

NEWSLETTER

SAFE: Security Action for Europe

Introduction

In late July 2025, 18 EU Member States submitted Expressions of Interest under the new Security Action for Europe (SAFE), requesting loans worth approx. EUR 127 billion.

This marks a significant early step in the Union's most ambitious defence investment initiative to date.

In this newsletter, we provide an overview of what SAFE is, the recent application round, expected next steps, and key implications for the European defence sector and its investors.

What is SAFE?

SAFE is a EUR 150 billion EU financial instrument launched in May 2025 to accelerate urgent and large-scale defence investments.

It provides long-term, EU-backed loans to Member States, primarily for joint procurement of priority defence capabilities. Eligible areas include ammunition, missiles, artillery, drones, air and missile defence, maritime assets, cyber capabilities, and strategic enablers.

At least 65% of the value must originate from EU, EEA-EFTA, or Ukrainian suppliers, with stricter thresholds for advanced systems.

The July 2025 Applications

By the end of July, 18 Member States – including Poland, Italy, France, Spain, Belgium and others - had filed Expressions of Interest amounting to EUR 127 billion.

Poland alone requested approx. EUR 45 billion for air and missile defence and ammunition.

Germany and Sweden currently participate in joint procurement without loans. Early collaborative projects include joint air defence, ammunition production, and drone cooperation with Ukraine.

Next Steps

- **30 November 2025:** Deadline for submission of detailed National Defence Investment Plans
- **January 2026:** Council decisions on loan allocations
- **February 2026:** Signing of loan agreements up to 15% pre-financing for urgent projects
- **2026-2030:** Biannual disbursements; final payments by end 2030

Key Takeaways

- EUR 127 billion in applications received within two months of launch
- SAFE provides EU-backed loans with up to 15% pre-financing
- Strong focus on joint procurement and EU/Ukrainian industrial content
- Central instrument in the broader ReArm Europe Plan, expected to mobilise up to EUR 800 billion by 2030

Our Comments

SAFE marks a structural shift in Europe's defence investment landscape. By coupling massive EU-backed financing with strict procurement localisation rules, it incentivises rapid industrial scaling and secures a stronger role for European and Ukrainian suppliers.

For defence sector companies, SAFE creates unprecedented demand visibility across multiple domains – from munitions to cyber – and supports long-term production planning.

For investors, the EU's strong loan guarantees and predictable disbursement cycles reduce capital risk and open opportunities for co-investment alongside Member States.

We expect SAFE to accelerate consolidation, innovation, and cross-border cooperation in the defence industry.

Moalem Weitemeyer will follow the implementation process closely, including the upcoming review of National Defence Investment Plans and the first loan agreements in early 2026.

Contacts



Thomas Mygind

Partner

thomas.mygind@moalemweitemeyer.com



Jacob Kreutzmann

Associate

jacob.kreutzmann@moalemweitemeyer.com



Jonas Miller

Associate

jonas.miller@moalemweitemeyer.com