



UNEXMIN DELIVERABLE D8.15

NEW COMPANY / “NewCo”

Summary:

According to the UNEXMIN Grant Agreement a New Company (“NewCo”) is to be created within the scope of the project aiming to further develop and commercialise the technology developed in UNEXMIN.

This document contains explanations on the process of setting up NewCo, its mission objectives and operating procedures. The company structure, key aspects of the business plan, IPR and other relevant details are also provided.

Due to the PU/Public classification of this document a number of details were considered commercially sensitive and were left out of the final version. Upon request these can be made available for an internal review, together with additional supporting documents and the NewCo Business Plan.

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1 Executive summary

This document contains information about the setup and basic operation procedures of NewCo i.e. UNEXMIN GeoRobotics Ltd, a joint company, set up and owned by several UNEXMIN consortium partners.

The establishment of UNEXMIN GeoRobotics Ltd is foreseen in the Grant Agreement in the following way:

“For direct commercial exploitation a New Company (NewCo) will be created as a spin-off based on the UNEXMIN knowledge pool. Any and all Consortium partners are entitled to a share in the company – although the main stakeholders will be the private companies participating in the project. NewCo will deploy a commercial service based on UX-1. Repairs, upgrades and the production of new units will be carried out by the Consortium’s technology developer partners under a business cooperation contract. “

Preliminary discussions on the exploitation of results, including setting up a joint company, were held even before the project started, already during its preparation, as it is can be found in the relevant chapters of the UNEXMIN Grant and Consortium Agreements (dated 2015). This initial discussion was followed up during a two-day dedicated workshop held in La Palma in October 2017.

Preparations started to establish the company well before the end of the project. As a result, UNEXMIN GeoRobotics Ltd, “NewCo”, was founded in December 2018 by consortium partners La Palma Research Centre and Geo-Montan supported by the entire Consortium (full Consensus). The main idea behind setting up the company in advance – well before the end of the project - was to start disseminating its name, the project and its technology to potential customers and markets.

The status of UNEXMIN GeoRobotics Ltd as of October 2019 is that the shareholder structure for the company is established and the forum for the Founding Members is formed. This group follows the distribution of shares schemes as well as internal agreements as specified in the Consortium Agreement.

A Memorandum of Understanding has been produced concerning the establishment of NewCo / UNEXMIN Georobotics Ltd, approved with a decisive majority of votes by the UNEXMIN Consortium Steering Committee (10 Yes, 2 abstentions).

2 New Company “NewCo” - UNEXMIN GeoRobotics Ltd (UGR)

Setting up a new company is a deliverable within Work Package 8, under Task 8.5 – Business economics and exploitation of results. On this specific topic the Consortium Agreement provides further details, including Intellectual Property Rights management, distribution of shares and other aspects necessary for the establishment and development of such a joint effort.

The following sub-chapters aim to guide the reader through the setup process of NewCo as well as giving relevant information on the company’s line of work and future prospects for the further exploitation of the UNEXMIN project results, namely by offering the UX-1 technology as a service to the market.

2.1 NewCo timeline (main points)



Figure 1: Main timings in the establishment process of NewCo

1. October 2017

- a. NewCo dedicated Workshop, La Palma, 3rd & 4th October
- b. First discussions on the establishment, line of work and financial aspects of the new company

2. January 2018

- a. UNEXMIN consortium meeting, Bled, 31st January; session dedicated to NewCo and exploitation
- b. Discussions following the conclusions/decisions taken from the previous period on market, financials, personnel, etc

3. December 2018

- a. A first version of NewCo is established by two UNEXMIN partners (LPRC and Geo-Montan), with approval from the UNEXMIN consortium, as per Steering Committee voting (Full Consensus). The company is registered in Hungary as UNEXMIN GeoRobotics Ltd (UGR).

4. May 2019

- a. Steering Committee meeting, Ecton, 24th May; session dedicated to UGR and exploitation of results
- b. A business plan is presented to the consortium partners, after being firstly circulated online in March. The May version of the document follows a round of consultation, and discussion among the partners. A preliminary acceptance on this document and what lays in it is achieved by majority of votes
- c. Distribution of shares for UNEXMIN shareholders and Intellectual Property Rights compensation schemes are discussed

5. September 2019

- a. Steering Committee meeting, Brussels, 25th September; session dedicated to UGR and exploitation of results
- b. Discussion on the current state of the business plan after proposed changes
- c. Discussion and decision on the future steps in order to formally establish NewCo as UNEXMIN GeoRobotics Ltd and integrate the interested parties as Shareholders

6. October 2019

- a. A set of UNEXMIN GeoRobotics Ltd founders (shareholders) is formed. This group follows the distribution of shares schemes as well as internal agreements as specified in the Consortium Agreement

Between these meetings, a number of decisions regarding NewCo were taken by Steering Committee voting on 26 October 2018, 15 June 2019, 18 July 2019 and 6 October 2019, through online vote casting. These voting were passed with unanimous or majority of approval, making them legally accepted within the frame of the UNEXMIN statuses as defined on its Grant Agreement.

2.2 Process of creating NewCo

Preliminary discussions on the exploitation of results, including setting up a joint company, were held even before the project started, already during its preparation, as it is can be found in the relevant chapters of the UNEXMIN Grant and Consortium Agreements (dated 2015).

This initial discussion was followed, already during the UNEXMIN project, by a two-days dedicated workshop held in La Palma in October 2017, where, at the time, a better knowledge of the technology and exploitation possibilities was held by the consortium. The agenda of this workshop (Annex 1) worked around the possibility of setting up a company, how it would be done and on what points it would focus. Among the topics discussed, the following were of major importance for the next steps of the NewCo establishment process:

- 1) NewCo's strategic positioning
- 2) Recommended service portfolio
- 3) Revenue streams
- 4) Customer segments
- 5) Challenges of setting up the company
- 6) Strategic matters
- 7) Practical matters
- 8) Operating scenarios

This workshop also served as a preparation for D8.12 – Final Commercial Exploitation Plan that followed D8.11 – Draft Commercial Exploitation Plan (confidential status). Both these documents contain relevant information for setting up and managing the new company. They also contain important information on market, a SWOT analysis and more, which are based on discussions within the UNEXMIN consortium and that

facilitated further discussions that lead to the establishment of UNEXMIN GeoRobotics and the Business Plan at a later point.

The next discussion on the new company topic was held during the UNEXMIN consortium meeting in Bled in January 2018. Here discussions held on the previous meeting were continued, but with discussions being driven by conclusions from the La Palma workshop. Among others, a clear vision on the new company was set for the first time and agreed among the partners. A preliminary structure of NewCo was debated.

Following this meeting preparations started to create the first version of the new company. UNEXMIN GeoRobotics Ltd, “new company”, was founded in December 2018 by consortium partners La Palma Research Centre and Geo-Montan, agreed by the consortium. The main idea behind setting up the company in advance – well before the end of the project - was to start disseminating its name, the project and its technology to potential customers and markets.

From December 2018 onward UGR started to work independently from the UNEXMIN project. The partners, however, continued to contribute with ideas and definitions for the management of the company and all other relevant aspects. At this point, UGR was not formally NewCo.

In 2019, LPRC with the contribution of UNEXMIN members created a first draft of a Business Plan for UGR that was circulated in March. In May it was presented and discussed in a Steering Committee meeting where the majority of the partners agreed with the conditions laid in such document, including distribution of shares and Intellectual Property Rights compensation. The Business Plan presents information on the following topics:

- 1 – UGR Legal Framework
- 2 – Market background
- 3 – UGR vision
- 4 – Market positioning
- 5 – Operating procedures and Human Resources plan
- 6 – SWOT (Strengths Weaknesses Opportunities Threats) analysis
- 7 – Composition of UGR
- 8 – UGR financial plan
- 9 – Investment risk evaluation

Under these points some of the most important topics include the development of an Intellectual Property Rights compensation scheme, a formula to divide shares among the partners and others that require approval from the Steering Committee members before NewCo is formally established.

After partners had analysed this document and agreed upon it, a newer version was created and circulated in July 2019, then further discussed in September 2019 in a Steering Committee meeting.

It was in this last meeting that the final details for the establishment of NewCo were agreed upon. The most relevant outcome was the definition of the first group of shareholders – core shareholders – that came directly after the UNEXMIN partners interested in being part of NewCo.

Distribution of remaining shares, either within the Consortium or outside, is a matter of business for the founding members of UNEXMIN GeoRobotics Ltd and is outside the scope of this document.

A Memorandum of Understanding prepared by the UNEXMIN Consortium abides for the formal established of UNEXMIN GeoRobotics Ltd as the successor company of UNEXMIN as mandated in D8.15. The Memorandum of Understanding is approved with a decisive majority of votes by the UNEXMIN Consortium Steering Committee (10 Yes, 2 abstentions).

2.3 UGR Legal Framework

UNEXMIN GeoRobotics Ltd/NewCo will hold licences to the Intellectual Property Rights and to exploit the results of the project by: 1. (primarily) - sales of geoscientific services and, 2. (secondarily/potentially): sales of hardware & software technology. The successful establishment of NewCo is a joint and shared responsibility of all consortium participants. When D8.15 NewCo is formally established, by the end of October 2019, each consortium participant will grant the company a full and unrestricted exclusive license to use and exploit its results for any purpose directly related to its operation and agreed business plan according to Intellectual Property Rights management provisions outlined in the Consortium Agreement. D8.15 – “NewCo” is a contractual deliverable. In order to maximise NewCo’s chances for a successful start, the UNEXMIN Consortium made the decision in October 2018 to establish a “provisional” company already before the end of last year and use this company as a basis for delivering the “official” NewCo before the end of the project period. Consequently, a company named UNEXMIN GeoRobotics Ltd (UGR) was established in Hungary by two of the commercial project partners of UNEXMIN. The early establishment of UGR was meant to simplify the process for delivering NewCo as a contractual deliverable of UNEXMIN. Each partner is entitled to own UGR shares proportional to the share of their budget in the UNEXMIN project. This overall approach was discussed and agreed upon by Consortium members at the bi-annual project meeting on La Palma, 10 January 2019.

The principles guiding the setup and operation of UGR are described in detail in the internal NewCo Business Plan.

2.4 UGR vision

UGR’s vision and goals can be divided in the short, medium and long-terms. The short-term goals concern the application of the UX-1 robotic platform for commercial mine surveying, exploration and geoscientific purpose. The medium and long-term goals are described in the internal Business Plan.

2.5 UGR market

The envisaged markets and customers for the UNEXMIN technology are as follows:

- 1) Immediate target markets:
 - a. Flooded shafts and tunnels of abandoned and operating mines
 - b. Underwater or flooded caves
 - c. Channel systems
 - d. Industrial cooling ponds, lakes
 - e. Other underwater installations/structures that cannot be surveyed by any other means.

3 Conclusion

Deliverable 8.15 is formalised with the establishment of NewCo (UNEXMIN GeoRobotics Ltd) as agreed and approved by majority within the UNEXMIN Steering Committee Meeting, and formally achieved with the approval of this document.

Any and all future matters regarding UNEXMIN GeoRobotics Ltd are now outside the scope of the UNEXMIN project and consortium and will be dealt solely by UNEXMIN GeoRobotics Ltd shareholders.

Intellectual Property Rights management and compensation, shares distribution and other relevant matters are explained in a separate, confidential document, circulated and agreed upon by the majority of UNEXMIN Steering Committee members. This document is the UGR Business Plan.

Annex 1

AGENDA FROM LA PALMA MEETING

Time	Event	Local
9:00 – 9:15	Welcome session and practicalities (Agenda, etc) Luis Lopes	Hotel
9:15 – 09:30	Status of the Interim Project Review and its impact on the project, WP8 and in particular D8.12 Final commercial exploitation plan Norbert Zajzon, All	Hotel or terrace
09:30 – 10:45	The UNEXMIN project's marketable components, NewCo's strategic positioning Janos Horvath, All	Hotel or terrace
10:45 – 11:15	Coffee Break	Hotel Cafeteria or terrace
11:15 – 12:45	Continued discussions Janos Horvath, All	Hotel or terrace
12:45 - 14:00	Lunch	Piadineria
14:00 – 15:30	NewCo recommended service portfolio, possible revenue streams, customer segments Balazs Bodo, All	Hotel or terrace
15:30 – 16:00	Coffee Break	Hotel Cafeteria or terrace
16:00 – 17:30	Setting up NewCo: Challenges, the range of issues to be resolved & discussed, preparation for Day 2 Eszter Horvath, All	Hotel or terrace
17:30 – 19:30	Free time	
19:30 -	Dinner	Hidalgo

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Annex figure 1: Agenda for the first consortium discussion on NewCo, held in La Palma, Canary Islands, on the 3rd and 4th of October 2017.