



**SPACE VENTURE**

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**GLOBAL INVESTMENT DYNAMICS**

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European Space Policy Institute (ESPI)

Schwarzenbergplatz 16 TOP1 • 1010 Vienna • Austria

Phone: +43 1 718 11 18 -0

E-Mail: [office@espi.eu](mailto:office@espi.eu)

Website: [www.espi.eu](http://www.espi.eu)

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## 1 SPACE VENTURE 2025 KEY TAKEAWAYS

**ESPI's Space Venture** is intended to inform stakeholders in the space sector as well as the general public on the evolution of private investment in the sector. In doing so, it maximises **the value of public expenditures for European space programmes**, aligned with the EU Startup and Scaleup Strategy and several national space strategies. It serves as a reference point for understanding space investment dynamics globally, with specific regional insights. While focused on venture-backed companies, it also covers other deal types and established firms (see Methodology in Annex A).

### Global Investment Dynamics

- Global investment in space ventures reached **€11.7 billion in 2025, a 60% YoY increase**.
- At nearly €8 billion, the **US space ventures captured the highest share** of global funding.
- **VC funding represented €8.3 billion**, 71% of global investment. Market exits experienced a comeback as IPOs and acquisitions amounted to €1.2 and €1.4 billion, respectively.
- As upstream firms continued to raise the largest share of funds, both launch ventures and satellite manufacturers raised record amounts - €4.7 and €3.1 billion.

### European Investment Dynamics

- European space ventures attracted **€1.4 billion in 2025**; a YoY decrease of 8%.
- However, venture capital, the sector's main funding driver, continued to grow, reaching €1.2 billion, up 13% YoY.
- In 2025 the top five ventures attracted €629 million; ICEYE raised the largest amount.
- **Top countries by investment secured in 2025:** 1) Germany; 2) Finland; 3) France; 4) Bulgaria; 5) UK.

### Insights on China, Africa, and Japan (ESPI Partnerships) \*

- **China:** Launch companies secured >50% more than in 2024, reflecting acceleration in demand due to the planned NGSO constellations. Funding from provincial and city governments continued to grow.
- **Africa:** In 2025, two companies secured a total of €16.4 million as investments in space companies followed the cool-down of the wider African VC ecosystem.
- **Japan:** Size of an average funding round increased. As state support for the industry began to materialise through the Space Strategy Fund, a long-term subsidy programme.

\*The data and analysis for these sections were developed in partnership with OrbitalGateWay Consulting, SpaceinAfrica, and SPACETIDE, respectively, in cooperation with ESPI. Numbers and outcomes can differ from the ESPI database/research.



## 2 IN FOCUS: BALANCING ECONOMIC SECURITY & FOREIGN INVESTMENT

While Europe recognises the benefits of foreign investment, **geopolitical tensions and rapid technological change have increased policy focus on economic security risks, especially when involving defence-related companies.** As a result, in 2025, political consensus was reached within the EU to update the 2019 FDI Screening Regulation and introduce mandatory screening mechanisms across all member states.<sup>1</sup>

This comes as **Europe's space and defence industries are reconverging.**<sup>2</sup> Investment patterns reflect this shift: in both 2024 and 2025, investments in companies explicitly targeting security and defence markets accounted for 30% of total investment in European space ventures.<sup>3</sup>

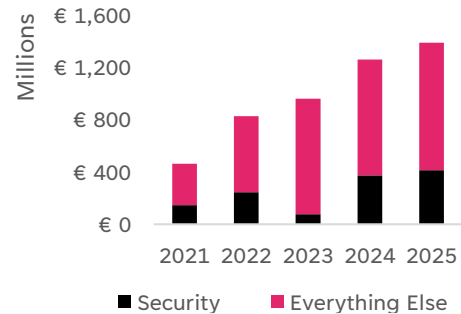


Figure 1: Debt and equity investments in European Space Ventures

**Importantly, the space sector's relevance to Europe's economic security stretches beyond companies directly involved in defence activities.** Space technologies are increasingly equated with Europe's strategic autonomy, making it ever more important to understand foreign investment dynamics in the European space sector.<sup>4</sup>

**Over the last two years, 84% of investors participating in funding rounds in European space ventures were based in Europe. Yet the degree of foreign investor exposure differs significantly across the continent.** France stands out for the strength of its domestic and European investor base. There, 89% of investor participation was European, including 75% from France itself, with virtually no US investor activity. Germany presents a different picture, with active involvement of non-domestic investors. There, only 45% of investor participation was national, while 37% was from elsewhere in Europe and 15% from the US.

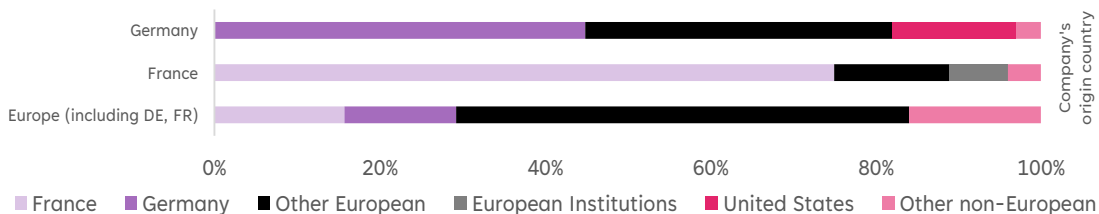


Figure 2: Geographical distribution of investor activity by company's origin country (2024-2025)

<sup>1</sup> Council of the EU, *Foreign direct investment: Council and Parliament reached political agreement to improve FDI screening*, 11 December 2025, (Link)

<sup>2</sup> ESPI, *Rising Together? The (Re)Convergence of Europe's Space and Defence Industries*, 28 March 2025, (Link)

<sup>3</sup> For detailed methodology please refer to Annex A, 7.10.

<sup>4</sup> European Commission, *Guidance Note of Regulation (EU) 2024/795 establishing STEP*, 13 May 2024, (Link)



**Europe’s private investor base has not yet demonstrated the capacity to consistently lead scaleup rounds in the space sector.** Of the 9 European space venture scaleup rounds in 2025, five were led by European public entities (EIB, Business Finland, the UK government and Vinci – the VC arm of Poland’s development bank).<sup>5</sup> Remarkably, **all four remaining deals anchored by private investors were led by American investors.**

**Even with heavy public support, only 69% of the ~€2 billion venture capital raised in the past two years in Europe was secured in rounds led by European investors.** Meanwhile, in the US, that figure rises to above 90%. Lead investors do more than write the largest check for the round: they may require a board seat or special voting privileges, shape valuation, terms, signalling, and the syndication of other investors.



- Investment value of rounds anchored by foreign investors
- Investment value of rounds anchored by domestic investors

Figure 3: Proportion of domestically led VC rounds in the US and Europe 2024-2025

**For space ventures, looking for investment beyond Europe is also a way to scale by expanding the addressable customer base.** Faced with smaller demand in Europe, the US offers an attractive opportunity for the European space industry, including prospects of accessing the world’s largest single space customer – the US government.

But if European space ventures **reach towards foreign investors due to necessity rather than by choice, these dynamics could be problematic.** Seeking capital, particularly larger, later-stage funding tickets abroad, is often a life-or-death question for European scaleups, since alternatives at home rarely exist.<sup>6</sup>

In this context, the identified dynamics reflect a serious **shortfall in Europe’s domestic capacity to catalyse rounds, crowd-in additional investors, and structure its own financings.** Therefore, the difference between European and the US exposure to foreign capital points to weaker ecosystem autonomy and shallower market depth, rather than simply to lower domestic ownership.

**European exposure to foreign acquisitions is even stronger compared to venture capital.** Of the 46 tracked acquisitions of European space companies over the 2014-2025 period, around a third (35%) involved foreign acquirers, predominantly US-based. German ventures seem to be particularly exposed, as half were bought by investors from outside Europe, including buyers from Singapore, Saudi Arabia, and the United States.

<sup>5</sup> For detailed methodology see Annex A.

<sup>6</sup> European Investment Bank, *The Scale-up Gap*, 2024, (Link)



Defence- related company	Prospective acquirer	Status
		completed
		approved
	Non-European	blocked & acquired by state-backed Safran
		blocked

Figure 4: Strategic Defence Related Space Company Acquisitions and State Responses

While not all foreign acquisitions are necessarily a threat to Europe’s economic security, giving away control of companies producing critical and emerging technologies can challenge the objective of strategic autonomy. Since more than half of all investment in European space ventures since 2014 saw public sector involvement, foreign take-overs can also result in indirect subsidies of innovation commercialised abroad. Both German and French companies have been targets of such acquisitions, yet results of such attempts differ.

For investors seeking returns, the main alternative to acquisition is a public listing. Yet IPOs and SPACs account for only 17% of European deep tech exit value and just 9% in space, compared with 30% and 27% in the US. Over the past five years, at least 33 space companies worldwide have gone public, but only four were European. This underscores European public markets’ caution toward deep tech, and space in particular.

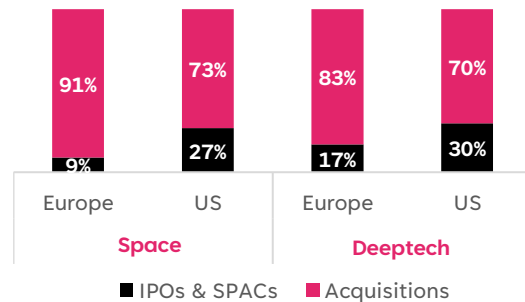


Figure 5: Share of exit value by type since 2022 (Source: Pitchbook, Dealroom, ESPI)

Faced with the lack of choice to exit in public markets, Europe’s space companies are often left with one option – acquisition. Constraining this remaining pathway, even on national security grounds, could put some companies’ survival at risk.

Europe needs to strike a careful balance between protecting its economic security and leveraging FDI in financing the growth and transformation of its space sector. This includes ensuring that the benefits of public investment are ultimately captured at home rather than abroad. Therefore, if Europe wants to retain control over where that balance lies, it must create domestic conditions that reduce the need for foreign investment to be the default option. Measures to ensure long-term commitments of public demand for space services and products, together with completing the Savings and Investments Union, are therefore essential.



### 3 SPACE VENTURE: GLOBAL

**2025 has broken space venture funding records**, with the global ecosystem attracting €11.7 billion – more than a billion higher than in the previous record high 2021. Compared with 2024, it represents an impressive 60% upswing. **This resurgence is directly related to upward trends observed with American companies**, since the annual amount raised in Europe, China and RoW (Rest of the World) decreased compared to 2024.

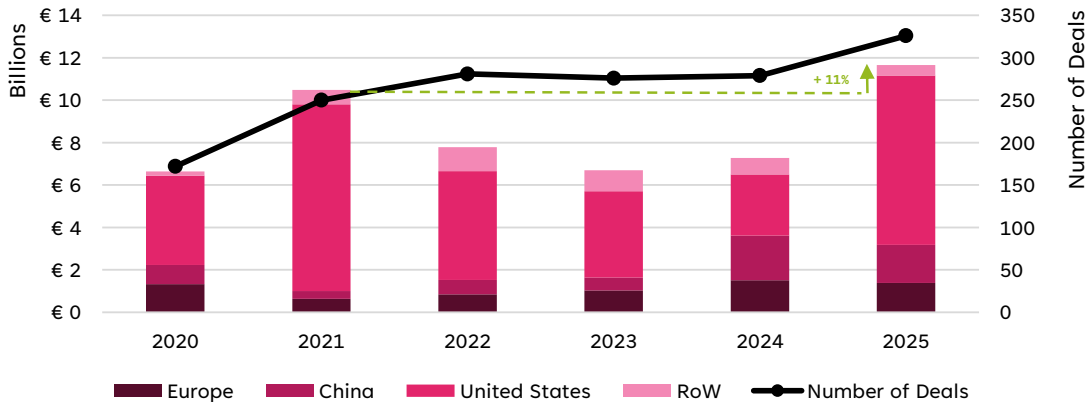


Figure 6: Global Investment by Country / Region and Number of Deals per Year

Since the 2021 SPAC bubble, the US had been experiencing a decline in both absolute annual investment and its share of global funding. This trend became especially pronounced in 2024, when US companies, for the first time, secured less than half of global funding. In 2025, however, this pattern reversed. **US space ventures raised nearly €8 billion, capturing the highest share of global funding since 2021**, although this still remained below the 2021 record of €8.8 billion. The rebound in the American ecosystem was driven largely by scaleups, which accounted for around €6 billion of the total.

**European companies raised €1.4 billion in 2025, an 8% decline year over year (YoY).** This drop was driven largely by the lack of publicly disclosed acquisition values. In 2024, the largest deal was Prelogens' €220 million acquisition, which contributed to the total. In contrast, 2025 deals such as UP42's acquisition by Neo Space Group and Connected's acquisition by Open Cosmos were announced without disclosed prices, meaning total investment may in fact have been higher than that tracked in 2024. At the same time, **venture capital activity in Europe grew 13% year over year.** While this was a positive result, it still trailed the 18% YoY growth recorded in 2024.

At the same time, **Chinese peers attracted nearly €1.8 billion in 2025, also posting a YoY decline of 15%.** While 2024 figures were boosted by SpaceSail's exceptionally large €682 million Series A round, 2025 funding was driven by a broader mix of companies, mostly at



the scaleup stage. In fact, scaleup funding reached new highs, with a record number of growth-stage rounds, particularly in the launch segment, including Space Pioneer, Galactic Energy, and iSpace. Moreover, since 2019, the Chinese ecosystem has recorded a 32% compound annual growth rate (CAGR), the highest globally.

### 3.1 Investment by Type

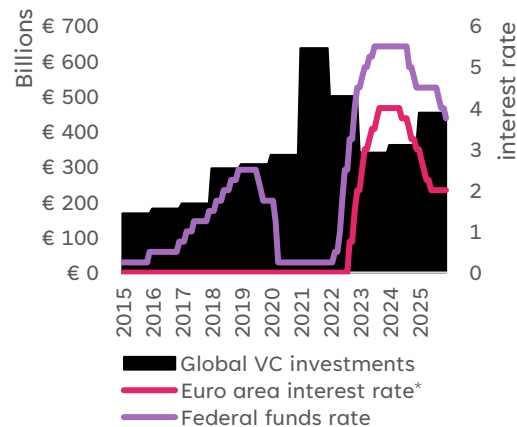
In many regards, the 2025 space venture funding trends reflected similar patterns to global cross-sectoral developments in capital markets.

First, **the comeback of VC funding in space is in line with the global overall VC funding activity.** As capital was becoming cheaper investors were regaining confidence after 3 years of declining or flat investment trends. Despite geopolitical tensions and unstable US tariff policies causing uncertainties at the beginning of the year, by the end of 2025, global VC trends regained positive momentum, driven by AI and defence.<sup>7</sup>

In line with such cross-sectoral developments, **the global record funding levels of space ventures also saw resurged VC activity.** With €8.3 billion or 71% of all funding being provided as VC, it continues to drive the global space venture funding trends. This is by far the highest amount ever raised annually in VC funding, with the previous peak of €6 billion recorded in 2021.

**After a period of muted market exit activity in the post Covid-19 years, when higher interest rates resulted in lower company valuations, cross-sectoral market exits are returning on the horizon.** While volatility is causing delays, the confidence in public markets is slowly returning as a growing stock of large private assets are awaiting liquidation.

Before the Strait of Hormuz closure, analysts were cautiously optimistic that improving macroeconomic indicators and more predictable monetary policy would further open the exit window.<sup>8</sup> Yet, it remains to be seen how the evolving situation will affect monetary policy decisions and thus the enthusiasm of companies to list publicly.



\*The effectively negative rate of ECB during 2015-2022 period is reflected as 0

Figure 7: Cross-sectoral Global VC investments and interest rates. Source: ECB, Federal Reserve, Pitchbook

<sup>7</sup> KPMG, *Venture Pulse Q4 2025*, 19 January 2026, (Link)

<sup>8</sup> Morgan Stanley, *A Comeback for IPOs and Equity Capital Markets*, 29 July 2025, (Link); EY, *2025 Global IPO Market Key Highlights and 2026 Outlook*, 17 December 2025, (Link)



**Space ventures are also joining in this momentum of market exits after a calmer post-2021 period.** In 2021, all space ventures that went public did so through SPAC mergers, which then contributed nearly €3 billion to the annual funding. Following a period of market lethargy in the US, exits have returned to the industry again in 2025 in the traditional form of IPOs. Space IPOs have, for the first time since 2021, collected more than €1 billion. Disclosed acquisitions accounted for another €1.4 billion, the highest amount so far.

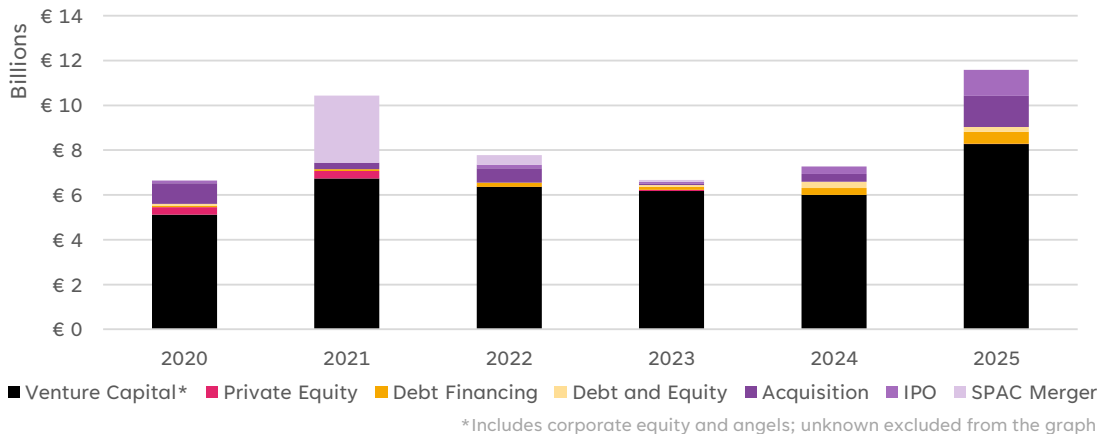


Figure 8: Global Investments by Type<sup>9</sup>

**In 2025, disclosed deals involving debt financing represented a record 8% of total global space venture funding, the highest proportion seen so far.** Of this, €530 million was raised exclusively through debt financing, marking a 41% year-over-year increase over 2024, which had already set a record.<sup>10</sup> However, the rise in debt financing does not carry the same meaning across regions.

Nearly 80% of the total venture debt was raised by Japanese and US companies, most of it from private banks. Meanwhile, in Europe the venture debt financing largely reflected direct public support from the EIB and national public entities. Depending on the region, higher debt levels may therefore signal either improved access to private debt or stronger public backing.

<sup>9</sup> This analysis assumes that Jeff Bezos provides Blue Origin with approximately \$1 billion in annual self-funded capital, treated here as angel investment, included in VC investments. This assumption is based on widely cited industry reporting, generally traced to Bezos’s 2017 statement that he sells about \$1 billion of Amazon stock annually to fund the venture. The actual amount may differ. However, given Blue Origin’s expanded business scope since 2017 and the effects of inflation, this assumption may be conservative.

<sup>10</sup> If a mixed deal has disclosed the debt and equity proportions of the funding, these are reflected in the respective categories separately. If the proportion is not disclosed, the deal is reflected in the “Debt and Equity” category.



### 3.1.1 Growing prominence of late-stage VC funding

With a record €8 billion invested in space scaleups, representing almost 70% of the total investment globally, market trends point to a maturing sector as more companies secure late-stage funding rounds. In 2025, Series B and C deals reached a global record of €3.3 billion, driven mainly by US firms, which attracted €2.5 billion of that total. For the first time, Series D+ deals also became a major driver of global space venture funding, as 19 companies secured late-stage rounds, accounting for 35% of the total VC funding.

In this stage, Chinese companies captured 39% of total funding, while their US peers remained in the lead with a 43% share. Meanwhile, the shift towards funding scaleups has also reached Europe, where they attracted nearly half of all regional funding. In global terms, however, this represented only 9 percent of the total.

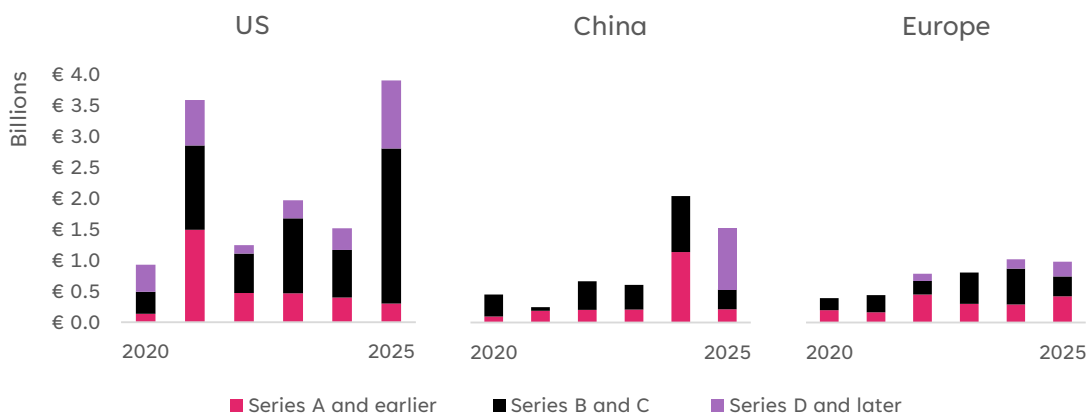


Figure 9: Yearly Volume of Global Venture Capital Investments by Round

With American scaleups collectively raising almost €6 billion in 2025 (€2.8 billion of these in VC), the US is experiencing a second scaleup funding wave following the initial surge of 2021. The size of an average funding round picked up after consistently decreasing since 2021, and with €60 million on average per deal, almost doubled since 2024. The largest VC round of the year was also secured by an American firm, as Stoke Space Technologies closed a €462 million series D round in September.<sup>11</sup>

The speed at which American companies can raise late-stage funds continues to serve to their advantage as Stoke, Apex and K2 all closed 2 rounds within less than 10 months (it took less than 5 months for Apex). The maturation of the US space ecosystem however **has not come at the expense of new company activity**, as more than 60% of all VC rounds were Series A or earlier.

<sup>11</sup> This excludes the assumed self-capitalization of Blue Origin by Jeff Bezos, which is included in Figure 8 as VC.



With nearly €1.2 billion raised by Chinese scaleups, China's space venture ecosystem is experiencing its first scaleup wave. With €993 million raised in Series D funding, firms such as Galactic Energy, MinoSpace and Space Pioneer are indicating increasing maturity. In fact, two out of five of the world's best funded space ventures in 2025 were Chinese. Although the average funding round size in China decreased year over year, this mainly reflects the exceptionally large Series A round raised by SpaceSail in 2024. Indeed, when looking at the broader picture, the trend since 2021 remains upward. At the same time ESPI observed a record number of early-stage deals, with 30 of the 46 rounds being Series A or earlier, signalling a new wave of emerging companies.

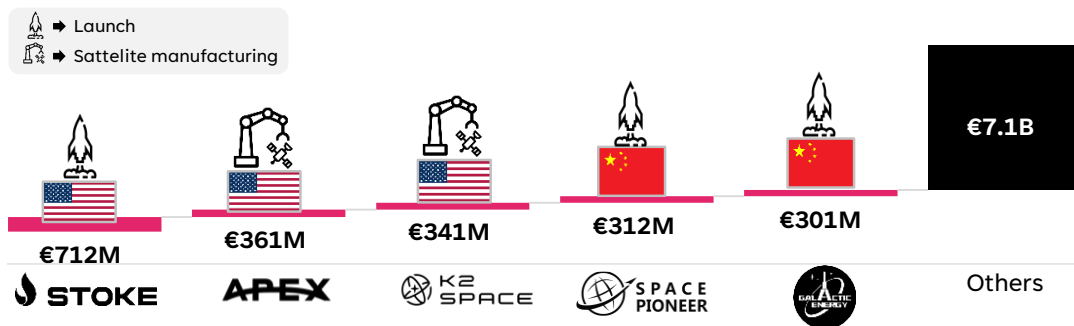


Figure 10: Equity and Debt Raised by Top 5 Global Space Ventures in 2025

### 3.1.2 Increasing number of exits

After a calmer market period following the SPAC bubble in 2021, the four space ventures that went public in 2025 raised €1.2 billion, the highest sum through traditional IPOs so far. While Asian (mainly Japanese and Korean) markets continued to see public listings in 2023-2024, with 9 of their space ventures going public, 2025 witnessed a return of public listings for American companies. In addition to three US ventures (Firefly, Voyager and Starfighters Space), Karman Space and Defence, an established space company, also went public in 2025, raising €438 million.

As this latest wave of IPOs has taken place in significantly deeper US markets, average deal values have increased substantially. Firefly Aerospace alone raised more capital than all space IPOs completed between 2020 and 2024 combined.

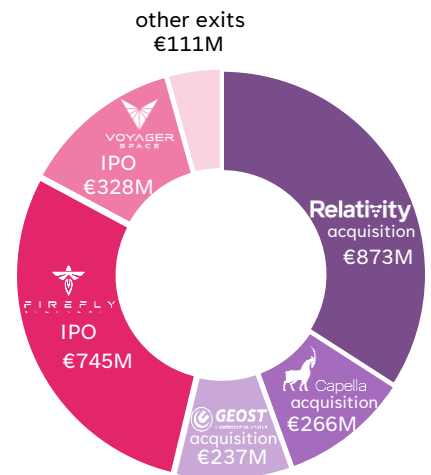












Figure 11: Exits of ventures with disclosed values in 2025



Still, the recently listed American space ventures do not yet show positive market performance. Karman, as the largest of the group, is the only one of the 2025 IPOs, whose market performance remained on an upward trend throughout the year. When comparing the change in share values from the respective company listing dates to mid-April 2026 with the change in value of a space industry ETF over the same time periods, it becomes evident that the newly listed ventures have not yet fully recovered from their post-IPO dip. Meanwhile most of the 9 Asian companies, listed in 2023-2024, for whom the initial listing fluctuations are now in the past, saw increases in share prices in the second half of 2025, in contrast to a more muted start of the year.

Company	IPO date 2025	Change in share value since IPO*	Change in benchmark ETF value since IPO**
 	13-Feb	▲ +154%	▲ +12%
 	12-Jun	▼ -55%	▲ +11%
 	07-Aug	▼ -45%	▲ +7%
 	13-Aug	▼ -8%	▲ +6%
 	18-Dec	▼ -40%	▲ +5%

\*As of 23.04.2026  
\*\* The benchmark value is derived from ARK Space & Defence Innovation ETF's change in value between company's IPO date and 23.04.2026

Figure 12: Snapshot of market performance of space companies who listed publicly in 2025

We may see more IPOs in the next few years. Globally, there are currently at least 77 space companies – including 26 in Europe – that were founded more than ten years ago, have not yet exited, and are still actively raising venture funding. As listing conditions improve, liquidation pressure from investors may grow for ventures pressing for longer timeframes than the typical 10-year VC fund. Moreover, it is expected that some of these 77 companies will solidify business models and gain public trust, enabling traditional stock exchange listings. In Europe, this trend may already be emerging, with ICEYE and SWISSto12 both indicating IPO ambitions.

In the anticipation of SpaceX IPO, however, some companies may also be taking advantage of the space industry's increasing momentum to use public markets to finance their capital-intensive investments. The IPOs of 2025 present a mixed picture and signs of both trends. Firefly went public after operating for 11 years and having secured €610 million in VC investment before the IPO. Starfighter's IPO, on the other hand, came shortly after its founding in 2022 without having completed a single launch prior to the listing.



Outside the space sector, SPACs have shown signs of re-emerging in 2025 as a less traditional exit pathway, though the rebound has not yet affected the space sector. During the 2021 SPAC surge, 10 space ventures went public through mergers with shell companies. Many did so at early stages of maturity, leading to failures and growing pains under the scrutiny of public markets. As a result, investors have become more cautious toward space company listings. Still, SPAC activity is rising again, with the number of new SPAC listings in 2025 already exceeding the combined total for 2023 and 2024, while more than 100 active SPACs continue to seek acquisition targets.<sup>12</sup> This raises the question of whether SPACs could return to the space sector. One early indication came in July 2025, when iRocket, an early-stage US launch company, announced plans to merge with a SPAC.

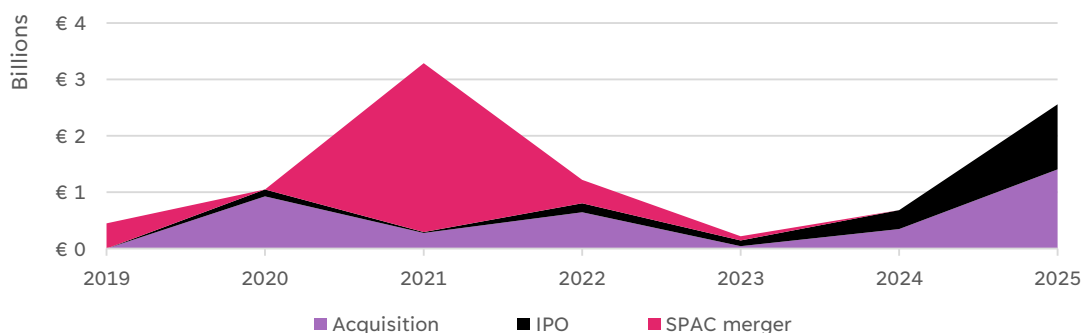


Figure 13: Value of Priced Exits Globally

With a record number of 25 tracked acquisitions globally, the ecosystem remains dynamic as space ventures find exit paths outside the industry. The 9 acquisitions with disclosed pricing together amounted to €1.4 billion, the largest known value so far. Just as with public listings, the 3 largest acquisitions took place in the US. Alongside 16 other companies, Geost was acquired by another space company.

Interestingly, even as the space industry's relationship with the defence sector deepens, and in some cases begins to merge, **acquirers came from a broader range of industries, including technology companies and environmental solutions firms.** Capella Space and five other companies found their exit paths outside the space & defence sectors, as companies in the wider economy recognised the value of integrating space ventures in their business models. The largest known acquisition of the year was also made by a player outside the industry as Google ex-CEO Eric Schmidt purchased Relativity, indicating his interest to build orbital data centres.

<sup>12</sup> EY, 2025 Global IPO Market Key Highlights and 2026 Outlook, 17 December 2025, (Link)



### Established companies\*

In 2025, the funding levels of established companies were similar to 2024, with acquisitions accounting for €11.3 billion and €10.8 billion, respectively. Most of this sum was concentrated in the three largest acquisitions of the year. Barnes Group was delisted from NYSE and acquired by an asset management company, BlueHalo and Intelsat now strengthen the operations of AeroVironment and SES. 67% of disclosed acquisition value (€7.5 billion) is made up from acquisitions of space-related companies with multiple business lines, instead of pure space operators.

**As companies continued to struggle for access to spectrum, 2025 saw an important step forward for Europe.** With the SES acquisition of Intelsat, the Luxembourgish company now has a fleet of around 90 GEO and 30 MEO satellites and a broader, more flexible portfolio of complimentary frequency bands. Since both Intelsat and SES had previously invested in the US D2D LEO startup Lynk Global, the acquisition also improved the European companies' strategic positioning in the D2D market which so far has been dominated by US players. SES has also announced its intentions to become a major shareholder in the planned merger between Lynk Global and its D2D competitor Omnispace, another US company holding additional spectrum rights.

**Strategic positioning of space companies as defence contractors has shaped major acquisition decisions.** For instance, Indra, a Spanish defence operator with a 28% government share, pursued an acquisition of the satellite operator Hispasat. This follows its acquisition of Deimos in 2024, creation of Startical in 2021 and multiple strategic investments in Sateliot. With the sequence of acquisitions, Indra is now positioning itself to become a prime contractor for national military programmes.



Figure 14: Biggest Acquisitions of Established space and space-related companies in 2025

\* This data is not included in the broader data. Refer to the methodology in Annex A for more information.



### 3.2 Type of Consortia

**The public sector strengthened its share of investment in Asia, while American enterprises were most successful at tapping private markets.** In line with previous years, especially since 2023, more than 70% of investment in Europe and Asia was done by either a mix of public and private investors or directly by public institutions. Asia in particular saw a sharp rise in purely public investment, reaching €863 million of the total €2.2 billion raised in the region. This increase was mainly driven by China’s provincial and local government support of upstream companies. At the same time, even if minimal in comparison, North America saw 11% share of mixed consortia investment, driven by VC arms of public institutions and public universities, marking the highest share since 2019.

**Despite a slightly increased share of purely private financing in Europe in 2025, structural barriers persist for ventures to attract private investors.** For scaleups in particular, the problem is more prominent as only 2 out of the total 9 scaleup rounds in Europe in 2025 saw no public sector involvement. In healthy markets, businesses that have gotten to later funding stages should be able to prove their business models to private actors and thus reduce reliance on state support. Strengthening European capital markets remains a necessity to enable more private sector investments in scaleups.

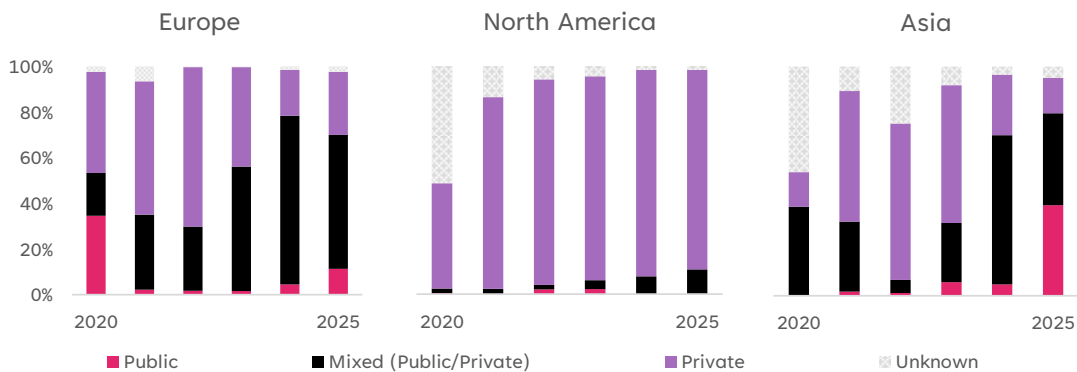


Figure 15: Type of Investment Consortia by Region

### 3.3 Investment distribution across the space value chain

**Upstream, as the most capital-intensive value chain part, remains the one attracting most investment, this year securing €9 billion (77% of total) space venture investment globally.** This is more than the complete ecosystem attracted last year. Even when excluding potential outliers such as IPOs, acquisitions, and Blue Origin’s self-capitalisation, VC investments in upstream still reached nearly €5 billion. Deal value aside, upstream was also the segment with the most deal activity, with 60% of all space venture deals.



The largest share of upstream funding was secured by launch companies, attracting a record €4.7 billion. Most of these funds (€3.5 billion) were concentrated in 9 American companies. Yet 8 Chinese, 6 European, 2 Indian, 2 Japanese and 1 Israeli company also secured funding. For China, the launch investment activity reflects the pressure to address the launch shortage associated with planned large-scale NGSO satellite constellations. As the country plans to increase their orbital launches to 140 in 2026 (a 50% YoY increase), the investment dynamics are clearly reflecting these ambitions.

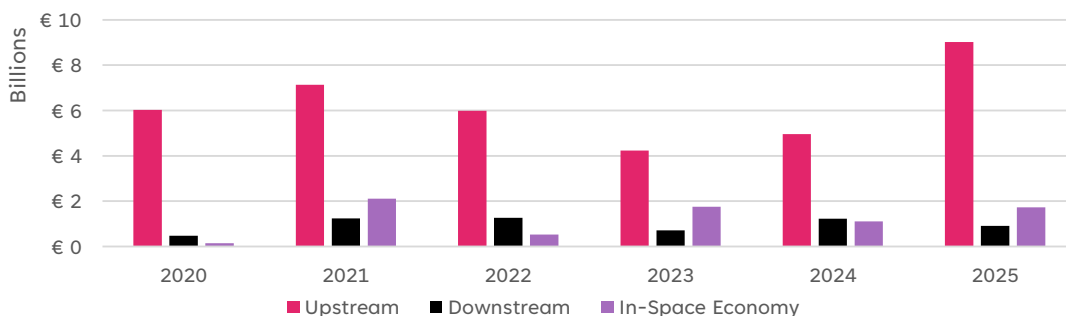


Figure 16: Distribution of Global Investment in Space Value Chain

Companies building space systems, including subcomponents & software, have secured the largest yearly funding so far, reaching €3.1 billion. More than half of the 116 deals in this business segment were seed or Series A deals. To put it into perspective, between 2019-2024, the segment had raised a total of €4 billion.

There are potential demand pulls on the horizon that could explain the surge in investment. Europe is preparing for Eutelsat's OneWeb expansion, IRIS<sup>2</sup>, and the joint venture between Rheinmetall & OHB to deliver a satcom constellation to the German armed forces. In North America there are the PWSA, Kepler, and Amazon Leo & Blue Origin's Terawave constellations. Upcoming constellations in China include SatNet's Guowang and SpaceSail's Thousand. And the MEA region also has Equatys in the pipeline. But beyond demand it is also possible that this activity reflects a race to secure strategic positions and build moats in serial manufacturing.

**Key questions on the surge of investment in satellite manufacturing and subcomponents**

1. How much of this demand will be captured through vertical integration and therefore remain closed to external manufacturers?
2. How much will be accessible to companies outside their home regions? (especially important for European companies, given the region's comparatively fragmented and relatively smaller markets)
3. What level of institutional certainty can be expected? (e.g., PWSA rescoped within new Golden Dome programme)

Figure 17: Key questions to consider when analysing the surge of investment in satellite manufacturing and subcomponents



## 4 SPACE VENTURE: EUROPE

In 2025, European space ventures raised €1.4 billion across 88 funding rounds, leading to a 10-year CAGR of 4% and representing an 8% decrease year-on-year for total funding. Since 2014, ESPI has recorded 724 financing rounds involving European space ventures, totalling €11.3 billion.

Between 2014 and 2025, Europe saw two major outliers: O3b Networks (now fully owned by SES) and OneWeb (later combined with Eutelsat). Together, they secured €4.7 billion, accounting for 42% of all funding since 2014, mainly through private equity minority rounds and eventual acquisitions. **Due to their outsized share of funding, we have excluded them from the remainder of this section on European Space Ventures.**

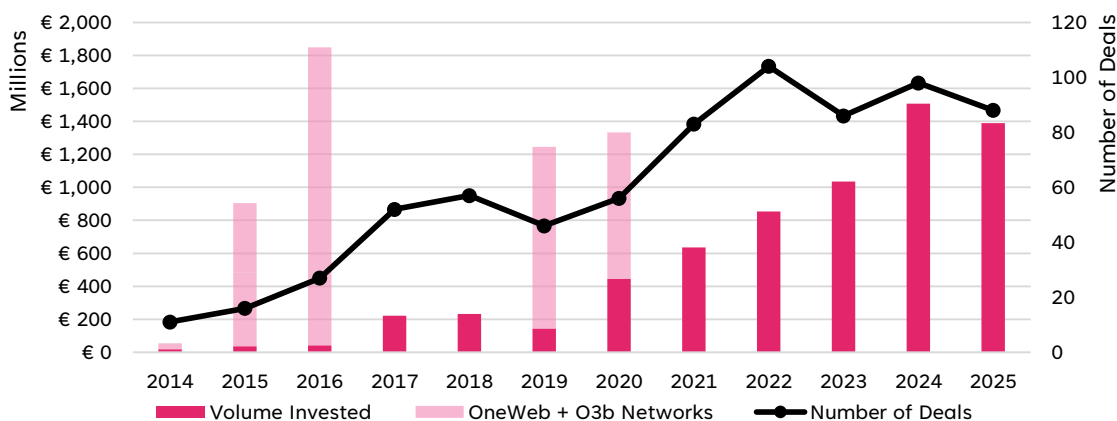


Figure 18: Investment in European Space Ventures and Number of Deals per Year

The median deal size reached a record €9.3 million per round. Median round sizes have overall been increasing consistently since 2019, but a breakout started in 2023. This reflects a maturing ecosystem, with more companies progressing into growth-stage financings that command larger ticket sizes and a more dynamic exit environment since 2022. Importantly, the increase is not limited to later-stage rounds: median early-stage ticket sizes have also risen steadily, pointing to stronger investor appetite and improving access to capital for startups. Overall, the data suggests the space sector is becoming an increasingly mainstream investment category.

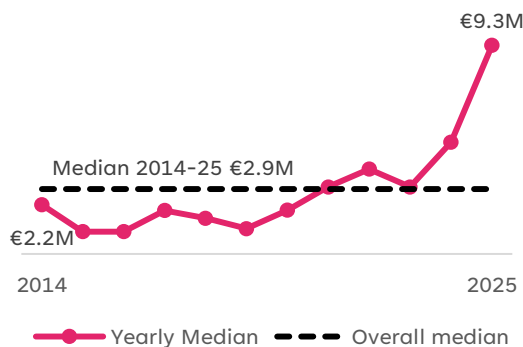


Figure 19: Median deal size of deals with disclosed value in Europe (2014-2025)



### 4.1 Top 5 Ventures in 2025

The space ventures that attracted the most funding in 2025 raised a combined €629 million. **Notably, this year’s top five is dominated by ventures from comparatively smaller industrial space ecosystems, with Finland, Bulgaria, and Belgium represented.**

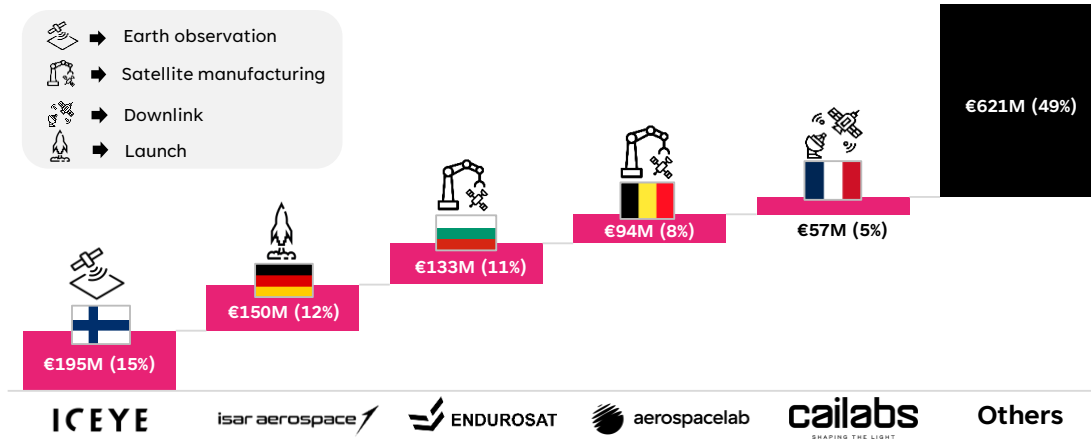


Figure 20: Share of Total Investment by Top 5 European Space Ventures in 2025

**Together, these companies accounted for half of all funding raised in 2025.** This marks the first time since 2020 that the top-funded ventures have captured such a large share. After 2020, their share stayed in the 40% range, but ESPI has observed a steady increase since 2023.

Moreover, for the first time, all of the top-funded ventures are scaleups, signalling a shift toward growth-stage funding. This trend extends beyond the top ventures: the share of funding captured by scaleups has also increased steadily since 2023, reaching almost 50% in 2025.

Importantly, this shift toward growth-stage funding appears to be coming at the expense of early-stage activity. While scaleups attracted 28% more investment year over year, startups saw funding fall by 26%, dropping below 2023 levels.

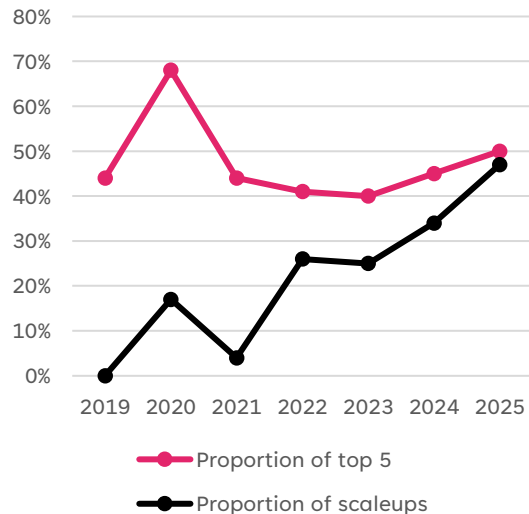


Figure 21: Share of total yearly funding by top 5 space ventures and scaleups



## 4.2 Investment by Type

2025 marked the first year since 2019 in which total attracted capital declined year over year. However, venture capital, the sector’s main funding driver, continued to grow, reaching €1.2 billion, up 13% from the previous year, while debt financing remained broadly stable. The decline was therefore driven mainly by the **absence of exits with disclosed values**, namely acquisitions.

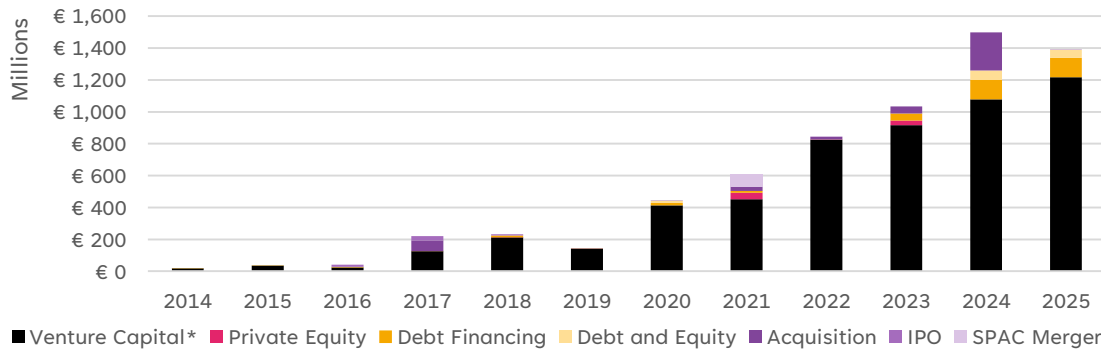


Figure 22: Investment in European space ventures by type  
\* Includes corporate equity and anals: unknown excluded from the graph

Although ESPI recorded seven acquisitions in 2025 versus six in the previous year, only one disclosed its value, at just over €1 million. This contrasts with 2024, when the €220 million acquisition of Preligens was the largest deal of the year. Notable 2025 acquisitions without disclosed values included UP42, acquired by NEO Space Group (owned by Saudi Arabia’s Public Investment Fund), CONNECTED, acquired by Open Cosmos, and Thrustworks, acquired by The Exploration Company.

Debt financing was the second-largest source of funding, totalling approximately €120.9 million across four deals, broadly in line with the previous year. Almost all of these transactions involved public institutions, notably the European Investment Bank, and Business Finland. There were also three debt-equity deals, each involving at least one public institution.

Taken together, debt and mixed debt-equity instruments declined slightly year over year, reinforcing the pattern that venture debt in the European space sector remains largely public-led. This makes 2026 an important test of whether private actors will play a larger role. **If public institutions continue to dominate while growth remains stagnant, this may point to a structural constraint in the ecosystem: not necessarily a lack of capital, but limited momentum in translating available capital into greater deployment.** That would be concerning given Europe’s untapped potential to expand private debt financing for the space sector and deep tech more broadly. In this sense, the **EIB Space TechEU programme, announced at ESA Ministerial Council 2025, may prove fundamental to make the banking sector more familiar with the space sector.**



### 4.3 Top Investors by deal activity in 2025

In 2025, France-based investors dominated the top ranks both as lead investors and participants. Compared with 2024, participation also increased markedly among investors from outside Europe’s main spacefaring nations, particularly Denmark, Belgium, and Switzerland. Moreover, **only the EIB led scaleup rounds**, through two debt-financing deals.

A notable feature of the year cohort of investors was the prominence of non-VC actors, including Bpifrance, the Export and Investment Fund of Denmark, the European Investment Bank (EIB), Scottish Enterprise, and Zürcher Kantonalbank. Although these include development banks and export credit agencies, almost all of the deals they joined were equity-based. The main exceptions were one mixed debt-equity deal involving Bpifrance and two debt-financing rounds led by the EIB.

Overall, most of the top lead and participant investors were either public or mixed-ownership institutions. One example is imec.start, the accelerator of imec, a non-profit innovation hub established by the Flemish government.

While public support remains important for improving access to capital in the space sector, the scale of public involvement also highlights the difficulty of attracting pure private capital. This aligns with the broader picture: **in 2025, 70% of European investment rounds were public or mixed, meaning at least one public institution participated**. Even so, this was 7 percentage points lower than in 2024.








Top Lead Investors			Top Participant Investors		
Place	Investor	Number of deals	Investor	Number of deals	
1 <sup>st</sup>	 	4	 	5	
2 <sup>nd</sup>	 	3	European Innovation Council 	4	
3 <sup>rd</sup>	<ul style="list-style-type: none"> <li>•Future Planet Capital (UK)</li> <li>•JOIN Capital (DE)</li> <li>•European Innovation Council (EU)*</li> <li>•NATO Innovation Fund</li> <li>•Ananda Impact Ventures (DE)</li> <li>•European Investment Bank (EU)*</li> <li>•imec.start (BE)*</li> </ul>	2	<ul style="list-style-type: none"> <li>•Primo Capital (IT)</li> <li>•Export and Investment Fund of Denmark (DK)*</li> <li>•Scottish Enterprise (UK)</li> <li>•BPI France (FR)*</li> <li>•Kickfund (CH)</li> <li>•Zurich Cantonal Bank (CH)</li> </ul>	3	

Figure 23: Top European Investors by number of rounds in 2025. \*Participated in at least one scaleup funding round



#### 4.4 Investment Stage

In 2025, ESPI observed a broadly positive investment trend across nearly all stages. The only exception was Series C, which recorded no rounds for the first time since 2019. Since 2023, Seed and Series B rounds have continued to grow gradually, while Series A saw a notable surge, exceeding €300 million in 2025.

Series D+ rounds also reached a record high, with almost €200 million raised in the same year. ICEYE made up most of this total, raising another Series E round worth €150 million. At the same time, Cailabs and Orbex joined ICEYE as the only space ventures ever to raise a Series D round. However, Orbex entered an insolvency process in February 2026 after failing to secure additional scaleup funding.

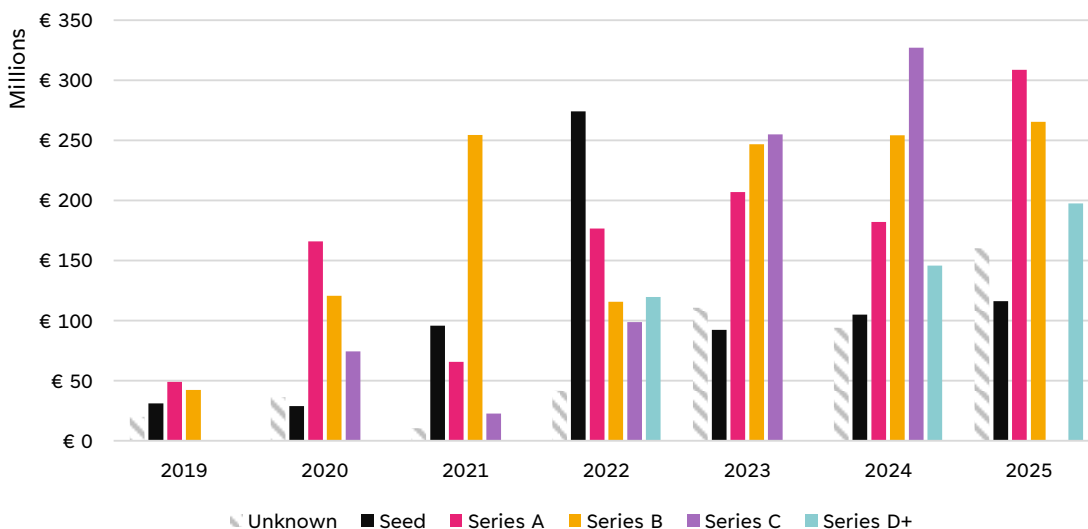


Figure 24: Yearly Volume of Venture Capital Investments by Round from 2019-2025

Comparing the median round size of space ventures with that of the broader European ecosystem, seed-stage rounds are consistently larger in the space sector. Capital is being deployed across fewer rounds, while smaller seed deals have become less frequent. This pushes the median ticket size upward even though, as analysed above, aggregate seed investment has not increased substantially.

In Series A and B, the median in the space sector is more volatile, a product of a low number of deals (e.g., in 2020 there were only eight Series A deals). Still, since 2019, the trend is overall in line with the broader European tech ecosystem.<sup>13</sup>

<sup>13</sup> While the comparison at Seed stage is cleaner due to a larger sample size, in Series A and B the sample is smaller because the European space ecosystem is still maturing, and thus more prone to bigger fluctuations.

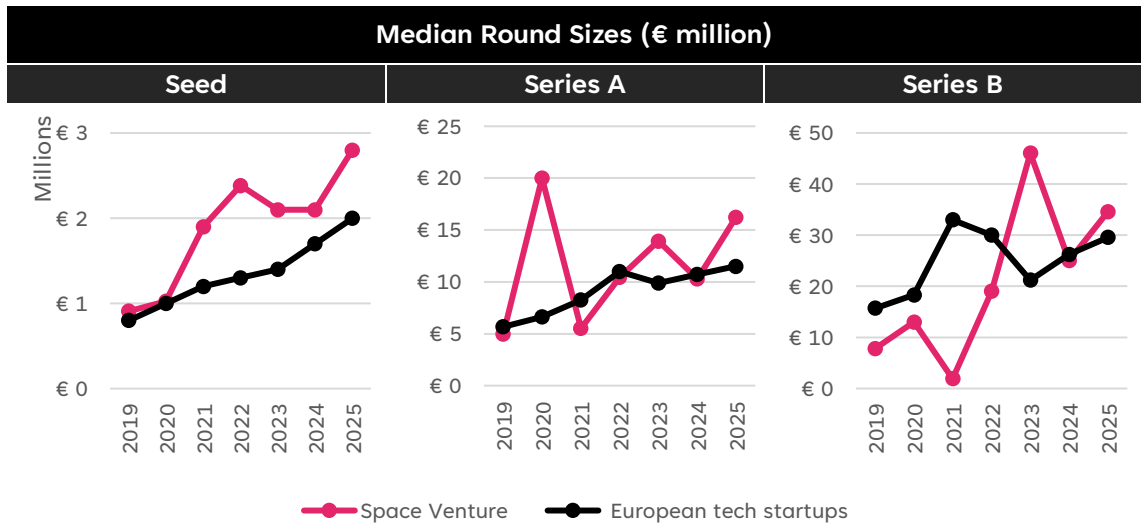


Figure 25: Median Round Sizes comparison between space sector and European tech. Source: ESPI, Atomico

#### 4.5 Geographic Distribution since 2014

Over the past five years, the UK, France, and Germany have consistently ranked as the top three countries, while Finland, Spain, Switzerland, Italy, and Belgium form the next tier. Among the top 15 European countries by total investment since 2014, 12 have raised the majority of their funding in the last three years alone.

The UK remains the leader, with cumulative funding of just under €1.3 billion, although its lead has narrowed over time. Switzerland, meanwhile, has been one of Europe’s most consistent ecosystems, averaging €56 million across seven rounds per year since 2021. In 2025, however, funding in Switzerland dropped to €19 million across just four rounds.

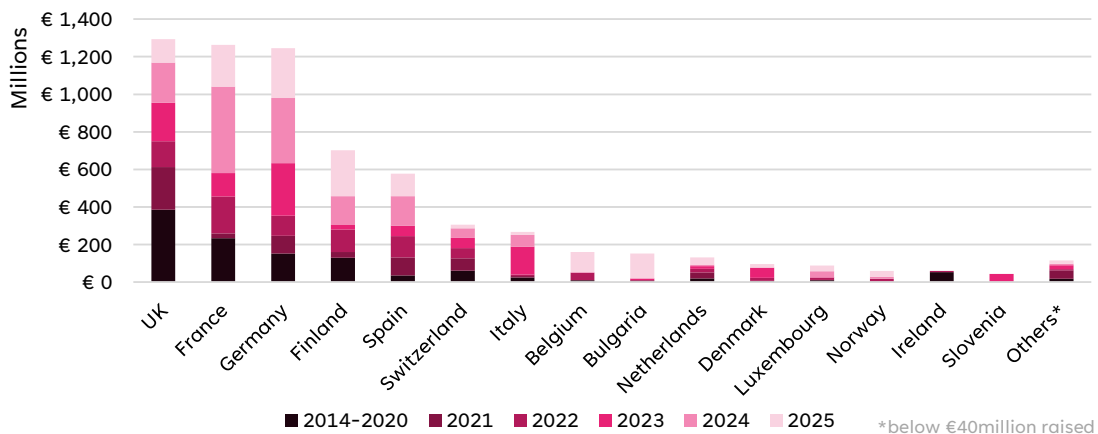


Figure 26: Geographic Distribution of Total Funding since 2014 by top 15 European countries



When pairing the investment into different regions in Europe, there are two dynamics worth highlighting. The first one is that while fluctuating considerably, **countries outside of the “Big Four” European space ecosystems have seen their share of funding slowly increase and in 2025 they captured more than half (55%) of investment.** The second one is that even within these ecosystems, investment has become more pervasive, with regions such as the Nordics and CEE in particular increasingly becoming more important.

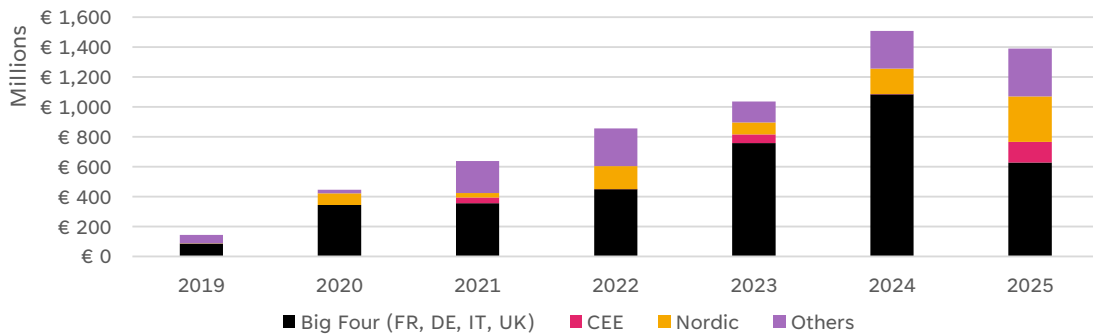


Figure 27: Investment in Europe by region

#### 4.6 Geographic Distribution in 2025

Funding concentration has decreased in 2025, but the top three countries – Germany, France, and Finland – still account for more than half of the total investment, at 53%. Interestingly, all “Big Four” space nations (UK, France, Italy, Germany) saw their funding decrease YoY. Besides the notable performers described below, Croatia is to be highlighted as it saw its first space deal, with Genesis Space Flight Laboratories, a startup dedicated to reusable re-entry capsules, raising €300.000 in a pre-Seed round.

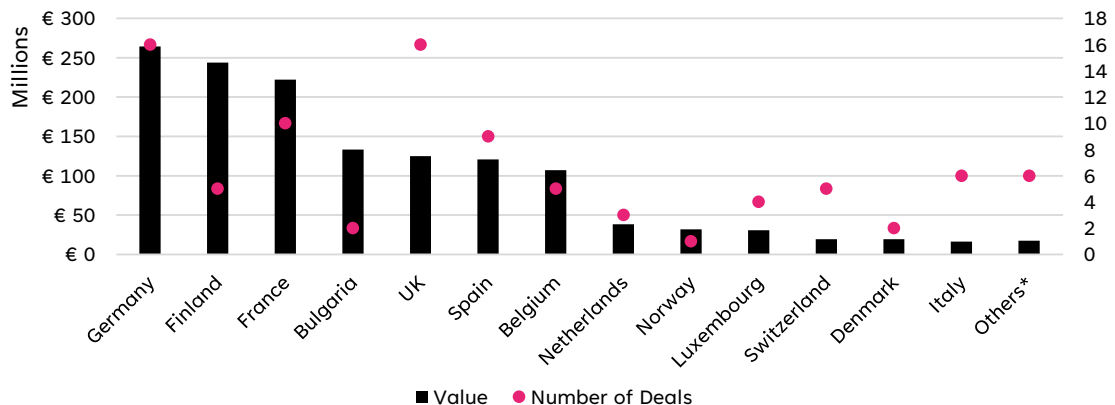


Figure 28: Geographical distribution of investment in Europe in 2025



Country	Place	Move	Highlights
	1 <sup>st</sup>	▲ +1	Germany attracted €264 million, down 24% year on year. A key highlight was Isar Aerospace's €150 million convertible bond raised from U.S.-based Eldridge Industries.
	2 <sup>nd</sup>	▲ +3	Finland attracted €244 million across five transactions. Most of this came from ICEYE, which raised €185 million through a Series E round and debt financing amid potential IPO plans.
	3 <sup>rd</sup>	▼ -2	France attracted €222 million in investment in 2025, down 52% YoY, following a 270% surge in 2024. Notably, 44% of the total came from debt or mixed debt-and-equity financing.
	4 <sup>th</sup>	▲ +17	Bulgaria attracted €133 million in 2025 (87% of all space funding since 2014), propelling it into the top ranks. This surge was driven primarily by EnduroSat.
	5 <sup>th</sup>	▼ -2	The UK space ecosystem raised only €125 million, its weakest result since 2020. Even so, it still ranked among the top five, underscoring the sector's scale.

Figure 29: Top 5 European Countries in 2025 and Change in Place Between 2024 and 2025

#### 4.7 Investment across the space value chain

The upstream segment comprised **68% of all funding attracted by the European space sector, reaching a record €945 million in 2025, representing a 27% YoY increase.** By contrast, the other two segments saw investment decline. Downstream funding fell sharply by 47% to €278 million, largely due to the previous year's outlier Preligens deal, although the segment would still have been down even excluding that transaction. In-space economy also saw a steep 32% decline in investment, however its deal activity reached a record 17 deals in 2025.

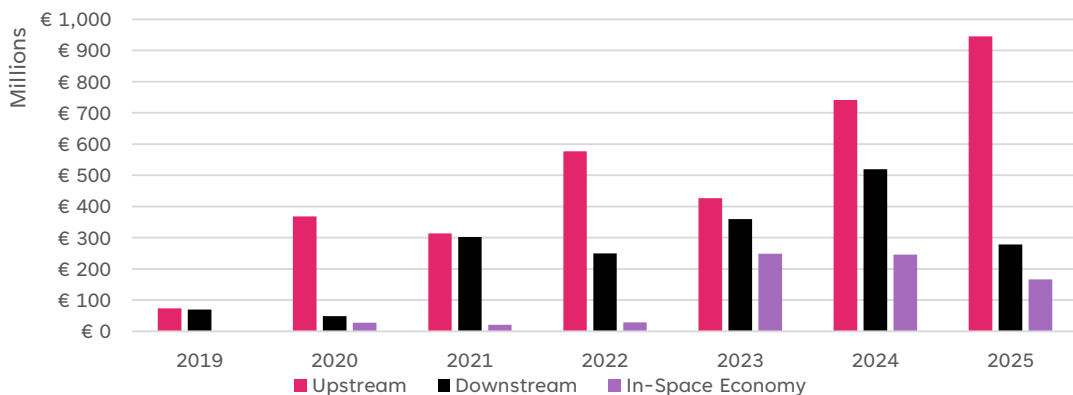


Figure 30: Distribution of the European Investment in the Space Value Chain



## 5 SPACE VENTURE: CHINA

Chinese space companies raised just over ¥27 billion (€3.3 billion) in 2025, the second consecutive year of record funding, and an increase of ~26% compared to 2024. The year witnessed **acceleration in major demand drivers such as the NGSO communications constellations**, and the continued support of provincial and city governments.

The data and analysis for this section were developed by **Orbital Gateway Consulting (OGC)** in cooperation with ESPI. OGC is the leading source for Chinese space industry data and analysis. Headquartered in Hong Kong, the team of Chinese-speaking analysts has been tracking the development of the Chinese space sector for nearly 10 years. Numbers and outcomes can differ from ESPI database/research.

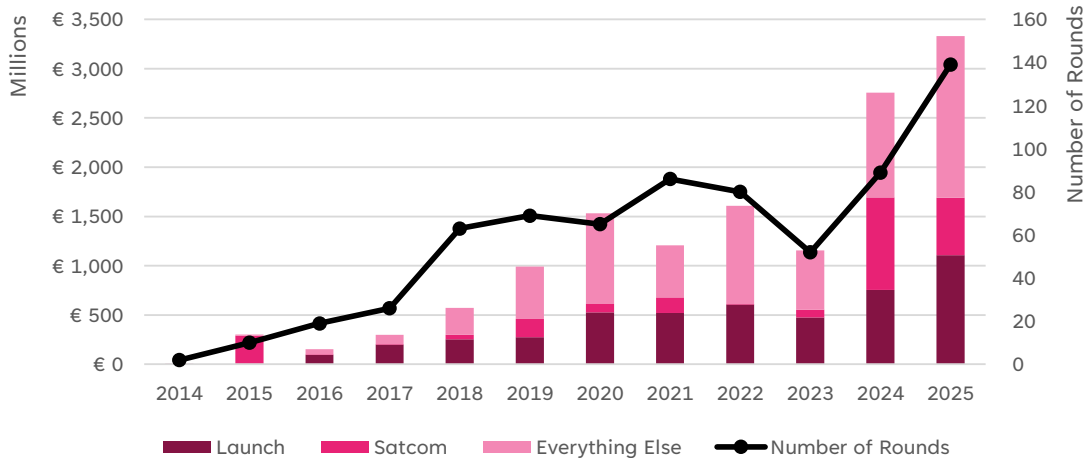


Figure 31: Fundraising by Chinese Commercial Space Companies. Source: OGC

The funds were raised across 139 funding rounds, also a record, although average round size dipped compared to 2024 (¥195 million, or €24 million, compared to ¥241 million, or €31 million). Notably, of the 139 funding rounds in 2025, nearly two-thirds were Series A rounds or earlier, indicating a wave of new companies coming into the field. Typically, these are upstream manufacturers of products like remote sensing payloads, laser communications terminals, next-generation thrusters, and other products that support large satellite and launch integrators.



This growth in companies that build specialised subsystems and components, as opposed to companies that build satellites and rockets, indicates a maturation of the commercial sector. This is also indicative of a changing market, with several large NGSO constellation projects underway, and multiple manufacturing primes expanding their supply chain and searching for new, nimbler commercial suppliers.

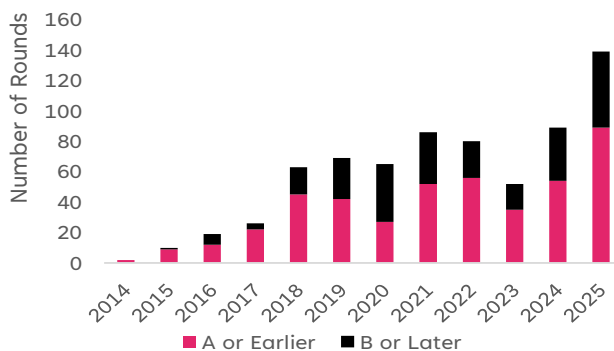


Figure 32: Number of Chinese Space Funding Rounds by Type. Source: OGC

## 5.1 The catalysts of China's space sector in 2025

**China's space sector in 2025 was shaped by two main catalysts: the deployment needs of large NGSO constellations and the growing role of provincial and city governments.** The former exposed a shortage of launch capacity, creating opportunities for commercial launch providers, while the latter provided an expanding source of capital and industrial support. Together, these forces help explain the sector's investment patterns in 2025.

### 5.1.1 NGSO constellations

**One of the broader industry trends that becomes apparent through data is the launch shortage.** This launch shortage has impacted the deployment of China's NGSO broadband constellations, notably the country's two major NGSO constellations, China SatNet's Guowang and SpaceSail's Thousand Sails. In the near-term, with no reusable Long March launch vehicles and a limited number of expendable ones, there is a need for more commercial launch vehicles, presenting a clear opportunity for these companies.

Thousand Sails operator SpaceSail raised ~€850 million in early 2024, and launched 108 satellites over 2024-2025, but has since struggled to find launch capacity, undermining its ability to deploy the infrastructure and operationalise its business. Even still, in 2025, these two constellations accounted for just under 50% of the satellites launched by China, with SatNet launching 134 satellites and SpaceSail launching 54. To put this into perspective, the combined amount of planned China SatNet and SpaceSail satellites to be launched is ~25,000. With China's 2025 launch cadence of ~90 rockets and ~400 satellites, it would take ~65 years to launch such a number of satellites, marking an evident need for more rockets, and a near-term bottleneck for operators hoping to deploy their assets.

As a result, 2025 saw a dip in funds raised by satcom operators, while **launch companies saw funding surge by >50% compared to 2024**, with investors recognising the real need for



commercial alternatives to the state-built Long March rockets. Despite the launch shortage, constellations have continued to make commercial agreements, with SpaceSail signing MoUs with Airbus and Panasonic Avionics for in-flight connectivity applications in late 2025/early 2026.

### 5.1.2 Provincial and city government involvement

Another major trend in 2025 was **continued growth in provincial and city government funding**, which we estimate grew by 40% compared to 2024 to reach an all-time high of just under €2 billion. In particular, larger provinces like Sichuan and Guangdong have become more involved in space, likely out of a desire to catch up with an industry that the Central Government has prioritised.

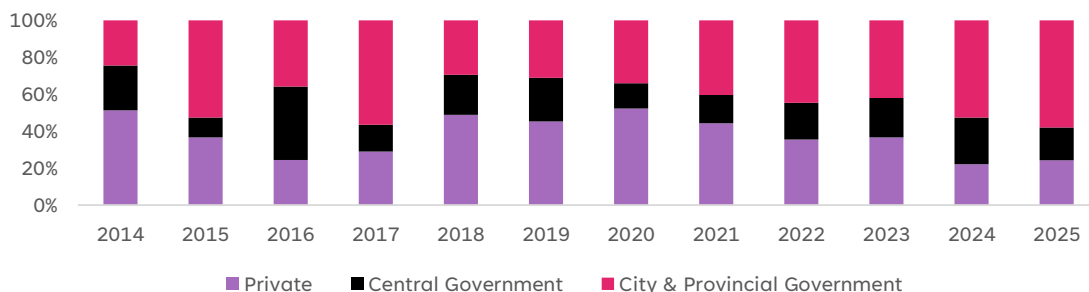


Figure 33: Chinese Space Company Fundraising by Source, Estimated. Source: OGC

An illustrative example of this trend in 2025 was not a funding round, but rather a de-facto bailout. In the middle of the year, CASIC, a leading aerospace SOE, put up for sale just over half of its ~56% stake in commercial launch company Expace. Expace has faced ups and downs over its >10 years of existence due to the growing and fading commercial space ambitions of CASIC. Putting ~30% of the shares up for sale at a price of ¥3.3 billion (€400 million), CASIC had few offers, before the Government of Sichuan Province stepped in and bought the shares.

This transaction exemplifies the challenges of the SOE/commercial hybrid model in China, as CASIC's attempt to create a commercial environment within a subsidiary saw mixed results. The share sale is particularly challenging as the company scales up, because there are few buyers for ¥3 billion worth of shares. On the more firmly commercial side of the industry, however, there are a host of launch firms, and several others, who are looking for similar share sales, albeit in a very different way: IPOs.

## 5.2 IPOs & Involution on the Horizon

Starting in July 2025, seven commercial space companies have since began the IPO process by submitting preliminary filings, along with several upstream suppliers. **This wave of**



prospective listings will serve as a major test for investor appetite for space, as the country’s asset management sector has long been focused on real estate. If the test is passed, China’s commercial space sector could be pushed into the mainstream.

The perceived demand from NGSO constellations is a central pillar of the IPO roadshow narrative as these companies prepare for listing. Five of the seven potential IPO candidates are developing medium-to-large reusable launch vehicles. One of the remaining firms, Minospace, has already built at least one test satellite for China SatNet.

Of the companies that filed for IPOs in 2025, only Landspace has announced its completion, doing so in December (~5 months after starting the process). This is due to the IPO process design, where companies must pass several stages, including “IPO coaching”, which can delay listings for risky sectors such as space. The longer timeline may also reflect caution following previous failed space IPO attempts and business challenges faced by listed space companies.

Finally, the tentative nature of China’s space IPO process may be due in part to a risk seen in other similar industries, **involution** (Chinese: 内卷). Involution refers to oversupply leading to falling prices and falling margins, a trend most prominently exhibited by China’s electric vehicle (EV) sector. A similar dynamic is emerging in parts of China’s space sector. In optical remote sensing, CGSTL’s large data supply is reportedly pushing prices down from **¥400–500 per square kilometre to as low as ¥13**, while its gross margin is estimated to have fallen from ~36% in 2022 to 25% today. These risks are well understood both by public and private stakeholders in China and may partly explain their cautious approach.<sup>14</sup>

Involution will have initial impacts in China but will also spill over to the rest of the world, as Chinese space companies start to go abroad for more business and better margins. Some countries (notably the US) will likely be insulated from this impact due to import restrictions and geopolitical tensions, but for much of the world, including Europe, the entry of China’s commercial space into international markets is likely to create challenges, opportunities, and most certainly, disruption.

Company	Filing date	Segment
LANDSPACE	Jul-2025	
中科宇航 CAS SPACE	Aug-2025	
iSPACE 星际荣耀	Sep- 2025	
MINOSPACE 微纳星空	Sep- 2025	
GALACTIC ENERGY	Oct-2025	
天齐科技 TIANCHI SPACE	Oct- 2025	
SPACETY	Feb-2026	

→ Launch    → Satellite manufacturing

Figure 34: China's Space Company IPO filings (January 2025- February 2026). Source: OGC

<sup>14</sup> IPO watch, 百亿估值腰斩、持续亏损叠加股东涉案，长光卫星IPO二度闯关胜算几何？, 29 January 2026, (Link)



## 6 SPACE VENTURE: AFRICA

Africa's space technology sector comprises 321 active companies as of November 2025, a net decline of 6 entities (1.8%) relative to the 327 recorded in 2024. These enterprises span across the space value chain and operate in segments such as satellite manufacturing, earth observation data services, satellite-based communications, component manufacturing and space applications. Many of these companies address uniquely African challenges, while some also serve global markets.

The data and analysis for this section were developed by **Space in Africa** in cooperation with ESPI. Space in Africa is the market leader in market research and consulting focused on the African Space Industry. Based in Estonia and Lagos, Nigeria, with analysts and consultants across the subregions in Africa, Space in Africa hosts the NewSpace Africa Conference—the continent's largest space event. Numbers and outcomes can differ from ESPI database/ research.

**The African landscape is defined by high regional concentration**, with 82.3% of all companies located in the Southern, Eastern, and Western blocs. Cities such as Cape Town, Nairobi, and Kigali serve as primary hubs for space company development. Their competitive advantage stems from decades of strategic government investment in infrastructure and human capital, which has significantly lowered barriers to entry relative to regional peers.

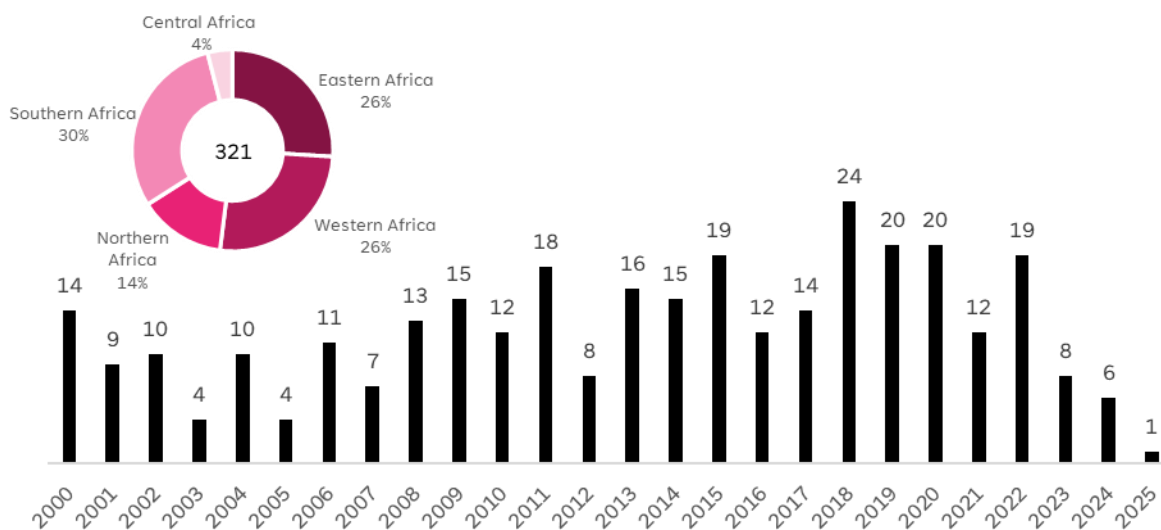


Figure 35: Annual Founding Rate of African NewSpace Companies and their Geographical Distribution. Source: Space in Africa



The high fluctuation in the number of new African space companies is characteristic of a market at an early maturation level. This pattern mirrors the global technology-diffusion curve seen in other NewSpace markets. An initial surge in entrepreneurship (early and mid-2010s), triggered by falling technological barriers and global excitement, has given way to a period where investors are looking for results and are more demanding before committing capital. During this phase, the **capital has become more selective, as companies refine their business models, and the focus shifts from market entry to execution and endurance.**

Operating in environments with scarce institutional capital and limited domestic revenue pools, the sequencing of funding decisions carries disproportionate long-term consequences for African NewSpace companies. This has resulted in **86% of all space companies in the 2000-2025 period operating without external investor funding.** 95% of these bootstrapping companies are downstream firms, consistent with the lower barriers to entry, reduced capital intensity, and comparatively shorter paths to revenue generation.

#### **The risk of sovereign dependency trap for African NewSpace companies**

In the absence of private investment, government funding and contracts can play an important role in company development. CyanoLakes exemplifies this as securing €362,000 in non-dilutive grant funding from the South African Water Research Commission enabled product validation and operational scaling without Venture Capital. In parallel, the company could embed its services within national water quality management priorities.

Yet, without reaching demand from domestic or international private markets, companies risk falling in the sovereign dependency trap. This is exemplified by Sayarilabs, Kenya's first aerospace start-up. Unable to secure sustained government contracts, the company could not conduct R&D and advance its product pipeline, thus it was forced to pause its operations.

### **6.1 Funding dynamics – 2025 highlights**

Despite the challenges, 22 companies have completed 41 private funding rounds since 2015, raising a total of €182.5 million. These are often companies that have built on exiting technological heritage and engineering ecosystems of universities to strengthen their technological credibility, thus enabling them to attract external investors.

In the 2025 reporting cycle, only two companies secured funding: Simera Sense and CubeSpace. The firms are using the capital to transition from regional specialists into global infrastructure providers by moving physically closer to their primary international markets.



- **Simera Sense (€13.5 million):** The investment is intended to increase production capacity from 25 to 200 payloads per year. While maintaining its primary facility in South Africa, the company is establishing additional production hubs in Europe to meet growing demand.
- **CubeSpace (€2.9M):** Led by Futuregrowth Asset Management, this round enables the company to leap from nanosatellites to the previously untapped 50+kg spacecraft class.

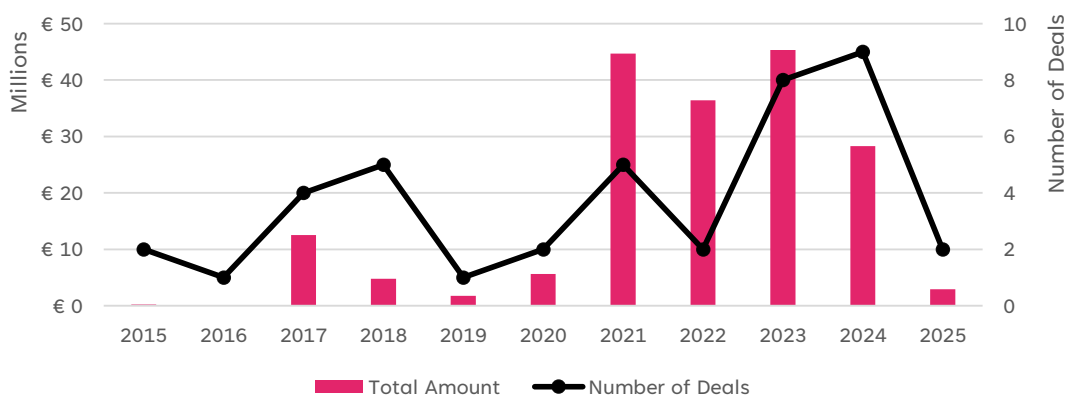


Figure 36: Fundraising Amount and Number of Deals closed by African NewSpace companies. Source: Space in Africa

The increase of private investment in African space ecosystem during the 2021-2024 period reflects the global venture capital dynamics in the space sector. This trend also exhibits similarities to the cross-sectoral surge of venture capital funding in Africa in 2021 and 2022, which began to decline already in 2023<sup>15</sup>. NewSpace funding has now followed the rest of the industry and is experiencing a cool-down together with pullback in high-beta and capital-intensive sectors.

With fading market exuberance investors are now seeking clear, demonstrable plans before committing capital, as space is still treated as a high-risk environment. Thus, the new funding in African space ecosystem could be normalising and returning to 2017-2020 levels. At the same time, the drop of funding in 2025 could reflect the high impact of firm-level fluctuations on the full ecosystem dynamics, which is characteristic of smaller ecosystems with an overall limited number of funding rounds.

<sup>15</sup> Gaini, A., *Pitchbook Market Insights: Africa's VC market slows while focus shifts to local capital*, 7 July 2025, (Link)



## 6.2 Capital Concentration and Enabling conditions in African NewSpace

Similarly to the company distribution, the investment distribution for space ventures across Africa is heavily concentrated. South Africa and Kenya together account for approximately 97% of all recorded funding, with Egypt as a distant third. This concentration is not accidental. It reflects the presence of specific enabling conditions that have made these markets legible to investors and capable of producing fundable ventures.



Figure 37: Total investment amount (number of deals in brackets) by recipient country (2015- February 2026).  
Source: Space in Africa

**South Africa benefits from the continent's most developed institutional infrastructure.** The South African National Space Agency (SANSA) provides a de-risking function through procurement and R&D co-investment, whilst Stellenbosch University's engineering ecosystem has generated a pipeline of technically credible ventures with demonstrable flight heritage. South African space companies, which have matured, demonstrated tangible growth, and de-risked their business models are then being able to attract domestic VC firms. A mature domestic venture capital market, combined with established pathways to European and US investors, has further lowered the cost of capital for qualifying companies.

**Kenya has emerged as the continent's principal hub for downstream and data-driven NewSpace applications.** A broadly enabling regulatory environment, a deep technology investor base anchored in Nairobi, and strong demand signals from agriculture, logistics and financial services sectors have created conditions in which Earth observation and connectivity ventures can achieve commercial validation relatively quickly.

Taken together, these markets illustrate that fundability in African NewSpace is not solely a function of technical capability. It is conditioned by the presence of an all-round enabling investor familiarity with the sector, and institutional infrastructure capable of bridging early-stage ventures to international capital.



## 7 SPACE VENTURE: JAPAN

In line with a decade-long trend, the Japanese commercial space sector continues to see strong growth, with annual space venture funding amount increasing from €21 million in 2015 to €210 million in 2025. The number of companies that raised funding had been on an upward trend until 2024, but slightly declined in 2025. Meanwhile, the total amount of funding has not changed significantly over the past several years, suggesting that in 2025 the average funding amount per company increased.

The data and analysis for this section were developed by **SPACETIDE Foundation** in cooperation with ESPI. SPACETIDE is a non-profit organisation, headquartered in Tokyo, dedicated to orchestrating a sustainable ecosystem by connecting industries, communities, individuals and materialising the potential of the space industry. SPACETIDE has been publishing a bi-annual industry report under the name COMPASS since 2019. Numbers and outcomes can differ from the ESPI database/research.

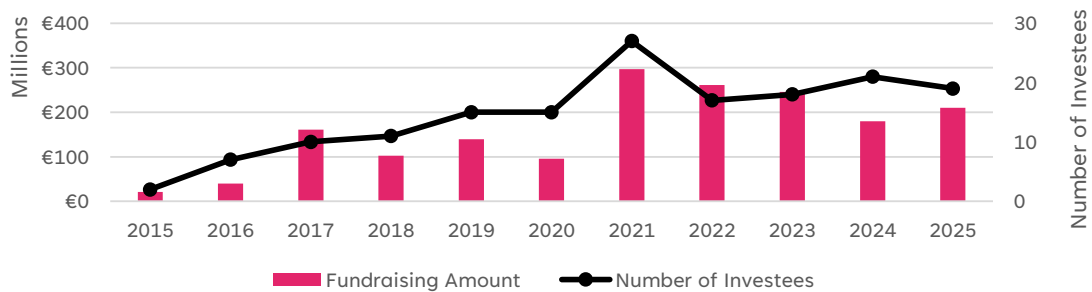


Figure 38: Japan's Fundraising Amount and Number of Investees.<sup>16</sup> Source: SPACETIDE

While the funding rounds remain predominantly equity dominated, in 2025, the share of debt financing increased.<sup>17</sup> The higher debt proportion in 2022 can be explained by the deal flow of two companies – ispace and Astroscale – which conducted a large-scale debt financing operation. In 2025, however, the rise in debt financing could reflect a wider market phenomenon. Part of this increase is due to the financing activities of three out of the six companies, which went public after 2023. For private start-ups, however, the higher debt share may begin to reflect increased business reliability, which is also supported by more systematic state support, serving as an anchor customer.

<sup>16</sup> The investments are calculated based on "investment," "business partnerships," "sponsorship," and "crowdfunding" in Japan, which are publicly available.

<sup>17</sup> If the share of equity and debt in a funding round is unknown, the round is counted as equity financing.

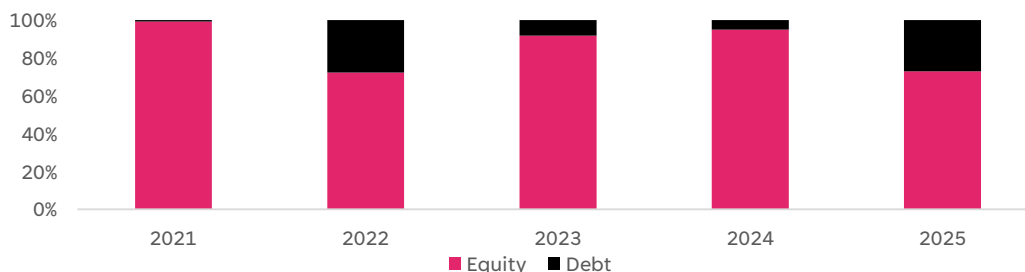


Figure 39: Japan's Equity/Debt Finance Ratio Over the Past Five Years

## 7.1 Space Strategy Fund

In addition to the private funding reflected in the above figures, **several large-scale subsidy programmes – such as the Space Strategy Fund (SSF) – have been launched since 2024** to promote Japan's space sector development. The newly established funding mechanism within JAXA supports the space sector across multiple technology development themes, which were identified in the Space Technology Strategy 2024, based on the Basic Plan on Space Policy, approved by the Cabinet in June 2023.

**The SSF has a total budget of approximately JP¥1 trillion (€6 billion) over 10 years** and aims to support projects in market expansion, solutions to societal challenges, and frontier development. While the total number of projects eligible for funding has not been fixed, the first round identified 22 technical themes across 3 domains. Projects in Transportation; Satellites and Related Systems; and Exploration domains can apply for grants covering specific eligible costs.

The conditions to receive funding vary depending on the TRL level, market maturity, and the type of organisation applying (large companies, SMEs, startups, and universities are all eligible). Moreover, projects typically span multiple years (participants are encouraged to undertake ambitious long-term technology development projects) and payments are disbursed in milestones.

During the first phase of the Space Strategy Fund, which ran from the second half of 2024 to the first half of 2025, approximately JP¥300 billion (about €1.9 billion) was allocated to space-related companies, including space startups.

**In both the first and second phases of the fund, the largest volume of subsidies was allocated to the Satellite Infrastructure Deployment and Operation segment**, amounting to €987 million and €165 million, respectively. Within this segment, it is precisely the theme focusing on accelerating commercial satellite constellation deployment that received the largest support. This support was concentrated in few major projects with ArkEdge Space, iQPS, Synspective and NEC together amounting to €579.3 million distributed in Season 1.

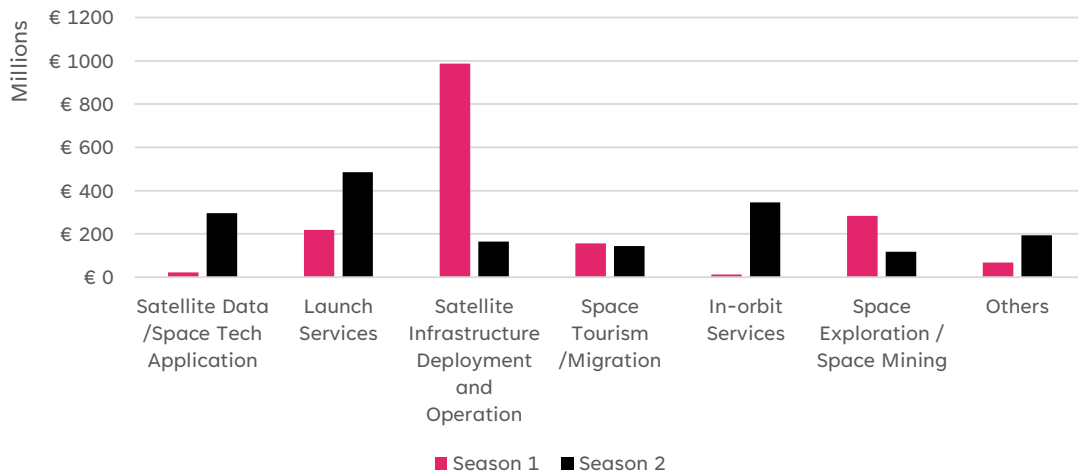


Figure 40: Distribution of grants in the first two seasons of the SSF

As for the segments gaining more prominence in Season 2, funding for the Satellite Data / Space Tech Application segment increased significantly, from approximately €21 million in the first phase to about €296 million in the second phase. This growth reflects the allocation of funds to themes focused on ground-based technologies and data utilization, including the acceleration of satellite data utilization systems and the development and demonstration of spectrum-sharing technologies to enable integrated operations between satellite communications and terrestrial networks.

At present, there are no specific themes under the Space Tourism / Migration segment. However, foundational technologies related to transportation – some of which are also relevant to this segment – have been addressed as themes within the Transportation segment.

As the SSF becomes a central channel for Japan’s institutional demand in the years ahead, an important question will be **how effectively the Japanese space industry can make use of it**. Startups, in particular, may stand to benefit, namely to help attract additional private financing.



## ANNEX A – METHODOLOGY

The following section provides an overview of ESPI’s methodology, scope, and definitions, which are essential for interpreting ESPI’s Space Venture data. The authors of this report are also available to discuss the selection criteria and approach used in the analysis.

ESPI’s in-house database has been reviewed and enhanced with new metrics and now tracks both ventures (newly divided into startups and scaleups) and established companies. Investors are categorised into more groups, and all investors, not just leads, are now tracked. Notably, we matched over 1,000 space companies in our database with their relevant Earth Markets (e.g., Defence, Insurance, ...), something that will help better understand the relationship between the analysed ventures and Earth Markets they hope to serve. These changes may cause current data to differ from previous reports.

### 7.2 Dataset and sources

The assessment of investment statistics provided in this report is based on information collected by ESPI in its proprietary database. The ESPI Space Investment Database includes all deals from 2014-2024. The dataset includes publicly available data on announced operations and deals, and information is collected by screening a high number of sources, including investment firms’, incubators’ and accelerators’ portfolios, articles and specialised news outlets or specialised sources such as CrunchBase and Pitchbook. Furthermore, due diligence was made to appropriately filter all press and governmental releases as well as events. Cross-checking was systematically performed.

### 7.3 Overview of perimeter and definitions

This study focuses on global space ventures and aims to collect data on investment received by these companies and to gather views of these companies on their business, the environment in which they operate. The following definitions and categories were applied to delineate the perimeter of the analysis.

Space Ventures		Established Companies
i) Raised VC or founded specifically as an innovation subsidiary. ii) Founded after 2000. iii) Did not exit (acquired or public offering).		Does not fit in the Space Venture conditions.
Startup	Scaleup	
Typical Funding stages: From Seed-Series B	Typical Funding stages: Series B+	
i) less than 250 employees <u>AND</u>	i) at least at Series B <u>AND</u>	
ii) max revenues €50 million.	ii) does not fit into the startup cumulative conditions <u>OR</u> iii) reaches Series C.	



## 7.4 Space Ventures

There are two overarching criteria: Space Ventures and Established Companies. This choice reflects the underlying motif of this report: to track innovative companies in a new phase of the global space sector. Moreover, **VC is used as a proxy** to capture novel products, services, and/or business models not previously available and their associated risk, that is, the qualitative side of evaluating what is a startup and what is just a company. It does not mean there are no exceptions to these rules. For instance, although Firefly was already acquired, the fact that it continues to receive VC investment makes up for the exception in the exit condition.

## 7.5 Space company

A company is considered a space company if the main business of the company is part of the space value chain. For this definition, the study followed the space market segmentation provided by Seraphim's Spacetech Market Map 2024, which divides space activities into three segments: Upstream, Downstream, and In-Space Economy.

## 7.6 Established companies

ESPI also tracks investments in established companies with significant space portfolios. These investments are excluded from the broader dataset because such companies have different structures and attract investment for dynamics that differ from Space Ventures. As many of these long-established firms operate across multiple business lines, with space representing an important but relatively small part of their overall activities, ESPI distinguishes between space companies and space-related companies. For space companies, space is clearly the core business. For space-related companies, space remains an important area, but it represents a smaller share of the company's overall activity.

## 7.7 Investor Categories

- **Angel Investors:** individuals or families (to include family offices) that have accumulated a high level of wealth and seek potentially high returns by investing in ventures during their early stages. Such investors may also operate with venture capital firms or other so-called angels. They will typically invest via straight equity, ranging in value from \$50,000 to over \$1,000,000. There is also a class of "super angels", who work in deals of \$100 million or more (Jeff Bezos, as one example).
- **Venture Capital Firms:** VC firms represent groups of investors that invest in startup, early-stage, and growth companies with high growth potential, and accept a significant degree of risk. The trade of risk for potentially high returns results in a high failure rate. Their investment



form is equity, typically preferred stock, and comes in a series of rounds, traditionally Series A, B, C, etc.

- **Banks:** Financial institutions that can support investment through a variety of instruments including, in particular but not only, loans and debt financing.
- **Development Banks:** Financial institution that provides funding and financial services for projects aimed at promoting economic development, especially in underdeveloped or developing regions. These banks typically focus on long-term investments that support infrastructure, industrial growth, social programs, and sustainable development.
- **Sovereign Wealth Funds:** State-owned investment funds used to manage a country's reserves, typically derived from surplus revenues, such as those generated from natural resources (e.g., oil, gas) or foreign currency earnings.
- **Ministries & Agencies:** Governments and/or space agencies investing directly into companies.
- **Private Equity Firms:** Private equity firms or groups are formed by investors to directly invest in companies. They typically invest in established companies, rather than startups, through large transactions and often acquire an entire company or a group of related companies that can merge.
- **Pension Funds:** Financial institutions that pool and manage money on behalf of individuals or organisations to provide retirement benefits
- **Corporations:** Corporations have different methods of engaging in investment. They frequently provide the funding necessary to bring space-based programs to initial operating capability, as well as to sustain ongoing programs; they can also fund ventures, typically via straight equity, but also debt, and in the latter case with the option to convert to equity. Lastly, corporations may likewise acquire firms, including startup space ventures, of which there have been several examples in recent years.
- **Corporate VC:** Corporation acting via a corporate venture fund. ESPI also includes here corporate accelerator arms.
- **Accelerators & Incubators:** Although they are ultimately distinct types of actors, accelerators and incubators are similar in several core ways. Both aim to support startups, offer mentoring in developing their business, and both offer means to attract investment.



## 7.8 Investment categories

- **Acquisition:** A situation whereby one company purchases most or all of another company's shares in order to take control. An acquisition occurs when a buying company obtains more than 50% ownership in a target company.
- **Debt Financing:** Raising money by selling debt instruments to individuals and/or institutional investors (e.g. banks). In return for lending the money, the individuals or institutions become creditors and receive a promise that the principal and interest on the debt will be repaid.
- **Debt & Equity:** A mix of debt instruments with equity investment.
- **Private Equity:** Investment consisting of capital that is not listed on a public exchange. Private equity is composed of funds and investors that directly invest in private companies.
- **Public Offering:** Process of offering shares in a private corporation to the public. The first time, the operation is called an Initial Public Offering (IPO).
- **Venture Capital:** Funds invested by VC firms, usually with medium-term stakes, for high-profit, high-risk activities.

## 7.9 Space Value Chain Segmentation

ESPI updated to Seraphim's SpaceTech Map 2024 and made necessary adjustments. The upstream part of the space value chain includes all business activities related to the development, production, deployment and operation of space systems. This includes:

- **Build:** development and manufacturing of space systems (incl. sub-systems, equipment, components and materials) and/or provision of related software and engineering services;
- **Launch:** development and manufacturing of launch systems;
- **Platforms:** operation of space systems to lease or sell satellite capacity data.

The downstream part of the space value chain includes all business activities related to the exploitation of space systems' capabilities or data to provide space-enabled products and services to end users:

- **Downlink:** Provide the infrastructure and computing environment to help disseminate satellite data through enabling its accessing, processing and fusing of various sources of satellite data. This translates into the development and manufacturing of the ground support infrastructure and services required to exploit a space system (e.g. relay



systems, communications, ground terminals, cryptography) and provision of solutions for satellite data storage and processing.

- **Analyse:** Transform data into useful information. This translates into the usage of value-adding solutions for satellite capabilities and data exploitation (e.g. big data analytics, machine learning and artificial intelligence, algorithms) which can lead into processing information for more than one vertical (vertical agnostic).
- **Product:** provision of space-enabled products to end-users (e.g. location and mapping, climate, logistics, insurance), usually by blending different data streams (including space data) to produce actionable insights for specific verticals (vertical specific).

In-Space Economy includes activities beyond Earth including space services, space infrastructure, space R&D and manufacturing, and space exploration.

### 7.10 Sectoral Analysis

ESPI also distinguishes investments in companies explicitly targeting security and defence markets. Space ventures dedicated to satellite manufacturing and subcomponents are generally excluded, as most of the time they do not have separate business lines for defence, instead, we focused on operators of space infrastructure, data analytics and other service companies. Moreover, **this does not mean that all investment was raised with the sole purpose of defence & security**. Often, these companies have different business lines and also target other sectors.



## AUTHORS

**João Falcão Serra** is the Lead of Industry & Finance at ESPI. Previously, he served as a Diplomat at the Portuguese Ministry of Foreign Affairs, focused on European Economic and Financial affairs. He has also worked at the European Space Agency (DG Services) and as a freelance researcher on enhancing UN peacekeeping training. João holds an LLM in European and International Law and a BA in Political Science and International Relations from NOVA University.

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**Ieva Laila Kalniņa** is a Junior Research Fellow at the Industry & Finance team of ESPI. Prior to joining ESPI she worked as Junior Policy Analyst at the OECD Directorate for Financial and Enterprise Affairs. She holds a MA in International Economic Policy from Sciences Po Paris, MA in International Affairs and Governance from University of St. Gallen and a BA in Politics, Philosophy and Economics from University of East Anglia.

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**Valentin Hoffmann** is a Junior Research Fellow at ESPI. Prior that joining ESPI, he worked for the French diplomatic network in Austria and as a researcher on Indo-Pacific and North Korean affairs for the Central European Institute of Asian Studies and Korea Risk Group.

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## EDITOR

**Matija Renčelj** is the Director of Strategy & Operations at ESPI. He previously worked at ESPI as a Research Fellow as well as at the European Space Agency, the European Commission, in the aviation and commodities sectors, and started his career at a corporate law firm. He holds an LL.M. in Air & Space Law from McGill University and a Law Degree from the University of Ljubljana.



**ESPI**

European Space  
Policy Institute

Schwarzenbergplatz 16, 1010 Vienna, AT

[office@espi.eu](mailto:office@espi.eu)

[www.espi.eu](http://www.espi.eu)

