BIRD Foundation

BIRD Kick-Off Meeting

October 28, 2025

Tel-Aviv

Israel-United States Binational Industrial Research and Development Foundation

www.birdf.com

AGENDA

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Wednesday, October 29, 2025

10:00 - 12:00	Introduction – Jaron Lotan
	The Process to Project Start – Jaron Lotan
	Financial and Budget aspects – Rotem Palash
	Going through a project with BIRD – Tal Kelem
	Q&A

BIRD Foundation Staff

Jaron Lotan
Executive Director
jaron@birdf.com

Nina Hakimi Executive Assistant nina@birdf.com	**Rotem Palash** Chief Financial Officer rotem@birdf.com	**Limor Nakar-Vincent** **PBC*** Deputy Executive Director of Business Development & BIRD Energy limorn@birdf.com	**West Coast (California)** **Anat Bujanover** Director anatb@birdf.com
Maha Wakileh Information Systems Manager maha@birdf.com	**Auriane Tabib** Finance Manager auriane@birdf.com	**Tal Kelem** **PBC** Director of Business Development BIRD HLS & BIRD Cyber Lead tal@birdf.com	**East Coast & Midwest (New Jersey)** **Andrea Yonah** Director andreay@birdf.com
Website: www.birdf.com 972-3-6988301	**Tal Nahari** Office Manager taln@birdf.com	**Omer Carmel** **PBC** Director of Business Development omer@birdf.com	**South (Texas)** **Anat Ben Yosef** Director by.anat@birdf.com

***PBC – Primary BIRD Contact**

Approved Projects

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BIRD Ref. #	IS Company	U.S. Company	PBC*
1907	AccuBeat	FieldLine	OC
1918	Mentaily Innovations	Henry M. Jackson Foundation	OC
1919	Newton VR	The Spaulding Rehabilitation Hospital	TK
1927	Tuned	Novidan	LNV

BIRD Cyber

4017	Sasa Software	Bavelle Technology Solutions	LNV

* Primary BIRD Contact

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The Process to Project start – Jaron Lotan

Given to New Grantees of the BIRD Foundation

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Underlying Principles of a BIRD Engagement

- **BIRD** supports a cooperative project - the engagement is with both companies together and based on their cooperation
- **BIRD** commits to fund the projects based on the companies' commitment to execute it
  This commitment includes:
  - Commitment to execute the project as submitted to completion
  - Commitment to match the BIRD funds and "survive" financially
- Both companies should remain actively engaged in the project (70-30 rule)
- Repayment based on success of companies and/ or project is integral part of the model
- Reporting requirements are critical – throughout the project and thereafter
- **BIRD**'s mission is to support you – we build a relationship with grantees that is based on trust

Steps towards signing the CPFA and Project start

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- **Financial Status Analysis** - private companies only, substantiate matching funds and financial viability
- **Adjust budgets** - to equal twice the approved grant, preserve the max 70-30 ratio
- **Adjust Program Plan (Gantt) , Milestone and Deliverables** - reflect project start date (“Effective Date” – not earlier than CPFA signing date)
- **Missing additional details** - as instructed in the letter
- **Bilateral agreement between the two companies** - draft for BIRD to approve prior to signing
- **Agree on CPFA modifications** - if and as appropriate
- **Final version of CPFA to be sent by BIRD for electronic signatures**

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:**
  - Joint and separate reporting commitments during the project – section C
  - Terms of the conditional grant including repayments – section F
  - Repayment events and post project reporting – section G
  - Rights of the Governments – section H
  - Budgets of both Participants – Annex A
  - Grant payment milestones – Annex B
  - Project start date; Milestones – Annex E
  - Product Description – Annex F
  - Milestone Description (specific CPFAs) – Annex G

Project Financing & Repayments (sections F, G)

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- BIRD has two different repayment tracks that are applied to participating companies based on their size (in terms of revenues) at the time of project start:
  1) SCT – based on revenue growth
  2) Product based track – based on sales of Product or its derivatives
- In some cases one company signs as SCT and the other as Product based
- The CPFA defines Full Repayment – a repayment of the entire obligation, as adjusted over time
- Actual repayments are triggered by several events (depending on track) :
  - Revenue growth of company
    OR:
  - Commercialization of the Product
  - Repayment Events:
    - Breach of contract
    - Change of Control of a participant (including IPO)
    - "Outright Sale" of the product (only for Product based Track)

BIRD SCT Repayment Track

- Repayment track for “small” companies - 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 in the first five years after project completion in which case 80% of indexed grant will be considered full repayment
- Repayment Events – Breach of contract and Change of Control

BIRD Product based Repayment Track

- Royalties paid on sales of the Product funded or its **derivatives**
- Definition of "Product" – as per its functionality, not technology.
- Royalties are 5% of gross sales till "Full Repayment" - 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 5th year +
- Repayment events – Breach of contract, Change of Control and Outright Sale

Timing is in your hands....

We are here to move ahead fast with you ...

Good Luck!

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Financial Aspects – Rotem Palash

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Finance – Before Signing the CPFA

Companies must demonstrate they have:

- 50% matching funds
- Financial Viability throughout the project duration

Both partners must share:

- Financial Questionnaire (Private companies only)
- Most recent audited financial statements
- Most recent Trial Balance
- Any other requested information by the finance team

The CPFA will not be signed until these are submitted and approved by BIRD

Finance – Before Signing the CPFA - Project Budget

- Amend the budget to **match your approved grant** (e.g., if the grant is $1M, the total project budget should be $2M for both companies)
- Grant split between the U.S. and Israeli partners should be no less than **70% - 30%**
- **Direct Labor** - C-level salaries are not eligible as direct labor unless substantial, documented project work is demonstrated; overhead of 25% is added to direct labor to cover management & business support costs
- **Equipment & expenses** - Provide detailed justification for any budgeted line item **over $50K**
- Expenses incurred **outside Israel or the U.S**. are not approved unless the service/parts are critical and unavailable locally; provide supporting details
- Fill out the "**Projected expenditure by segment**" - in the bottom part of the main sheet. Ensure the percentages are realistic and aligned with actual expenses, otherwise, you may miss the trigger and be ineligible for payment

Annex B - Payments of Conditional Grant

- First payment – Upon signing of the CPFA, each company receives an advance towards the first segment
- Every 6 months (“Segment”) – submission of:
  - Fiscal Report from each company
  - A joint Technical Report
- The cumulative level of expenditure should reach a trigger amount
- The Finance team reviews the financial reports and the PBC reviews the technical report. The review begins only after all reports have been uploaded to BIRD’s portal
- Upon approval, payment is wired to your account
- **3 weeks before the 1st submission - Finance team will have a meeting with you to explain how to fill out the financial report**

Annex B - Example

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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 Expenditure	Payment
Israeli Company	$260,000	$250,000
U.S. Company	$310,000	$350,000

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Working with BIRD as grantees – Tal Kelem

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Your Project is Approved – What's Next?

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- **Effective-Date Adjustment**
- **Annex E and Gantt Chart Adjustments**
- **Budget Revision -** Project Plan Implications

Project Reporting

Project Reporting

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Objectives: Transparency, Accountability, Communication, Evaluation, Decisions

- **Project Status & Work Plan Progress**
  Monitoring project progress: actual vs. planned
  Completed tasks, challenges, delays, required modifications (work plan, budget).

- **Results & Achievements**
  Milestones and deliverables

- **Challenges**
  Key challenges encountered and how they are addressed (technical, budgetary, ecosystem, market dynamics, political developments).
  Can we help?

Project Reporting

- **Lessons Learned**
  Insights and recommendations – work plan, tasks
- **Modification Requests**
  Extension, budget revision, scope
- **Potential Gains**
  We may assist you in making better decisions.
  Identify potential delays – project extension when it is still relevant
  Optimize your grant utilization

Project Reporting

Guidelines and Stages

Choose your stage

Guidelines | Submission | Agreements | Reporting

Reporting Guidelines

Report Formats

Interim Technical Report

Interim Technical Report Template

Fiscal Report

Fiscal Report – Please fill in on BIRD's Fiscal Reporting System
Please use the Upload System credentials to log in.

Fiscal Reporting System Guidelines

Final Report

a. Final Technical Report Template- Part I

b. Final Technical Report Template- Part II (Updated Marketing Forecast)

Explanations to Part II (YouTube)

c. Fiscal Report

Following Completion Reports

Commercialization Report

Milestone Progress and Commercialization Report

Project Extension

Extension Request Guidelines

Extension Request Form

YouTube

Project Reporting Timeline

Project Structure & Report Timing:
Duration (example): 18 months, 3 segments X 6 months

Enhancing Collaboration

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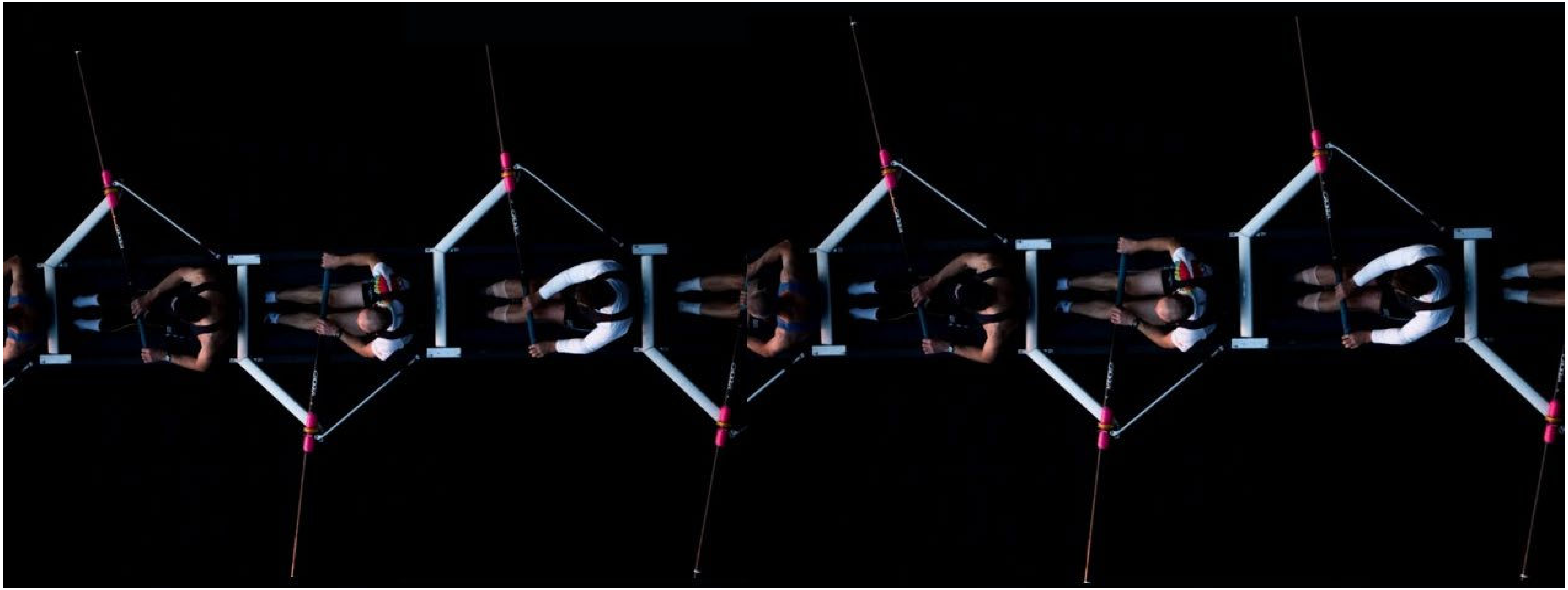

Enhancing Collaboration

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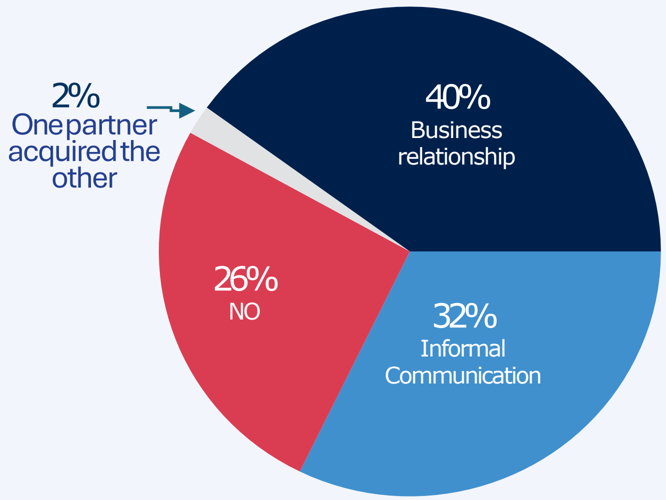
BIRD FOUNDATION IMPACT STUDY 2002-2018

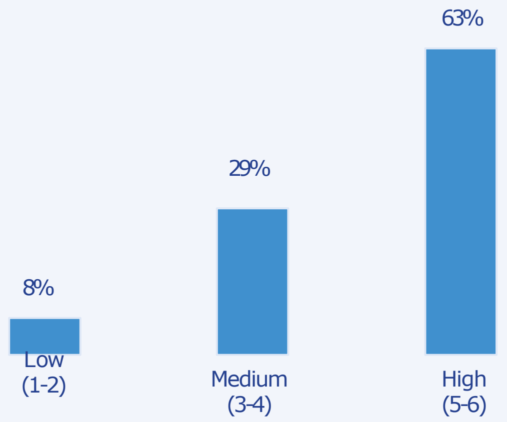
High-Quality Partnerships - 74% continue after the project

Did the **relationship with your partner** continue **after the project**?



*Excluding companies with projects still on-going (34)

How good was the 'quality' of the partnership in the project?



Effective Relationship Management

- Understand your partner’s goals and project priorities
- Be mindful of your partner’s cultural perspective and skill diversity
- Maintain both formal and informal communication channels
- Address challenges proactively when they arise
- Use project reports as an opportunity for sharing insights and alignment

Wishing you a Successful Project!