

SERAPHIM SPACE INVESTMENT TRUST PLC

(the "Company" or "SSIT")

Trading Update

Seraphim Space Investment Trust plc (LSE: SSIT), the world's first listed SpaceTech investment company, today provides a trading update to 30 June 2023.

Investment Environment

The Seraphim Space Index, which reports on global private funding in the space domain and is published quarterly by SSIT's investment manager, Seraphim Space Manager LLP (the "Manager"), showed total private funding in the twelve months to 30 June 2023 of \$4.5bn. While this is down from \$9.2bn in the previous twelve months to 30 June 2022, the figures for that period were skewed by a number of large funding rounds, such as from SpaceX and Sierra Space. In addition, the number of deals overall is up this year and there has been a rebound in the first two quarters of CY 2023.

- **Recovery and Growth:** SpaceTech investments showed positive signs of recovery in H1 2023 after the decline in H2 2022. Quarterly investment reached its nadir in Q4 2022 and has since recovered significantly in H1 2023, with a 57% increase in dollars invested in H1 2023 compared to H2 2022.
- **Return to Growth:** Growth stage investing started to recover in H1 2023 with several larger deals in the \$100m to \$200m range.
- **Seed Deal Growth:** Early-stage investments were strong, with the number of seed deals seeing an impressive 55% YoY increase.
- **Geographical Shift:** Europe overtook US investment for the first time in Q1 2023, as it was the first region to show recovery. While recovery came later to the US, its performance in Q2 2023 saw it reclaim its position as the top region for space investment. Despite this, European deal numbers surged by 60% over the prior year, with Asian growth at 79%.
- **Private Equity Involvement:** Private equity investors are becoming notably active in the SpaceTech sector, with Advent's acquisition of Maxar at a value of \$6.4bn, a premium of 129%, a standout example in Q2 2023. In Q3 2023, KKR acquired a stake in Germany's leading space company OHB, at a 37% premium. Private equity's continued entry into the industry should increase capital in the sector, support consolidation and increase focus on profitability.

Investment Activity and Commercial Update

As at 31 March 2023, SSIT had net assets of £220m, comprising £181m of investments (82% of NAV) and cash of £38.1m (18% of NAV). The top 10 holdings, the focus of this trading update, represented 85% of the portfolio at fair value as at 31 March 2023.

During the quarter ended 30 June 2023, SSIT made two new early-stage unlisted investments with an aggregate cost of £0.5m and two follow-on unlisted investments with an aggregate cost of £2.4m.

The Board is pleased by the positive developments within the portfolio during the year ended 30 June 2023:

- Six of SSIT's portfolio companies closed funding rounds at higher valuations relative to previous rounds, versus only one at a lower valuation (the remaining rounds were unpriced convertible loan note issues).
- Investment activity was robust, with a total of 11 companies successfully closing funding rounds.
- The majority of rounds were led by new external investors, with SSIT participating in two-thirds of the rounds with the other rounds being able to access the required funding from other investors due to the strength of their syndicates.

This positive investment activity demonstrates the continued strength of the portfolio companies and the increasing

market recognition of their potential.

As at 30 June 2023, the Company had cash of £35.3m. SSIT's portfolio largely remains well capitalised for the 12-months to June 2024 and the Board is confident that the Company's existing cash reserve will be able to support, as required, the expected funding requirements of the portfolio over the next 12-18 months.

Unlisted Investments

The fair value weighted average¹ revenue, booking and headcount figures as at 30 June 2023 for the private companies in the top 10 holdings are set out below:

	12 Months²
Revenues	+32%
Bookings	+188%
Headcount	+22%

Notes: ¹Weighted average based on unaudited fair value of the top 10 unlisted holdings in SSIT's portfolio as at 31 March 2023. ²12 months compares the 12 months ended 30 June 2023 to the 12 months ended 30 June 2022.

The Board is particularly pleased with the solid growth rates of bookings, which reflects a strong forward-looking indicator of performance.

Most of the portfolio is in the early stages of making an impact on their sizeable addressable markets and, in light of the key trends underpinning the growth of SSIT's portfolio, namely global security, food security, humanitarian, climate and sustainability drivers, the Board expects these companies to scale up significantly.

The Manager has undertaken a review of the cash runways and funding plans of the private companies in SSIT's portfolio and those companies' own expectations. Based on this analysis:

- the companies are well capitalised having, on average, sufficient cash to deliver against their growth strategies for at least the 12-month period to June 2024 without further capital;
- two companies in the top 10 holdings require funding before June 2024; one is in advanced stages of negotiating a round expected to close before the end of 2023 and the other is working with an investment bank on its round;
- SSIT intends to reserve approximately two-thirds of current cash available for investment (having taken into account SSIT's estimated operating costs for the next two years) ("Net Cash") to support the next funding rounds over the next two years of portfolio companies that require SSIT's support, offer high return potential and/or are managed by strong teams; and
- the remaining Net Cash is currently expected to be available for new investments and funding share buy-backs.

Listed Investments

None of the Company's four listed investments are now in the top 10 assets. Share prices of all listed companies continued to fall in the year ended 30 June 2023, with their resulting aggregate fair value decreasing £13.8m in the year (including the partial disposal of some of the Arqit holding) to £4.8m. As at 1 September 2023, the aggregate fair value of these investments was £4.4m.

Despite this share price weakness, the Manager remains confident in the prospects for the listed portfolio and expects its performance to be tied to a broader recovery in global markets when the macroeconomic environment improves. In aggregate, the listed companies have raised \$163.8m in equity in the twelve months to 30 June 2023, and one of the listed companies has raised over \$100m in debt since 30 June 2023. While there has been some dilution from the equity raises, the Manager believes they are a positive signal to support the companies' continued technology development.

Post Year End Update

Since 30 June 2023, the Company has invested a total of £4.1m, with £3.3m in follow-on funding into three existing portfolio companies and £0.9m into two new early-stage investments.

On 13 July 2023, the Company announced a share repurchase programme. In the period to 8 September 2023, the Company bought back a total of 2,089,853 shares (0.9% of the shares in issue at 12 July 2023) at an aggregate cost of £0.9m. The shares bought back are being held in treasury. The closing share price as at 8 September 2023 was 46.6p, an increase of 78.5% from the closing share price of 26.1p on 12 July 2023.

Mark Boggett, Chief Executive Officer, Seraphim Space Manager LLP, said:

"Against the backdrop of significant volatility in the technology industry, we are pleased with the performance of the SSIT portfolio across all measures. Whilst the space sector is not immune to the macroeconomic backdrop, progress over the last twelve months has demonstrated the crucial role space plays in global defence, food security and humanitarian support as well as addressing longer-term climate and sustainability solutions.

"This trading statement spells out the continued appetite for investor support for the SSIT portfolio companies, at robust and growing valuations, which are reflective of a portfolio which has grown year-on-year bookings by over 180%. Given the SSIT portfolio is largely well capitalised, we are confident SSIT has sufficient cash reserves to support the anticipated capital needs of these businesses through to the end of 2024 as well as selectively continuing to make new investments."

Full Year Results

The audited results for the financial year ended 30 June 2023 and associated audited NAV will be published in October 2023.

- Ends -

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Notes to Editors

About Seraphim Space Investment Trust plc

Seraphim Space Investment Trust plc (the "Company") is the world's first listed fund focused on SpaceTech. The Company seeks exposure predominantly to early and growth stage private financed SpaceTech businesses that have the potential to dominate globally and that are sector leaders with first mover advantages in areas such as climate, communications, mobility and cyber security.

The Company is listed on the Premium Segment of the London Stock Exchange.

Further information is available at: <https://investors.seraphim.vc>

About Seraphim Space Manager LLP

Seraphim Space Manager LLP ("Seraphim" or the "Manager") is based in the UK and manages Seraphim Space Investment Trust plc.

Further information is available at: www.seraphim.vc

About Seraphim Space Camp Accelerator Ltd

Seraphim Space Camp Accelerator Ltd, an affiliate of Seraphim Space Manager LLP based in the UK, established the Seraphim Space Accelerator in 2018 and has developed it to become the world-leading VC-led accelerator with a focus on SpaceTech. The accelerator programme brings in-depth industry expertise to get Seed and Pre-Series A SpaceTech companies "investment ready" while facilitating relationships with some of the world's leading Space corporates and agencies.

Further information is available at: www.seraphim.vc

About Generation Space LLC

Generation Space LLC is the US subsidiary of Seraphim Space Manager LLP and is responsible for its US activities.
Generation Space LLC is an affiliate of Seraphim Space Camp Accelerator Ltd and is responsible for delivery of the
US Generation Space Accelerator.
Further information is available at: www.generation.space

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