

## **BIRD Repayment Models**

### **BIRD – Standard Track**

- Royalties paid on sales of the Product funded or its derivatives.
- Definition of “Product” – as per its functionality, not the implementation technology. ( will be defined in Annex F of CPFA)
- Royalties are 5% of gross sales till “Full Repayment” is made - no time limit.
- Full Repayment – indexed award scales up over time from 100% at the end of the first year, up to a maximum of 150% as of 5<sup>th</sup> year +
- Repayment events – Breach of contract, Change of Control and Outright Sale.

### **BIRD Repayment Track for Small Companies (SCT)**

- Optional track for companies with total revenues of less than \$2M in last full year prior to submission.
- Royalties calculated as 7% of total reported revenue growth as of first fiscal year after completion of project compared to full first year after “Effective date”.
- Company can choose to postpone first year of repayment by up to two years.
- Repayments are made till “Full Repayment” but in any case, not more than 5 sequential years as of first payment made.
- Full repayment is 90% of indexed grant if completed within 3 years of project completion and 120% on indexed grant thereafter.
- One time repayment can be made any time in the first five years after project completion ( as long as no more than 50% of grant has been repaid through annual payments) in which case 80% of indexed grant will be considered full repayment.

## **BIRD SCT in “Mixed” Situations**

*How does it work if one of the partners qualifies and choses the small companies track and the other doesn't?*

- Each company pays royalties, if relevant, according to model they qualify for.
- If both companies pay royalites the definitions of “Full Repayment” for both will be the lower one.  
Still – the company in the new track will pay only 5 consecutive years while the other company will continue to pay till full repayment is achieved.
- If only the Non-SCT (\*) company pays – definitions will apply according to the existing model.
- For repayment events that can easily be associated to one of the companies – Change of control, Breach of contract etc. the definitions will be as defined for the relevant company.

(\*) SCT- Small Companies Track. Non-SCT Participant is a Participant that isn't eligible or hasn't chosen this track