above, it was identified that accruals of R1.55 million relating to the prior year were not recognised in the financial statements.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

35. PRIOR-PERIOD ERRORS (CONTINUED)

RECEIVABLES FROM EXCHANGE TRANSACTIONS

During the prior year, interest earned as at 31 March 2024 on a conditional grant of R0.02 million was not accrued for in the prior year.

REVENUE

A total net revenue increase of R10.17 million was recognised in the prior financial year due to adjustments. This includes a R11.05 million increase from previously unaccrued project expenditure, and R0.02 million from unrecorded interest income on a conditional grant. However, revenue decreased by R0.9 million due to the misclassification of project expenditure as general expenditure instead of specific contracted expenditure, which also resulted in an understatement of the conditional grant liability.

INTEREST REVENUE

Interest of R0.96 million was incorrectly recognised on unspent grants in the prior year. This resulted in an overstatement of interest income for 2023/2024 period.

38. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes to the Consolidated Annual Financial Statements for the year ended 31 March 2025

35. PRIOR-PERIOD ERRORS (CONTINUED)

PROJECT EXPENDITURE

Project expenditure increased by R15.56 million in the prior financial year due to corrections. This includes R12.60 million in unrecorded project costs and R2.96 milion in receipts incorrectly allocated against expense.

The above errors had an impact on the Statement of Financial Position, Statement of Financial Performance and the Statement of Changes in Equity and is disclosed below:

	(R'000)		
	Balance before restatement	Net Change in prior period balance	Balance after restatement
STATEMENT OF FINANCIAL POSITION			
Property, plant and equipment	6,019	6,475	12,494
Intangible assets	10,832	2,525	13,357
Receivables from exchange transactions	10,864	19	10,883
Unspent conditional grants and receipts	(391,555)	6,236	(385,319)
Payables from exchange transactions	(21,826)	(12,605)	(34,431)
Net assets	(127,528)	(2,650)	(130,178)

	(R'000)		
	Balance before restatement	Net Change in prior period balance	Balance after restatement
STATEMENT OF FINANCIAL PERFORMANCE			
Revenue	604,365	10,172	614,537
Interest revenue	22,159	(964)	21,195
Project funding expenditure	(502,256)	(15,560)	(517,816)
	124,268	**(6,352)**	**117,916**

	(R'000)		
	Balance before restatement	Net Change in prior period balance	Balance after restatement
STATEMENT OF CHANGES IN NET ASSETS			
Balance as at 01 April 2023	139,802	9,005	148,807
Surplus for 2023	(12,277)	(6,352)	(18,629)
Balance as at 01 April 2024	127,528	2,650	130,178


6.193
7.723
5.523
4.711

Gauteng Head Office

+27 (0) 12 427 2700

Postal Address
P.O. Box 172
Menlyn
Pretoria
0181

Physical Address
TIA House
83 Lois Avenue
Menlyn
Pretoria

KwaZulu-Natal Office

+27 (0) 31 220 3101

Postal Address
P.O. Box 30603
Mayville
Durban
4058

Physical Address
4th Floor
102 Stephen Dlamini Road
Musgrave
Durban

Western Cape Office

+27 (0) 21 442 3780

Postal Address
P.O. Box 13372
Mowbray
Cape Town
7705

Physical Address
4th Floor, Central Park
Black River Business Park
Fir Road, Observatory
Cape Town

www.tia.org.za

@tiaorgza tiaorgza www.linkedin.com/company/technology-innovation-agency

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