

Media release from the SA SME Fund and the Technology Innovation Agency (TIA)

SA SME Fund and Government's Technology Innovation Agency partner to invest in three venture capital funds

Cape Town, 16 September 2019 -- The SA SME Fund and the government's Technology Innovation Agency (TIA) has announced a first of its kind partnership in the National System of Innovation; a public-private partnership to co-invest R350 million across three venture capital funds.

The funds are: OneBio Seed Investment Fund, a biotechnology dedicated fund; Savant Venture Fund, a hardware technology incubator and Fund Manager (in which two deals have already been pre-funded by TIA's Seed Fund); and the newly established University Technology Fund (UTF).

These fund managers will invest in a portfolio of early stage businesses and provide capital as well as other support to the entrepreneurs, to help them commercialise technologies and grow their businesses. The SA SME Fund's mandate to the three fund managers includes a requirement that they invest at least 50% of the fund into businesses owned by black entrepreneurs.

The parties signed a Memorandum of Understanding (MOU) at the Innovation Summit in Cape Town on Friday 13 September, 2019.

Ketso Gordhan, CEO of the SA SME Fund, says, "We are hugely excited and energised by this partnership to support and invest in innovation, especially in black-owned start-ups and scale-ups in this space. This forms part of our commitment to support government, together with TIA, in stimulating and intensifying technological innovation to improve economic growth, create jobs and impact on the quality of life of all South Africans."

Reaffirming the fund managers' combined focus on bio-innovation and technology, Gordhan added, "We foresee that the intersection of biology and technology will be a critical component in positioning countries, communities, industries and people to harness the opportunities of the future and we see these funds as a key to unlocking those opportunities."

Fuzlin Levy-Hassen, Interim CEO of the TIA, says, "This new investment partnership is the result of the synergies and commitment that exist between Government and the private sector. We are aligned in our vision of turning bright young minds into viable and sustainable business founders whose successes will create jobs and drive economic growth. The sophistication and creativity already evident in these businesses should make us proud as a country, and encourage us to further support innovation."

The current value of the fund commitments are as follows:

R83.5 million to the OneBio Seed Investment Fund, R111.5 million to Savant Venture Fund and an anticipated commitment of R152.5m million into the University Technology Fund (UTF) (for which the SA SME Fund anticipates receiving formal approval by the end of September).

The SA SME Fund and TIA also signed the legal agreements for the OneBio Seed Investment Fund, officially launching the only biotech dedicated investment fund in South Africa.

Michael Fichardt, Co-founder of OneBio, commented: “We are thrilled to be partnering with the SA SME Fund and TIA in launching this biotech investment fund. The fund will provide investment capital to seed early stage startup companies. It will help to develop the country’s emerging biotech ecosystem and place South Africa at the front of this new age where we will see engineered biology disrupt many of the globe’s traditional industries.”

About OneBio:

As a biotechnology early stage investor and company builder, OneBio’s vision is to stimulate biotech innovation and economic growth in Africa. Its mission is to build businesses that are innovative and world changing. It provides investment capital, access to lab facilities, mentorship, networks and business support to take early stage startups from lab bench to that of sustainable businesses.

<https://www.onebio.africa>

About the Savant Venture Fund:

Savant is a commercially-focused hardware technology incubator and Fund that provides bespoke business development support to start ups with a focus on inventions rooted in innovative science and engineering technologies. Savant partners with highly skilled inventors for their start-up growth journey.

www.savant.co.za

About the University Technology Fund:

The Fund is intended to commercialise technology out of South African universities.
Ends

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About the SA SME Fund:

The SA SME Fund, www.sasmefund.co.za, is a private sector led initiative born out of the ‘CEO Initiative’, a partnership between the SA Government and CEOs to stimulate the economy and create jobs. The shareholders of the Fund are 50 of South Africa’s largest corporates and the Public Investment Corporation. The Fund has R1.2 billion of investable capital, which it invests via partnerships with fund managers. The primary focus areas are venture capital and growth capital.

The CEO Circle exists alongside the Fund as a platform to leverage the SA SME Fund shareholders' resources to help scale 5 to 10 black founded and managed high growth, medium sized companies into significant businesses of +R500 million in value in 3 to 5 years.

About the Technology Innovation Agency (TIA):

TIA (<https://www.tia.org.za/>) is a national public entity under the Department of Science and Innovation, that serves as government's key institutional intervention to bridge the innovation chasm between research and development for commercialization from higher education institutions, science councils, public entities, and private sector.

TIA's focus is on technology development; from proof of concept to the pre-commercialisation. To achieve this, TIA currently has the following mainstream funds: the Seed Fund, the Technology Development Fund and the Commercialization Support Fund.

In terms of indirect financial support, TIA has the Technology Station Programme to assist innovators with technology development engineering infrastructure and expertise, In the same vein, TIA has Technology Platforms Programme to assist innovators in the biotechnology sector, with product development.
