

Investing in the "picks and shovels" of the space industry, a profile of NewSpace Capital

With #QVCS, Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Bogdan Gogulan, CEO and Managing Partner at NewSpace Capital.

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I have a love for technology that is pioneering and transformative. Space tech is the perfect marriage of those two things. It's at the bleeding edge of tech, and the founders and teams I'm lucky enough to work with have huge ambitions to change the world for the better. I'm proud to support them.

As CEO and Managing Partner of *NewSpace Capital*, I lead a partnership team that has over 150 years of collective industry experience across space technology and finance and it's a team that launched the first global space fund focusing on growth-stage deep-tech companies that aim to solve the global challenges of sustainable economic and social development. In fact, we are seeing space technology having an impact on nearly every industry and in our everyday lives from Google maps to carbon emissions monitoring. I believe we are at the cusp of a productivity revolution, where AI and space technologies will seriously expand and drive technological breakthroughs. It's an incredibly exciting ecosystem to be involved with.

Which industries are you working in?

As a space-focused Private Equity firm, we work across the space ecosystem, which has seen a real transformation in the last decade. Improved access to space, the emergence of satellite platforms for Lower Earth Orbit, the miniaturisation of electronics, evolving regulations, and growing demand for commercial and consumer applications have changed the global space industry. It's now widely seen as a vital part of our society, and one of the most important drivers of its continued technological and economic transformation.

Our focus areas include building and manufacturing components, launch services, broadcasting and telecommunication, earth observation, navigation, and emerging segments such as space situational awareness, in-space manufacturing, and space mining.

What do you look for in a founder?

We always try to keep an open mind, especially in a space as dynamic as our own. But we do tend to look for certain qualities. First, a combination of technical know-how and business acumen. We seek founders who possess both technical expertise and a strong understanding of business dynamics. This combination is essential for successfully navigating the complexities of the space industry. We look for founders who can build and lead effective teams. Their vision should extend beyond personal ambition and focus on the overall success of the business. Lastly, we want to see leadership. Leadership is crucial in the space industry, as the impact of decisions can reach millions of people's lives. We value founders who demonstrate leadership qualities and can inspire others to achieve a shared vision.

What makes NewSpace Capital different?

At NewSpace Capital, we invest in the "picks and shovels" of the space industry. During the space rush, we focus on the supply chain and the downstream segments of the market. By investing in leading companies with existing revenues and unique market positions, we aim to lower investment risk. We also aim to support management teams that demonstrate vision, clear strategies, and a track record of focused execution. We want to drive growth and innovation in the space sector.

The NewSpace team brings together a wealth of expertise in finance and space technology industries. The team are genuine experts and have been involved in approximately 30 commercial and 35 scientific space missions, contributing to the advancement of space exploration and new technologies. Additionally, their involvement in M&A activities has generated a value of over €8B and counting. Our advisory board includes individuals from organisations like NASA and ESA, along with the valuable insights of a former astronaut. It is these details and this level of expertise that, I think, sets us apart.

Can you talk about your current portfolio?

Of course! In December last year, we announced the first closing of our space-focused growth fund at €105M. This allows our partners to tap into the growth segment of a €300B industry spanning Earth observation, communication and data analytics. This is reflected in our portfolio, where we have some exciting companies making a significant impact in the space industry. For example, we've invested in ICEYE, a world-leading Earth observation satellite business based in Helsinki. ICEYE plays a crucial role in providing valuable Earth observation data and associated services. We also have investments in Kayrros, a global environmental intelligence company which supports, amongst other things, the United Nations and the IEA in tackling methane emissions. And we invested in

Cailabs, a deep-tech company enabling revolutionary photonic solutions. These companies produce goods and services with real-world applications. They're at the forefront of innovation.

What unites these companies is that they are already well-developed - they're high-growth and profitable. They offer applications that have real-world implications and uses. We don't invest in early stage companies.

What does the future look like?

The future of the space industry is incredibly promising as the space ecosystem becomes a backbone for economic and social change. Take agriculture - a €12T+ global market that employs 40% of the world's working population. Food production is impossible to scale using current methods. Food production deploys enormous human and natural resources, but fails to feed the planet without destroying it. Space is a critical component in addressing the causes of this challenge and mitigating its impact.

Other areas include space traffic control, debris management, space weather monitoring, intelligence surveillance, and cybersecurity are some of the areas that are really shaping the industry and presenting huge opportunities for innovation and growth.

The growth of space tech is also being driven by productivity potential and the recognition of AI and space tech as engines of economic transformation. The global and local economic landscape is transforming thanks to productivity gains and the societal benefits that the space industry offers, such as around climate change.

Bogdan Gogulan is CEO and Managing Partner at *NewSpace Capital*.
