

BIRD Foundation

BIRD Foundation Kick-Off Meeting



Israel-United States Binational Industrial Research and Development Foundation

www.birdf.com



BIRD Foundation Staff

Headquarters - Israel			Jaron Lotan executive Director earon@birdf.com		U.S. Offices
Chava Doukhan Operations Manager chava@birdf.com	Natalie Galperin Chief Financial Officer natalie@birdf.com	Fin Fiscal	Tal Kelem Director of Business Developme BIRD HLS & BIRD Cyber Lead tal@birdf.com	PBC* ent, Tech.	West Coast (California) Anat Bujanover Director of Business Development anatb@birdf.com
Nina Hakimi Off. Executive Assistant nina@birdf.com	Tal Madhala Finance Manager talm@birdf.com	Fin Fiscal	Limor Nakar-Vincent Deputy Executive Director of But Development & BIRD Energy limorn@birdf.com	PBC usiness Tech.	East Coast & Midwest (New Jersey) Andrea Yonah Director of Business Development andreay@birdf.com
Maha Wakileh IT Information Systems Manager maha@birdf.com	Auriane Tabib Finance Manager auriane@birdf.com	Fin	Omer Carmel Director of Business Developmentomer@birdf.com	PBC ent Tech.	South (Texas) Anat Ben Yosef Director of Business Development Energy Center U.S. Coordinator by.anat@birdf.com



Approved Projects



BIRD Ref. #	IS Company	U.S. Company	PBC*
1865	Amarel Embedded Solutions	Gleason Corporation	Limor Nakar-Vincent
1867	CyberRidge	Molex Fiber Optics Division	Tal Kelem
1868	Datos Health	Permanente Health Care Ventures	Omer Carmel
1871	Groundwork BioAg	Indigo Agriculture Inc.	Limor Nakar-Vincent
1877	Quai.MD	MUSC Foundation for Research Development	Omer Carmel
1878	Quantum Art	BlueQubit Inc.	Omer Carmel



Cooperation and Project Funding Agreement (CPFA)

- A trilateral agreement between BIRD and the two participants
- CPFA is a standard agreement (see BIRD's site)
- Main sections of the CPFA:
 - Terms of the conditional grant section F
 - Grant payment milestones Annex B
 - Reporting commitments during the project section C
 - Budgets of both Participants Annex A
 - Project start date; Milestones -Annex E
 - Grant repayment terms sections F, G
 - Product Description Annex F
 - Milestone Description (specific CPFAs) Annex G



Steps towards signing the CPFA

- Bilateral agreement between the two companies a draft for BIRD to review prior to signing
- Financial Status Analysis private companies only, substantiate matching funds
- Adjust budgets Should equal twice the approved grant, same as original ratio
- Adjust Program Plan (Gantt) and Milestone and Deliverables Reflect project start date ("Effective Date")
- Missing additional details as instructed in the letter

CPFA is sent to the companies for signatures

BIRD is last to sign

BIRD executes first grant payment to each company



Annex B - Payments of Conditional Grant

- First payment upon signing of the CPFA, an advance toward the first segment
- The cumulative level of expenditure should reach a trigger amount
- Accepted expenses different from reported expenses
- Each payment is an advance toward the next segment
- A payment may be postponed to the next segment



Annex B – example 12 months project

1. First Payment - On signing

Israeli Company \$100,000

U.S. Company

\$120,000

2. Second Payment –

After receipt and approval of the first interim technical and fiscal reports for the first 6 month period, or after actual expenditures on the project have equaled or exceeded the required expenditure, whichever is later.

Required

Payment

Expenditure

Israeli Company

\$260,000

\$250,000

U.S. Company

\$310,000

\$350,000

3. Final Payment - After receipt and approval of the final technical and fiscal reports - the balance due to the Proposer up to the total sum of the Conditional Grant in accordance with Section B.1.



Annex E: Schedule of Project Milestones & Deliverables

#	Milestone Definition / Description and How It is Measured	Milestone Date (MM/YY)
1		
2		
3		
4		
5		
#	<u>Deliverable</u> Definition & Description	Deliverable Date (MM/YY)
1		
2		
3		[end of project]



Reporting Requirements (section C)

- ◆ Interim set of reports a Fiscal Report from each company and a joint Technical Report
 - Full set of interim reports should be submitted within 30 days from end of segment
- Final set of reports in addition to an interim set, should include Technical Report Part II (a marketing report)
 - A full set of final reports should be submitted within 60 days from end of project
- Reports uploaded to BIRD's site
- Late submission of the reports is a fundamental breach of the CPFA



Monitor and Review of reports

- Review after all three reports are uploaded
- ◆ Technical report is reviewed by project's PBC
- Fiscal reports are reviewed by the Finance team
- A cross check between expenditure in the segment and the progress of tasks
- ◆ A recommendation to request an extension of the project or a budget revision may be advised by BIRD or initiated by the companies
 - Those requests should be submitted no later than 3 months prior to project completion



Variation from Budget

- Allowed up to 15% variation in any budget item
- For variation greater than 15% or when no budget item:
 - can recognize against underspending on other items
 - Submit written request for budget revision
 - Explain the requested changes
 - submit new budget giving effect to the requested changes
- For changes that result in a different allocation of tasks between companies
 - same procedure with a request from both companies

Requests for budget modification should be submitted at least 3 months prior to Termination of Project



Example

Allowances when No Budget Revision was requested

	Original	<u>Actual</u>	Recognizable
	Budget	Expenses	
Direct Labor (incl. 25% Overhead)	500,000	450,000	450,000
Materials	100,000	80,000	80,000
Foreign Travel	10,000	20,000	11,500
Subcontractors	50,000	70,000	57,500
Consultants		<u>45,000</u>	
	660,000	665,000	599,000
G&A – 5%	33,000	33,250	29,950
TOTAL	<u>693,000</u>	698,250	628,950



Project Financing & Repayments (sections F, G)

- Commercial Product an incorporation of the Product (direct outcome of the development work or any indirect derivative thereof) into a commercial product that can be sold alone or in conjunction with other products
- ◆ The CPFA defines Full Repayment a repayment of the entire obligation, as adjusted over time
- Actual repayments are triggered by several events:
 - Commercialization of the Product
 - Outright Sale of the product
 - Transfer of Control of a participant or IPO



Repayments to BIRD

- Repayments derived from Gross Sales at a rate of 5%
- Outright Sale transfer of ownership of Intellectual Property or technology related to Product requires a prior approval from BIRD. It is considered a Repayment Event triggering a Full Repayment of up to 50% of proceeds in the transaction
- Change of Control need to receive approval from BIRD and commit to continue the Program Plan or commercialization efforts



Technical Report





Objectives of the Technical Report

- Documentation
- Transparency
- Accountability
- Decision-making
- Communication
- Evaluation & Compliance

Project Revision

Project Extension

Budget Revision





Reporting Documents on BIRD's Website



Guidelines & Forms → Procedures & Submission Forms → under Reporting

Guidelines&Forms

BIRD Reporting Forms

- General Guidelines
- ◆ Interim Report
- ◆ Final Report
- ◆ Following Completion Reports
- ◆ Project Extension Request

Submission Forms

Guidelines&Forms

Reporting Procedures and Forms

Reporting Guidelines

Report Formats (pdf)

Interim Report

Interim Technical Report Template (docx)
Fiscal Report (xls)

Final Report

- a. Final Technical Report Template- Part I (docx)
- b. Final Technical Report Template- Part II (xlsx) (Updated Marketing Forecast)

Explanations to Part II (YouTube)

c. Fiscal Report (xls)

Following Completion Reports

Commercialization Report (pdf)
Pharma Project Milestone Report (pdf)

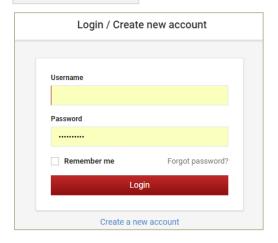
Project Extension

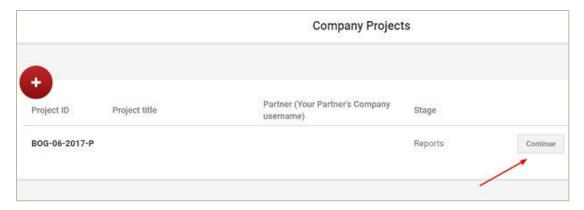
Extension Request Guidelines (pdf)
Extension Request Form (docx)



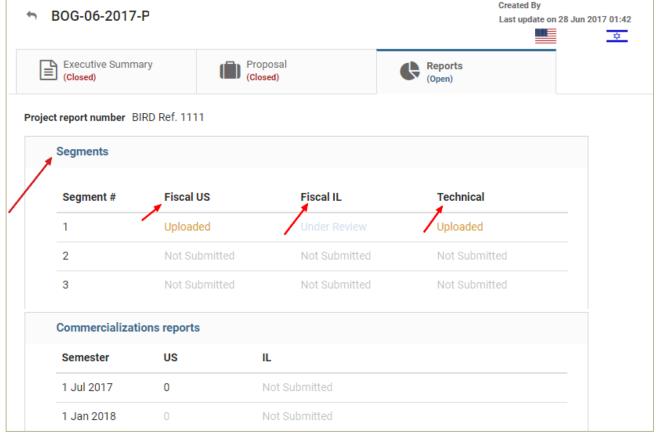
Reports: Upload System

Log In





Uploading Documents





Technical Reports Preparation guidelines

1. Table of Contents

Contents

1. Table of Contents	2
2. Objectives and Work Performed During the Segment	3
3. Summary of Accomplishments	3
4. Results - Summary of Milestones and Deliverables	3
5. Plans for the Next Project Segment	5
6. Graphical Comparison of Actual/Planned Activities Versus Program Plan	6
7. Cooperation Between the Companies	6
8. Risk Analysis	7
9. Market and Commercialization Plans	9
10. Published Material	9

Technical Reports Should:

(see Procedures Handbook)

- Elaborate on the work done
- Present results and achievements
- Address challenges and lessons learned
- Communicate challenges
- Request for changes and modifications

#	Milestones Attained in Previous Segments (Definition / Description)	Attained Milestone Date (MM/YY)
1		
2		
3		
#	Deliverables Available in Previous Segments (Definition / Description)	Available Deliverable Date (MM/YY)
1		, ,
2		
#	Milestones Attained in This Segment (Definition / Description)	Attained Milestone Date (MM/YY)
1		
2		
3		
#	Deliverables Available in This Segment (Definition / Description)	Available Deliverable Date (MM/YY)
1		
2		
#	Milestones Planned for <u>but Not yet Attained in This Segment</u> (Definition / Description and reasons for the lag)	Most Recently Planned Milestone Date (MM/YY)
1		
2		
3		
#	Deliverables Planned for <u>but Not yet Available in This Segment</u> (Definition / Description and reasons for the lag)	Most Recently Planned Deliverable Date (MM/YY)
1		Date (Ministry)



Cooperation between the Parties

- Understanding project significance for your partner
- Cultural awareness and skill diversity
- Effective relationship management
- Addressing challenges
- Formal and informal relationships

Cooperation between the companies is vital for the project's success; investing time and effort in collaboration is equally crucial as the technology itself.



BIRD PR



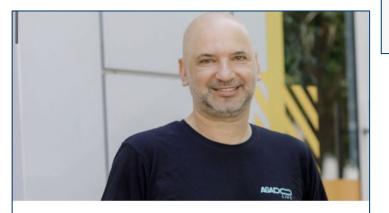
THE JERUSALEM POST

BUSINESS BINNOVATION

Jerusalem Post > Business & Innovation

BIRD Foundation approves \$9.6m. for 10 joint US-Israeli ventures

By ZACHY HENNESSEY Published: JANUARY 28, 2024 14:49 Updated: JANUARY 29, 2024 10:48



HR in War

"The startup world continues to work even in the shadow of war."







Wishing you great success in your endeavor to develop new innovative technologies and successfully bring them to the market.



Israel-United States Binational Industrial Research and Development Foundation www.birdf.com

www.facebook.com/BIRD Foundation

linkedin.com/company/bird-foundation