

SATELLITE TECHNOLOGY

CubeSpace raises R55m in new funding for expansion

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CubeSpace, a satellite component manufacturer started at Stellenbosch University, has raised R55m of new capital to expand its business, in a funding round led by asset manager Futuregrowth.

The start-up, which has been in the industry for a decade, is a spin-out company of Stellenbosch University. It specialises in altitude determination and control system (ADCS) solutions for more than 150 global clients. ADCS is responsible for maintaining a satellite's orientation and stability in space.

The company partners with major space agencies such as Nasa, and the European Space Agency.

On Monday, CubeSpace announced that Futuregrowth's High Growth Development Equity Fund led a \$3m (R55.27m) capital raise.

With the space economy projected to exceed \$1-trillion by 2040, driven by innovations in satellite technology, reusable launch vehicles and increased private sector participation, Futuregrowth says the outlook for "highly innovative companies like CubeSpace is exceptionally promising".

CubeSpace's investors include the University Technology Fund – a private sector initiative set up by the SA SME Fund and Cape Town's Savant Venture Fund.

CubeSpace specifically plays in the cubesat market. A cubesat is a miniature satellite built to a standard size and form factor, being a cube measuring 10cm on each side. Multiple units can be joined together to create larger cubes. Each unit has a mass of no more than 2kg.

The small size and low weight is one of the main advantages of this form factor as it helps to keep costs low. Compared to traditional satellites, cubesats are much cheaper to build and launch, making them an attractive option for universities, research institutions and start-ups.

CubeSpace is aiming to use its new funding to expand beyond this market. It says the funds will support its growth strategy of extending its solutions beyond nanosatellites to include spacecraft in the 50kg–1,000kg class.

In the rapidly evolving space

industry, characterised by heightened competition and lead times, CubeSpace says it holds a competitive edge. Its cheaper and reliable solutions speed up time-to-orbit and streamline production, which are vital for programmes looking for high-quality and rapid deployment.

Mike Alec Kearney, co-founder and CEO of CubeSpace, said: "This investment from Futuregrowth, with its ambitions that are aligned with ours, will provide us with all the firepower we need to grow aggressively and provide our customers with unparalleled solutions."

"We aim to become the gold standard for satellite control systems, enabling high reliability satellites to be built on shorter lead times, and at lower cost, ushering in a new era in the space industry."

Satellites operate at different levels above the Earth's surface.

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Low Earth orbit satellites like those operated by Starlink operate at an altitude of 2,000km or less. This is relatively close compared to other orbits, such as geostationary satellites, which are at an altitude of more than 35,000km. Medium orbit satellites operate at 2,000km–8,000km.

CubeSpace has been involved in the development of control systems for the UAE lunar rover and building systems for lunar rovers expected to contribute to the colonisation of the moon and Mars.

Amrish Narrandes, head of private equity and venture capital at Futuregrowth, emphasised the strategic value of the investment. "Our investment in CubeSpace aligns seamlessly with our broader strategic objectives," he said.

"Their strong leadership team, driven by a passion for innovation in satellite technology, complements Futuregrowth's focus on supporting intellectual property-rich businesses within expanding sectors like the SmallSat market."