

A series of quick comments on the opportunities, risks and trends observed by Pictet's Thematic Private Equity – Technology team

90-sec tech check: Running Europe's space race

February 2026



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WHAT'S HAPPENING?

In January, the European Union began activating its homegrown secure satellite communications network. This is part of an initiative worth €10.6 billion to create an alternative to the Starlink service owned by SpaceX, and so make Europe more independent in this key strategic area. One of the underlying programmes, IRIS², is expected to be fully operational by 2030 and will serve both private and public-sector clients via almost 300 satellites in multiple orbits.

WHAT ARE THE INVESTMENT IMPLICATIONS?

With SpaceX targeting an IPO that could value the company at more than \$1.5 trillion later this year, the size of the prize in the space economy is clear. While SpaceX occupies a uniquely commanding position – having completed more orbital launches than the rest of the world combined last year – we believe there is clear space for a European competitor.

Specifically, the near to medium term brings the convergence of several highly supportive developments:

- Prioritisation of European sovereignty goals;
- Transition of the International Space Station from a government-operated facility to a commercial entity; and
- Increasing demand for space logistics solutions.

This creates a structural opening for European-led platforms, which underpinned our conviction to invest in The Exploration Company (TEC).

We view a private company like TEC as ideally placed to benefit from these developments. Founded in 2021 and dual-headquartered in France and Germany, TEC is a European space infrastructure company developing reusable orbital capsules. The company serves the fast-growing low Earth orbit (LEO) and lunar logistics markets, with use cases such as cargo resupply, sample return, in-space R&D, and sovereign mission support. TEC's first capsule had its technical test flight in June 2025 on a SpaceX Falcon 9 and is expected to be commercially operational in 2028.

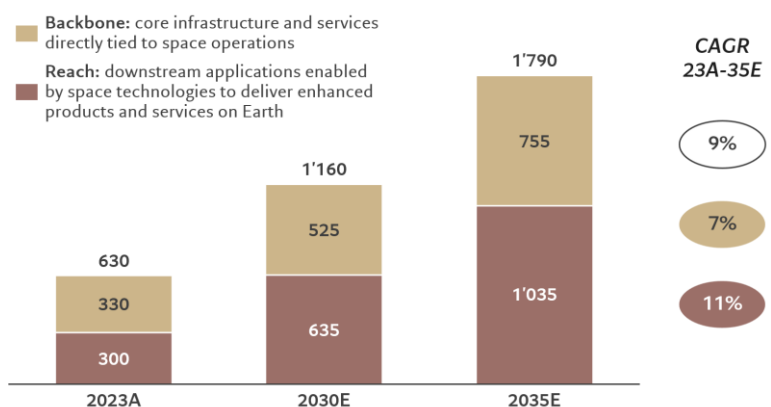
TEC has already won early institutional business and repeat engagements validating its customer proposition before it begins full deployment, which in our view reduces TEC's commercial risk relative to traditional aerospace timelines. Led by some of Europe's most experienced aerospace professionals (e.g. formerly at Airbus, Ariane, NASA), TEC differentiates itself through a modular, launcher-agnostic architecture that delivers superior capacity at lower costs than competing solutions.

Visualising the story

The space economy is going from niche to ubiquitous, representing an entire ecosystem of economic activity from satellite data powering apps to GPS enabling logistics and space imagery helping farmers, insurers, and governments.

Sources: World Economic Forum, McKinsey, BCG, February 2026. There is no assurance that any trends depicted or described will continue or that any projections will ultimately materialise.

Total available market breakdown (USDbn)



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