

STARTUP FUNDING 101

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Introduction

This reference document presents a collection of ten infographics on startup funding in the space sector. It examines how space startups can identify, obtain, and combine different forms of financing as they progress from an initial idea toward orbital activity and longer-term development. The collection is organized as a sequence of questions covering funding sources, investor perspectives, capital requirements, and the construction of an overall financing plan.

The opening infographic, “How Can a Space Startup Fund Its Journey from Idea to

Orbit?”, introduces the funding path across the stages named in its title. The next two infographics focus on external and public-sector financing. “Where Can Space Startups Find Non-Dilutive Funding?” addresses funding that does not require an ownership exchange, while “How Can Government Contracts Help Finance a Space Startup?” examines the role of government contracts in supporting startup finance.

The middle section turns to investor-based funding. “How Can Space Startups Use Angel Investors and Seed Funding?”

considers early-stage investment from angel investors and seed funding. “What Do Venture Capital Investors Look for in Space Startups?” addresses the factors associated with venture capital consideration. “How Can Strategic Corporate Investors Fund Space Startups?” then examines funding from corporate investors with a strategic role. Together, these infographics cover several forms of private investment and the different relationships they may represent for a space startup.

The final part addresses financing linked to business activity and the costs of developing physical systems. “How Can Space Startups Turn Customers into a Source of Financing?” considers customers

as a funding source. “How Can Space Startups Finance Capital-Intensive Hardware?” focuses on the financing challenges associated with hardware requiring substantial capital. The ninth infographic, “How Can a Space Startup Build a Funding Stack?”, brings together the concept of combining funding sources. The collection concludes with “What Is the Space Startup Funding Roadmap?”, which presents the subject as a progression from individual funding mechanisms toward a broader financing roadmap.

Section 1: Funding Landscape

3 infographics

These infographics provide a broad journey overview and introduce non-dilutive funding and government contracts as foundational funding avenues.



HOW CAN A SPACE STARTUP FUND ITS JOURNEY FROM IDEA TO ORBIT?

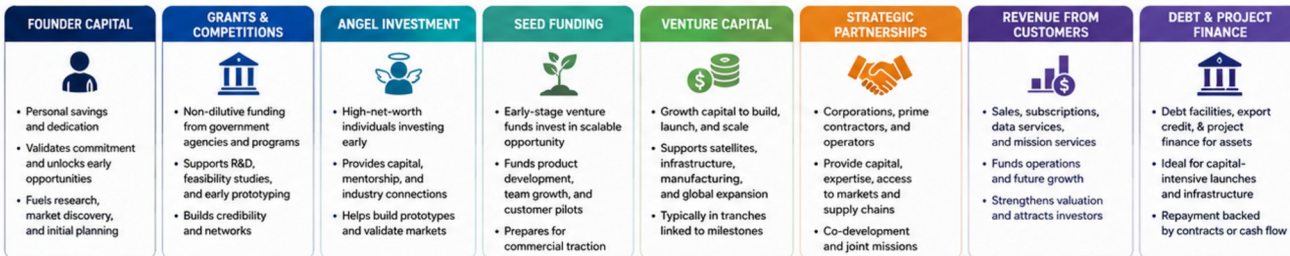


A FUNDING ROADMAP FOR EVERY STAGE OF THE MISSION

THE JOURNEY: KEY MILESTONES



HOW STARTUPS CAN FUND EACH STAGE



CROSS-CUTTING ENABLERS:



STRONG TEAM
Attracts funding and builds trust



CLEAR ROADMAP
Milestones and metrics reduce risk



GOVERNANCE
Transparency and discipline build confidence



INTELLECTUAL PROPERTY
Protect innovation and create value



COMPLIANCE & ESG
Operational excellence opens doors

KEY PRINCIPLES



FUND THE MILESTONE

Raise the right capital for the next milestone—not the entire mission.



MANAGE RISK

De-risk technology, market, and execution at every stage.



DIVERSIFY FUNDING

Combine multiple funding sources to reduce dependency.



CREATE VALUE

Deliver outcomes for customers and partners to sustain growth.



THINK LONG-TERM

Build enduring capabilities and a resilient business in the space economy.



FROM IDEA TO ORBIT: VISION + CAPITAL + EXECUTION = IMPACT



The right funding at the right time turns bold ideas into missions that advance business, science, and humanity.



WHERE CAN SPACE STARTUPS FIND NON-DILUTIVE FUNDING?



FUNDING YOUR MISSION WITHOUT GIVING UP EQUITY

NON-DILUTIVE VS. DILUTIVE



NON-DILUTIVE FUNDING

- ✓ You keep 100% ownership
- ✓ Usually tied to a specific project or milestone
- ✓ Competitive and merit-based
- ✓ Requires reporting and deliverables



DILUTIVE FUNDING

- ✗ You give up equity
- ✗ Investor seeks financial return
- ✗ More flexible use of funds
- ✗ Less project-specific obligations



NON-DILUTIVE FUNDING FUELS INNOVATION AND REDUCES RISK—WITHOUT DILUTING YOUR VISION.

SOURCES OF NON-DILUTIVE FUNDING



GOVERNMENT GRANTS

Federal, state, regional, and local grants support R&D, innovation, and commercialization.



RESEARCH & DEVELOPMENT PROGRAMS

Agency and institutional programs fund early-stage research and technology development.



ACCELERATOR PRIZES & CHALLENGES

Cash prizes and awards for solving specific problems or advancing space innovation.



UNIVERSITY & INCUBATOR SUPPORT

Access funding, facilities, mentorship, and resources through academic and incubator programs.



INNOVATION COMPETITIONS

Open competitions from agencies and organizations that award funding for innovative solutions.



TAX INCENTIVES & CREDITS

R&D tax credits and other incentives reduce costs and free up capital for growth.



PUBLIC-PRIVATE PARTNERSHIPS

Collaborative programs combine public funding with industry investment to de-risk innovation.



SBIR/STTR-LIKE PROGRAMS

Small business innovation programs fund R&D across federal agencies in phased competitions.



FEASIBILITY & DEMONSTRATION FUNDING

Grants and vouchers for feasibility studies, prototypes, testing, and technology demonstrations.



MISSION OR PILOT CONTRACTS

Non-dilutive contracts for pilots, data services, and mission support with public or institutional buyers.

THE PATH TO NON-DILUTIVE FUNDING

1

IDENTIFY



Scan programs, databases, and opportunities that fit your tech and goals.

2

PREPARE



Understand requirements, build a strong team, and craft a compelling plan.

3

APPLY



Submit a clear, complete application that addresses goals and impact.

4

WIN & NEGOTIATE



If selected, finalize terms, scope, milestones, and deliverables.

5

EXECUTE & GROW



Deliver results, report impact, and leverage success for future wins.

WHERE TO LOOK



GOVERNMENT PORTALS

Agency websites, grants.gov, and procurement portals.



OPPORTUNITY DATABASES

Online platforms aggregating grants, challenges, and funding opportunities.



INDUSTRY & ASSOCIATIONS

Space associations, chambers, and working groups share leads and insights.



ACADEMIC NETWORKS

Universities and research labs offer programs, funding, and collaboration.



LOCAL & REGIONAL GROUPS

Ecosystem hubs, incubators, and economic development organizations.



NEWSLETTERS & ALERTS

Subscribe to program updates and set alerts for new opportunities.



FUND SMART. STAY IN CONTROL. BUILD THE FUTURE OF SPACE.

Non-dilutive funding accelerates innovation, preserves ownership, and drives lasting impact.



HOW CAN GOVERNMENT CONTRACTS HELP FINANCE A SPACE STARTUP?



TURN PUBLIC MISSIONS INTO PRIVATE GROWTH

WHY GOVERNMENT CONTRACTS MATTER



EARLY REVENUE

Contracts provide non-dilutive capital to hire, build, and iterate.



TECHNOLOGY VALIDATION

Work with government to prove your technology in real-world conditions.



MILESTONE FUNDING

Payments are tied to milestones, aligning cash flow with progress.



PILOT AND DEPLOYMENT PATHS

Gain access to pilots, testbeds, and operational missions.



CREDIBILITY BOOST

Government backing builds trust with investors, partners, and customers.

COMMON CONTRACT TYPES



R&D CONTRACTS

Fund research and prototype development to reduce technical risk.

Examples:
SBIR/STTR, R&D agreements



OTHER TRANSACTION AUTHORITY (OTA)

Flexible agreements for rapid prototyping and experimentation.

Examples:
OTAs, prototype agreements



PRODUCTION CONTRACTS

Fund manufacturing and delivery of proven products or services.

Examples:
Firm-fixed-price contracts



SERVICE CONTRACTS

Compensate for ongoing services and operational support.

Examples:
Task orders, IDIQ contracts



COOPERATIVE AGREEMENTS

Partner with agencies for joint R&D with shared outcomes.

Examples:
CRADAs, space acts agreements

WHERE OPPORTUNITIES COME FROM



DEFENSE AGENCIES

Space Force, DARPA, NRO, and other DoD organizations fund innovation and capability.



CIVIL SPACE AGENCIES

NASA and other agencies seek solutions for science, exploration, and operations.



FEDERAL LABS & CENTERS

Government labs and test ranges partner on cutting-edge technologies.



STATE & INTERNATIONAL PROGRAMS

State agencies and allied space programs fund local and global solutions.



PRIME CONTRACTORS & INTEGRATORS

Subcontracting and teaming opportunities support mission delivery.

THE CONTRACT LIFECYCLE: FROM PROPOSAL TO PERFORMANCE



KEY BENEFITS FOR YOUR STARTUP

- ✓ Non-dilutive funding accelerates growth
- ✓ Access to test facilities and mission data
- ✓ Real-world validation reduces technical risk
- ✓ Pathway to long-term revenue and scale
- ✓ Builds a track record of mission success
- ✓ Opens doors to prime contractors and partners
- ✓ Strengthens position with investors
- ✓ Supports national and public missions

RISKS & CONSTRAINTS TO MANAGE



Complex Regulations

Compliance, export controls, and procurement rules require rigor.



Long Sales Cycles

From opportunity to award can take significant time.



Performance Risk

Milestone commitments must be realistic and achievable.



Cash Flow Timing

Reimbursement and payment schedules vary.

GET CONTRACT-READY: TIPS FOR SUCCESS



KNOW YOUR CUSTOMER

Understand agency missions, priorities, and decision makers.



SOLVE A REAL NEED

Align your solution with mission-critical challenges.



INVEST IN COMPLIANCE

Build strong processes for quality, security, and reporting.



BUILD RELATIONSHIPS

Engage early and often with program offices and partners.



START SMALL, THINK BIG

Win initial work, deliver results, and expand over time.



PROTECT YOUR IP

Use data rights and terms that enable future growth.



GOVERNMENT CONTRACTS TURN INNOVATION INTO IMPACT—AND HELP SPACE STARTUPS REACH ORBIT AND BEYOND.

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Section 2: Equity and Strategic Investors

3 infographics

These items progress from early angel and seed funding to venture capital and strategic corporate investment.



HOW CAN SPACE STARTUPS USE ANGEL INVESTORS AND SEED FUNDING?



EARLY CAPITAL. SMART PARTNERS. BUILD WHAT'S NEXT.

FOUNDER GOALS AT THE EARLY STAGE



VALIDATE THE PROBLEM
Confirm real customer need and market pull.



BUILD AND TEST SOLUTIONS
Create prototypes and run early experiments.



BUILD A STRONG TEAM
Hire key talent and advisors to execute.



ACHIEVE INITIAL TRACTION
Land pilots, letters of intent, or early revenue.



DE-RISK THE BUSINESS
Reduce technical, market, and execution risk.

THE EARLY FUNDING PATHWAY



1 DEFINE & RESEARCH
Deeply understand the customer problem, competitors, and your advantage.



2 BUILD & VALIDATE
Develop prototypes and test with real users to prove feasibility.



3 ENGAGE ANGELS
Use angel capital and guidance to validate the business and gain credibility.



4 HIT KEY MILESTONES
Prove product-market fit signals, traction, and a scalable business model.



5 RAISE SEED ROUND
Attract seed investors to scale the team, product, and go-to-market efforts.



6 SCALE & PREPARE
Expand operations, deliver on milestones, and position for future rounds.

WHAT ANGEL INVESTORS TYPICALLY PROVIDE



Early Capital to validate ideas and build prototypes



Domain Expertise and industry connections



Strategic Guidance on product, market, and team



Credibility to attract customers and future investors



Introductions to Partners, talent, and advisors



Long-Term Perspective aligned with your mission

ANGEL INVESTMENT vs. SEED FUNDING

ASPECT	ANGEL INVESTMENT	SEED FUNDING
PURPOSE	Validate idea, build prototypes, prove feasibility	Scale product, team, and go-to-market
TICKET SIZE	Typically smaller checks, more flexible	Typically larger rounds, structured process
INVESTORS	Individuals or angel groups, often operators	Angel syndicates, seed funds, early-stage VCs
FOCUS	De-risk the idea and market	De-risk scale and growth
TERMS	Flexible terms, simple documents	Standard terms, preferred equity, board seats
WHAT YOU GET	Capital, mentorship, early credibility	Capital, networks, structure, and operational support

MILESTONES TO REACH BEFORE RAISING

- ✓ Clear problem-solution fit in the space market
- ✓ Working prototype or technical demonstration
- ✓ Early customer pilots, LOIs, or paid trials
- ✓ Initial traction signals or usage metrics
- ✓ Scalable business model and go-to-market plan
- ✓ A focused, coachable, and resilient team

WHERE TO FIND INVESTORS



ANGEL NETWORKS
Space-focused and generalist angel groups and syndicates.



FOUNDER COMMUNITIES
Space startup communities, accelerators, and incubators.



INDUSTRY CONNECTIONS
Partners, suppliers, customers, and advisors' networks.



INVESTOR EVENTS
Pitch events, demo days, and industry conferences.



ONLINE PLATFORMS
Curated investor platforms and fundraising networks.

WHAT FOUNDERS SHOULD PREPARE



PITCH DECK
Concise story, market, solution, traction, team, and financials.



FINANCIAL MODEL
Use of funds, runway, unit economics, and scenarios.



DATA ROOM
Cap table, IP status, key contracts, and technical docs.



ASK & PLAN
Define funding amount, milestones, and how success will be measured.

HOW EARLY CAPITAL IS COMMONLY USED



BUILD PROTOTYPES

- Hardware and software development
- Rig and test equipment
- Iteration and quality testing



RUN PILOTS & TESTS

- In-orbit or field demonstrations
- Data collection and analysis
- Performance validation



HIRE KEY TALENT

- Engineers and technical leads
- Product and mission operations
- Business development



CUSTOMER DISCOVERY

- Market research and interviews
- Pilot programs and feedback
- Refine positioning and pricing



BUILD GO-TO-MARKET

- Brand, content, and marketing
- Partnerships and integrations
- Sales enablement and tools



KEY TAKEAWAY:

Use angel investment to validate and de-risk your space startup. Then leverage seed funding to scale with speed and purpose. The right capital plus the right partners can turn your mission into a market-leading space company.



WHAT DO VENTURE CAPITAL INVESTORS LOOK FOR IN SPACE STARTUPS?

KEY CRITERIA VC INVESTORS EVALUATE BEFORE THEY INVEST

VC INVESTORS SEEK STARTUPS THAT COMBINE BOLD VISION WITH INVESTABLE EXECUTION.



SOLVE A REAL PROBLEM

Address a meaningful need in a large and growing market.



BUILD DEFENSIBLE ADVANTAGE

Use differentiated technology, IP, or data to stay ahead.



DEMONSTRATE TRACTION

Prove the solution works and customers or partners agree.



SCALE WITH CAPITAL

Show how additional capital drives disproportionate growth.

10 EXIT POTENTIAL

Clear potential for attractive exits through acquisition, public markets, or strategic consolidation.

9 SCALABILITY

Solution can scale—technically, operationally, and commercially—across markets.

8 REGULATORY & POLICY LANDSCAPE

Awareness of regulatory requirements and a plan to navigate compliance and licensing.

7 CAPITAL INTENSITY

Realistic understanding of capital requirements, burn profile, and path to key milestones.

THE VC EVALUATION SCORECARD



2 DIFFERENTIATED TECHNOLOGY

Proprietary technology or unique approach that creates clear competitive advantage.

3 INTELLECTUAL PROPERTY

Strong IP position (patents, trade secrets, know-how) that is defensible and enforceable.

4 MANAGEMENT TEAM

Proven, mission-aligned team with the skills and experience to execute and adapt.

5 TRACTION & VALIDATION

Evidence of progress—tests, pilots, customers, revenue, or strategic partnerships.

6 BUSINESS MODEL & UNIT ECONOMICS

Clear value proposition with a viable path to sustainable revenue and attractive returns.

RED FLAGS & COMMON CONCERNS



UNCLEAR PROBLEM OR MARKET

Unclear who will buy, why now, or how big the opportunity is.



WEAK OR UNPROVEN TECHNOLOGY

No defensible edge or overreliance on unproven development.



NO IP OR DEFENSIBILITY

Technology or data is easy to copy or lacks protection.



TEAM GAPS

Missing critical expertise or lack of complementary skills.



LACK OF TRACTION

No evidence of demand, validation, or ability to execute.



UNREALISTIC FINANCIALS

Overly optimistic projections or misunderstanding of capital needs.



REGULATORY BLIND SPOTS

Ignoring licensing, export controls, or environmental requirements.

HOW FOUNDERS CAN IMPROVE INVESTOR READINESS



CLARIFY THE THESIS

Articulate the problem, solution, market, and why your approach wins.



DE-RISK EARLY

Validate key assumptions through tests, pilots, and real-world data.



PROTECT YOUR EDGE

File IP where possible and document your technology and data advantages.



BUILD THE RIGHT TEAM

Surround yourself with operators who have done it before.



SHOW TRACTION

Secure customers, partners, and metrics that prove market pull.



TELL A COMPLETE STORY

Connect technology, market, team, and financials into a compelling narrative.



PLAN FOR SCALE

Show how capital will unlock milestones and create lasting value.

WHAT INVESTORS WANT TO SEE



- ✓ A BIG PROBLEM WORTH SOLVING
- ✓ A UNIQUE, DEFENSIBLE SOLUTION
- ✓ A TEAM THAT CAN EXECUTE
- ✓ EVIDENCE OF MARKET VALIDATION
- ✓ A PATH TO OUTSTANDING RETURNS



GREAT SPACE STARTUPS COMBINE DEEP TECH WITH DISCIPLINED EXECUTION.

VC INVESTORS BACK TEAMS THAT TURN VISION INTO SCALABLE, DEFENSIBLE BUSINESSES.

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HOW CAN STRATEGIC CORPORATE INVESTORS FUND SPACE STARTUPS?



PARTNERSHIPS THAT ACCELERATE INNOVATION, REDUCE RISK, AND CREATE SHARED VALUE

WHO ARE STRATEGIC CORPORATE INVESTORS?



AEROSPACE & DEFENSE COMPANIES
Expand capabilities and technology leadership.



SATELLITE OPERATORS & TELECOMS
Strengthen services and global reach.



TECH & INDUSTRIAL FIRMS
Integrate space into products and platforms.



ENERGY, RESOURCES & LOGISTICS
Enable operations, data, and new markets.



FINANCIAL & INSURANCE GROUPS
Manage risk and open new offerings.

WHY CORPORATES INVEST IN SPACE STARTUPS



ACCESS INNOVATION
Tap emerging technologies and speed up time to market.



GROW CORE BUSINESS
Create new products, services, and recurring revenue.



REDUCE RISK
Share development risk and validate solutions early.



SECURE ADVANTAGE
Build capabilities and lock in long-term partnerships.



OPEN NEW MARKETS
Expand into adjacent markets and customer segments.

HOW CORPORATES CAN SUPPORT SPACE STARTUPS



1. EQUITY INVESTMENT
Provide capital to fuel growth and extend runway.



2. CO-DEVELOPMENT
Jointly develop products or technologies and share IP where agreed.



3. SUPPLY-CHAIN ACCESS
Introduce vetted suppliers and streamline procurement and certifications.



4. MARKET ACCESS
Open doors to customers, partners, and government opportunities.



5. MANUFACTURING SUPPORT
Provide or facilitate production capacity, tooling, and quality systems.



6. DISTRIBUTION & CHANNELS
Use existing channels and platforms to reach global markets.



7. TECHNICAL EXPERTISE
Share engineering know-how, system expertise, and best practices.



8. FACILITIES & INFRASTRUCTURE
Offer labs, test ranges, clean rooms, ground stations, and data resources.



9. CREDIBILITY & TRUST
Lend brand, quality standards, and regulatory credibility.

WHAT FOUNDERS GAIN



More than capital—strategic capabilities that accelerate execution.



Faster path to product-market fit and scale.



Access to enterprise customers and long-term contracts.



Reduced cost, risk, and time to market.



Stronger reputation with investors, partners, and regulators.

RISKS FOUNDERS SHOULD CONSIDER



Potential loss of control or alignment mismatches.



Conflicts of interest with the investor's core business.



Restrictions on IP ownership or technology use.



Dependence on a single partner or channel.



Slower decision-making due to corporate processes.

PARTNERSHIP VALUE CHAIN: FROM CONCEPT TO MARKET IMPACT



IDEATION & DESIGN
Validate needs and co-create solution concepts.



DEVELOPMENT
Co-develop technology with technical expertise.



TEST & VALIDATE
Use facilities and data to test and de-risk.



MANUFACTURE
Scale production with quality and supply-chain support.



GO TO MARKET
Access channels, customers, and market intelligence.



SCALE & OPERATE
Expand globally and continuously improve performance.



CREATE IMPACT
Deliver solutions that drive value on Earth and in space.

FEEDBACK LOOP FOR CONTINUOUS IMPROVEMENT

PRACTICAL STEPS FOR FOUNDERS



1. MAP TARGETS
Identify corporates with strategic interest and overlap.



2. PREPARE VALUE CASE
Show the problem, solution, traction, and strategic fit.



3. ENGAGE EARLY
Start conversations before you need capital.



4. PROPOSE COLLABORATION
Suggest pilot projects, co-development, or commercial trials.



5. STRUCTURE & ALIGN
Negotiate terms and align on milestones and governance.



6. EXECUTE & DELIVER
Deliver results, measure impact, and expand the partnership.

SUCCESS FACTORS



MUTUAL VALUE
Both sides win together.



TRUST & TRANSPARENCY
Open communication builds strong partnerships.



LONG-TERM COMMITMENT
Space is a long game—plan for sustained collaboration.



CULTURAL ALIGNMENT
Shared values and ways of working matter.

STRATEGIC PARTNERSHIPS TURN AMBITION INTO ORBIT.

TOGETHER, WE BUILD THE NEXT ERA OF SPACE.



Section 3: Customers and Capital-Intensive Assets

2 infographics

These infographics examine customer financing and the special financing needs of hardware-heavy space startups.

HOW CAN SPACE STARTUPS TURN CUSTOMERS INTO A SOURCE OF FINANCING?

LEVERAGING CUSTOMER COMMITMENTS TODAY TO FUND TOMORROW'S MISSION

CUSTOMER-BACKED FINANCING MECHANISMS



1. PREPAYMENTS

Customers pay upfront for products or services. Upfront cash funds development, operations, or capacity.



2. DEPOSITS

Refundable or convertible deposits validate demand and provide working capital.



3. MILESTONE-BASED CONTRACTS

Payment tied to deliverables. Funding released as milestones are achieved or verified.



4. PILOT PROJECTS

Funded trials de-risk solutions and open the door to larger, long-term engagements.



5. ADVANCE PURCHASE AGREEMENTS

Customers commit to future purchases at agreed terms, enabling production and scaling investments.



6. SUBSCRIPTIONS

Recurring fees for ongoing access to data, platforms, or services create predictable cash flow.



7. SERVICE CONTRACTS

Multi-year service agreements ensure ongoing revenue for operations and maintenance.



8. ANCHOR CUSTOMERS

Credible lead customers lend their name and commitment, attracting more customers and capital.



9. LONG-TERM COMMITMENTS

Multi-year or volume commitments lock in demand and finance capacity, people, and innovation.

THE JOURNEY: FROM EARLY VALIDATION TO RECURRING REVENUE



1. PROBLEM & CUSTOMER DISCOVERY

Identify a real problem and the right customers willing to pay for a solution.



2. VALUE VALIDATION

Confirm value with customers through feedback, deposits, or small commitments.



3. EARLY COMMITMENT

Secure prepayments, deposits, or pilot agreements to fund initial development and tests.



4. BUILD & DELIVER

Use customer funds to build, test, and deliver to agreed milestones and standards.



5. SCALE WITH COMMITMENTS

Convert pilots to long-term contracts, secure APAs, and expand capacity.



6. RECURRING REVENUE

Subscriptions and service contracts create predictable, recurring cash flow.

CUSTOMER-BACKED VS. TRADITIONAL FINANCING

CUSTOMER-BACKED FINANCING

TRADITIONAL FINANCING



Driven by customer demand

VS.

Driven by investor thesis



Repayments through product/service

VS.

Repayments through equity or debt



Lower dilution and more control

VS.

Higher dilution or financial obligations



Market validation early

VS.

Validation often comes later



Scalable with customer success

VS.

Scalable with additional capital

HOW IT REDUCES RISK AND SUPPORTS GROWTH



RISK MITIGATION

Upfront commitments validate demand and reduce uncertainty before scaling.



WORKING CAPITAL

Customer funds finance development, inventory, launches, and operations.



FASTER TIME TO MARKET

More resources and certainty enable faster builds and iterations.



CAPACITY EXPANSION

Fund equipment, people, and infrastructure to meet committed demand.



RECURRING GROWTH

Recurring revenue compounds, improving valuation and resilience.



CUSTOMERS DON'T JUST BUY YOUR SOLUTION—THEY CAN HELP FUND YOUR MISSION.

WHY CUSTOMER-BACKED FINANCING WORKS



REDUCES RISK

Customer validation and commitments reduce market and execution risk.



IMPROVES CAPITAL EFFICIENCY

Less dilution, lower borrowing needs, and better use of funds.



ALIGNS INCENTIVES

You build what customers truly need—and are willing to pay for.



ACCELERATES GROWTH

Forward visibility funds scaling, hiring, and infrastructure.



BUILDS MOAT & TRUST

Long-term relationships create defensibility and attract more partners and investors.

KEY TRADE-OFFS



Commitments may limit flexibility.



Delivery obligations increase pressure.



Over-reliance on a few customers adds concentration risk.

WHAT IT TAKES TO EXECUTE WELL



Deep customer understanding



Clear contracts & terms



Reliable execution & transparency



Strong communication & trust



Continuous delivery of value

CUSTOMER TRUST IS THE FUEL. TURN COMMITMENTS INTO CASH FLOW, AND CASH FLOW INTO IMPACT.

HOW CAN SPACE STARTUPS FINANCE CAPITAL-INTENSIVE HARDWARE?

STRATEGIES TO FUND THE BUILDING BLOCKS OF SPACE MISSIONS

WHY CAPITAL-INTENSIVE HARDWARE IS HARD TO FINANCE



HIGH COST & LONG LEAD TIMES

Large upfront investment before revenue and long development cycles.



TECHNOLOGY & PERFORMANCE RISK

Complex engineering, qualification, and mission risk.



ASSET SPECIFICITY

Hardware has few alternative uses and limited secondary markets.



REVENUE UNCERTAINTY

Dependent on launches, contracts, regulation, and market timing.



REGULATORY & EXPORT CONTROLS

ITAR/export rules and approvals add time and cost.

FUNDING APPROACHES: HOW THEY WORK

EQUITY CAPITAL



Capital in exchange for ownership. Investors share in upside and risk.

BEST FOR:

Early stage, technology development, scale-up.

GOVERNMENT GRANTS



Non-dilutive funding to advance R&D, demonstrations, or strategic capabilities.

BEST FOR:

R&D, tech demonstration, national priorities.

DEBT FINANCING



Loans to be repaid with interest; secured by assets, contracts, or cash flows.

BEST FOR:

Revenue-generating companies with predictable cash flow.

EQUIPMENT FINANCE & LEASING



Finance or lease specific equipment or tools; preserves cash and matches asset life.

BEST FOR:

Test equipment, manufacturing tools, and ground systems.

CUSTOMER-BACKED CONTRACTS



Advance payments, milestone payments, or pre-purchases from anchor customers.

BEST FOR:

Satellites, payloads, launch services, and data systems.

EXPORT CREDIT & AGENCY SUPPORT



Loans, guarantees, or insurance from export credit agencies to support sales.

BEST FOR:

International sales, large contracts, sovereign buyers.

PROJECT FINANCE



Financing based on the cash flows of a specific project or asset, not the balance sheet.

BEST FOR:

Large constellations, infrastructure, ground networks.

TIMING: FUNDING BY DEVELOPMENT STAGE

1

IDEA & R&D



Grants, early equity, incubators. De-risk technology and feasibility.

2

PROTOTYPE & DEMO



Grants, equity, and strategic partnerships. Build and test.

3

ENGINEERING & QUALIFICATION



Equity, customer advances, and convertible debt. Reach readiness.

4

PRODUCTION & DEPLOYMENT



Debt, equipment finance, export credit, and project finance.

5

OPERATIONS & EXPANSION



Revenue-based debt, refinancing, and growth equity. Scale sustainably.

MATCH FUNDING TO HARDWARE ASSET TYPE

SATELLITES



Eq Debt Cust Exp

Use contracts, export credit, and debt to bridge high build costs.

LAUNCH SYSTEMS



Eq Debt Proj

Blend equity for development and project/debt for production & launches.

PAYLOADS



Eq Cust Grants

Leverage grants and customer advances to de-risk builds.

GROUND SYSTEMS



Debt Lease Proj

Finance networks with debt, leases, or project finance on long-term usage.

TEST EQUIPMENT



Lease Debt

Use equipment finance to preserve cash and match useful life.

MANUFACTURING TOOLS



Lease Debt Eq

Lease or finance tools; reinvest equity in capacity and automation.

FACILITIES



Debt Lease Proj

Real estate or build-to-suit financing; project finance for large campuses and ranges.

KEY: Eq = Equity Debt = Debt Financing Lease = Leasing / Equipment Finance Cust = Customer-Backed Exp = Export Credit/ECAs Grants = Government Grants Proj = Project Finance

KEY RISKS AND HOW FUNDING CAN ADDRESS THEM



TECHNOLOGY RISK

Mitigation: Grants, equity, milestone-based funding.



SCHEDULE RISK

Mitigation: Stage-gated financing, strong project controls.



COST OVERRUN RISK

Mitigation: Contingency, fixed-price contracts, insurance.



MARKET / OFF-TAKE RISK

Mitigation: Customer contracts, pre-purchases, minimum commitments.



REGULATORY RISK

Mitigation: Export credit, compliance planning, country strategy.

BUILD A RESILIENT FUNDING MIX



EQUITY

For innovation and growth



GRANTS

To reduce risk and cost



DEBT

To scale with predictable cash flow



EQUIPMENT FINANCE

To preserve working capital



CUSTOMER & EXPORT SUPPORT

To secure demand and access markets



CAPITAL TO BUILD AND OPERATE SPACE HARDWARE

THE RIGHT CAPITAL AT THE RIGHT TIME BUILDS RELIABLE HARDWARE, REDUCES RISK, AND CREATES LONG-TERM VALUE IN SPACE.

Section 4: Building the Funding Strategy

2 infographics

These concluding items synthesize funding sources into a stack and present the overall funding roadmap before the locked copyright page.



HOW CAN A SPACE STARTUP BUILD A FUNDING STACK?

COMBINE MULTIPLE CAPITAL SOURCES, AT THE RIGHT TIME, FOR A RESILIENT JOURNEY TO ORBIT.

WHY BUILD A FUNDING STACK?



DIVERSIFY RISK

Reduces reliance on any single source of capital.



EXTEND RUNWAY

Layered capital supports long-term milestones.



UNLOCK POTENTIAL

Different investors bring capital, expertise, and networks.



MAXIMIZE OPTIONALITY

Preserve choices and strengthen negotiating power.



REDUCE DILUTION PRESSURE

Use non-dilutive and strategic capital where possible.

THE FUNDING STACK: LAYERS OF CAPITAL THAT WORK TOGETHER



PRINCIPLES FOR A STRONG STACK



MATCH CAPITAL TO RISK

Use patient capital early; add growth capital as risk decreases.



COMBINE, DON'T REPLACE

Layer sources to extend runway and reduce dependency.



ALIGN ON MISSION

Choose partners who support your vision, values, and long-term goals.



FLEX & ADAPT

Evolve the mix as milestones, markets, and needs change.



PROTECT WHAT MATTERS

Balance dilution, control, and long-term strategic value.

ONE SOURCE vs. STACKED APPROACH

ONE SOURCE RISKS

- Single point of failure
- Shorter runway
- Higher dilution pressure
- Limited flexibility
- Slower path to scale

STACKED APPROACH BENEFITS

- Resilient and adaptable
- Longer runway
- Better terms over time
- Strategic advantages
- Stronger path to orbit

HOW THE STACK EVOLVES OVER TIME



BUILD YOUR STACK: QUICK GUIDE

- Map your milestones and capital needs.
- Identify risks and validate assumptions.
- Sequence capital: patient first, growth later.
- Pursue non-dilutive and strategic capital.
- Negotiate terms that protect optionality.
- Review and rebalance as you grow.



THE NORTH STAR

A well-built funding stack is not just about raising money—it's about building a resilient, mission-aligned company that turns bold ideas into real impact in space.



LOWER RISK,
HIGHER RESILIENCE



RIGHT CAPITAL,
RIGHT TIME



SUSTAINABLE GROWTH
TO ORBIT AND BEYOND

WHAT IS THE SPACE STARTUP FUNDING ROADMAP?

A STAGE-BY-STAGE GUIDE FROM IDEA TO COMMERCIALIZATION AND EXPANSION



IDEA & PROBLEM VALIDATION



PROTOTYPE DEVELOPMENT



DEMONSTRATION & TECHNOLOGY VALIDATION



EARLY CUSTOMER & TRACTION



LAUNCH OR DEPLOYMENT



RECURRING REVENUE & GROWTH



SCALE & EXPANSION (MARKET LEADERSHIP)



GOALS

- Validate the problem and market opportunity
- Define the solution concept and value proposition



MILESTONE EXAMPLES

- Market research complete
- Value proposition defined
- Initial system concept
- Team and roadmap outlined



SUITABLE FUNDING SOURCES



FOUNDER CAPITAL

Personal savings, founder bootstrapping, friends & family



GRANTS & COMPETITIONS

Government grants, R&D programs, university or incubator funding



ANGEL INVESTORS & CONVERTIBLE CAPITAL

Angel investors, convertible notes, small early checks



SEED ROUND

Seed equity rounds from VCs and angels to scale and gain traction



VENTURE CAPITAL & STRATEGIC INVESTORS

Growth equity from VCs, corporate investors, and strategic partners



CUSTOMER REVENUE & GROWTH CAPITAL

Revenue reinvestment, expansion capital, venture debt



DEBT & PROJECT FINANCE (AS NEEDED)

Term loans, asset-backed financing, export credit, or capital markets

KEY PRINCIPLES



ALIGN FUNDING WITH RISK

Use the right type of capital for each stage of risk and maturity.



DE-RISK CONTINUOUSLY

Technical, market, operational, and regulatory de-risking unlocks capital.



FOCUS ON VALUE CREATION

Deliver real customer value and measurable outcomes at every stage.



BUILD STRONG PARTNERSHIPS

Customers, partners, and advisors accelerate credibility and access to capital.



THINK LONG TERM

Space is a long-duration game. Sustainable growth creates enduring impact.

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