EIB Group Solutions for the Space Sector

Shiva Dustdar
Head of Innovation Finance Advisory

Advisory Services, European Investment Bank
EIB Group financing instruments

- EIB Group financing instruments
- Pre-seed Stage of development
- Seed stage
- First “Valley of Death”
- Second “Valley of Death”
- Innovation finance gap
- Growth Finance Gap – expansion capital EUR 7.5m-25m
- Thematic products relevant for the space sector, e.g. Innovfin Space Equity Pilot
- EIC Pilot
- Advisory services
- European Investment Bank
Examples of EIB operations in the space sector

**SKELETON TECHNOLOGIES**

Growth financing of the scale-up of operations and additional R&D costs of this leading producer of ultracapacitors and ultracapacitor-based energy solutions using patented nanoporous graphene material.

EUR 15m quasi-equity loan under EFSI

**inmarsat**

Funding of Alphasat, the first flight mission for Alphabus, the large satellite platform developed by ESA. Alphasat provides mobile broadband services covering Europe, Africa and parts of Asia and carries European applied research programs.

EUR 225m loan under the Risk Sharing Financing Facility

**AVIO**

Support the investments to develop and manufacture modern space propulsion systems and covers early stage R&D activities as well as capital expenditures for the modernisation and expansion of the manufacturing capacity.

EUR 50m investment loan under EFSI
Innovation Finance Advisory: Project Advisory, Market Consultations & New Products

- Support project pipeline development.
- Review projects, identification of gaps/weaknesses, advise on improvements.
- Advise on other critical business areas (e.g. RDI governance & strategy, etc).
- Advise on financing options within and outside the EIB Group.
- Facilitate contacts to relevant market actors.

- Improve framework conditions for financing.
- Develop “business case” for new financing mechanisms in RDI sectors.
- Prepare studies to identify market barriers and funding gaps (e.g. access-to-finance studies for CE, 5G, AI/Blockchain and many others).

- Targeted market consultations
- Pro-active participation in targeted fora and workshops
- Mobilisation of industry, investors and a wider ecosystem of actors to develop new financing solutions, best practice dissemination, bridging gaps and asymmetries between demand and supply of finance

Funding Gap Analysis
Access to Finance studies for:
- Financing the space sector
- Financing the deep tech revolution
- Financing AI and blockchain
- Financing investment in 5G services

Innovfin Space Equity Pilot
(InnovFin Thematic Investment Platforms)
What we observe in the space sector. Findings from our Space Study on Access to Finance

**Market maturity and sector risks**

- Information asymmetries and general lack of understanding of the sector and its risks by the wider investor community
- Many potential (often misunderstood) red flags and risks / capital intensity, long technology cycle, complex ecosystem and regulatory environment
- It’s (mostly) about market risk

**Access to finance challenges**

- Early stage investment still takes the lion share of overall private investments / raising late stage finance (series C, D and +) remains a challenge
- General lack of growth capital in Europe
- Lack of more (generalist) institutional money in the late stage investment segment
- Lack of exits to date may delay the access of later stage institutional investors

**Role of the public sector**

- Pull factor of the public sector somehow missing today in Europe
- Role of public institutions to connect pools of capital and pull in additional private capital
- Availability of export credit agency financing – a boon in the infrastructure and launch investments
- Bridge the lack of late stage risk capital and reap the benefit of employment generation and economic growth

**Important to get the narrative right / science and finance not speaking the same language**

**Persistent lack of growth finance needs to be addressed**

**A prominent role for the public sector**
Recommendations from our Space Study on Access to Finance

**SUPPORT FOR THE ECOSYSTEM**
1. Strengthen the ecosystem of public support mechanisms by introducing more flexibility and more commercial orientation

**INNOVATIVE PULL MECHANISMS FROM THE PUBLIC SECTOR**
2. Develop and deploy innovative pull mechanisms from the public sector (e.g. innovative procurement and industrial policies) to stimulate technology development and its commercial uptake
3. Adopt a strengthened European defence policy as a driver for market development across all space business segments

**ACCESS TO FINANCE**
4. Increase the volume of risk capital and catalyse additional private investment into the sector

**ADVISORY AND SOFT MEASURES**
5. Establish a “space finance lab” with representatives from the finance community, academia, policymakers and industry to bridge the information gap and develop innovative financing solutions for the space sector
Space Finance Lab: shaping new financing instruments and policies

Objective

A discussion forum aiming to shape new financing instruments and policies.

It provides opportunities to showcase the latest thinking and developments in the financing of space ventures, to raise awareness of existing funding programs and identify projects that could benefit from them.

Attendees

The Space Finance Lab convenes relevant stakeholders from the space community, including representatives of the industry, finance, academia, policymaking and regulatory bodies.

Topics

Equity and debt for space companies, insurance solutions, supply-chain finance, project and structured finance, legal and regulatory matters, etc
THANK YOU!

**Shiva Dustdar**
Head of Division
Innovation Finance Advisory
Advisory Services Division

Phone: (+352) 4379 87316
Fax: (+352) 4379 57316
E-Mail: s.dustdar@eib.org

European Investment Bank
100, boulevard Konrad Adenauer
L-2950 Luxembourg

**Jaroslav Toth**
Advisor
Innovation Finance Advisory
Advisory Services Division

Phone: (+352) 4379 87822
Fax: (+352) 4379 57822
E-Mail: j.toth@eib.org

European Investment Bank
100, boulevard Konrad Adenauer
L-2950 Luxembourg

Don’t hesitate to contact us:
innovfinadvisory@eib.org
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