

July M&A Transactions

July 9 – **Virgin Galactic LLC** (Virgin) agreed to merge with **Social Capital Hedosophia Holdings Corp.** (SCH), a special purpose acquisition company. The transaction will give Virgin several hundred million dollars of capital for commercialization of its **SpaceShipTwo** suborbital vehicle. Upon closing, Virgin's shares will be publicly traded, with SCH holding a 49% stake.

July 26 – In an arrangement with the **Antitrust Division** of the **U.S. Department of Justice** (DOJ), **T-Mobile US, Inc.** (T-Mobile) and **Sprint Corporation** (Sprint), **DISH Network Corporation** (DISH) agreed to purchase wireless assets from T-Mobile and Sprint for \$5b, consisting of \$3.6b for Sprint spectrum and \$1.4b for Sprint prepaid mobile businesses, as well as network agreements for access to T-Mobile's network while DISH builds its own 5G network. In addition to assuaging anti-trust concerns and securing DOJ approval for T-Mobile's \$26.5b takeover of Sprint, the asset purchase positions DISH to become the fourth national facilities-based wireless carrier.

July Satellite Orders

July 1 – **Thales Alenia Space** (Thales) was selected by an Indonesian consortium led by **PT Pasifik Satelit Nusantara** to manufacture and deliver the **SATRIA** broadband satellite based on the **Spacebus NEO** all-electric platform, as well as associated ground segment elements. The consortium was chosen earlier by Indonesia's **Ministry of Communication and Information Technology** to deploy and operate SATRIA with the aim of narrowing the digital divide. After launch in Q4 2022, SATRIA will be operated from the 146°E orbital location.

July 10 – **Northrop Grumman Corporation** was selected by **Space Norway AS** to manufacture and deliver the two satellites and ground infrastructure that will comprise the **Arctic Satellite Broadband Mission** system, which will provide communications services in the Arctic region. The satellites, which will be based on the **GEOSat** platform, will carry multiple hosted payloads, including X-band payloads for the **Norwegian Ministry of Defense** and a Ka-band payload for **Inmarsat plc**.

OneWeb Satellites Opens Florida Factory

July 22 – **OneWeb Satellites LLC**, a joint venture between **OneWeb Development LLC** and **Airbus Defence and Space**, officially opened its factory at Florida's Exploration Park near the Kennedy Space Center. Innovatively designed for cost effective, mass production of spacecraft, it is expected to achieve a manufacturing rate of two satellites per day.

July Space Industry Investment Highlights

July 8 – **Airbus Defence and Space** (Airbus) and French space agency **CNES** announced that CNES will invest just under €100m for the manufacture and launch by Airbus of a four-satellite Earth observation constellation known as **CO3D** to provide high-resolution digital terrain elevation maps. On July 10, Airbus announced plans to leverage this investment to expand CO3D to roughly two dozen satellites.

July 10 – **Akash Systems, Inc.**, which is developing thermally efficient satellite components, raised \$14.5m through a mixture of venture capital and equity converted from existing debt.

July 17 – **Momentus**, which is developing spacecraft that shuttle satellites from launch vehicle drop-off points to final orbital destinations, raised \$25.5m in its Series A round.

July 22 – **ABL Space Systems Company**, a small launch vehicle services start-up, closed a strategic investment of undisclosed value from **Lockheed Martin Ventures**.

July 24 – The **Government of Canada** and **Telesat** announced that Canada will contribute \$85m CAD toward Telesat's planned LEO broadband satellite system and will purchase up to \$600m CAD of the system's capacity over 10 years.

July 26 – **Synspective Inc.**, a Tokyo-based remote sensing company established 17 months ago, announced that it reached \$100m in funding through a recent financing round for its planned global constellation of roughly 25 SAR satellites.

July Space Insurance Market Developments

July 10 – A European **Vega** launch vehicle failed, causing destruction of the **FalconEye 1** satellite of the **United Arab Emirates Armed Forces**, exposing insurers to costs in excess of \$400m, consuming most of the space insurance market's premium capacity this year and potentially marking the costliest insured satellite failure in history.

July 31 – **Swiss Reinsurance Company Ltd**, the world's second largest reinsurance company, announced that it will no longer insure satellites or launches as a result of recent negative results and unsustainable premium rates.

FCC Releases Proposed New Rules for Certain SmallSats

July 11 – The **U.S. Federal Communications Commission** released proposed new rules whereby up to 10 small satellites at a time, provided that they meet certain conditions, including as to mass and size, may be licensed under a streamlined process at 1/15th the current licensing cost.

To learn about Milbank's Space Business Practice, or view previous issues of the Space Business Review, please visit www.milbank.com.

The information contained herein is provided for informational purposes only and should not be construed as legal advice on any subject matter. Recipients of this publication should not take or refrain from taking any action based upon content included herein. If you do not wish to receive this newsletter, please send an e-mail to MilbankSBG@milbank.com with the word "unsubscribe" in the subject line.