

European Commission and EIB Group join forces to boost space sector investment with EUR 200 million of financing



- EUR 100 million contingent loan for the new Ariane 6 launcher programme, a European Space Agency programme with ArianeGroup as Industrial lead contractor and design authority
- First EUR 100 million venture capital programme under InnovFin to support innovation and growth of European smaller and medium-sized space technology companies

The European Commission is partnering with the European Investment Bank Group, announcing EUR 200 million of investments into the EU space sector, supporting ground-breaking innovation in the industry. During the [European Space Policy Conference](#) in Brussels, EIB Vice-President Ambroise Fayolle is signing an agreement with André-Hubert Roussel, CEO of ArianeGroup, confirming a EUR 100 million loan for the new Ariane 6 launcher programme.

The deal is backed by the European Fund for Strategic Investments, the financial pillar of the Investment Plan for Europe, and InnovFin Risk Sharing for Corporate Research backed by Horizon 2020, the EU Framework Programme for Research and Innovation. In addition, the Commission and the EIF are jointly

announcing the first ever EU-backed InnovFin Space Equity Pilot and the first space focused tech fund supported under the pilot in Europe.

Ariane 6

Ariane 6 is the new European heavy launcher developed in the framework of a large European Space Agency (ESA) multi-annual programme for a new European family of space launchers to respond to the latest trends in the satellite market while significantly lowering production costs. The new generation heavy-launcher maintains the EU's independent access to space, aligned with the ambition to develop crucial knowledge for the European space industry. Ariane 6 will continue to enable Europe to deliver its launch activities for missions to all orbits, from geostationary satellites to medium and low Earth orbit missions and address market dynamics for large satellites, satellite constellations and the smaller satellite segment. The EUR 100 million financing will partially support ArianeGroup's share of development costs through an innovative financing structure which will be contingent on Ariane 6's commercial success, once operational.

SMEs in the space sector

The InnovFin Space Equity Pilot is a EUR 100 million programme under InnovFin specifically dedicated to support the innovation and growth of European SMEs operating in the sector of space technologies. The programme will invest in venture capital funds across the EU which support companies commercialising new products and services in the space sector.

Primo Space, an Italian early-stage tech investor, is the first fund selected by the EIF under this pilot. With a target size of EUR 80 million, it will be amongst the first tech transfer funds only focused on space related technologies in Europe and the first one in Italy. It will invest at proof-of-concept, seed and other early stages projects or companies and will foster the commercialisation of breakthrough innovations in the space technologies in Italy and Europe.

The European space economy is already valued EUR 50 billion (as of 2019) and the research in aerospace technologies is one of the priority areas covered by the Industrial Leadership and Societal Challenges of Horizon 2020.

EU Commissioner for Internal Market, Thierry Breton, said: *"The two announcements of today represent a game changer for Europe in the support of the European space industry. First, I strongly welcome the loan granted by the EIB for the Ariane 6 project, which is at the core of the objective to guarantee a European autonomous access to space. Second, with the InnovFin Space, we are sending a clear signal that space business in Europe is an attractive opportunity. This is a crucial initiative to support the development of European space start-ups so they can scale up."*

"This €100 million loan will partly finance ArianeGroup investments in Ariane 6 development, meaning more competitive, environmentally friendly industrial facilities in Germany and France, including French Guiana. Through this innovative financing, EIB, with the support of the European Union through the

European Fund for Strategic Investment, and InnovFin Risk Sharing for Corporate Research, contributes to our industrial investments in our new competitive, versatile and modular Ariane 6 launcher. It therefore fosters technological expertise allowing European launcher industry to remain always at the leading edge, becoming even more innovative and environmentally responsible. Ariane's competitiveness and reliability are essential factors for guaranteeing autonomous European access to space and ensuring that Ariane remain a key player on the commercial satellite market," said **André Hubert Roussel, CEO of ArianeGroup**.

"Initiatives like EFSI or InnovFin help us to develop relevant financing solutions for the European space industry. They allow us to provide debt financing for a large multiannual programme to develop a new family of European space launchers by ArianeGroup with improved technical flexibility and modularity to respond to the latest trends in the satellite market," said **EIB Vice-President, Ambroise Fayolle**, responsible for innovation. "We can also finance with equity much smaller projects and technologies, as we do under the InnovFin Equity Space Pilot mandate, to support a fund that invests in turn in space-related technologies."

"Space is an important driver of innovation in Europe. The investments in the space sector we signed today show how public funds in the EU can be deployed to attract private investment and catalyse the development of the sector," said **EIF Chief Executive, Alain Godard** "The first ever Space equity pilot and our first fund, based in Italy, are a giant leap for the EIF in this sector. Attracting more private capital to this sector enables us together to drive forward Europe's space ambitions."

Mariya Gabriel, Commissioner for Innovation, Research, Culture, Education and Youth, said:

"Our commitment to supporting space research and innovation reflects our ambition to place Europe in the forefront of space technology development. EU-backed financial instruments allow our financial partners, the European Investment Bank and the European Investment Fund, to invest in riskier areas and to crowd in other investments from the public and private sectors. For our European space researchers, innovators and entrepreneurs, getting access to finance is key for their success."

The announcements today follow recent new ventures for the EIB Group with key players in the space sector. Last year, the EIB and the European Global Navigation Satellite Systems Agency (GSA) signed an agreement to cooperate on supporting investment in the European space-based service economy. The common objective was to create high-skill jobs in the EU and improve the day-to-day lives of Europeans by supporting innovative companies and accelerating the development of new applications that use European global navigation satellite systems and earth observation data.

According to a [recent EIB and European Commission study on the future of the European space sector](#), European space entrepreneurs feel there is a lack of private financing sources. They therefore tend to turn to private capital outside the EU, especially in the US.

A new EU space programme to start in 2021 foresees dedicated measures and additional funding to support an innovative and competitive EU space sector, including to boost entrepreneurship from early stage to scaling-up. The EU space programme regulation is currently under negotiation by the European Parliament and Council of the EU.

Background information

ArianeGroup develops and supplies innovative and competitive solutions for civil and military space launchers, with expertise in all aspects of state-of-the-art propulsion technologies. ArianeGroup is lead contractor for Europe's Ariane 5 and Ariane 6 launcher families, responsible for both design and the entire production chain, up to and including marketing by its Arianespace subsidiary, as well as for the missiles of the French oceanic deterrent force. ArianeGroup and its subsidiaries enjoy a global reputation as specialists in the field of equipment and propulsion for space applications, while their expertise also benefits other industrial sectors. The group is a joint venture equally owned by Airbus and Safran, and employs approximately 9,000 highly qualified staff in France and Germany. Its 2018 revenues amounted to EUR 3.6 billion.

InnovFin – EU Finance for Innovators – Under Horizon 2020, the EU research and innovation programme for 2014-2020, the European Commission and the European Investment Bank Group (EIB and EIF) launched a new generation of financial instruments and advisory services in 2014 to help innovative firms access finance more easily. Until 2020, “InnovFin – EU Finance for Innovators” is offering a range of tailored products which provides financing in support of research and innovation by small, medium-sized and large companies and the promoters of research infrastructure.

The European Commission and EIF are launching the **InnovFin Space Equity Pilot**, to be committed to investment funds, both fully focused on space-related activities and generalist funds that pursue opportunistic investments in the sector. The resource allocation will be made once expressions of interest are received, until the exhaustion of the investment capacity of the product. In addition, EIF's cooperation with DG R&I will allow the former to discover further the economic potential of the sector and support the development of a new generation of fund managers, actively cooperating with national space agencies (NSAs) or the European Space Agency (ESA).