



# Seraphim Space Investment Trust

Investment company | Update | 3 December 2025

## Dual-use SpaceTech: a strategic shift, not a short-term trend

A surge in global defence spending – with NATO countries not only meeting but, in some cases, exceeding previous commitments – has pushed SpaceTech up the priority list for governments and prime contractors alike. This policy shift is feeding directly into the commercial market. Capital markets are also opening for SpaceTech, with investment volumes returning to near-2021 levels – \$10.4bn in Q3 2025 versus an all-time high of \$10.9bn in Q2 2021.

Seraphim Space Investment Trust (SSIT) has significant exposure to dual-use SpaceTech. It has delivered a year of strong NAV progress, supported by valuation uplifts across several core holdings. With a number of SSIT's companies showing stronger revenue traction, we think there could be much more to come. This should trigger a narrowing of SSIT's mid-30s discount, that looks significantly overdue in our view.

## The world's first listed SpaceTech fund

A diversified, international portfolio of predominantly growth-stage, privately-financed 'SpaceTech' businesses that have the potential to dominate their field and are category leaders with first mover advantages in areas such as global security (defence), climate and sustainability, connectivity, autonomous mobility, telecommunication and smart cities.

Year ended	Share price total return (%)	NAV total return (%)	MSCI World Aerospace and Defence TR (%)
30/11/2022	(59.5)	1.0	20.0
30/11/2023	(30.8)	(8.1)	9.1
30/11/2024	74.3	(2.6)	31.0
30/11/2025	29.1	27.2	35.5

Source: Bloomberg and Marten & Co

Sector	Growth capital
Ticker	SSIT LN
Base currency	GBP
Price	77.00p
NAV <sup>1</sup>	119.55p
Premium/(discount)	(35.6%)
Yield	Nil

Note: 1) Last published NAV as at 30 September 2025.

## Share price and premium/(discount)

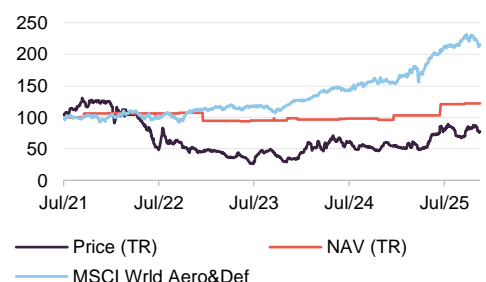
Time period 14/07/2021 to 01/12/2025



Source: Bloomberg and Marten & Co

## Performance since launch

Time period 14/07/2021 to 30/11/2025



Source: Bloomberg and Marten & Co



## Contents

<b>Fund profile</b>	<b>3</b>
<b>Manager's view</b>	<b>3</b>
<b>Asset allocation</b>	<b>4</b>
Top holdings	7
<b>Performance</b>	<b>11</b>
Portfolio returns	13
<b>Premium/(discount)</b>	<b>13</b>
SWOT analysis	15
Bull vs bear case	16
<b>Previous publications</b>	<b>17</b>

<b>Domicile</b>	<b>England &amp; Wales</b>
<b>Inception date</b>	<b>14 July 2021</b>
<b>Manager</b>	<b>Seraphim Space LLP</b>
<b>Market cap</b>	<b>182.6m</b>
<b>Shares outstanding (exc. treasury shares)</b>	<b>237.2m</b>
<b>Daily vol. (1-yr. avg.)</b>	<b>709.4k shares</b>
<b>Net cash</b>	<b>6.8%</b>

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on the trust's website  
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## Fund profile

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SSIT aims to generate capital growth over the long term through investment in a diversified international portfolio of SpaceTech businesses (which SSIT defines as entities that rely on space-based connectivity and/or precision, navigation, and timing signals or whose technology or services are already addressing, originally derived from, or potentially benefiting, the space sector).

SSIT was launched in July 2021, hitting its capital raise target, and started life with cash of about £178.4m. Total assets at the end of September 2025 were £283.6m.

SSIT's AIFM is Seraphim Space Manager LLP (Seraphim).

## Measuring success

SSIT is targeting annualised NAV returns of 20% over the long term. The trust has no formal index benchmark but given the subject matter of this note we have compared it with the MSCI World Aerospace and Defence for simplicity's sake. The company also compares itself to the MSCI World Aero and Defence Index.

## Manager's view

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The demand backdrop for SpaceTech has continued to strengthen since we last published on SSIT, driven above all by a decisive shift in global defence spending and procurement behaviour. NATO members are now committing to materially higher levels of defence expenditure, with Germany signalling €34bn of dedicated space investment through 2030 – an unprecedented level of commitment that highlights how quickly space has moved to the centre of national security planning.

Against this backdrop, the manager notes that contract flow is already accelerating towards the more mature end of the commercial space market: SSIT's portfolio company ICEYE alone has secured six multi-sovereign awards in the space of six months, several of which run into nine figures.

The manager believes this change in procurement dynamics is being mirrored in public markets. Large US and European aerospace and defence companies have seen the share prices re-rating substantially as investors increasingly price in long-duration defence programmes and the criticality of space-based capabilities. SSIT's discount has narrowed as sentiment has improved, though the manager observes that compressions can be short-lived as some analysts continue to benchmark the trust against broader private equity vehicles where discounts remain significantly wider.

In the manager's view, the underlying investment environment is materially healthier than it has been in recent years. Space-sector investment volumes have returned close to prior highs, albeit with a more balanced deal profile: instead of a handful of billion-dollar rounds, the market is now characterised by a larger number of \$200m–300m raises, often driven by defence applications. China has also emerged as a much more active investor into SpaceTech, and the manager expects this to broaden further over the next three years. Importantly, the IPO window has re-opened for SpaceTech companies, with both Firefly Aerospace's 2025 debut – at

\$868m the largest space IPO to date – and Voyager Technologies’ successful listing. SSIT’s manager sees this as an encouraging sign for potential exits across the portfolio.

From a thematic standpoint, the manager highlights Intelligence, Surveillance and Reconnaissance (ISR) and in-space security as “white-hot” areas of demand, particularly in Europe. The manager points out that Europe launched just one defence satellite in 2024 compared with more than 100 each from the US and China, underlining the scale of the capability gap.

As European governments seek to address this shortfall, portfolio companies such as ICEYE, HawkEye 360 and SatVu, are well positioned to benefit. The manager also points to growing interest in resilient satcom, next-generation navigation (where Xona is emerging as a key private provider) and long-duration space power solutions such as those being developed by new holding Zeno Power.

Within the portfolio, the manager reports continued steady growth in value versus cost across both private and listed holdings, supported by a series of full or partial realisations of Astroscale, AST, Arqit, and Spire Global. Proceeds have been recycled into new private opportunities more directly aligned with defence-driven demand.

The manager acknowledges challenges. US budget turbulence has delayed certain government payments and contract awards, temporarily slowing commercial momentum for some US-exposed businesses, including antenna and ground-segment providers such as ALL.SPACE. However, the manager believes the opportunity set is strengthening. Contracting momentum in Europe and Japan is expected to accelerate, M&A from re-rated defence prime contractors is viewed as increasingly likely, and the IPO market now appears open for high-quality assets.

Meanwhile, the rising cadence of constellation deployments is starting to unlock the commercial value of high-revisit Earth observation (that is, multiple images per day) and LEO-based navigation, with large consultancies now taking these use-cases directly into corporate boardrooms. While around 80% of portfolio revenues are coming from defence use-cases currently, the manager expects this to flip to a predominantly commercial mix over the next five years, as revisit rates approach near-real-time and demand for space-derived datasets becomes more pervasive.

Overall, the manager argues that SSIT is well placed at the nexus of three reinforcing trends – defence modernisation, AI-enabled analytics, and the industrial adoption of space-derived data – with the portfolio’s recent contract flow and private-market resilience providing early evidence of this alignment.

## Asset allocation

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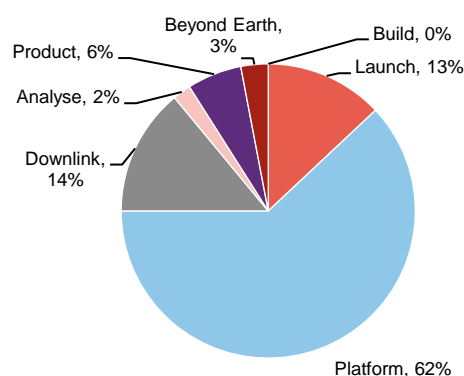
At 30 June 2025, SSIT held 25 direct investments with a total fair value of £259.8m, up from £201.5m a year earlier and reflecting both valuation gains and selected follow-on investments. The portfolio remains concentrated, with the top 10 holdings accounting for 82.7% of NAV, compared with 84.0% at 30 June 2024, although as is illustrated in Figure 1 below, SSIT continues to provide exposure across a broad spread of SpaceTech subsectors. SSIT’s manager highlights that the portfolio is focused on companies that are at the top of their field, which have strong growth potential. Rather than taking a broad-brush approach, SSIT’s investments are

carefully chosen for the quality and leadership. Spreading investments across subsectors and countries helps to mitigate risk.

While platform businesses dominate at 62% of NAV, reflecting SSIT's emphasis on companies building constellations or space-based infrastructure with strong operating leverage – for example, ICEYE's SAR constellation and Xona's emerging LEO PNT (position and timing) network – SSIT's portfolio also offers exposure to areas such as product-layer analytics and emerging “beyond Earth” applications.

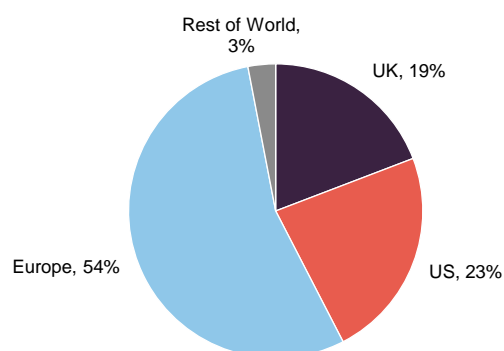
Figure 2 shows the portfolio's geographical split as at 30 June 2025, illustrating that the portfolio continues to have good diversification and is not overly dependent on any one jurisdiction.

**Figure 1: SSIT portfolio by sub-sector as at 30 June 2025**



Source: Seraphim Space

**Figure 2: SSIT portfolio by geography as at 30 June 2025**



Source: Seraphim Space

## Recent investment activity

£14.2m invested over FY 2025

£1.5m invested over Q1 FY 2026

Full exits of listed holdings – Arqit and Spire Global

SSIT committed £14.2m to new and follow-on investments during the year, including a £5.8m follow-on into ALL.SPACE, a new £4.0m investment into Zeno, further funding for Xona and Skylo, and smaller follow-ons into ChAI and PlanetWatchers.

During the first quarter of FY2026 (ending 30 September 2025), SSIT made three follow-on investments totalling £1.5m. These were £1.1m into ALL.SPACE, £0.3m into QuadSat and £0.1m into Taranis. SSIT's manager points out that it is backing promising companies, with targeted follow-on investments, to help them reach key milestones.

Arqit (0.9% of SSIT's NAV at the end of September 2025) was exited in full as the manager sold the position into strength following a share price rally in early October 2025, with Arqit's share price reaching levels last seen in February 2023. SSIT received £3.3m of proceeds at a sale price equivalent to 15% of the initial sterling cost of the holding.

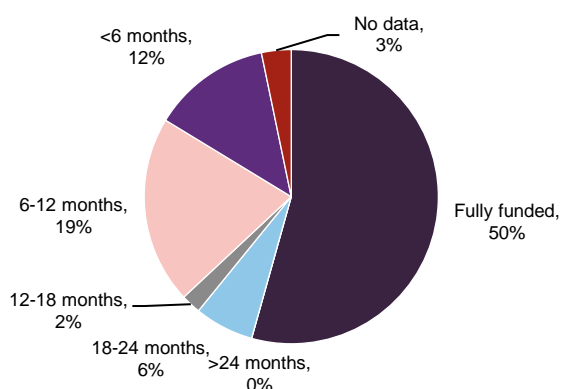
Spire Global (0.8% of NAV of SSIT's NAV at the end of September 2025) was also fully exited in October 2025. SSIT received sale proceeds of £2.9m for the holding at a price equivalent to 29% of the initial sterling cost of the holding.

## Portfolio cash runway and SSIT cash burn

Figures 3 and 4 provide illustrations of the breakdown of SSIT's portfolio by its funding requirements through to cash-flow break-even, in terms of fair value and number of companies respectively, as at 30 June 2025. These figures were based on latest projections from the portfolio companies' management teams at that time.

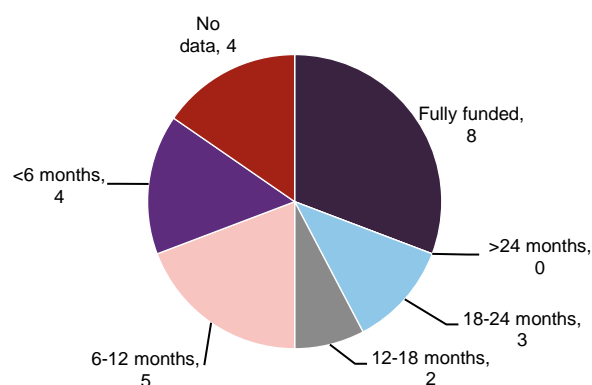
In its Q1 results for FY2026, SSIT said that roughly half of the portfolio (69% of fair value), had a robust cash runway, with 58% fully funded and a further 11% funded for 12 months or more from 30 September 2025. As at 30 September 2025, the company had £19.4m of cash reserves (30 June 2025: £21.5m), with a potential £8.7m of additional liquidity via holdings in listed companies. As noted above, SSIT is considered in its spend – for example, follow-on investments are very targeted – which helps mitigate the funding risk associated with its portfolio.

**Figure 3: SSIT portfolio by funding duration as at 30 June 2025 (fair value)**



Source: Seraphim Space

**Figure 4: SSIT portfolio by funding duration at 30 June 2025 (number of co.s)**



Source: Seraphim Space

US2.1bn was raised by SSIT's portfolio companies during FY2025.

During the year to 30 June 2025, SSIT's portfolio companies raised approximately \$2.1bn, a marked increase on the c.\$900m secured in the prior year. Around \$390m of this was raised by private companies, with the remainder accounted for by listed holdings. Of the 10 private companies that completed rounds, around 60% were led by or saw substantial participation from external investors. In our view, this underscores both the sustained appetite for SpaceTech and growing confidence in the commercial progress being made across the portfolio.

As highlighted elsewhere in this note, a number of SSIT's core holdings continue to demonstrate meaningful operational momentum, with improving revenue visibility and clearer pathways towards EBITDA profitability. With SSIT also receiving income and portfolio companies raising capital at what appear to be sensible valuations, we believe funding needs across the portfolio remain manageable.

The trust's balance sheet has remained liquid despite the absence of new equity issuance, supported by disciplined recycling and selective participation in follow-on rounds. During the period, several holdings transitioned from last-round or basket-based valuations to multiple-based approaches – most notably ICEYE, which benefitted from a significant uplift driven by strong bookings, revenue growth and emerging profitability.

## Maturity profile

SSIT is a growth capital fund, and as such its portfolio is skewed towards businesses that have moved beyond the seed and series A stage. SSIT invests in more mature companies which have commercialised, or are in the process of commercialising, their products and are achieving profitability. SSIT effectively piggybacks on Seraphim's venture capital arm to filter out companies which carry material execution risks and are often in the earliest of their commercial life: e.g., start-ups. In practical terms, SSIT's investments are made at the later stages of the funding cycle, with around 70% invested in series C or D funding, the latter stages of funding prior to IPO.

## Top holdings

Figure 5 shows SSIT's top 10 holdings as at 30 September 2025 and how these have changed since 31 December 2024 – this being the most recently available data when we last published.

Holdings that have moved into the top 10 are Skylo, Zeno, and Tomorrow.io. Names that have moved out of the top 10 are AST SpaceMobile, PlanetWatchers and Seraphim Space Ventures II. We discuss some of the more interesting developments below. Further discussion of SSIT's holdings can be found in our previous notes – see page 18 of this note.

**Figure 5: SSIT 10-largest holdings as at 30 September 2025**

Stock	Subsector	Country	As at 30/09/25 (%)	As at 30/06/25 (£m)	As at 31/12/24 (£m)	Change (£m)
ICEYE	Platform/Earth observation	Finland	34.7	98.5	52.4	46.1
D-Orbit	Launch/in-orbit services	Italy	12.1	34.2	32.4	1.8
ALL.SPACE	Downlink/ground terminals	UK	10.5	29.8	28.5	1.3
HawkEye 360	Platform/Earth observation	US	10.4	29.6	22.0	7.6
LeoLabs	Product/data platforms	US	4.4	12.4	13.1	(0.7)
SatVu	Platform/Earth observation	UK	3.9	11.2	11.2	-
Xona Space Systems	Platform/navigation	US	3.7	10.5	6.2	4.3
Skylo	Satcoms	US	1.6	4.5	N/A	N/A
Zeno	Space infrastructure	US	1.3	3.7	N/A	N/A
Tomorrow.io	Data platforms	US	1.3	3.7	N/A	N/A
Total of top 10			83.9	238.1	169.2	68.9

Source: Seraphim Space

## ICEYE – accelerating growth as defence demand scales

ICEYE has continued to build on its position as a leading commercial synthetic aperture radar (SAR) provider, with a series of major defence contracts and product launches during 2025. Recent developments include a \$168m agreement with the Finnish Defence Forces for sovereign SAR capability and the introduction of a deployable intelligence, surveillance, and reconnaissance (ISR) Cell, which enables



near-instant intelligence generation at the frontline. ICEYE has also expanded its constellation with a further six satellites launched on SpaceX Falcon 9's Transporter-14 and is investing more than €250m to grow manufacturing capacity and advance next-generation SAR technologies, supported by a €41.1m Business Finland R&D package.

The company continues to win material contracts across NATO-aligned nations – including the Netherlands, Portugal, Japan and others – reflecting the growing need for all-weather, high-resolution intelligence. This includes a contract with Japan's IHI Corporation for four satellites and an associated image acquisition system, with the option to procure a further 20 satellites at a later stage.

ICEYE's growing pipeline, broadening international footprint and continued innovation (including its new 'Tactical Access' premium tasking service launched in October) leave it well-positioned for further growth.

## **D-Orbit – continued progress as in-space logistics expands**

D-Orbit continues to strengthen its position as a leader in in-space logistics, particularly flexible last-mile space transportation, with further operational progress during the period. The company successfully launched its 18th and 19th Orbital Transfer Vehicles (OTVs) on SpaceX's Transporter-14 mission in June 2025, which play a critical role in enabling efficient deployment, repositioning and hosted-payload missions for a growing base of satellite customers. As satellite constellations proliferate and operators increasingly prioritise cost-effective orbital logistics, D-Orbit is well placed to benefit from long-term structural growth in in-space servicing and mobility.

## **ALL.SPACE – strengthening its position in resilient multi-orbit connectivity**

ALL.SPACE has continued to make solid progress in 2025 as demand grows for secure, multi-orbit communications across defence and government markets. During the year, the company secured €3.4m of ESA funding to accelerate the integration of 5G Non-Terrestrial Networks into its next-generation hybrid terminals, supporting seamless switching between satellite and cellular connectivity and aligning with European goals for sovereign communications capability. Further momentum came through an MoU with Telesat Government Solutions, enabling ALL.SPACE's Hydra terminals to be certified for the forthcoming Lightspeed LEO network, already in use with the US Navy and Army and designed to deliver resilient connectivity across GEO, MEO and LEO fleets.

More recently, the company expanded its software offering through partnerships with the European Space Agency and with Aalyria, combining ALL.SPACE's multi-orbit hardware with advanced network-orchestration software to deliver autonomous, secure and low-latency connectivity in contested environments. With its blend of advanced hardware and increasingly strategic software capabilities, ALL.SPACE is well positioned to capture rising defence-driven demand for resilient satellite-enabled communications.



## **HawkEye 360 – expanding capacity as RF intelligence demand accelerates**

HawkEye 360 has continued to scale its space-based radio-frequency (RF) intelligence network, strengthening its position as a provider of signals intelligence to government and defence customers. The company launched its twelfth satellite cluster in June 2025, which has enabled dawn-dusk orbital coverage along with a Ka-band downlink to support higher future data capacity. Cluster 12 became fully operational during September, enhancing global monitoring performance across interference detection, maritime domain awareness and strategic intelligence applications. Development of Cluster 13 is already underway and HawkEye 360 has further clusters under contract. SSIT's manager says that the business remains well aligned with rising global defence budgets – particularly among NATO members – where demand for commercial RF geolocation services is growing.

## **LeoLabs – strengthening role in space safety and orbital traffic management**

LeoLabs continues to consolidate its leadership in space situational awareness (SSA) as governments place greater emphasis on space safety and the protection of orbital assets. In August 2025, the company signed a Space Act Agreement with NASA to evaluate how LeoLabs' high-resolution tracking data and safety analytics can support NASA's efforts to prevent satellite collisions and enhance overall orbital traffic management. NASA will assess LeoLabs' radar metrics, safety products and its commercial catalogue of almost 25,000 tracked low Earth orbit objects – demonstrating the increasing relevance of commercial SSA providers within national frameworks.

SSIT's manager comments that, with space becoming more congested and contested, LeoLabs' ability to deliver sub-10-metre tracking accuracy and scalable real-time monitoring leaves it well placed to benefit from rising regulatory and operational demand.

## **SatVu – advancing thermal intelligence as government traction grows**

SatVu has made steady progress through 2025 as demand increases for high-resolution thermal imaging across defence, climate and infrastructure monitoring. Despite the early loss of its first satellite, the company has continued to demonstrate strong commercial momentum. HotSat-1's initial data proved the value of SatVu's mid-wave infrared capability, helping to secure \$6m in pre-orders for its follow-on spacecraft, HotSat-2, alongside a \$10m insurance payout and manufacturing support from Surrey Satellite Technology Ltd to address earlier issues.

More recently, SatVu was awarded a contract worth up to €3m by the European Space Agency to supply high-resolution thermal data to the Copernicus programme over a three-year period. SSIT's manager says that SatVu has deepened its engagement with defence users, delivering thermal familiarisation training to NATO personnel as part of the APSS initiative, where its ability to detect activity such as vehicle movements and energy use provides a valuable "activity layer" for ISR missions.

## **Xona Space Systems – developing next-generation GPS**

Xona Space Systems has continued to build out Pulsar, its next-generation LEO PNT constellation. The company raised \$92m in a Series B round led by Craft Ventures – bringing total funding to more than \$150m – including a \$20m STRATFI award from the US Space Force. Xona also launched Pulsar-0, its first production-class satellite, marking a key step towards a full constellation capable of delivering encrypted, spoof-resistant, centimetre-level positioning as a commercial alternative to legacy global navigation satellite systems (GNSS). SSIT's manager says that, with rising geopolitical concern over GNSS vulnerabilities, Xona is well positioned as one of the leading commercial providers of resilient navigation services.

## **Skylo – expanding its footprint in direct-to-device connectivity**

Skylo has continued to build on its position as a leading standards-based Non-Terrestrial Network (NTN) provider, with 2025 bringing a series of commercially significant partnerships that broaden its global reach. During the year, Skylo enabled satellite messaging on Samsung's latest Galaxy Z Fold7 and Z Flip7 devices through Verizon, marking a major step in bringing direct-to-device capability into the mainstream consumer handset market. The company also deepened its presence in wearables, expanding its partnership with Garmin to power satellite messaging and SOS features on the new fēnix® 8 Pro multisport watches across key regions including US, Canada, and Europe.

Momentum has also been strong in the IoT segment. In Sweden, Tele2 launched the country's first 3GPP-compliant satellite IoT service using Skylo's NTN technology, allowing devices to switch seamlessly between terrestrial and satellite networks for uninterrupted connectivity in remote areas. SSIT's manager comments that, with its expanding ecosystem of device, operator and semiconductor partners, Skylo remains well positioned to benefit from rising global demand for ubiquitous connectivity.

## **Zeno Power – compact nuclear power for extreme environments**

Zeno Power continues to build on its position as a leader in next-generation radioisotope power systems, securing key partnerships and expanding its access to the critical materials needed for long-duration energy supply. Earlier in the year, SSIT participated in Zeno's \$50m Series B round, supporting the development of compact nuclear batteries designed to provide years of reliable power in space, deep ocean and polar environments where conventional energy sources are impractical.

More recently, Zeno signed a multi-million-dollar agreement with French nuclear fuel specialist Orano to acquire Americium-241, a high-value isotope derived from nuclear waste with a half-life of more than 400 years. This material enables higher-power, longer-lived radioisotope systems and will be used to support multiple missions annually, including deep-space exploration and human operations near nuclear sources.

SSIT's manager says that, with growing interest from government and commercial users seeking resilient, maintenance-free power systems, Zeno is well positioned to become a strategic supplier of nuclear energy solutions for extreme-environment missions.

Tomorrow.io – next-generation weather intelligence

Tomorrow.io continues to strengthen its position as a leading provider of high-resolution, real-time weather intelligence, supporting customers across aviation, defence, logistics and national resilience. The company is progressing the build-out of its global weather-satellite constellation, designed to deliver unprecedented revisit rates and data accuracy for critical forecasting applications.

While there have been no major public announcements since we last published, SSIT’s manager says that the company remains a strategically important player in the move towards space-enabled climate and operational intelligence, providing hyper-local insights that help government and commercial users plan, mitigate and respond – to increasingly volatile weather conditions – a national priority for many countries.

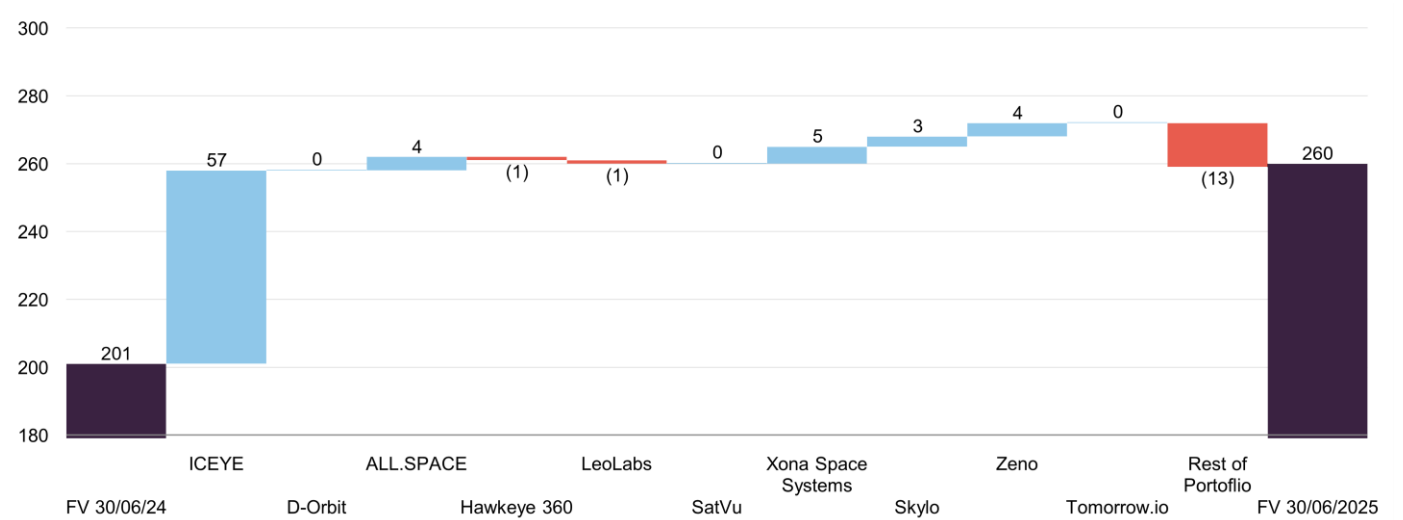
Performance

H2 FY2025

As of 30 June 2025, SSIT reported a total NAV of £281.1m (118.52p per share), representing a 17.2% increase from the £239.7m (101.04p per share) NAV that SSIT reported at 31 December 2024. It is also an increase of 27.1% over the course of the last financial year (total NAV as at 30 June 2024 was £228.1m or 96.18p per share).

As was the case when we last published, the largest contributor to this growth was unrealised fair value gains within its portfolio, driven primarily by defence and geopolitical trends, which SSIT’s manager sees as a significant long-term tailwind. SSIT should continue to benefit from growing government and commercial spending on space security and modernisation, which supports long-term NAV growth potential.

Figure 6: Investment portfolio movements



Source: Seraphim

ICEYE, which doubled in value during the course of the year, was the primary contributor to performance by some margin (see Figure 6). SSIT's manager says that the private holdings continue to deliver on key milestones, with a number seeing substantial revenue growth during the last year, to the extent that their management teams expect them to become EBITDA profitable before the end of 2025. This suggests the potential for more NAV growth as SSIT's holdings continue to become de-risked. We continue to think that the performance is a reflection of both the manager's stock selection skills and the growing demand across the SpaceTech sector more generally.

SSIT's manager comments that the strength of the unrealised gains reflects the extent of the progress made in the underlying holdings. SSIT's manager is highly engaged with the process of adding value to its holdings and actively supports them in realising these gains over time via IPOs, M&A deals, or secondary market sales.

The breakdown of the changes in the fair value of SSIT's individual holdings over the period can be seen in Figure 6. The total value of SSIT's portfolio companies increased by 28.9% over the last financial year, from £201.5m to £259.8m. In terms of new funding rounds closed by existing portfolio companies, only one investment, D-Orbit, reported a decline in its valuation, as its most recent fundraising was a down-round, while three reported up-rounds and six unchanged rounds. However, we note that D-Orbit's valuation was still 288% higher at the end of June 2025 than SSIT's in-price. As of the end June 2025, the fair value of all but two of SSIT's top 10 holdings was above its reported cost, with a median fair value versus cost ratio of 108%, ranging between a maximum of 288% and a minimum of 86%.

We would remind readers that SSIT's portfolio companies do not generally follow fixed valuation schedules (such as quarterly reappraisals). Instead, fair values are updated in response to specific events – such as funding rounds, commercial milestones, or material operational developments. While this approach limits unnecessary NAV volatility, it can lead to periods where a holding's valuation does not see any fair value progression.

## Q1 FY2026

On 25 November 2025, SSIT released its first quarter results for the current financial year. As of 30 September 2025, SSIT reported a total NAV of £283.6m (119.55p per share), which was a 0.9% increase over the quarter, taking SSIT to a new record NAV, having achieved the same at 30 June. Within the end of September NAV, the fair value of SSIT's portfolio increase by 1.9%, or £4.9m, to £264.7m. This included a £0.4m decrease in unrealised fair value, which was more than offset by a £3.8m foreign exchange gain, along with follow-on investments of £1.5m.

Within the changes in unrealised fair value, HawkEye 360 saw its fair value lifted by £9.0m over the quarter. This was through a combination of strong performance within the underlying business along with corporate activity that is currently underway (no details have been disclosed).

ICEYE's fair value was reduced by £1.6m to £98.5m, from £105.1m as of 30 June 2025, which SSIT's managers say is to "fully reflect the terms of corporate activity currently underway". While no details of the corporate activity have been disclosed, we note the strong operational progress ICEYE has been making (see pages 7 and 8) and think that the corporate activity is being undertaken to allow its strong growth

to continue, possibly involving a strategic partner, and that the valuation dip is likely to be short-term in nature.

Because both ICEYE and HawkEye360 have corporate activity underway and are being priced off of these events, they are not being valued in SSIT's NAV using the multiples methodology usually employed. However, SSIT's manager says that it expects both to revert to the comparable multiples methodology within six months and that they see more growth over the year ahead for both businesses.

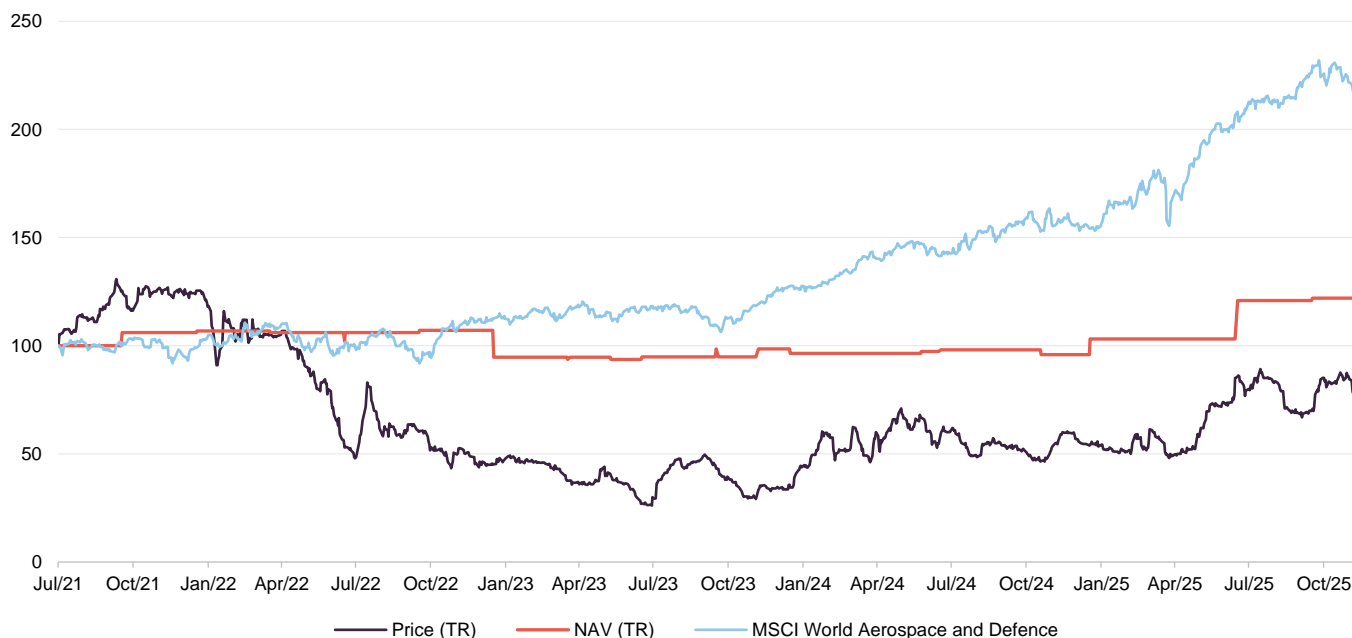
## Portfolio returns

SSIT's positive NAV growth was driven by unrealised returns

From inception on 14 July 2021 to 30 November 2025, SSIT has delivered a NAV total return of 22.0%. While SSIT's listed equity allocation has been a detractor to SSIT's performance, this has been more than offset by the increase in the value of its unlisted portfolio.

We continue to use the MSCI Aerospace and Defence Index as a comparator for SSIT. The index had only marginally outperformed SSIT's NAV up until October 2023, after which it experienced a sustained increase in performance, the catalyst for which was the outbreak of the Israel-Gaza conflict in October 2023. Since then, geopolitical tensions have shown little sign of easing and, in the aftermath of "Liberation day" in April this year, the index has been pulling away at a faster rate.

**Figure 7: SSIT performance from launch to 30 November 2025**



Source: Bloomberg, Marten & Co

Given we believe that SSIT benefits from the same tailwinds that have been driving defence stocks, this widening gap does not look sustainable in our view, and we believe SSIT has strong catch-up potential. We would remind readers SSIT

manager believes that approximately 70% of its portfolio has defence applications, and that its investee companies continue to demonstrate growing profitability.

**Figure 8: SSIT performance over periods ended 30 November 2025**

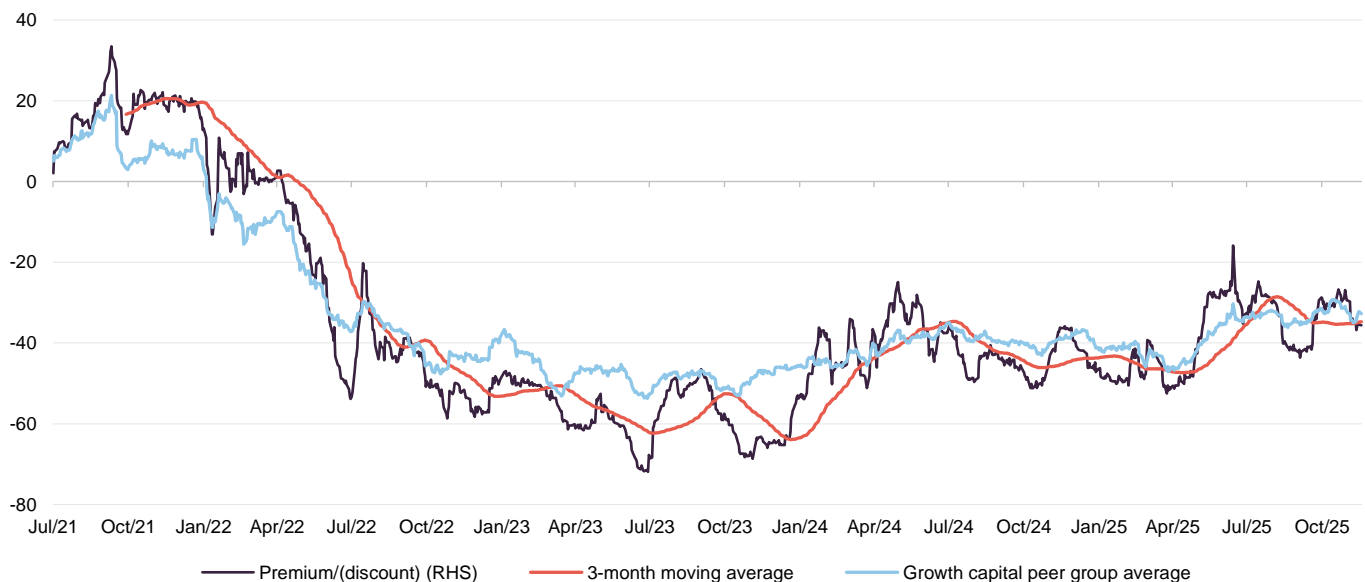
	3 months (%)	6 months (%)	1 year (%)	3 years (%)	Since launch (%)
<b>Price</b>	<b>7.8</b>	<b>5.2</b>	<b>29.1</b>	<b>55.6</b>	<b>(22.8)</b>
<b>NAV<sup>1</sup></b>	<b>0.9</b>	<b>18.3</b>	<b>27.2</b>	<b>13.9</b>	<b>22.0</b>
<b>MSCI World Aerospace and Defence</b>	<b>0.7</b>	<b>8.1</b>	<b>35.5</b>	<b>93.6</b>	<b>115.9</b>

**Source:** Bloomberg, Marten & Co. 1) NAV performance is based on the latest NAV valuation, as of 31 December 2024. SSIT commenced trading on 14 July 2021

## Premium/(discount)

Over the last 12 months, SSIT's shares have traded within a range between a 52.5% discount to NAV to a 15.9% discount, averaging at a 38.7% discount. On 1 December, SSIT was trading at a 35.6% discount.

**Figure 9: SSIT premium/(discount) from launch**



**Source:** Bloomberg, Marten & Co

SSIT's discount may make it an attractive entry point given the increased demand from defence sectors

As is illustrated in Figure 9, SSIT briefly traded at a premium following its IPO in July 2021 but the broader growth stock sell-off in 2022 – driven by rising inflation and increasing interest rate expectations – caused it to shift to trading at a discount. SSIT's discount peaked in July 2023 at an absurd level of 72%, but, as we have discussed in previous notes, the subsequent easing of monetary policy in developed markets during 2024 saw the discount narrow significantly. In addition, the ongoing

conflict in Ukraine continues the dual uses of SpaceTech, which has likely put additional downward pressure on SSIT's discount.

While SSIT's discount remains wide, the general trend has been one of gradual narrowing. SSIT's growth capital peers also trade on wide discounts, but SSIT's differentiated proposition and the excitement around space technologies and defence spending means that the discount looks overdone in our view.

## SWOT analysis

**Figure 10: SWOT analysis for SSIT**

<div>S</div> <div>STRENGTHS</div>	<div>W</div> <div>WEAKNESSES</div>
<p>A unique investment proposition in the London-listed closed end funds space, SSIT has a laser sharp focus on growth capital investing within the SpaceTech arena.</p>	<p>SSIT could suffer periods when absolute and/or relative performance is difficult, particularly when the market backdrop is unhelpful for growth investors, such as when inflation and interest rates pick up.</p>
<p>SSIT offers a way for all investors to get exposure to this high growth and otherwise difficult to access sector, for the price of a share.</p>	<p>No prospect of a yield, although this should be well understood by shareholders.</p>
<div>O</div> <div>OPPORTUNITIES</div>	<div>T</div> <div>THREATS</div>
<p>There are increasing signs that growth investing is coming back into favour, against a backdrop of interest rate cuts, both in the US and globally. The political temperature has risen across the globe and the war in Ukraine has illustrated how important SpaceTech with its dual uses is to modern defence. With Europe rapidly rearming and other nations looking to bolster their defences, some of SSIT's holdings could have long growth runways.</p>	<p>The market could once again turn against growth investing, particularly if inflation re-emerges as a threat and nominal GDP growth picks up. However, not only is there a risk of stagflation in more developed markets that could limit the capacity for interest rate rises, the need for nations to bolster their defences will likely outweigh such considerations.</p>
<p>Investors appear to be looking more favourably at SpaceTech, recognising its increasing importance in defence and SSIT looks cheap versus aerospace and defence companies more broadly.</p>	<p>Given the concentrated nature of the portfolio, single stock issues could hurt performance.</p>

Source: Marten & Co



## Bull vs bear case

Figure 11: Bull vs bear case for SSIT



### Performance

SSIT's portfolio, which has considerable dual use applications within, has recently been benefitting from strong defence tailwinds, which look set to continue.

Inflation is edging up in the US, but the growth outlook has also deteriorated, limiting the capacity to raise interest rates, which should be positive for growth capital stocks.

SSIT's typical investee company requires funding, which has been difficult in an environment of higher interest rates where the IPO window has been shut. The funding environment appears to be improving for higher quality SpaceTech companies, although SSIT could see its performance suffer if this reversed.

### Dividends

SSIT focuses on capital growth rather than income. It is only likely to pay a dividend to maintain its investment trust status and it would need to recover significant revenue losses first.

Investors should not consider investing in SSIT if they require income from their investment.

### Outlook

SpaceTech investing appears to be coming into favour with investors, which should suit SSIT.

Growth focused investments generally benefit from subdued inflation and interest rates. Although US inflation has been edging up, the direction of interest rates still looks to be down for now.

### Discount

The current discount could narrow further or even move to a premium if the outlook for SSIT improves further.

While it remains wide, the discount has narrowed in recent months but could come under pressure if inflation picks up or if the SpaceTech and/or aerospace and defence sectors move out of favour. Size limits ability to undertake buybacks.

Source: Marten & Co

Previous publications

Readers interested in further information about SSIT may wish to read our previous notes (details are provided in Figure 12 below). You can read the notes by clicking on them in Figure 12 or by visiting our website.

Figure 12: QuotedData’s previously published notes on SSIT

Title	Note type	Publication date
Science fiction becoming science fact	Initiation	14 August 2024
Entering orbit	Update	7 November 2024
SpaceTech – the critical frontier in modern defence	Update	25 May 2025

Source: Marten & Co



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