



SERAPHIM  
SPACE INVESTMENT TRUST PLC

# INTERIM REPORT

FOR THE  
SIX MONTHS ENDED  
31 DECEMBER

2023

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# ABOUT THE COMPANY

Seraphim Space Investment Trust PLC (the "Company" or "SSIT") is the world's first listed SpaceTech fund. It is an externally managed closed-ended investment company that was launched in July 2021. SSIT seeks to generate capital growth over the long term through investment in a diversified, international portfolio of predominantly early and growth stage privately financed SpaceTech businesses that have the potential to dominate globally and are category leaders with first mover advantages in areas such as global security, cybersecurity, food security, climate change and sustainability. The Company's shares are traded on the London Stock Exchange's main market.

Find us online: [investors.seraphim.vc](https://investors.seraphim.vc)

## INVESTMENT MANAGER

The Company is managed by Seraphim Space Manager LLP (the "Investment Manager" or "Seraphim Space"), one of the world's leading SpaceTech investment groups. The Investment Manager's team consists of seasoned venture capitalists and some of the space sector's most successful entrepreneurs who scaled their businesses to multi-billion Dollar outcomes.

The Investment Manager has supported more than 100 SpaceTech companies across its fund management and accelerator activities since 2016 and has a proven track record of delivering value.

Positioned at the heart of the global SpaceTech ecosystem, the Investment Manager has a differentiated model, using information asymmetry generated from its global deal flow, partnerships with leading industry players and primary research to back the most notable emerging SpaceTech companies shaping a new industrial revolution.

The Investment Manager is a signatory to the UN Principles for Responsible Investment ("UN PRI"). Its first UN PRI report is due in 2024.

# KEY HIGHLIGHTS

As at 31 December 2023

## KEY PERFORMANCE INDICATORS

For the period from 1 July 2023 to 31 December 2023

NAV PER SHARE MOVEMENT<sup>(1)</sup>

**1.8%**

SHARE PRICE MOVEMENT<sup>(1)</sup>

**27.4%**

DISCOUNT (AS AT 31 DECEMBER 2023)<sup>(1)</sup>

**-63.6%**

ONGOING CHARGES<sup>(1)</sup>

**1.90%**

FAIR VALUE VS. COST

(AS AT 31 DECEMBER 2023)<sup>(1)</sup>

**101.0%**

## FINANCIAL SUMMARY

	31 DECEMBER 2023	30 JUNE 2023	CHANGE	31 DECEMBER 2022	CHANGE
NAV	£224.3m	£222.4m	0.9%	£222.0m	1.0%
NAV per share <sup>(1)</sup>	94.57p	92.90p	1.8%	92.74p	2.0%
Portfolio valuation	£198.0m	£187.4m	5.6%	£181.2m	9.2%
Fair value vs. cost <sup>(1)</sup>	101.0%	98.5%		97.2%	
Liquid resources	£26.8m	£35.3m		£40.9m	
Market capitalisation	£81.6m	£64.6m	26.2%	£108.2m	-24.6%
Share price <sup>(1)</sup>	34.4p	27.0p	27.4%	45.2p	-23.9%
-Discount/+premium <sup>(1)</sup>	-63.6%	-70.9%		-51.3%	
Ongoing charges <sup>(1)</sup>	1.90%	1.89%		1.88%	
Number of shares in issue	237.2m	239.4m	-0.9%	239.4m	-0.9%

<sup>(1)</sup> Alternative performance measure – see Alternative Performance Measures on pages 54 and 55.

# PORTFOLIO SNAPSHOT

As at 31 December 2023

FAIR VALUE

**£198.0M**

(30 JUNE 2023: £187.4M)

TOP 10 INVESTMENTS  
AS % OF FAIR VALUE

**85.4%**

(30 JUNE 2023: 85.7%)

PRIVATE PORTFOLIO  
FAIR VALUE VS. COST

**121.5%**

(30 JUNE 2023: 119.2%)

LISTED PORTFOLIO  
FAIR VALUE VS. COST

**13.2%**

(30 JUNE 2023: 13.0%)

MONEY RAISED BY  
PORTFOLIO COMPANIES<sup>(1)(2)</sup>

**>\$185M**

PERCENTAGE OF PORTFOLIO BY FAIR  
VALUE THAT IS FULLY FUNDED<sup>(1)</sup>

**60.1%**

NUMBER OF PORTFOLIO COMPANIES  
THAT ARE FULLY FUNDED OR  
HAVE 12 MONTHS OR MORE OF  
CASH RUNWAY<sup>(1)</sup>

**23**

AVERAGE CASH RUNWAY OF  
PORTFOLIO THAT IS NOT FULLY  
FUNDED FROM 31 DECEMBER 2023<sup>(1)(3)</sup>

**12 MONTHS**

<sup>(1)</sup> Source: Portfolio company data.

<sup>(2)</sup> Between 1 July 2023 and 31 December 2023.

<sup>(3)</sup> Fair value weighted average (as defined in the Glossary on page 56) number of months of cash runway from 31 December 2023 for the portfolio companies that are not fully funded, representing 39.7% of the portfolio fair value.

# PORTFOLIO KEY DEVELOPMENTS



**ICEYE** continued growth of both its data and missions businesses with four new satellites deployed, adding to its own SAR constellation, and key customer Bayanat ordering an additional two SAR satellites. The company has now achieved profitability at EBTIDA level.

**Tomorrow.io** completed the second close of its Series E funding round, bringing total proceeds to \$99m. Published peer reviewed research shows that precipitation data from its two pathfinder satellites is roughly on par with the leading ground-based weather radars, offering a more cost-effective solution and enabling global coverage.



**D-Orbit** successfully launched its 12th and 13th ION Satellite Carrier missions, making the company the clear global leader in orbital transfer vehicles.

# PORTFOLIO KEY DEVELOPMENTS

(continued)

**HawkEye 360** announced the second and final close of the company's Series D-1 funding round, bringing the total Series D-1 to \$68m. The company used part of the proceeds to acquire RF Solutions, a provider of secure, precise, geospatial intelligence from Maxar Intelligence.



**Voyager** entered a joint venture with Airbus to develop the Starlab space station, significantly expanding its access to the European market. Northrop Grumman's termination of its independent space station program and its subsequent partnership with Voyager has had several benefits, bringing increased NASA funding, improving the competitive landscape and strengthening Voyager's Starlab space station.

**SatVu** successfully commissioned its first satellite and entered commercial operations. However, the satellite experienced an anomaly after around six months of operations which led to a failure of the satellite that will impact commercial operations until another satellite can be launched. The company is working on the matter with its suppliers and in parallel is progressing development of its second satellite.





# CHAIR'S STATEMENT

# CHAIR'S STATEMENT

- With the existential challenges posed by heightened geopolitical tensions and climate change, the counter-cyclical nature of the space sector continues to result in its outperformance of the wider market. This trend is reflected in SSIT's portfolio, which continues to exhibit both a healthy growth trajectory and an ongoing ability to attract fresh investment from public and private capital markets alike.

The portfolio overall remains well capitalised, with multiple key holdings now indicating that they have sufficient cash reserves to operate through to cashflow breakeven. We are also encouraged that several of our more mature holdings are now either already, or are projected to become during 2024, EBITDA positive, including our largest holding, ICEYE.

**Will Whitehorn**  
Chair

I am pleased to present the third Interim Report of Seraphim Space Investment Trust PLC, covering the period from 1 July 2023 to 31 December 2023 (the "Period").

The macroeconomic climate in the second half of 2023 continued to be challenging, and I would like to thank all shareholders for their ongoing support.

## PROGRESS IN THE PERIOD

During the Period, the Company invested £5.7m in three new portfolio companies and three existing portfolio companies, leading to a portfolio of 33 active SpaceTech companies valued at £198.0m at 31 December 2023. In addition, the Company had £26.8m of cash reserves at the Period end.

As outlined in my reports for previous periods, the Company has deliberately slowed the pace of deployment due to the difficult global macroeconomic environment in order to reserve cash to follow its rights in existing portfolio companies whilst continuing to actively seek to invest smaller amounts in new target companies. As explained in the Investment Manager's Report, overall, the portfolio continues to be well-capitalised. In addition, the Investment Manager's Report includes a detailed review of the performance of the portfolio companies.

## NAV

Over the Period, the Company's net assets increased by 0.9%, from £222.4m to £224.3m at 31 December 2023, driven by an increase in the fair value of the portfolio, which was partially offset by running costs and buying back shares. The NAV per share increased by 1.8%, from 92.90p to 94.57p at the Period end, driven by the fair value increase and the impact of the share buy-backs.

The private companies in the portfolio continue to account for the majority of the portfolio (88.2% by number and 97.5% by fair value). The fair value of the private portfolio increased over the Period, reaching 121.5% vs. cost (121.4% excluding FX impact) at the Period end.

The listed element of the portfolio remained depressed (13.2% fair value vs. cost) as performance continued to suffer broadly in line with the overall SPAC market (three of the four listed companies listed as part of SPAC mergers in 2021).

There was minimal impact from foreign exchange variations (+£0.2m, +0.08p per share) in the Period.

# CHAIR'S STATEMENT

(continued)

## SHARE PRICE

As at 31 December 2023, the Company's share price was 34.4p, an increase of 27.4% from 27.0p at 30 June 2023. However, the share price remained depressed, at a discount of 63.6% vs. the NAV per share at the Period end, due to the general global macroeconomic environment and the volatility experienced by growth and smaller technology stocks and alternative investment vehicles.

Given the discrepancy of performance between NAV and share price, the Board announced a share repurchase programme on 13 July 2023. During the Period, the Company bought back a total of 2,186,344 shares (0.9% of the shares in issue on 12 July 2023) at an aggregate cost of £1.0m, increasing the NAV per share by 0.44p. The shares bought back are being held in treasury.

## CAPITAL ALLOCATION POLICY

As explained above, the Company continues to trade on a substantial discount to NAV, in common with other peers in the market. Each year, the Company seeks shareholder approval at the AGM to have the ability to repurchase shares. A buy-back of shares is usually in the interests of all shareholders as it helps to stabilise the share price, and, when trading at a substantial discount to NAV, it also increases NAV per share. Despite this positive impact, it also reduces the liquid resources of the Company as the capital used for buy-backs can no longer be used for investments.

The Board regularly considers multiple factors to determine the best use of the Company's capital, including the positive impact on NAV per share from buy-backs, the opportunity cost of using capital for buy-backs, potential returns from investments and the need to support portfolio companies through follow-on investment.



Image of SpaceX Transporter rocket launch.

## CHAIR'S STATEMENT

(continued)

### EARNINGS AND DIVIDEND

The Company made a revenue loss after tax of £1.9m for the Period, equal to (0.80)p per share.

The Company is focused on achieving capital growth over the long term. Given the nature of the Company's investments, we do not anticipate recommending to pay a dividend in the foreseeable future.

### RESPONSIBLE INVESTMENT

During the Period, the Investment Manager continued to use its proprietary due diligence tool in order to assess sustainability opportunities and ESG risks associated with each potential investment. In addition, the Investment Manager has started a process to measure its carbon emissions, with the aim of considering reduction targets and offsets on the back of this measurement.

### EVENTS AFTER THE PERIOD END

In January 2024, D-Orbit secured €100m in the first close of its Series C funding round, cementing its global leadership position in space logistics and advancing its global expansion.

AST SpaceMobile, one of our listed holdings, closed over \$200m in funding from AT&T, Google and Vodafone in January 2024.

The Company's share price has experienced some recovery post the Period end, closing at 51.7p on 11 March 2024, equivalent to a discount of 45.3% to the 31 December 2023 NAV per share.

### OUTLOOK

The overall prospects for both the SSIT portfolio and the space sector as a whole would appear to be robust. The secular tail winds relating to heightened geopolitical tensions and urgent challenges posed by climate change are expected to continue to drive demand for SpaceTech's unique capabilities.

We are cautiously optimistic about improving macroeconomic conditions and continued positive momentum within the SpaceTech investment market.

Indications of inflation being tamed and interest rates having peaked has resulted in some evidence of improved sentiment in both the private and public markets. We note that these developments may have contributed to the recovery in SSIT's share price post the period end, albeit the share price remains at a substantial discount to NAV.

We believe that 2024 could be a pivotal year for much of the portfolio. For those portfolio companies that are well capitalised, we anticipate strong growth prospects at the expense of their less well capitalised peers. For those that are less well capitalised and not performing as strongly, fundraising may continue to be a challenge, potentially leading to painful belt-tightening being required to extend cash runways through to the end of the year as they seek recovery.

Given limited cash reserves, we will continue to be judicious in selecting which companies to provide additional capital to, whilst also remaining open to well capitalised, compelling new investment opportunities. We continue to believe that SSIT's current cash reserves are sufficient to meet the near-term capital needs of the portfolio.



**WILL WHITEHORN**

Chair

12 March 2024





# INVESTMENT MANAGER'S REPORT



# INVESTMENT MANAGER'S REPORT

The Period was marked by continued strong performance for SSIT's portfolio, as well as the wider SpaceTech ecosystem. SpaceTech investment activity continues to outperform the wider VC market, reflecting the strong fundamentals that are driving ever-growing traction for top-performing SpaceTech companies. Record numbers of SpaceTech VC investments have been closed during recent quarters, with the last six months having seen a notable recovery in levels of growth funding rounds – an encouraging sign for prospects in 2024.

These trends are reflected in SSIT's portfolio, which has continued the positive cadence of fundraising. Eight companies closed new funding rounds during the Period, once again with the majority of these rounds being led by new investors – a healthy indicator given generalist investors are spoilt for choice in terms of investment opportunities given the wider downturn in the VC market.

Gains in fair value during the Period relating to some of these funding rounds have been partially offset by reductions in fair value elsewhere in the portfolio due to a combination of technical setbacks (SatVu) and underperformance (Altitude Angels and Xona Space Systems).

Although mindful of the difficulties some companies may face in accessing additional capital, overall, we remain positive about the prospects for the portfolio in 2024. With companies representing 60% of the portfolio by fair value now having indicated that they are projecting to have sufficient cash to operate through to profitability, and with several key holdings targeting EBITDA profitability in 2024, we are satisfied that SSIT continues to have the cash reserves required to meet the near-term funding needs of the portfolio.

This has enabled us to deploy a modest amount of capital into a handful of new investments, capitalising on the current favourable investor conditions.

**Mark Boggett**  
CEO, Seraphim Space

## OVERVIEW

Overall, the first half of H1 FY23/24 saw a continuation of our strategy implemented in the previous fiscal year as a reaction to the changing global macroeconomic environment and the resulting effects on the alternative investing sector.

In line with this strategy and against the backdrop of general uncertainty in the market, we continued to focus on cash preservation for SSIT and management of its existing investment portfolio, both in terms of protecting existing value and driving additional value.

We worked with the management teams of our portfolio companies to optimise cash runways, facilitated funding rounds to allow for further value creation and acted as a sounding board for strategic decisions. These activities have proven successful, in that eight of our existing portfolio companies closed financing rounds in H1 FY23/24, including three of our top 10 holdings. It was encouraging to see that most of these rounds were priced equity rounds led by large and reputable new investors. We are very pleased that 23 of our private holdings have cash runways of at least 12 months from 31 December 2023.

# INVESTMENT MANAGER'S REPORT

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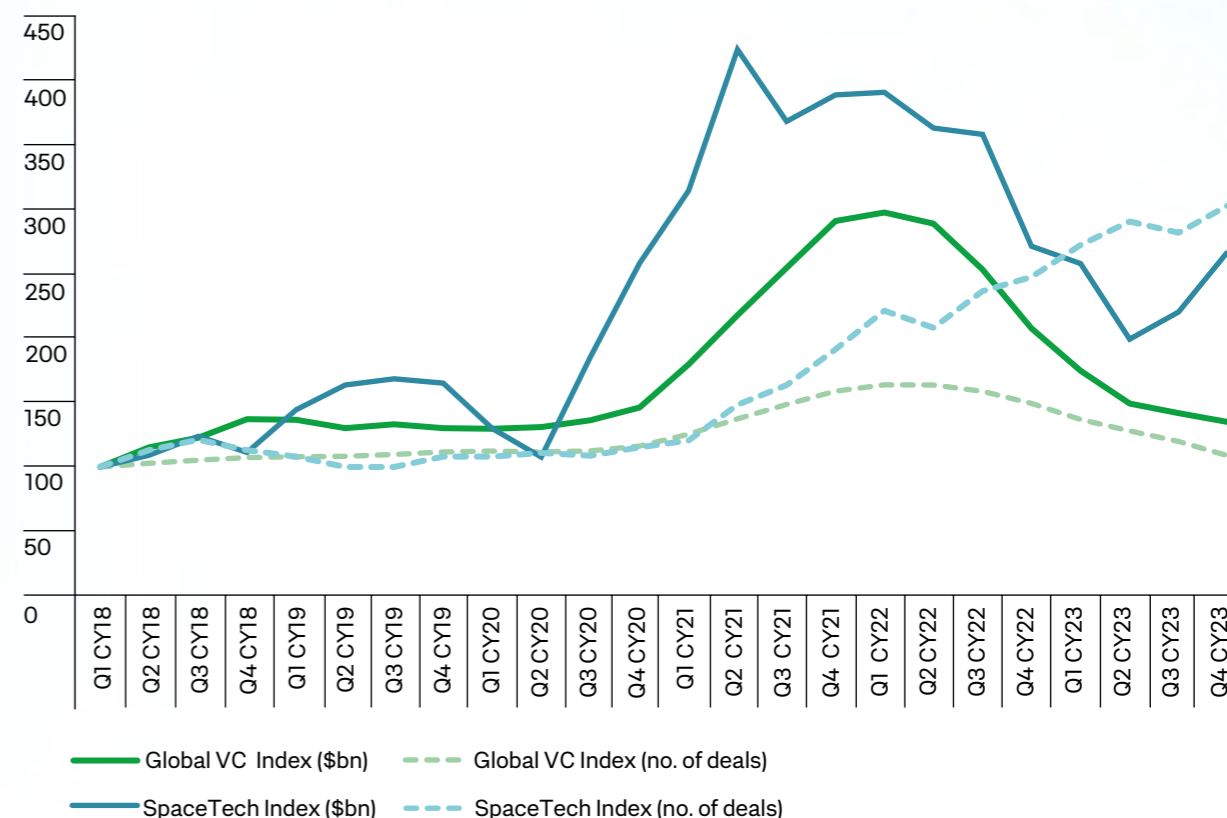
We continued to support our portfolio companies in select investment rounds while balancing the need for cash preservation at the SSIT level. At the same time, we continued looking for well-priced investment opportunities with attractive risk-return profiles for the Company. While the bar for new investments remains very high, we continue to monitor the market for opportunities and are in due diligence with a handful of companies.

### Market overview

SpaceTech venture capital ("VC") investment in 2023 was flat year-on-year while general VC investment was down 35% over the same period.

- SpaceTech VC investment showed signs of accelerating, with two continuous quarters of growth in H2 CY23, following declines between Q1 CY22 and Q2 CY23, compared to seven quarters of decline in general VC investment.
- SpaceTech VC investment continued to show increasing numbers of deals every quarter; Q4 CY23 had the highest number of deals ever as increasing numbers of investment-worthy startups continue to be founded.
- SpaceTech is proving to be highly resilient in an uncertain economic environment driven by increasing interest in defence, global security and climate change mitigation.

TRAILING 12 MONTHS SPACETECH VS. GLOBAL TECHNOLOGY VENTURE CAPITAL (REBASED TO 100)



Source: Seraphim Space Index; Pitchbook; Crunchbase

INVESTMENT MANAGER'S REPORT

(continued)

Valuation policy

In respect of private company valuations, fair value is established by using recognised valuation methodologies, in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. The Company has a valuation policy for unquoted securities to provide an objective, consistent and transparent basis for estimating their fair value in accordance with IFRS as well as the IPEV Guidelines. The unquoted securities valuation policy and the associated valuation procedures are subject to review on a regular basis, and updated, as appropriate, in line with industry best practice.

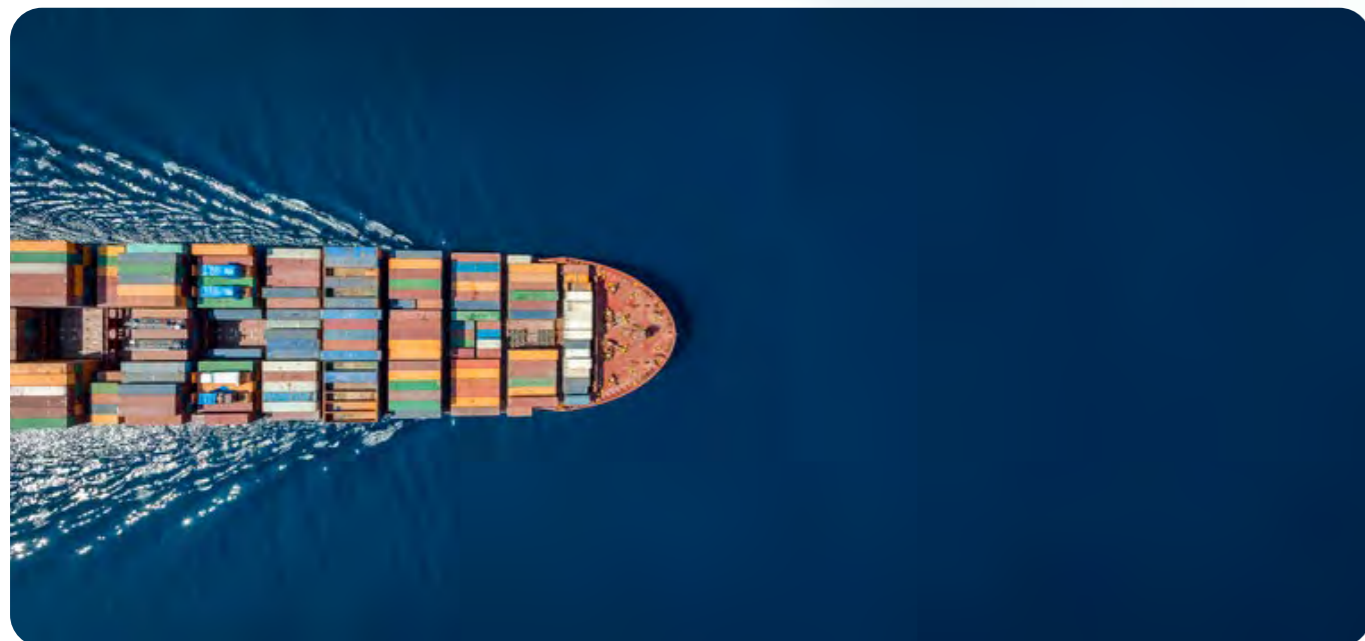
In summary, the Company determines fair value in accordance with the IPEV Guidelines by focusing on updating the enterprise value (either through there being a new funding round or through a valuation calibration exercise or adjustment for milestones) and then applying the implied equity value (based on adjustments for new debt, etc) to the company's capital structure (i.e. preference stack). In the event of commercial (or technical) underperformance of a portfolio company, a write down can then also be applied, typically in increments of 25%, to reduce fair value.

All valuations are considered on a quarterly basis and calibrated against the price of the last funding round. In addition, the Company undertakes a recalibration, across an increased number of datapoints, for the material portfolio companies (i) whose last funding rounds took place more than 12 months earlier or (ii) which had

experienced a significant milestone event or material under- or over-performance (each a "recalibration event"). This process entails assessing the enterprise value following the most recent round against a composite of four elements: observable market data (where possible), recent relevant private investment transactions, public market valuations of comparable companies and the company's internal metrics and performance. This exercise further strengthens the valuation process with the goal of preserving shareholder confidence in the NAV during volatile market conditions and will be conducted when a recalibration event occurs and every quarter thereafter until a new priced funding round is completed.

Top 10 holdings' enterprise value ("EV") recalibrations

The chart below shows, on an anonymised basis, the percentage change in the underlying EV of each of these companies over the Period. Changes in EV relate to either new funding rounds or adjustments from quarterly valuation recalibration exercises. It is worth noting that as a result of the downside protections in place, where there were reductions in underlying EV, these have not necessarily translated directly into commensurate reductions in fair value. Therefore, while the underlying EV of the private companies within the top 10 holdings has increased by 1.8%, the aggregate fair value of the Company's investments in them has increased by 8.5% (both on a fair value weighted average basis), due to the companies experiencing reductions in EV suffering from less of a reduction in their fair value.

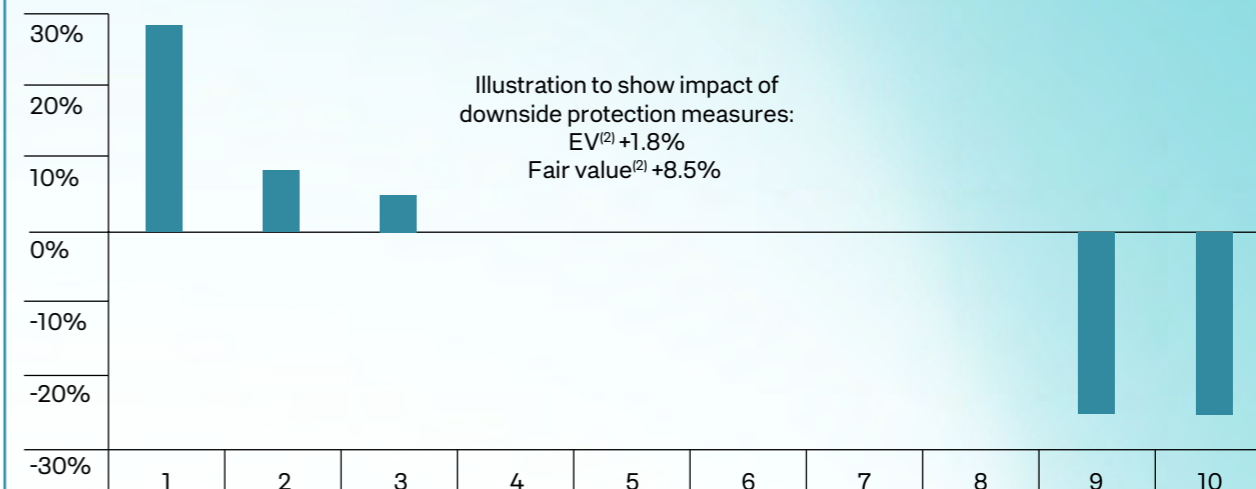


A cargo ship at sea. Satellites can receive and transmit automatic identification system (AIS) signals, enabling identification and real-time tracking of ships.

INVESTMENT MANAGER'S REPORT

(continued)

TOP 10<sup>(1)</sup> HOLDINGS' UNDERLYING EV CHANGES 30 JUNE 2023 TO 31 DECEMBER 2023

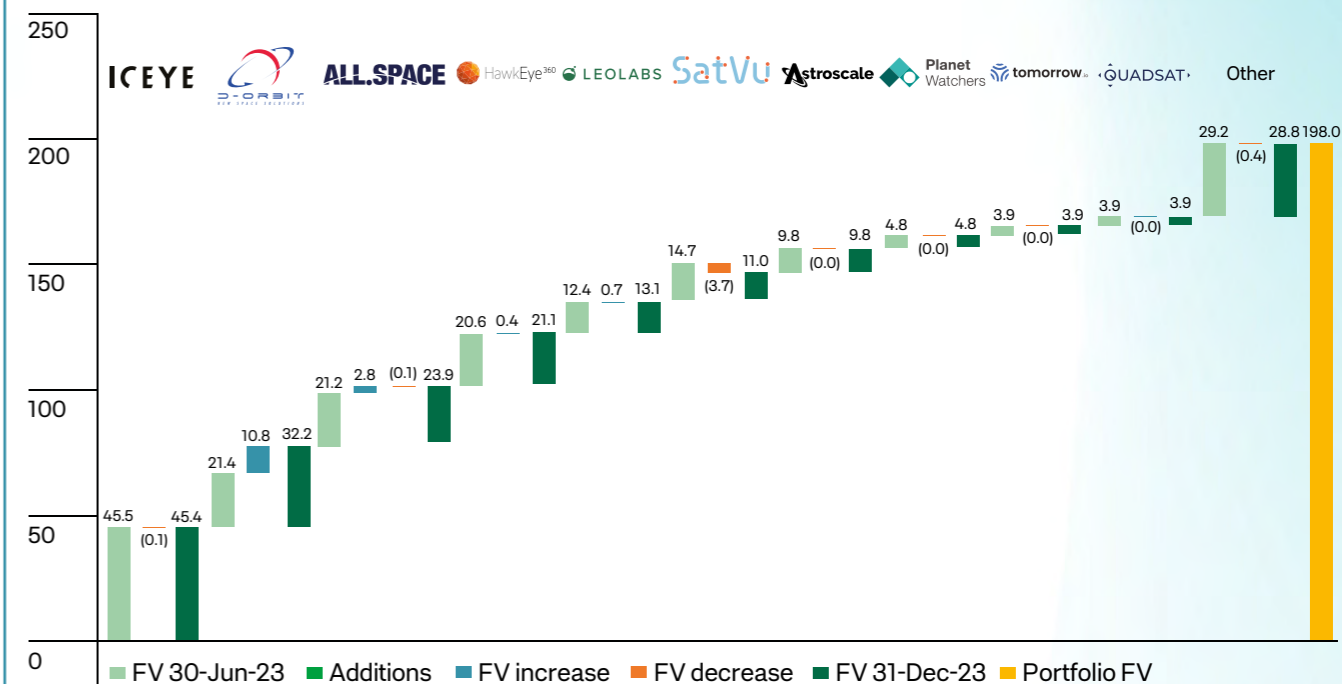


Source: Seraphim Space analysis

<sup>(1)</sup> One company in the top 10 is new to the top 10 as at 31 December 2023, replacing an underperforming company.  
<sup>(2)</sup> Fair value weighted average (as defined in the Glossary on page 56) half-on-half change for the six months ended 31 December 2023 of the top 10 holdings, representing 85% of fair value (75% of NAV) as at 31 December 2023.

The chart below shows the fair value changes from 30 June 2023 to 31 December 2023.

PORTFOLIO FAIR VALUE ("FV") CHANGES 30 JUNE 2023 TO 31 DECEMBER 2023 (£M)



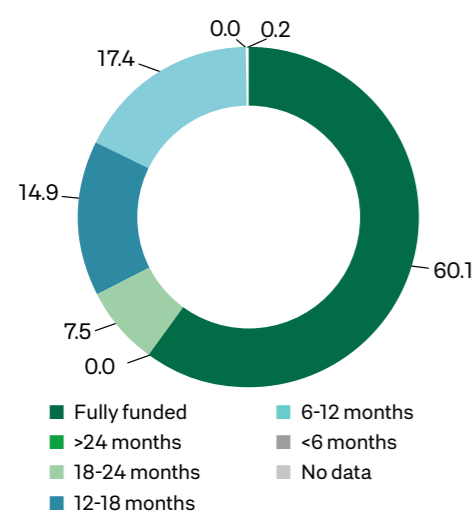
**INVESTMENT MANAGER'S REPORT**

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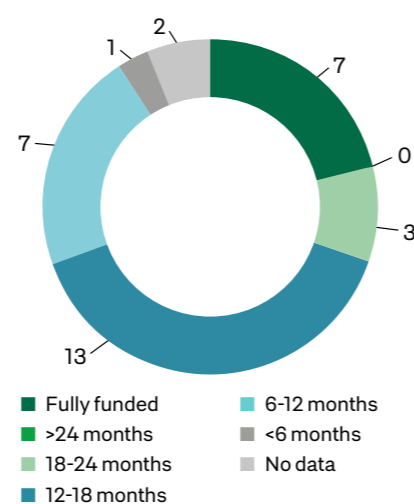
**Portfolio cash runway**

- 82% of the portfolio by fair value has a robust cash runway, with 60% fully funded based on latest projections from the companies' management teams and 22% funded for 12 months or more from 31 December 2023.
- The management teams of seven companies (five of which are top 10 holdings) are projecting that the companies are fully funded.
- Eight companies representing 17% of the fair value of the portfolio have less than 12 months of cash runway. These companies are reducing cash burn, increasing their focus on government business development and grants to increase revenues and reduce costs and extend runway. The companies are actively fundraising and, where appropriate, acquisition processes are under consideration.
- We note that it is not atypical for venture capital backed companies to have less than 12 months cash runway. Most companies typically raise on c18-month cycles. To date, our portfolio companies that have required additional financing to extend their cash runways have been able to raise the necessary funding.
- Excluding the fully funded companies, the remainder of the portfolio has a fair value weighted average cash runway of 12 months.

**CASH RUNWAY AS AT 31 DECEMBER 2023, PERCENTAGE OF FAIR VALUE**



**CASH RUNWAY AS AT 31 DECEMBER 2023, NUMBER OF COMPANIES**



Source: Portfolio company information.

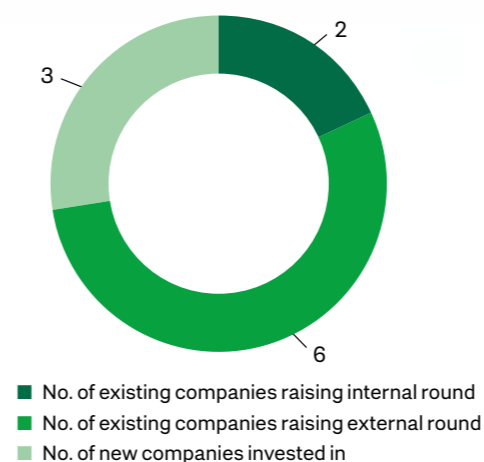
**INVESTMENT MANAGER'S REPORT**

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**Portfolio fundraising activity**

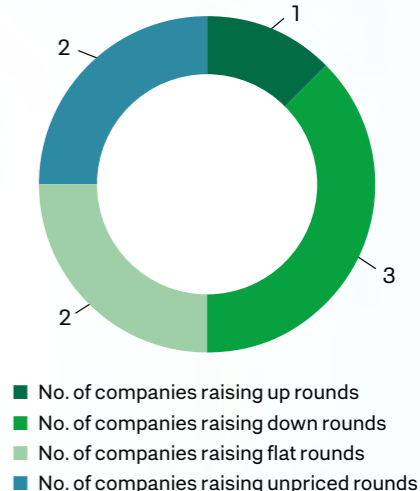
- More than \$185m in aggregate was raised by portfolio companies during the Period.
- Of the eight existing portfolio companies that raised rounds, six had participation from or were led by external investors. Participation of external investors demonstrates the attractiveness of the portfolio companies to new investors.
- Three companies raised flat or up rounds, which is a testament to the strong performance of these companies.
- Three companies closed funding rounds at reduced valuations relative to their previous round. In two instances this was as a result of underperformance against previous expectations. In the other instance, the round was a sizeable one and represented only a modest reduction against the previous round which was raised at the height of the market in late 2021.
- SSIT also invested in three new companies in H1 FY23/24. These investments increase SSIT's exposure to the Communications, Beyond Earth (next-gen SpaceTech) and Product sectors, which we see being key growth drivers for the SpaceTech sector with high return potential.

**11 PORTFOLIO COMPANIES CLOSED FUNDING ROUNDS IN H1 FY23/24**



Source: Portfolio company information.

**8 EXISTING PORTFOLIO COMPANIES' (AS AT START OF PERIOD) ROUND PRICING IN H1 FY23/24**



**INVESTMENT ACTIVITY**

In the six months ended 31 December 2023

Company	Segment	HQ	Type	Cost £m
ALL.SPACe	Downlink	UK	Follow-on	2.8
Skylo	Downlink	US	New investment	1.6
2 early stage investments			New investment	0.9
2 early stage investments			Follow-on	0.5
<b>Total</b>				<b>5.7</b>

## INVESTMENT MANAGER'S REPORT

(continued)

**Skylo** is making standards-based 'Direct-to-Device' satellite connectivity a reality today, enabling 'always on everywhere' for both consumer mobile phones and enterprise IoT endpoints, two significant market opportunities that are projected to grow rapidly. Skylo stands out in the sector through a combination of having a product in market, traction with commercial customers and deep ties with the relevant ecosystem, including satellite operators, regulators, chipmakers and mobile network operators. In December 2023, the Company completed a \$2m (£1.6m) investment into Skylo's \$37m Series A investment round led by major investors, Intel Capital and Innovation Endeavors, with participation from a strong syndicate.

In July 2023, the Company completed a \$3.5m (£2.8m) follow-on investment into **ALL.SPACE's** Series C round, alongside a number of existing and new investors. With this funding, ALL.SPACE plans to invest in the remaining development to get its first production model into market and grow its sales efforts.

## PORTFOLIO PERFORMANCE

In the six months ended 31 December 2023

## Holdings

Company	Sub-sector	HQ	31 December 2023			30 June 2023
			Cost <sup>(1)</sup> £m	Fair value <sup>(1)</sup> £m	% of NAV	Fair value £m
ICEYE	Earth Observation	Europe	39.6	45.4	20.2%	45.5
D-Orbit	In-orbit Services	Europe	11.7	32.2	14.4%	21.4
ALL.SPACE	Ground Terminals	UK	22.2	23.9	10.7%	21.2
HawkEye 360	Earth Observation	US	18.6	21.1	9.4%	20.6
LeoLabs	Data Platforms	US	11.7	13.1	5.8%	12.4
SatVu	Earth Observation	UK	6.7	11.0	4.9%	14.7
Astroscale	In-orbit Services	RoW	9.4	9.8	4.4%	9.8
PlanetWatchers	Data Analytics	UK	5.6	4.8	2.1%	4.8
Tomorrow.io	Data Platforms	US	4.2	3.9	1.8%	3.9
QuadSAT	Communications	Europe	2.6	3.9	1.7%	3.9
<b>Top 10 investments</b>			<b>132.4</b>	<b>169.1</b>	<b>75.4%</b>	<b>158.2</b>
Other investments (11)			55.3	21.2	9.4%	24.6
Non-material investments (13)			8.3	7.6	3.4%	4.6
<b>Total investments</b>			<b>195.9</b>	<b>198.0</b>	<b>88.2%</b>	<b>187.4</b>
Net current assets				26.4	11.8%	35.0
<b>Total assets</b>				<b>224.3</b>	<b>100.0%</b>	<b>222.4</b>

<sup>(1)</sup> Includes new and follow-on investments, where relevant, made since 30 June 2023 of £5.7m in aggregate.

## INVESTMENT MANAGER'S REPORT

(continued)

## Private portfolio

- The private portfolio, which comprises the main part of the Company's investments representing 97.5% of fair value and 86.1% of NAV, performed solidly, with its fair value closing the Period at 121.5% vs. cost (121.4% excluding FX gains).
- In aggregate, the fair value of the private portfolio increased 5.7% over the Period.
- The private holdings continue to develop their commercial products, with robust revenue and bookings growth driven by solid fundamentals in core focus areas such as global security and climate/sustainability.
- A significant increase in the fair value of **D-Orbit** (fair value vs. cost: 275%), driven by a funding round which closed soon after the Period end, more than offset fair value reductions experienced by other private portfolio companies.
- Fair value reductions in the private portfolio included **SatVu** (fair value vs. cost: 163%) due to the setback from its failed satellite as explained on page 5, and **Altitude Angel** (fair value vs. cost: 97%) and **Xona Space Systems** (fair value vs. cost: 65%), both due to underperformance.

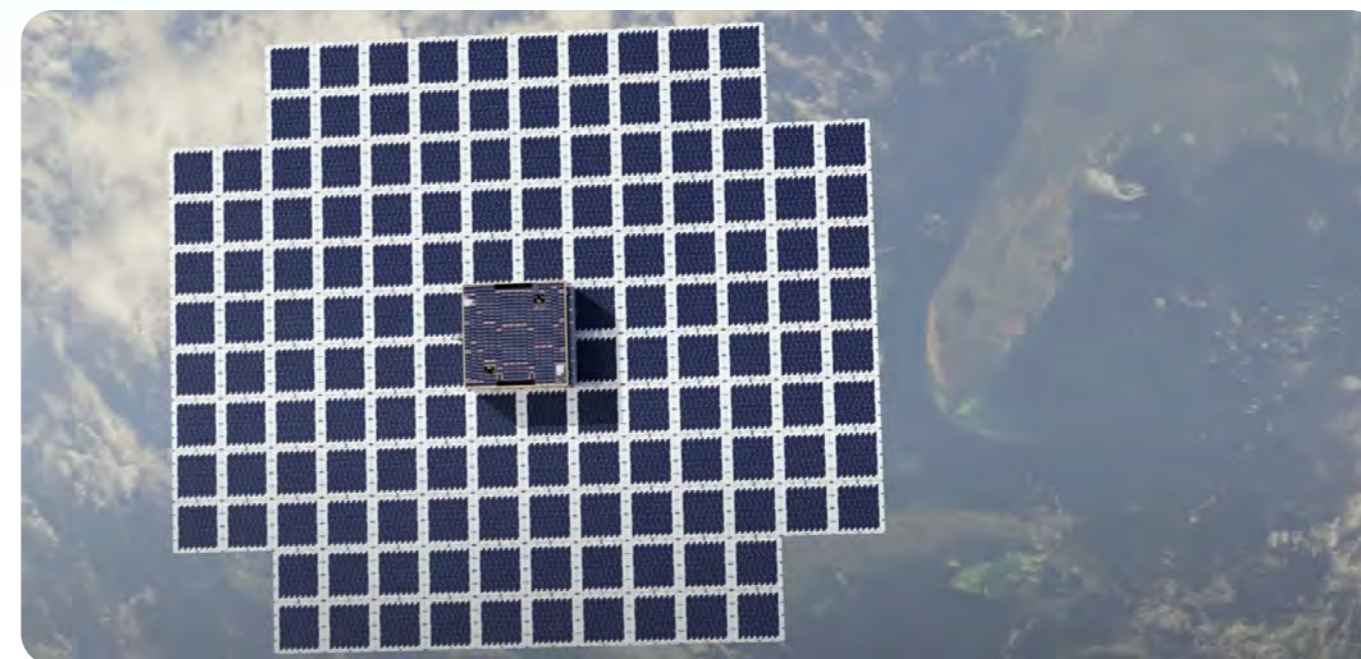
## Listed portfolio

- As explained in previous periods, public companies which listed via SPAC transactions suffered significant share price falls in 2022 and 2023.

- During the Period, there was stabilisation in the fair value of the Company's listed holdings in aggregate, reaching £4.9m, up 1.3% from 30 June 2023.
- The listed portfolio (11.8% of the portfolio by number of companies) represented just 2.2% of NAV and 2.5% of portfolio fair value at the end of the Period (fair value vs. cost: 13.2%).
- Spire Global** (NYSE: SPIR; fair value vs. cost: 18%) and **AST SpaceMobile** (NASDAQ: ASTS; fair value vs. cost: 49%) have both delivered well commercially over the last year, and both experienced fair value increases in the Period.
- Arqit** (NASDAQ: ARQQ; fair value vs. cost: 4%) continues to experience share price declines, with a further £1.3m reduction in fair value during the Period.

## Quarterly valuation changes in the three months ended 31 December 2023

- During the quarter ended 31 December 2023, the fair value fell by £3.5m, reducing fair value to 101.0% vs. cost (104.0% excluding FX losses).
- £5.9m in FX losses in the quarter was partly offset by an underlying fair value increase of £2.4m.
- Fair value increases during the quarter at D-Orbit, Xona Space Systems, AST SpaceMobile and Spire Global were largely offset by fair value decreases at SatVu and Altitude Angel.



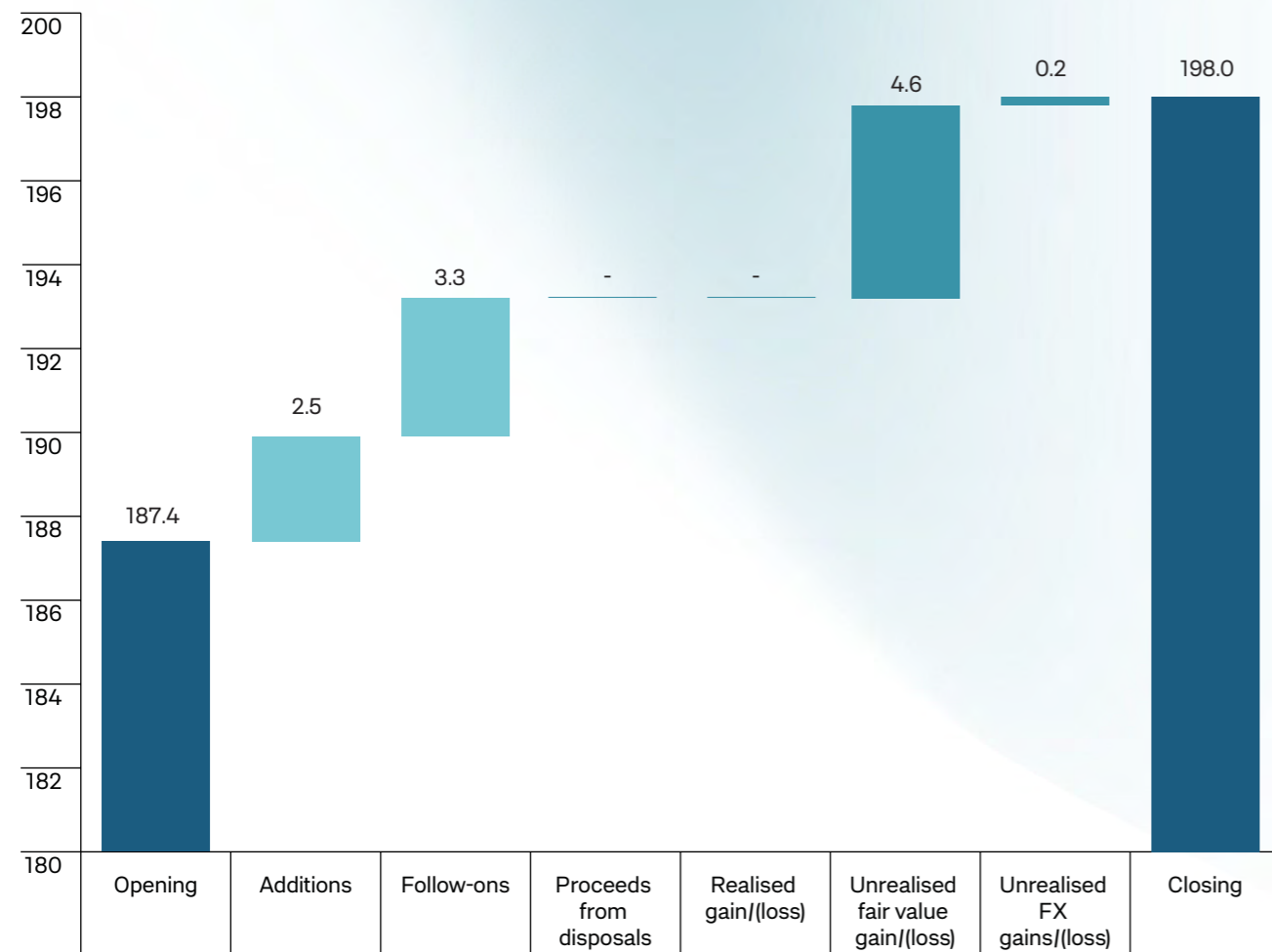
AST Space Mobile Bluewalker 3 satellite (BW3) in orbit. BW3 is the largest-ever commercial communications array deployed in low earth orbit and is designed to communicate directly with cellular devices.

**PERFORMANCE OF THE COMPANY**  
 In the six months ended 31 December 2023

**Portfolio attribution**

- £2.5m in new investments and £3.3m of follow-ons in the Period.
- Increase in unrealised fair value of £4.6m and unrealised FX gain of £0.2m during the Period.
- £198.0m fair value of portfolio at the end of the Period.
- 250bps increase in closing portfolio fair value vs. portfolio cost, including FX movements.

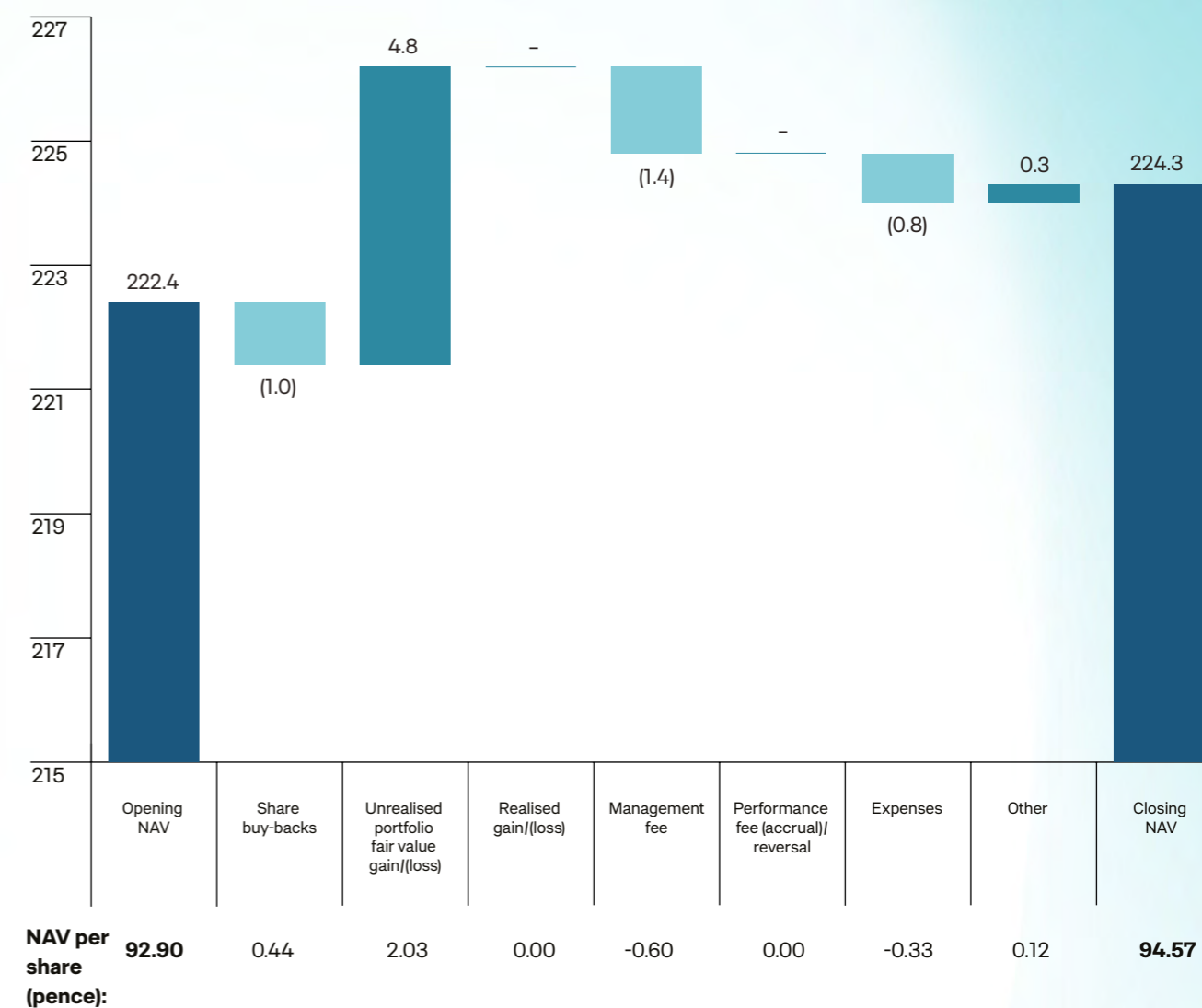
**ATTRIBUTION ANALYSIS OF MOVEMENTS IN THE FAIR VALUE OF INVESTMENTS (£M)**



**NAV**

- NAV slightly increased over the Period to £224.3m (30 June 2023: £222.4m).
- The portfolio fair value (including FX movements) increased by £4.8m over the Period.
- 2.2m shares were bought back during the Period at an aggregate cost of £1.0m.
- The NAV per share increased from 92.90p to 94.57p over the Period.
- £26.8m liquid resources (11.9% of NAV) at 31 December 2023 (30 June 2023: £35.3m).

**NAV BRIDGE (£M)**



**INVESTMENT MANAGER'S REPORT**

(continued)

The Company is targeting an annualised total return on the Company's portfolio of at least 20% over the long term. The Company has no formal benchmark index but has tracked its NAV per share and share price movements against the following the indices for reference.

- MSCI World Aerospace and Defence Index (£) – a significant proportion of portfolio companies' revenues are derived from the broader aerospace and defence industry and/or have governments as significant customers.
- MSCI World Climate Change Index (£) – a significant proportion of portfolio companies' revenues are derived from climate change products and services.
- FTSE All-Share Index (£) – the Company is listed on the London Stock Exchange.
- NASDAQ (£) – the Company invests in SpaceTech, a subset of the broader technology market, and two of its listed holdings are listed on NASDAQ.
- Dow Jones Global Technology Index (£) – the Company invests globally in SpaceTech, a subset of the broader technology market.
- S&P Kensho Space Index (£) – the Company invests globally in SpaceTech, a subset of the broader space sector.
- Goldman Sachs Future Tech Leaders Equity ETF (£) – the Company invests globally in SpaceTech, a subset of the broader technology market.

As explained in the Share Price section on page 9, the Company's share price has been significantly more volatile than its NAV per share.

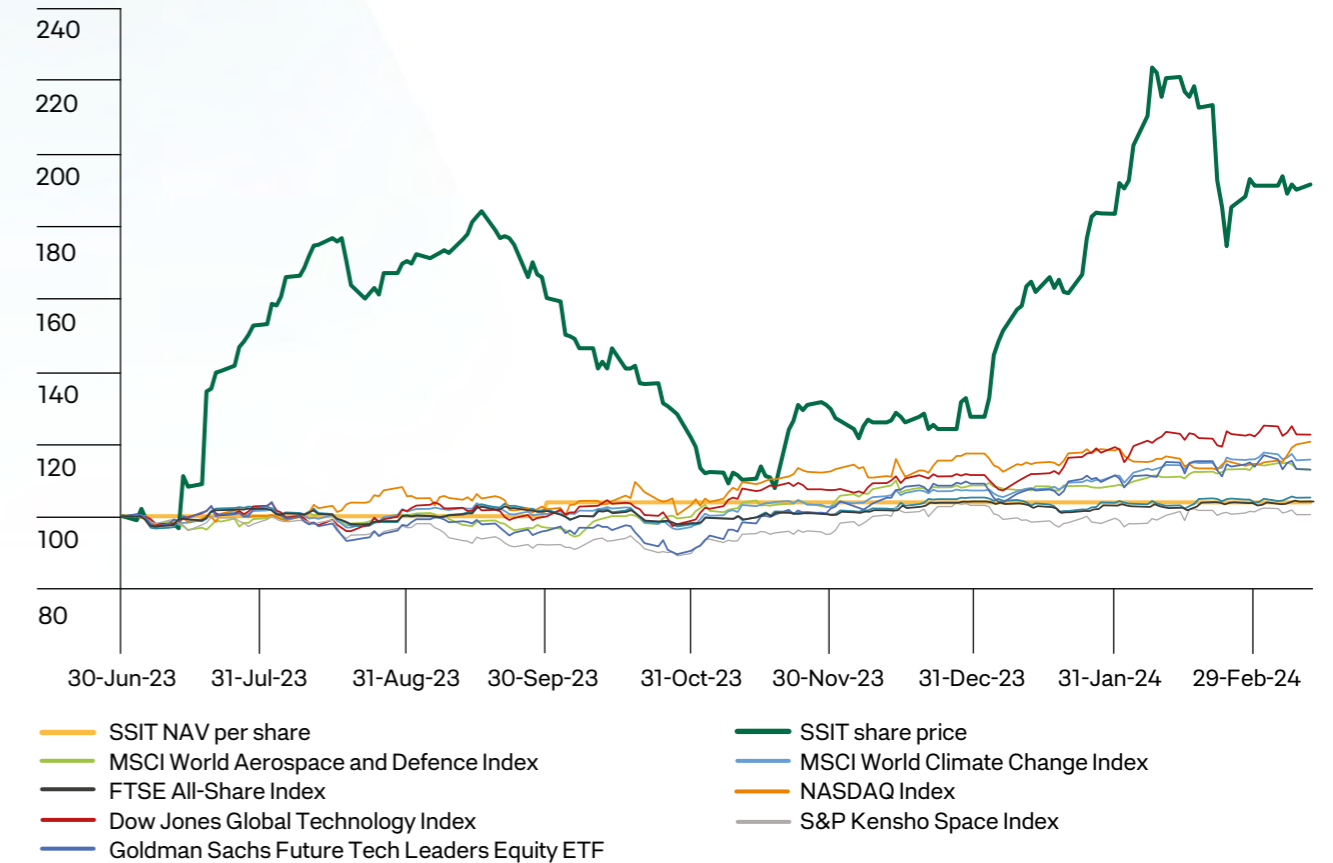


Satellite data can provide connectivity across the globe from space in places that terrestrial methods cannot reach.

**INVESTMENT MANAGER'S REPORT**

(continued)

**SSIT NAV PER SHARE AND SHARE PRICE VS. VARIOUS INDICES**  
 (£, TOTAL RETURN REBASED TO 100)



Source: Datastream; Morningstar; Bloomberg

**MARK BOGGETT**

CEO

**SERAPHIM SPACE MANAGER LLP**

Investment Manager

12 March 2024

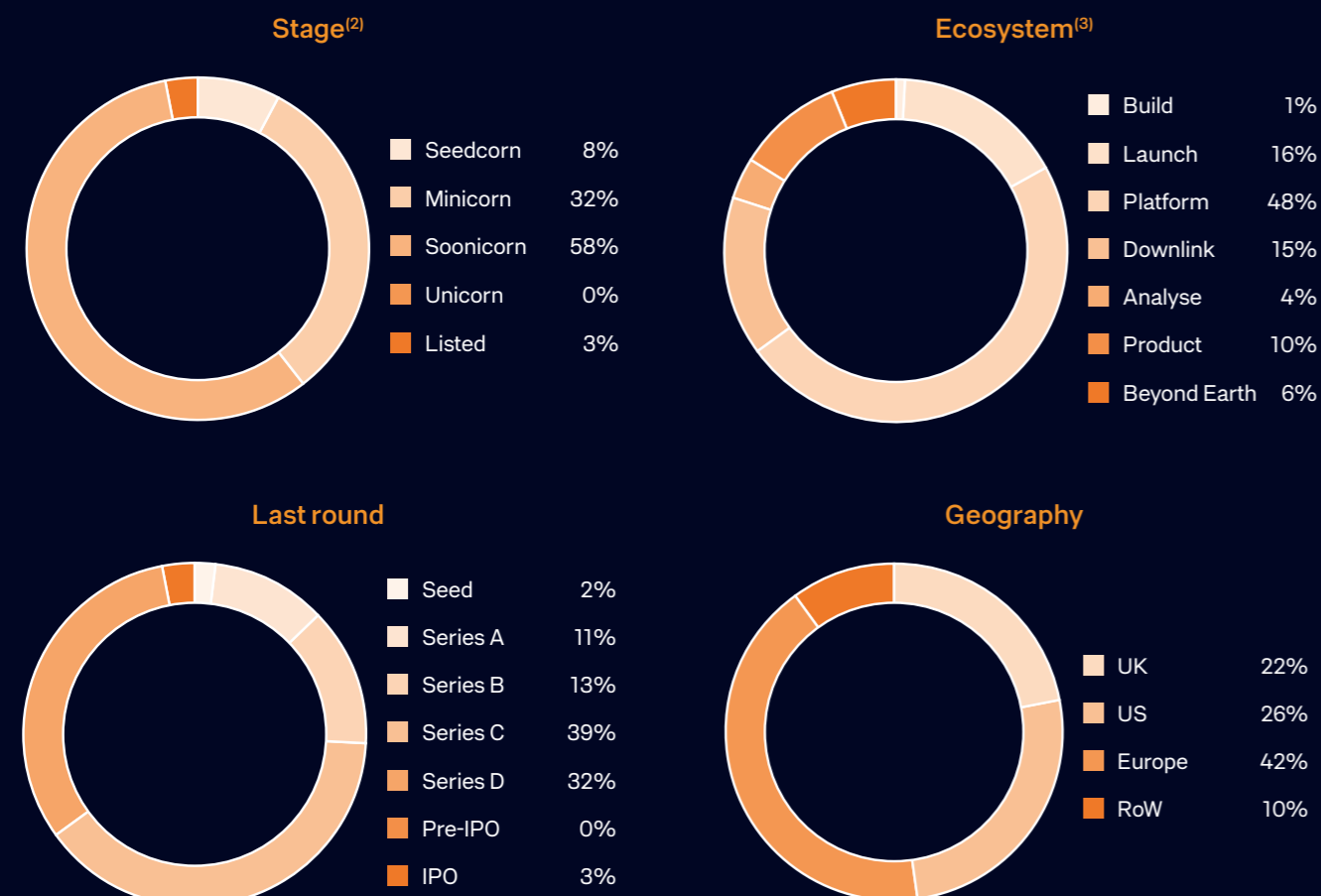


# PORTFOLIO

# PORTFOLIO

At 31 December 2023

## PORTFOLIO BREAKDOWN (BY FAIR VALUE)<sup>(1)</sup>



<sup>(1)</sup> Seraphim Space's taxonomy to describe the SpaceTech sector.

<sup>(2)</sup> **Unicorns** – Unicorns – those companies valued at in excess of \$1bn.

**Soonicorns** – those companies with the potential to be valued at in excess of \$1bn within the next 1-2 years.

**Minicorns** – those companies with the potential to be valued at in excess of \$1bn within the next 3-4 years.

**Seedcorns** – those companies less mature than Minicorns.

<sup>(3)</sup> **Build** – satellite construction/manufacturing/components.

**Launch** – rockets.

**Platforms** – constellations of satellites in space.

**Downlink** – data from space to earth in a cyber secure manner.

**Analyse** – AI applied to large datasets from space.

**Product** – space datasets fused with terrestrial data targeted at a vertical such as construction, agriculture, oil and gas.

**Beyond Earth** – activity in space.

# PORTFOLIO

(continued)

## TOP 10 INVESTMENTS

### ICEYE

Web	www.iceye.com
HQ	Finland
Taxonomy	Platform/Earth Observation
Status	Private/Soonicorn
Stake category	>5-10%
Fair value vs. cost	115%
Valuation method	Premium to price of recent investment

ICEYE operates the world's first and largest constellation of miniaturised satellites that use radar to image the earth both during the day and night, even through cloud. ICEYE's radar technology has the ability to monitor change in near real-time.

**Total estimated long-term addressable market:**  
\$10bn+

**Key sectors addressed:**  
Insurance, defence, climate

**Principal UN SDG alignment:**



### ALL.SPACE

Web	www.all.space
HQ	UK
Taxonomy	Downlink/Ground Terminals
Status	Private/Minicorn
Stake category	>10-15%
Fair value vs. cost	108%
Valuation method	Partial write down to price of recent investment

ALL.SPACE is aiming to create a mesh network of satellite connectivity by developing an antenna capable of connecting to any satellite in any constellation in any orbit.

**Total estimated long-term addressable market:**  
\$10bn+

**Key sectors addressed:**  
Communications, defence, transport

**Principal UN SDG alignment:**



Web	www.dorbit.space
HQ	Italy
Taxonomy	Launch/In-orbit Services
Status	Private/Soonicorn
Stake category	>5-10%
Fair value vs. cost	275%
Valuation method	Calibrated price of recent investment (post Period)

D-Orbit is the market leader in the space logistics and orbital transportation services industry.

**Total estimated long-term addressable market:**  
\$1-5bn

**Key sectors addressed:**  
Space logistics, datacentres

**Principal UN SDG alignment:**



Web	www.he360.com
HQ	US
Taxonomy	Platform/Earth Observation
Status	Private/Soonicorn
Stake category	0-5%
Fair value vs. cost	113%
Valuation method	Calibrated price of recent investment

HawkEye 360 operates the world's largest satellite constellation collecting radio frequency signals to identify and geolocate previously invisible activities.

**Total estimated long-term addressable market:**  
\$10bn+

**Key sectors addressed:**  
Maritime, defence

**Principal UN SDG alignment:**





PORTFOLIO

(continued)

**LEOLABS**

Web	www.leolabs.space
HQ	US
Taxonomy	Product/Data Platforms
Status	Private/Micicorn
Stake category	0-5%
Fair value vs. cost	112%
Valuation method	Calibrated price of recent investment

LeoLabs is providing the mapping service for space by deploying a network of ground-based antennas capable of detecting objects as small as 2cm as far as 1,000km away.

**Total estimated long-term addressable market:**  
\$1-5bn

**Key sectors addressed:**  
Space, insurance, defence

**Principal UN SDG alignment:**



**Astroscale**

Web	www.astroscale.com
HQ	Japan
Taxonomy	Beyond Earth/In-orbit Services
Status	Private/Soonicorn
Stake category	0-5%
Fair value vs. cost	104%
Valuation method	Calibrated price of recent investment

Astroscale is a global leader of space sustainability solutions. It is currently developing a set of capabilities around satellite monitoring, refuelling, upgrading, repairing and disposal to enable a vibrant in-orbit economy.

**Total estimated long-term addressable market:**  
\$1-5bn

**Key sectors addressed:**  
Space, defence

**Principal UN SDG alignment:**



**SatVu**

Web	www.satellitevu.com
HQ	UK
Taxonomy	Platform/Earth Observation
Status	Private/Micicorn
Stake category	>15-25%
Fair value vs. cost	163%
Valuation method	Partial write down to price of recent investment

SatVu is aiming to monitor the heat signatures of any building on the planet in near real time to determine valuable insights into economic activity, energy efficiency and carbon footprint.

**Total estimated long-term addressable market:**  
\$1-5bn

**Key sectors addressed:**  
Energy, property, defence, climate

**Principal UN SDG alignment:**



**Planet Watchers**

Web	www.planetwatchers.com
HQ	UK
Taxonomy	Analyse/Data Analytics
Status	Private/Seedcorn
Stake category	>25-50%
Fair value vs. cost	86%
Valuation method	Partial write down to price of recent investment

PlanetWatchers has developed an AI-enabled analytics platform using satellite radar imagery for crop monitoring, insurance and automated insurance claims assessments.

**Total estimated long-term addressable market:**  
\$5-10bn

**Key sectors addressed:**  
Agriculture, insurance, climate

**Principal UN SDG alignment:**



PORTFOLIO

(continued)

**tomorrow.io**

Web	www.tomorrow.io
HQ	US
Taxonomy	Platform/Data Platforms
Status	Private/Soonicorn
Stake category	0-5%
Fair value vs. cost	93%
Valuation method	Calibrated price of recent investment

Tomorrow.io is powering actionable weather insights around the world. The company's mission is to help countries, businesses and individuals better manage their weather-related challenges with the best information and insights.

**Total estimated long-term addressable market:**  
\$30bn+

**Key sectors addressed:**  
Logistics, aviation, maritime, government civil, government defence

**Principal UN SDG alignment:**



**QUADSAT**

Web	www.quadsat.com
HQ	Denmark
Taxonomy	Downlink/Communications
Status	Private/Seedcorn
Stake category	>10-15%
Fair value vs. cost	151%
Valuation method	Calibrated price of recent investment

QuadSAT has developed a novel technique for testing and calibrating satellite antennas by using drones to mimic the position and movement of satellites. Helping ensure antennas perform optimally and avoid signals interference has broad applicability across both the satellite communication and broader terrestrial telecoms industry.

**Total estimated long-term addressable market:**  
\$1-5bn

**Key sectors addressed:**  
Space, telecoms

**Principal UN SDG alignment:**



SpaceX launch from Cape Canaveral, Florida



# CORPORATE GOVERNANCE

# CORPORATE GOVERNANCE

## PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

The Directors have a process for identifying, evaluating and managing the principal and emerging risks facing the Company. This process was in operation during the Period and continues in place up to the date of this report.

The principal risks facing the Company are investment return risk, discount risk, portfolio company performance risk, public company share price volatility risk, macroeconomic risk, valuation risk, realisation risk, foreign exchange risk, liquidity risk, key person risk and ESG risk. An explanation of these risks, their potential impact and how they are managed is set out on pages 74 to 77 of the Company's Annual Report for the year ended 30 June 2023, which is available on the Company's website (<https://investors.seraphim.vc/>).

During the period, the Board has continued to review the Company's principal risks and uncertainties and considers that they have not changed materially since 16 October 2023, the date of the Company's 2023 Annual Report, and are not expected to change materially for the remainder of the Company's financial year.

## CORPORATE GOVERNANCE

(continued)

## DIRECTORS' RESPONSIBILITIES STATEMENT

We confirm to the best of our knowledge that:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting*;
- the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (being an indication of important events that have occurred during the Period, their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (being any related party transactions that have taken place in the Period and that have materially affected the financial position or performance of the Company during the Period and any changes in the related party transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Company in the Period).

This responsibility statement was approved by the Board on 12 March 2024.

On behalf of the Board



**WILL WHITEHORN**

Chair

12 March 2024



# FINANCIAL STATEMENTS

# CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2023

	Note	For the period ended 31 December 2023			For the period ended 31 December 2022		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Investment gain/(loss)</b>							
Net gain/(loss) on investments held at fair value through profit or loss	8	-	4,817	4,817	-	(14,927)	(14,927)
		-	4,817	4,817	-	(14,927)	(14,927)
<b>Expenses</b>							
Management fee	4	(1,422)	-	(1,422)	(1,543)	-	(1,543)
Performance fee	4	-	-	-	-	-	-
Other operating expenses	5	(772)	-	(772)	(931)	-	(931)
<b>Total expenses</b>		<b>(2,194)</b>	<b>-</b>	<b>(2,194)</b>	<b>(2,474)</b>	<b>-</b>	<b>(2,474)</b>
<b>Operating (loss)/profit for the period</b>		<b>(2,194)</b>	<b>4,817</b>	<b>2,623</b>	<b>(2,474)</b>	<b>(14,927)</b>	<b>(17,401)</b>
<b>Finance income</b>							
Interest income		295	-	295	93	-	93
<b>Total finance income</b>		<b>295</b>	<b>-</b>	<b>295</b>	<b>93</b>	<b>-</b>	<b>93</b>
<b>(Loss)/profit for the period before tax</b>		<b>(1,899)</b>	<b>4,817</b>	<b>2,918</b>	<b>(2,381)</b>	<b>(14,927)</b>	<b>(17,308)</b>
Tax	6	-	-	-	-	-	-
<b>(Loss)/profit for the period after tax</b>		<b>(1,899)</b>	<b>4,817</b>	<b>2,918</b>	<b>(2,381)</b>	<b>(14,927)</b>	<b>(17,308)</b>
<b>Profit per share</b>							
<b>Basic and diluted (losses)/earnings per share (pence)</b>		<b>(0.80)</b>	<b>2.03</b>	<b>1.23</b>	<b>0.99</b>	<b>6.24</b>	<b>(7.23)</b>

All Revenue and Capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in either period.

The Total column of this statement is the profit and loss account of the Company, and the Revenue and Capital columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The accompanying notes on pages 42 to 51 form an integral part of these financial statements.

# CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	31 December 2023 £'000	30 June 2023 £'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss	8	197,958	187,428
		<b>197,958</b>	<b>187,428</b>
<b>Current assets</b>			
Trade and other receivables	9	61	88
Cash and cash equivalents	10	26,782	35,309
		<b>26,843</b>	<b>35,397</b>
<b>Current liabilities</b>			
Trade and other payables	11	(473)	(428)
		<b>(473)</b>	<b>(428)</b>
<b>Net current assets</b>		<b>26,370</b>	<b>34,969</b>
<b>Net assets</b>		<b>224,328</b>	<b>222,397</b>
<b>Equity</b>			
Share capital	12	2,394	2,394
Share premium	12	60,377	60,377
Treasury shares	12	(987)	-
Other reserves	12	173,176	173,176
Retained losses		(10,632)	(13,550)
<b>Total shareholders' funds</b>		<b>224,328</b>	<b>222,397</b>
Number of shares in issue at period end	13	237,198,584	239,384,928
<b>Net assets per share (pence)</b>		<b>94.57</b>	<b>92.90</b>

The interim financial statements on pages 38 to 41 were approved and authorised for issue by the Board of Directors on 12 March 2024 and signed on its behalf by:



**WILL WHITEHORN**  
Chair



**SUE INGLIS**  
Director

The accompanying notes on pages 42 to 51 form an integral part of these financial statements.

# CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2023

Note	Share capital £'000	Share premium £'000	Treasury shares £'000	Special distributable reserve £'000	Retained (losses)/earnings Revenue £'000	Capital £'000	Total £'000
	2,394	60,377	-	173,176	(8,789)	(4,761)	222,397
12	-	-	(987)	-	-	-	(987)
	-	-	-	-	(1,899)	4,817	2,918
<b>Total shareholders' funds at 31 December 2023</b>	<b>2,394</b>	<b>60,377</b>	<b>(987)</b>	<b>173,176</b>	<b>(10,688)</b>	<b>56</b>	<b>224,328</b>

For the six months ended 31 December 2022

Note	Share capital £'000	Share premium £'000	Treasury shares £'000	Special distributable reserve £'000	Retained (losses)/earnings Revenue £'000	Capital £'000	Total £'000
	2,394	60,377	-	173,176	(4,286)	7,655	239,316
	-	-	-	-	(2,381)	(14,927)	(17,308)
<b>Total shareholders' funds at 31 December 2022</b>	<b>2,394</b>	<b>60,377</b>	<b>-</b>	<b>173,176</b>	<b>(6,667)</b>	<b>(7,272)</b>	<b>222,008</b>

The accompanying notes on pages 42 to 51 form an integral part of these financial statements.

# CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2023

Note	For the period ended 31 December 2023 £'000	For the period ended 31 December 2022 £'000
<b>Cash flows from operating activities</b>		
Profit/(loss) for the period before tax	2,918	(17,308)
Adjustments for:		
Purchase of investments	(5,713)	(17,623)
Disposal of investments	8	3,341
Unrealised movement in fair value of investments	8	12,967
Realised loss on disposal of investments	8	1,960
Movement in payables	11	(73)
Movement in receivables	9	31
<b>Net cash used in operating activities</b>	<b>(7,540)</b>	<b>(16,705)</b>
<b>Cash flows from financing activities</b>		
Share buy-backs	12	(987)
<b>Net cash generated from financing activities</b>	<b>(987)</b>	<b>-</b>
Net movement in cash and cash equivalents during the period	(8,527)	(16,705)
Cash and cash equivalents at the beginning of the period	35,309	57,650
<b>Cash and cash equivalents at the end of the period</b>	<b>10</b>	<b>40,945</b>

The accompanying notes on pages 42 to 51 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2023

## 1. GENERAL INFORMATION

The Company is an externally managed closed-ended investment company, incorporated in England and Wales on 14 May 2021 with registered number 13395698. The Company's ordinary shares were admitted to trading on the London Stock Exchange's main market on 14 July 2021.

## 2. MATERIAL ACCOUNTING POLICIES

### Basis of preparation

The condensed financial statements have been prepared in accordance with UK-adopted IAS 34 *Interim Financial Reporting*. Where presentational guidance set out in the AIC SORP is consistent with the requirements of UK-adopted IAS, the Directors have sought to prepare the condensed financial statements on a basis compliant with the recommendations of the AIC SORP. In particular, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the total Statement of Comprehensive Income. The determination of whether an item should be recognised as revenue or capital is carried out in accordance with the principles and recommendations set out in the AIC SORP. The Directors have chosen to apply the non-allocation approach, so all indirect costs are charged to the Revenue column of the Statement of Comprehensive Income.

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the preparation of the Company's annual financial statements for the year ended 30 June 2023. These accounting policies are expected to be applied in the Company's financial statements for the year ended 30 June 2024.

The annual financial statements were prepared on the historic cost basis, as modified for the measurement of certain financial instruments held at fair value through profit or loss and in accordance with UK-adopted International Accounting Standards and those parts of the Companies Act 2006 applicable to companies under International Financial Reporting Standards.

These condensed financial statements do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and do not include all information and disclosures required in an Annual Report. They should be read in conjunction with the Company's Annual Report for the year ended 30 June 2023.

In these financial statements values are rounded to the nearest thousand (£'000).

## NOTES TO THE FINANCIAL STATEMENTS

(continued)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Going concern

The Company's cash balance at 31 December 2023 was £26.8m which was sufficient to cover its liabilities of £0.5m at that date and any foreseeable expenses for a period of at least 12 months from the date of approval of these financial statements, including in severe but plausible downside scenarios.

The Company's cash balance is comprised of cash held on deposit with substantial global financial institutions with strong credit ratings and the risk of default by the counterparties is considered extremely low. The major cash outflows of the Company are expected to be for the acquisition of new and/or follow-on investments, which are discretionary. The Company is closed-ended and there is no requirement for the Company to buy back or redeem shares.

Heightened inflation rates and interest rates continue to depress the macroeconomic environment, impacting global markets. Capital markets and the Company's share price and investments continue to experience volatility which remains a risk to the Company. The Directors and Investment Manager continue to consider the following specific key potential impacts:

- increased volatility in the fair value of investments;
- uncertainty regarding the Company's ability to raise additional capital and support the existing portfolio; and
- disruptions to business activities of the underlying investments.

In considering these key potential impacts, the Directors and Investment Manager have assessed them with reference to the Company's risk framework and mitigation measures in place.

Having made inquiries, the Board is satisfied that the Company's service providers have robust processes in place in order to continue to provide the required level of services to the Company, and to maintain compliance with laws and regulations, in the face of the challenges arising as a result of the weak macroeconomic environment. There have been no operational difficulties encountered or disruption in service to date.

Based on the assessment outlined above, including the various risk mitigation measures in place, the Directors do not consider that the impact of a weak global macroeconomic environment has created a material uncertainty over the assessment of the Company as a going concern.

On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

(continued)

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires the application of estimates which may affect the results reported in the financial statements. Estimates, by their nature, are based on judgement and available information.

Further details of these judgements, estimates and assumptions made by the Directors are given in the annual financial statements for the year ended 30 June 2023.

## 4. MANAGEMENT AND PERFORMANCE FEES

## Management fee

Under the Investment Management Agreement, the Investment Manager is entitled to a management fee of 1.25% per annum of NAV up to £300m and 1.00% per annum of NAV above £300m, payable quarterly in advance.

Management fees incurred in the Period were £1.42m (2022: £1.54m), of which £Nil was payable to the Investment Manager as at 31 December 2023.

## Performance fee

Under the Investment Management Agreement, the Investment Manager is also entitled to a performance fee of 15% over an 8% hurdle with full catch-up, calculated on NAV annually. The performance fee is only payable where the adjusted NAV at the end of a performance period exceeds the higher of the performance hurdle and a high water mark. The accrued performance fee will only be paid to the extent that the aggregate of the net realised profits on unlisted investments, net unrealised gains on listed investments and income received from investments during the relevant performance period is greater than the performance fee payable and, to the extent that such aggregate is less than the performance fee payable, an amount equal to the difference shall be carried forward and included in the performance fee payable as at the end of the next performance period. Subject to the Takeover Code, the Investment Manager is required to reinvest 15% of any performance fee paid in shares of the Company. Full details of the performance fee are set out in the Company's IPO prospectus, which is available on the Company's website (<https://investors.seraphim.vc/>).

No performance fee was accrued for or paid to the Investment Manager for the Period.

## 5. OPERATING EXPENSES

	Period ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Legal & professional fees	186	258
Administration & depository fees	128	111
Directors' fees	114	115
Insurance expense	11	12
Irrecoverable VAT	26	66
Audit of statutory financial statements	50	33
Other operating expenses	257	336
<b>Total operating expenses</b>	<b>772</b>	<b>931</b>

## NOTES TO THE FINANCIAL STATEMENTS

(continued)

## 6. TAX

As an investment trust, the Company is exempt from UK corporation tax on capital gains arising on the disposal of shares. Capital profits from its creditor loan relationships or derivative contracts are exempt from UK tax where the profits are accounted for through the Capital column of the Statement of Comprehensive Income, in accordance with the AIC SORP.

No tax liability has been recognised in the financial statements.

	Period ended 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000
UK corporation tax charge on profits for the Period at 25%	-	-	-
	Period ended 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000
Return on ordinary activities before tax	(1,899)	4,817	2,918
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25%	(475)	1,204	729
Effects of:			
Non-taxable gains on investments	-	(1,204)	(1,204)
Disallowable Expenses	2	-	2
Excess management expenses not utilised in the Period	473	-	473
<b>Total tax charge</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31 December 2023 the Company has not recognised a deferred tax asset of £2,578,708 arising as a result of having unutilised management expenses carried forward at the Period end of £10,314,832 based on a corporation tax rate of 25%. These expenses will only be utilised if the tax treatment of the Company's income and chargeable gains changes or if the Company's investment profile changes.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue to meet for the foreseeable future) the conditions for approval as an investment trust company.

## 7. EARNINGS PER SHARE

	Period ended 31 December 2023			Period ended 31 December 2022		
	Revenue	Capital	Total	Revenue	Capital	Total
(Loss)/profit attributable to equity - £'000	(1,899)	4,817	2,918	(2,381)	(14,927)	(17,308)
Weighted average number of ordinary shares in issue		237,754,730			239,384,928	
Basic and diluted (losses)/earnings per share in the period (pence)	(0.80)	2.03	1.23	(0.99)	(6.24)	(7.23)



## NOTES TO THE FINANCIAL STATEMENTS

(continued)

## 8. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

Period ended 31 December 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Opening balance	3,171	1,637	182,620	187,428
Investment additions	-	-	5,713	5,713
Change in fair value	(503)	514	4,623	4,634
Change in fair value – foreign exchange movement	37	13	133	183
Net (loss)/gain on investments held at fair value through profit or loss	(466)	527	4,756	4,817
<b>Closing balance</b>	<b>2,705</b>	<b>2,164</b>	<b>193,089</b>	<b>197,958</b>

Year ended 30 June 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Opening balance	16,236	2,373	167,474	186,083
Investment additions	-	-	17,102	17,102
Investment disposals	(3,341)	-	-	(3,341)
Transfers from Level 3 to Level 1	103	-	(103)	-
Loss on disposals	(1,358)	-	(602)	(1,960)
Change in fair value	(7,569)	(525)	4,427	(3,667)
Change in fair value – foreign exchange movement	(900)	(211)	(5,678)	(6,789)
Net loss on investments held at fair value through profit or loss	(9,827)	(736)	(1,853)	(12,416)
<b>Closing balance</b>	<b>3,171</b>	<b>1,637</b>	<b>182,620</b>	<b>187,428</b>

During the year ended 30 June 2023 investments with a fair value at 30 June 2023 of £0.1m were transferred from Level 3 to Level 1 due to the Nightingale IPO and listing in November 2022.

## NOTES TO THE FINANCIAL STATEMENTS

(continued)

## 8. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

## Fair value measurements

The Company measures fair value using the following fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows:

- Level 1: Quoted price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs that are not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The objective of the valuation techniques used is to arrive at a fair value measurement that reflects the price that would be received if an asset was sold or a liability transferred in an orderly transaction between market participants at the measurement date.

The following table analyses, within the fair value hierarchy, the Company's investments measured at fair value at 31 December 2023.

As at 31 December 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed investments	2,705	2,164	-	4,869
Unlisted investments	-	-	193,089	193,089
	<b>2,705</b>	<b>2,164</b>	<b>193,089</b>	<b>197,958</b>

As at 30 June 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed investments	3,171	1,637	-	4,808
Unlisted investments	-	-	182,620	182,620
	<b>3,171</b>	<b>1,637</b>	<b>182,620</b>	<b>187,428</b>

## NOTES TO THE FINANCIAL STATEMENTS

(continued)

## 8. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The Level 1 investments were valued by reference to the closing bid prices of each portfolio company on the reporting date.

Due to their nature, the unlisted investments are always expected to be classified as Level 3 as these are not traded and their fair values will contain unobservable inputs.

## Significant unobservable inputs for Level 3 valuations

The fair value of unlisted securities is established with reference to the International Private Equity and Venture Capital Association Valuation Guidelines and the Company may base valuations on the calibrated price of recent investment in the portfolio companies, comparable milestones or multiples of earnings or revenues where applicable. An assessment will be made at each measurement date as to the most appropriate valuation methodology.

The valuation methodologies applied involve subjectivity in their significant unobservable inputs and the table below outlines these inputs.

Valuation methodology	Fair value (£m)	Unobservable input
<b>Level 1</b>		
Available market price	2,705	n/a
<b>Level 2</b>		
Available market price	2,164	n/a
<b>Level 3</b>		
Calibrated price of recent investment (<3 months)	2,148	Transaction price and company performance
Calibrated price of recent investment (3-6 months)	35,040	Transaction price and company performance
Calibrated price of recent investment (>6 months)	22,483	Transaction price and company performance
Calibrated price of recent investment (>12 months)	7,636	Transaction price and company performance
Premium to price of recent investment	45,398	Premium percentage
Partial write down to price of recent investment	44,551	Write down percentage
Discount to price of recent investment (post Period)	32,248	Uncertainty discount
Milestone multiples	3,585	Weightings and discount to comparables/multiples
<b>Total</b>	<b>197,958</b>	

Details of significant holdings as required by Schedule 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008 are set out below.

Name	Country of incorporation	Class of share held	% of nominal value	Capital & reserves (£)	Profit/ (loss) (£)	Year-end of data	Notes
Bamboo Systems Group Limited	UK	A Preference	47%	(1,355,598)	Not publicly available	31-Dec-20	In administration as of 21-Nov-21
PlanetWatchers (UK) Limited	UK	Series Seed 2 Preference	78%	12,106,431	Not publicly available	31-Dec-22	-
		Pre-Series A Preference	29%				
		Series A Preference	43%				

## NOTES TO THE FINANCIAL STATEMENTS

(continued)

## 9. TRADE AND OTHER RECEIVABLES

	31 December 2023 £'000	30 June 2023 £'000
Prepayments	41	78
VAT receivable	20	10
	<b>61</b>	<b>88</b>

## 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash held by the Company and available on demand. Cash and cash equivalents were as follows:

	31 December 2023 £'000	30 June 2023 £'000
Cash on demand	26,782	35,309
	<b>26,782</b>	<b>35,309</b>

## 11. TRADE AND OTHER PAYABLES

	31 December 2023 £'000	30 June 2023 £'000
Accruals	334	313
Trade creditors	139	115
	<b>473</b>	<b>428</b>

**NOTES TO THE FINANCIAL STATEMENTS**

(continued)

**12. SHARE CAPITAL**

Date	Issued and fully paid	Number of ordinary shares	Share capital £'000	Treasury shares £'000	Share premium £'000	Other reserves £'000	Total £'000
30-Jun-23	Opening balance	239,384,928	2,394	-	60,377	173,176	235,947
31-Dec-23	Share buy-backs in the Period	(2,186,344)	-	(987)	-	-	(987)
<b>31 December 2023</b>		<b>237,198,584</b>	<b>2,394</b>	<b>(987)</b>	<b>60,377</b>	<b>173,176</b>	<b>234,960</b>

On 13 July 2023, the Company announced a share repurchase programme to repurchase ordinary shares in the Company. During the Period, 2,186,344 shares were purchased (2022: Nil). The Company holds 2,186,344 of its ordinary shares in treasury and has 237,198,584 ordinary shares in issue (excluding treasury shares).

**13. NET ASSET VALUE PER SHARE**

	31 December 2023	30 June 2023
Net assets (per Statement of Financial Position)	£224.3m	£222.4m
Number of ordinary shares issued (excluding treasury shares)	237,198,584	239,384,928
<b>Net asset value per share</b>	<b>94.57p</b>	<b>92.90p</b>

**14. RELATED PARTY AND INVESTMENT MANAGER TRANSACTIONS****Directors**

As at 31 December 2023, the Company had four non-executive Directors. Directors' fees (excluding employer national insurance contributions) for the period ended 31 December 2023 amounted to £100k (2022: £100k), of which £Nil was outstanding at the Period end (2022: £Nil).

**Investment Manager**

Seraphim Space Manager LLP has been appointed as the Company's exclusive Investment Manager and AIFM and is responsible for the day-to-day operation and management of the Company's investment portfolio, subject at all times to the overall supervision of the Board.

For the provision of services under the Investment Management Agreement, the Investment Manager earns a management fee and performance fee, as disclosed in note 4.

**NOTES TO THE FINANCIAL STATEMENTS**

(continued)

**15. ULTIMATE CONTROLLING PARTY**

In the opinion of the Board, on the basis of the shareholdings disclosed to it, the Company has no ultimate controlling party.

**16. SUBSEQUENT EVENTS**

Please refer to page 10 for details of the subsequent events in the normal course of business. There are no other significant subsequent events.



**FURTHER  
INFORMATION**

# ALTERNATIVE PERFORMANCE MEASURES

We assess the Company's performance using a variety of measures, some of which are not specifically defined under UK-adopted International Accounting Standards and are therefore termed 'APMs'. Our APMs, which are shown below, are reconciled, where appropriate, to the financial statements through the narrative below. The Board believes that each of the APMs, which are typically used within the listed investment company sector, provide additional useful information to shareholders to help assess the Company's performance.

## SHARE PRICE MOVEMENT

Share price movement in the period, expressed as a percentage.

### 31 December 2023 vs. 30 June 2023

Share price on 30 June 2023	a	27.0p
Share price on 31 December 2023	b	34.4p
<b>Movement</b>	(b-a)/a	<b>27.4%</b>

### 31 December 2023 vs. 31 December 2022

Share price on 31 December 2022	a	45.2p
Share price on 31 December 2023	b	34.4p
<b>Movement</b>	(b-a)/a	<b>-23.9%</b>

## NAV PER SHARE MOVEMENT

Net asset value per share movement in period, expressed as a percentage.

### 31 December 2023 vs. 30 June 2023

NAV per share on 30 June 2023	a	92.90p
NAV per share on 31 December 2023	b	94.57p
<b>Movement</b>	(b-a)/a	<b>1.8%</b>

### 31 December 2023 vs. 31 December 2022

NAV per share on 31 December 2022	a	92.74p
NAV per share on 31 December 2023	b	94.57p
<b>Movement</b>	(b-a)/a	<b>2.0%</b>

## -DISCOUNT/+PREMIUM

The amount by which the market price per share of a listed investment company is either lower (discount) or higher (premium) than the NAV per share, expressed as a percentage of the NAV per share.

		31 December 2023	30 June 2023
NAV per share (note 14 to the financial statements)	a	94.57p	92.90p
Share price	b	34.40p	27.00p
<b>-Discount/+premium</b>	(b-a)/a	<b>-63.6%</b>	<b>-70.9%</b>

## ALTERNATIVE PERFORMANCE MEASURES

(continued)

## ONGOING CHARGES

Operating costs incurred in the period, charged to Revenue or Capital in the Statement of Comprehensive Income, calculated as a percentage of the average published net assets in respect of the period. Operating costs exclude, for this purpose, any performance fee, the costs of acquiring and disposing of investments, any finance costs, taxation and any costs not expected to recur in the foreseeable future. The calculation is performed in accordance with the guidelines issued by the AIC. The table below represents the twelve-month period to the date shown in each case.

		31 December 2023 £'000	30 June 2023 £'000
Investment management fee (note 4 to the financial statements)		2,791	2,912
Other operating expenses (note 5 to the financial statements)		1,692	1,851
Less non-recurring operating expenses		(236)	(442)
Ongoing charges	a	4,247	4,321
Average quarterly NAV	b	223,834	228,604
<b>Ongoing charges ratio</b>	a/b	<b>1.90%</b>	<b>1.89%</b>

The ongoing charges calculated above may differ from the ongoing costs provided in the Company's Key Information Document ("KID"), which represent a 12-month period and are calculated in line with the Packaged Retail and Insurance-based Investment Products Regulation. The ongoing costs in the KID include investment transaction costs.

## PORTFOLIO FAIR VALUE VS. COST

The amount by which the fair value of the assets in the portfolio at the end of the period has changed in relation to the aggregate cost of the assets (adjusted for any disposals), expressed as a percentage of the aggregate cost.

		31 December 2023 £m	30 June 2023 £m
Portfolio fair value (note 8 to the financial statements)	a	198.0	187.4
Aggregate cost of the assets (adjusted for any disposals)	b	195.9	190.2
<b>Portfolio fair value vs. cost</b>	a/b	<b>101.03%</b>	<b>98.50%</b>

# GLOSSARY

**Administrator or Company Secretary:** Ocorian Administration (UK) Limited.

**AI:** artificial intelligence.

**AIC:** The Association of Investment Companies, the trade body for listed closed-ended investment companies.

**AIC SORP:** The Statement of Recommended Practice for the Financial Statements of Investment Trust Companies and Venture Capital Trusts, issued by the AIC as amended from time to time.

**Average quarterly NAV:** Calculated as the mean NAV at each of the four quarter end periods throughout the 12 months ended at the period end.

**Board:** the Board of Directors of the Company.

**Bookings:** contracted future revenues.

**Company or SSIT:** Seraphim Space Investment Trust PLC.

**CY:** Calendar year, a one-year period that begins on 1 January and ends on 31 December.

**Directors:** the Directors of the Company.

**Discount:** the share price of a listed investment company is rarely the same as its NAV per share. When the share price is lower than the NAV per share it is said to be trading at a discount. The discount is the difference between the share price and the NAV per share, expressed as a percentage of the NAV per share.

**ESG:** environmental, social and governance.

**EV:** enterprise value.

**Fair value weighted average:** an average for multiple portfolio companies weighted by each portfolio company's relative fair value.

**FV:** fair value.

**FX:** foreign exchange.

**IAS:** International Accounting Standard.

**IFRS:** the International Financial Reporting Standards, being the principles-based accounting standards, interpretations and the framework by that name issued by the International Accounting Standards Board, to the extent they have been adopted by the UK.

**IoT:** the interconnection via the internet of computing devices embedded in everyday objects, enabling them to send and receive data.

**Investment Management Agreement:** the Investment Management Agreement entered into between the Investment Manager and the Company.

**Investment Manager or Seraphim Space:** Seraphim Space Manager LLP.

**IPEV:** the International Private Equity and Venture Capital Association

**IPO:** initial public offering, being an offering by a company of its share capital to the public with a view to seeking an admission of its shares to a recognised stock exchange.

**London Stock Exchange:** London Stock Exchange PLC.

**NASDAQ:** National Association of Securities Dealers Automated Quotations.

**NAV or net asset value:** the value of the assets of the Company less its liabilities as calculated in accordance with its accounting policies (or, in the context of an ordinary share, the NAV of the Company divided by the number of ordinary shares in issue (but excluding any treasury shares)).

**Period:** the Company's accounting period to which this interim report relates, being the period commencing on 1 July 2023 and ending on 31 December 2023.

**Premium:** a premium occurs when the share price of a listed investment company is higher than the NAV per share. The premium is the difference between the share price and the NAV per share, expressed as a percentage of the NAV per share.

**SAR:** Synthetic Aperture Radar.

## GLOSSARY

(continued)

**SPAC:** special purpose acquisition company.

**SpaceTech:** in the context of a business, an organisation which relies on space-based connectivity and/or precision, navigation and timing signals or whose technology or services are already addressing, originally derived from or of potential benefit to the space sector.

**Total return:** The total return on an investment comprises both changes in the NAV per share or share price and dividends paid to shareholders and is calculated on the basis that all historic dividends have been reinvested in the NAV or shares on the date the shares become ex-dividend.

**Treasury shares:** the Company has the authority to make market purchases of its ordinary shares for retention as treasury shares for future reissue, resale, transfer or cancellation. Treasury shares do not receive distributions and the Company is not entitled to exercise the voting rights attaching to them.

**VC:** venture capital.

# CORPORATE INFORMATION

## Registered Office

5th Floor  
20 Fenchurch Street  
London  
EC3M 3BY

## Board of Directors

Will Whitehorn (Chair)  
Sue Inglis (Senior Independent Director)  
Christina McComb  
Angela Lane

## Investment Manager

Seraphim Space Manager LLP  
2nd Floor  
One Fleet Place  
London  
EC4M 7WS

## Administrator and Company Secretary

Ocorian Administration (UK) Limited  
5th Floor  
20 Fenchurch Street  
London  
EC3M 3BY

## Corporate Brokers

Deutsche Numis, London Branch  
Winchester House  
1 Great Winchester Street  
London  
EC2N 2DB

J.P. Morgan Securities PLC  
25 Bank Street  
Canary Wharf  
London  
E14 5JP

## Legal Adviser

Stephenson Harwood LLP  
1 Finsbury Circus London  
EC2M 7SH

## Depository

Ocorian Depository (UK) Limited  
5th Floor  
20 Fenchurch Street  
London  
EC3M 3BY

## Registrar

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol  
BS99 6ZZ

## Independent Auditor

BDO LLP  
55 Baker Street  
London  
W1U 7EU

## Custodian

Liberum Wealth  
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## Public Relations and Communications

**Adviser**  
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EC1N 8SB

## Identifiers

Website: <https://investors.seraphim.vc/>  
ISIN GB00BKPG0138  
Ticker SSIT  
SEDOL BKPG013  
GIIN GXNBCF.99999.SL.826

Registered Company Number 13395698

# CAUTIONARY STATEMENT

The Annual Report may include statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements are sometimes, but not always, identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Annual Report and include statements regarding the intentions, beliefs or current expectations of the Directors or Investment Manager concerning, amongst other things, the investment objective and investment policy, investment performance, results of operations, financial condition, liquidity, financing strategies and prospects of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

The Company's actual investment performance, results of operations, financial condition, liquidity, financing strategies and prospects may differ materially from the impression created by the forward-looking statements contained in this Annual Report.

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained in this Annual Report to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

