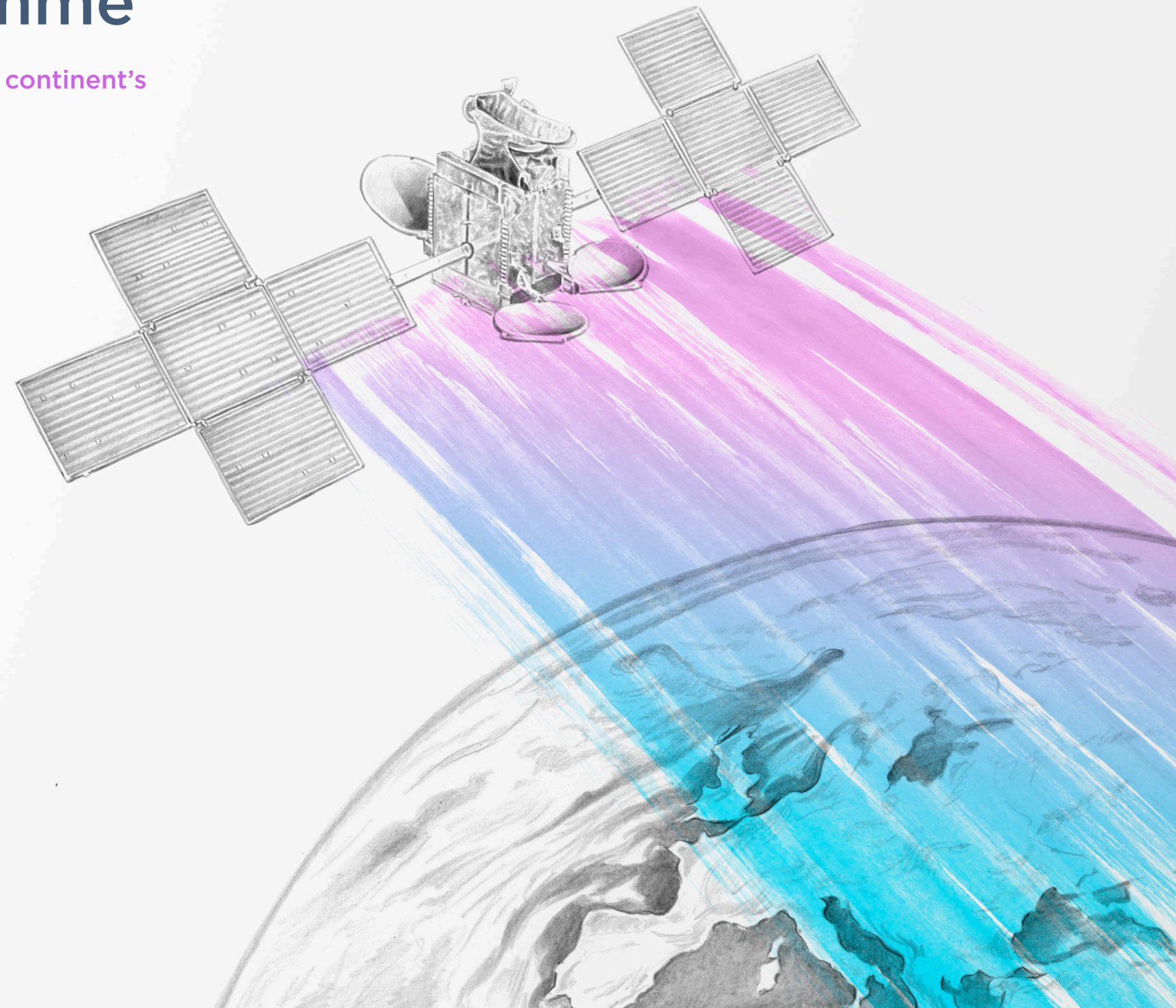


# Launching Europe's €10.6bn constellation of satellite programme

Helping Hispasat to keep Europe's landmark satellite project moving to enable the continent's strategic communications autonomy.

Getting Europe's €10.6bn space programme, Iris2, off the ground was a complex challenge for every stakeholder and negotiating the legal agreement would challenge us to exceed new boundaries. How could we get all parties to agree with innovative and disruptive technologies? And how could we cap risk (with still uncertain costs) to allow the members of the SpaceRISE consortium to fully commit? To make this project happen took determination, communication and a mix of pragmatism and imagination. But with the groundwork now in place, the outlook is bright – for our client, Hispasat S.A, their partners in the SpaceRISE consortium and, ultimately, for the future security and stability of Europe.



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## THE CHALLENGE

This was a landmark project. A once-in-a-decade opportunity to design, develop and implement a constellation of low and medium orbit satellites that would strengthen Europe's defence capacity and revive the continent's space sector. Hispasat S.A. sought our support as they negotiated the agreement that would make this vision a reality. But with vast public and private investments of €10.6bn at stake, complex and rapidly changing technology, and multiple, multi-national stakeholders, the chances of reaching a consensus – let alone medium orbit – looked to be a difficult task.

There were many obstacles we faced, but three were fundamental to the project's success:

- A restrictive framework: structured as a concession contract for the European Commission (EC) and a partnership project contract for the European Space Agency (ESA), there were legal limits to what we could propose.
- Known unknowns: how could the members of the SpaceRISE consortium commit to costs and timescales when the technological solution was not finalised yet?
- Securing the finances: how could we secure significant levels of investment when key investment parameters are still not confirmed.

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## THE SOLUTION

Traditionally, concession contracts are used for infrastructure where the ultimate deliverable is clear: you know what the asset will be, how it will work, the technology you will use and can estimate the revenue it will generate. However, due to the complexity of satellite technology, these details were still under development. To address the derisking of the programme, we structured the contract in two phases with an initial phase that gives the consortium the opportunity, among others, to develop the potential technology, confirm the details of the design and development of the constellation, confirm the costs and milestones for its delivery, and secure the financing of the programme. Due to the multiple uncertainties that the SpaceRISE consortium are facing, we sought to negotiate limited liabilities. Protecting their position both as a consortium and individually, as well as Hispasat's, was paramount and these negotiations ensured we could deliver that for all parties. To add another layer of complexity, financing for the project was also a challenge. With a total estimated cost of €10.6bn, the consortium would require significant investment from the European Parliament. But, as part of the public funds wouldn't be approved until the end of 2027, it was crucial to secure initial financing from other sources. This was only possible thanks to the capped liabilities negotiated for the initial phase.

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## THE IMPACT

On a macro scale, this project will benefit the whole of Europe, bringing strategic autonomy. While for Hispasat and the other members of the SpaceRISE consortium it will be transformational – an opportunity to redefine the future of their business, innovate and lead the way in low and medium orbit satellite constellations. After 18 months of negotiations, the initial agreements are now in place. But in many ways, the real work is just beginning as we will continue supporting our client with the next stages of the programme.



**This project is not only fundamental for the security of Europe, but is also transformational for the SpaceRISE consortium members. Constructing these new satellites and their technology is the future for their business, so it was hugely important.**

Roberto Pomares, Addleshaw Goddard,  
Partner and Head of Spain

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