



# Investments and Exports

Satellite Finance Network Annual Conference

20 March 2017

Bird & Bird

UKSPACE  
THE SPACE TRADE ASSOCIATION

Satellite  
Finance

AIRBUS  
DEFENCE & SPACE





# Welcome:

## Richard Peckham

### Co-Chair SFN, Director, Airbus





# Introduction to SFN

Joanne Wheeler  
Co-Chair, SFN,  
Partner, Bird & Bird



# UK Space Industry in 2017



- Space sector ambition – grow UK’s share of global space market to **10% by 2030**
- Government endorsed growth ambition in its National Space Policy 2015:
  - Recognising the strategic importance of space
  - Accepting need to protect space operating environment
  - Stating ambitions to grow UK space capabilities
  - Iterating importance of international partnerships to deliver objectives
- Government commitment in Security and Defence Spending Review 2016 to set up cross-Ministerial Committee on space security and prosperity
- UK commitment to ESA at Council of Ministers in December 2016 – reinforcing leading position

# UK Space Growth Partnership



- UK space industry and Government now collaborating in establishment of Space Growth Partnership (SGP):
  - Plan and deliver sector growth and social benefits to UK
  - Partnership run to 2020
  - Focus to implement jointly-owned space industrial growth plan
- Ongoing, evolving plan to:
  - Create enabling regulatory framework
  - Increase FDI opportunities
  - Support growth of start-ups
  - Attract new finance into the sector
  - Encourage overall sector, industry and Government engagement

**Therefore - Role for SFN**

# Satellite Finance Network

With you every inch of the way

Finance and regulatory network for the UK space industry



Aim – to support the growth of the UK space industry

Through:

1. Facilitating and attracting investment
  - Connecting industry players (particularly SMEs) with the financial community
2. Identifying regulatory barriers and other impediments to growth
  - Working to create a "space friendly" and competitive regulatory environment for the UK
  - Offering solutions, where they exist, to industry players
  - Encouraging and supporting exporters in areas of finance and regulation
3. Promoting business opportunities between companies

# 1. Facilitating and attracting investment

Connecting industry players (particularly SMEs) with the financial community

- Contacted by over 50 companies – (since April 2016)
  - Introduced to potential investors, relevant Government entities
  - Suggested candidates for NED Positions – 11 NEDs appointed
- Two investor briefings, Elevator Pitch training and Elevator Pitch events:

|                 |                      |                               |
|-----------------|----------------------|-------------------------------|
| LimeMicro       | Open Cosmos          | Orbital Access                |
| Athene Works    | Satellite Squared    | HayBeeSee                     |
| EarthCube       | Allotrope            | Space Products and Innovation |
| Atout Process   | Sky and Space Global | Methera Global Communications |
| SEN Corporation | Eureco               | SocialEco                     |

## 2. Identifying regulatory barriers and other impediments to growth

- Working to create a "space friendly" and competitive regulatory environment for the UK
  - Hold Regulatory and Legal Briefings with ECSL
  - SFN key in removal of IPT and reduction of insurance requirements from GBP 100m to EUR 60m
  - Working in Regulatory Group for SGP
  - Workshop on Third Party Liability (TPL) insurance



# Identifying regulatory barriers and other impediments to growth (cont...)

- Offering solutions, where they exist, to industry players:
  - providing information on company structures in order to obtain licences
  - working with UKSA, DIT, DCMS and Ofcom to facilitate business activities
- Encouraging and supporting exporters in areas of finance and regulation
  - Collaboration with, and making introductions to, UK Export Finance

### 3. Promoting business opportunities between companies, and supporting "every step of the way"

- Introducing companies to each other for business opportunities / partnerships: resulting in several commercial collaborations
- Making introductions to:
  - Department for International Trade
  - Local Enterprise Partnerships
  - UKSA
  - Satellite Applications Catapult
  - etc.
- Assistance to discuss/sign lease of facilities/set up offices in various areas
- Networking opportunities at conferences/finance briefings/Elevator Pitch events

# BackonBoard project



- Introducing individuals with finance, management, strategy, legal, technical, risk management or commercial experience to start-ups / SMEs
- So far placed 11 NEDs and suggested many advisors
- Assisting two companies looking for CEOs.

# Moving Forward

- Consolidating and growing the SFN Investor List
- “Where to Start – Navigation Form”
- Continuing to identify and bring down barriers to achieving growth
- Continuing to connect industry players with the financial community
- Greater regional engagement, including with Scottish Executive and Invest Northern Ireland
- Continuing to connect companies in space industry – and outside space industry

## Annual SFN Events

- Conference
- Two Elevator Pitch Training events
- Two Investors' Briefing and Elevator Pitch Event
- Legal and Regulatory Briefing

# “Where to Start – Navigation Form”



| INTRODUCTION  |   |
|---|---|
| First Name:   |   |
| Last name:  |   |
| Email:  |   |
| Phone number:   |   |
| <i>Have you registered your company or formed any legal entity yet?</i> |   |
| <i>If yes:</i>  |   |
| Company Name:   |   |
| Registered Address:   |   |
| Brief Description of Company  |   |
| Website:  |   |
| PART A - INTRODUCTIONS  |   |
| Would you like an introduction to:                                      |   |
| 1. Potential investors  | <input type="checkbox"/> (See Part B)                                 |
| 1. Business incubation assistance                                       | <input type="checkbox"/>  |
| 1. Advisors (legal, insurance, accountancy)                             | <input type="checkbox"/> (See Part C)                                 |
| 1. Technical Support  | <input type="checkbox"/> (See Part D)                                 |
| 1. Government Support and departments (including licensing)             | <input type="checkbox"/> (See Part E)                                 |
| 1. Ofcom (to access Spectrum)   | <input type="checkbox"/>  |
| 1. Candidates for NED and other positions                               | <input type="checkbox"/> We will refer you to the BackonBoard project |
|   |   |

# BUT SFN WOULD NOT EXIST WITHOUT SUPPORT OF:



- SFN STEERING BOARD
  - Richard Peckham, Airbus
  - Paul Flanagan, UKspace
  - Antonia Jenkinson, Satellite Applications Catapult
  - Nick Flitterman, Portland Advisers
  - Liam Martin, OneWeb
  - Ben Partridge, Ashby House
  - Bob Waters, UK Space Agency
  - Peter Maplestone, UK Export Finance
  - Neil Stevens
  - Professor Richard Brook
  - Tim Just, Innovate UK
  - Terry Coxall, Department for International Trade

# SFN WOULD NOT EXIST WITHOUT SUPPORT OF:

- Airbus
- Satellite Applications Catapult
- Inmarsat
- UKspace – Jane Ford, Paul Flanagan
- UK Space Agency – Chris Lee, Bob Waters
- UK Export Finance – Peter Maplestone
- Department for International Trade – Terry Coxall
- techUK – Julian McGougan
- The SFN Members

# Success Stories



**"SFN is an exemplary model of matching disruptive technology with finance. Outstanding."** Nick Deakin, Chief Executive, Athene Works Ltd

**"SFN helped iSat through the final closing days of a financial facility which enabled a valuable export contract to be implemented. [SFN] was extremely responsive, and with expert diplomacy, reconciled a solution between the parties within a few days that assured customer satisfaction. A good results for us, for the customer, and UK PLC. Thank you!"**  
David Harper, CEO, iSat Networks

**"SFN took the trouble to understand our business and then enabled access to multiple high quality contacts helping us to move forward."** Nick Stables, CEO, Lime Microsystems

**"Pitch training and event were extremely useful"** Arnaud Guerin, EarthCube

[www.satellitefinancenetwork.org](http://www.satellitefinancenetwork.org)



# SFN – Connect and engage



[www.satellitefinancenetwork.org](http://www.satellitefinancenetwork.org)

Thank you



# Key Note Address:

Minister Mark Garnier

Parliamentary Under-Secretary at the  
Department for International Trade



**Bird & Bird**



# CEO Panel

Chair – Peter de Selding, Editor, [SpaceIntelReport.com](http://SpaceIntelReport.com)

Rupert Pearce, CEO, Inmarsat

Mike Lawton, CEO, Oxford Space Systems

Eric Beranger, CEO, OneWeb

David Williams, CEO, Avanti

Steve Smart, Senior Vice President, CGI





# Coffee

sponsored by

**CATAPULT**  
Satellite Applications



# Investment FDI

Chair – Stuart Martin, CEO, Satellite Applications Catapult

Ben Olivier, CEO and President, Thales Alenia Space UK

Terry Coxall, Space Specialist, Department for International Trade

Phil Davies, Managing Director, Deimos UK

Maurizio Vanotti, Chief Commercial Officer, Tyvak

Paul Holloway, FD, First Derivatives





# TAS UK

Space Finance Network, Bird & Bird, London 21st March 2017  
Ben Olivier



IRIDIUM NEXT  
PREPARING FOR LAUNCH

03b  
ADDING 8 SATELLITES  
TO EXISTING CONSTELLATION

**CONSTELLATIONS**  
COMBINING **INNOVATION AND HERITAGE**

GLOBALSTAR  
1<sup>st</sup> AND 2<sup>nd</sup>  
GENERATION DEPLOYED

ThalesAlenia  
Space

**SPACEBUS NEO**  
**PUSHING BACK BOUNDARIES**

THE FRENCH MINISTRY OF DEFENSE AND EUTELSAT HAVE CHOSEN  
THALES ALENIA SPACE'S NEW-GENERATION ELECTRIC SATELLITE, SPACEBUS NEO

BROADBAND SATELLITE  
FOR AFRICA

COMSAT NG

ThalesAlenia  
Space









DEIMOS SPACE UK LTD



DEIMOS UK – THE FIRST THREE YEARS

**Philip Davies**  
**Managing Director**



A leading global player



ENGINEERING

€1881M  
Turnover in  
2015



INFRASTRUCTURE

58  
Years of  
expertise



RENEWABLE  
ENERGY

53  
Countries



ENERGY &  
ENVIRONMENT



NEW  
TECHNOLOGIES

12500+  
Employees  
around the  
world



Technology company of the Elecnor group



SPACE



AERONAUTICS



MARITIME



TRANSPORT



INDUSTRY &  
UTILITIES



TELECOM &  
MEDIA

500+  
High-tech  
projects

16  
Years of  
expertise

4  
Countries

300+  
Highly-  
qualified  
employees

*Excellence, commitment and innovation*



Founded in Spain in 2001

National and international expansion

PORTUGAL  
(2003)  
Deimos Engenharia

CASTILLA-LA MANCHA  
(2010)  
Deimos  
Castilla-La Mancha

UNITED KINGDOM  
(2013)  
Deimos Space UK

ROMANIA  
(2013)  
Deimos Space  
Romania

# Deimos Space UK



**Deimos Space UK – located on the Harwell campus close to ESA (ECSAT), UKSA, RAL-Space, Satellite Applications Catapult Centre and many other space companies including SMEs**





## **Why did Deimos decide to create a UK company?**

Important Contribution of UK in ESA Programmes of high interest to DEIMOS

Interest of UK in the Satellite Applications e.g. Catapult

Good relationship of DEIMOS with existing UK Space Companies

DEIMOS already had UK staff, some of them working in UK

Good base of qualified engineers in the UK

New ESA centre had been established at Harwell

UK is excellent base to export to "UK friendly" countries

## The Plan



Establish a local company in UK

Collocation of few DEIMOS experts (2-3) in areas of expertise in which we are interested in developing the company

Build teams with UK people around the DEIMOS experts

Bid for opportunities from the UK company, win contracts and develop projects at UK in our areas of interest

Grow rapidly in the first few years and create a "critical mass"

Develop competence centres and capabilities in the UK company

Coordinate DEIMOS UK operations with the operations of the rest of DEIMOS group

Collaborate with UK universities and companies in our activities



## Support from HMG



UKTI was first “port of call” and connected DEIMOS with UKSA

UKSA confirmed they were keen to support new companies like DEIMOS, building high added value capabilities in a DEIMOS UK company

UKTI instrumental in making contract with support companies e.g. for legal, HR, finance functions – smooth setup

UKTI helped Deimos make contact with users in other sectors e.g Rail

Supportive environment created at Sat Apps Catapult

Financial support was desirable but not strictly necessary

## Status Update



Year 1 only period with significant investment from owner

Incorporation of 5 staff from another company (in receivership) helped to grow the business significantly in year 2

Currently 22 staff and 2 vacancies with turnover in range £1.5-2m

Deimos UK now overall lead for Deimos group in certain areas



EXPANDING FRONTIERS



@ElecnorDei  
mos

Elecnor Deimos is the trademark encompassing the Elecnor Group's companies of Aerospace, Technology and Information Systems: Deimos Space S.L.U. (Tres Cantos, Madrid, Spain), Deimos Engenharia S.A. (Lisbon, Portugal), Deimos Castilla La Mancha S.L. (Puertollano, Ciudad Real, Spain), Deimos Space UK Ltd. (Harwell, Oxford, United Kingdom), Deimos Space S.R.L. (Bucharest, Romania)

# Key Note Address:

Katherine Courtney  
CEO, UK Space Agency





# UK: The Place for “Commercial” Space

Katherine Courtney

Chief Executive Officer

UK Space Agency

Satellite Finance Network Conference

20 March 2017

<http://www.bis.gov.uk/ukspaceagency>

# A Satellite Enabled World...

- **PROMOTE**
- **SAFEGUARD**
- **GROW**
- **CO-OPERATE**



# Working in Partnerships



# Partnership with Industry...

**2015: National Space Policy**

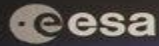
**2016: Ministerial Space Committee**

**2017: Industrial Strategy**





# Space Funding in Europe



## Council Meeting at Ministerial Level

Lucerne, 1-2 December 2016

esa  
Council Meeting  
at Ministerial Level  
Lucerne, 1-2 December 2016



esa  
Council Meeting  
at Ministerial Level  
Lucerne, 1-2 December 2016

**UK is now the largest contributor to European Space Agency programmes for Earth Observation, Telecommunications and Navigation**

# Opportunities of 'New Space'



# LAUNCH UK

- **Aim:**
  - Small satellite launch
  - Sub-orbital flight
- **Benefits:**
  - Satellite Sector
  - Science
  - Tourism
- **Commercial market:**
  - global value circa £25 billion over the next 20 years.



# Great applications that matter...



# Supporting Start-ups

- Start-ups and SMEs play an important role in the space sector
- UK Space Agency funds innovation through all our programmes
- UK Space Agency incubation support programme
- Harwell – the gateway to a growing **national** sector



Picture credit: SETsquared

# Looking to the future





# Exports

Chair – Gabriel Buck, Managing Director, GKB Ventures  
Peter Maplestone, Senior Underwriter, UK Export Finance  
Marcell Tessenyi, CEO, Blue Skies Space  
Nick Flitterman, Co-Founder, Portland Advisors  
Craig Clark, CEO, Clyde Space





# Final Comments

Andy Green

President, UKspace







# Networking Reception

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