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SPACE INVESTMENT TRUST PLC

# Understanding the Growing Space Industry: From Science Fiction to Science Fact

*The space industry is on the verge of becoming one of the most lucrative sectors in the global economy.*

With the space economy currently valued at \$600 billion and projected to reach \$1.8 trillion by 2035, the opportunity for growth is immense.<sup>1</sup>

The space sector is not just about exploration, it's becoming a multi-faceted industry poised to revolutionise industries and provide exceptional opportunities across the global market.

## SPACE IN OUR EVERYDAY LIVES

Space technology is more integrated into our daily lives than most realise.

From weather forecasting to satellite-enabled communication, space systems power much of the modern world.

As access to space becomes more affordable, the potential applications of space technology are expanding across a range of industries including agriculture, emergency management, communications, sustainability and global security.

For example, satellites are essential for global supply chain management, disaster

response, and broadband connectivity.

One key driver of this growth is the reduction in costs associated with launching and maintaining satellites.

The decline in prices has lowered the barriers to entry for new companies, resulting in an explosion of space-based startups.

These companies are at the forefront of groundbreaking technologies that are revolutionising nearly every industry on Earth, creating transformative solutions with real-world applications that will reshape our world for decades to come.

## A GROWING OPPORTUNITY FOR INVESTORS

As the cost of accessing space continues to decrease, the space sector is rapidly emerging as a dominant industry with immense investment potential.

Already outperforming other tech markets, space startups saw \$8.6 billion in venture capital investment in 2024, marking a 25% year-on-year increase from 2023.<sup>2</sup>

This growth has occurred despite broader market downturns, underscoring the resilience of the space economy.

One key driver of this growth is the dramatic expansion



ICEYE SAR image of San-Francisco

of satellite constellations, groups of interconnected satellites, that enable global data collection and real-time monitoring.

These constellations are transforming industries like transportation, agriculture, and telecommunications.

Much like the early days of personal computers, the internet, and smartphones, the space sector is riding a wave of innovation, unlocking new opportunities for both businesses and investors.

## SPACE'S ROLE IN SOLVING GLOBAL CHALLENGES

The potential for space technologies to help address some of the world's biggest challenges, from climate change and sustainability to global security, is vast.

Space is central to achieving the SDGs (United Nations Sustainable Development Goals), including supporting

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efforts to achieve net zero.

It offers the tools to measure, model, and predict the Earth's vital signs, providing insights that are critical for making informed decisions about resource use and conservation.

These technologies are already making a tangible impact, playing an ever more crucial role in gathering environmental data, monitoring greenhouse gas emissions, and improving weather forecasting. They continue to evolve, their potential to drive sustainable development will grow.

For example, as extreme weather events become increasingly regular, the use of satellites for food security, through tracking deforestation, assessing soil health, and improving crop yields, will become essential.

Space technologies are essential to global security and defence agendas.

Satellites provide real-time global communication, intelligence through earth observation, and precise navigation via GPS, supporting military operations and crisis response.

They also aid in early warning systems for missile threats and natural disasters, enhancing national security and global stability.

### SPACE INVESTMENT OPPORTUNITIES

The space economy is expanding at an exponential rate, and the investment opportunities are diverse.

Nearly 50% of the 18,000 satellites ever launched have been in the past five years, and that number is expected to increase tenfold over the

next decade.

As demand for satellite-based services grows, so too does the market for space infrastructure.

New startups are emerging in areas like direct to cell communications, space-based pharmaceutical research, and in-space servicing.

Some of the world's most valuable private companies, like SpaceX and Blue Origin, are in the space sector, and many startups have already achieved valuations of over \$1 billion.

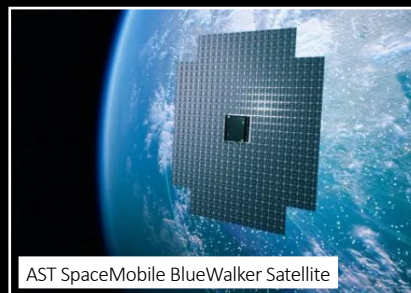
As the space sector continues to mature, it offers an expanding pool of investment opportunities, with new companies focused on innovative technologies that promise to revolutionise a range of industries.

### FUTURE OF SPACE INVESTMENT

With increasing investment from both private companies and governments, space will continue to transform industries and open up new opportunities for investors.

The intersection of space technology with other megatrends, such as AI (artificial intelligence), autonomous transportation, and renewable energy, will only increase the value of space-related investments.

Whether it's through satellite-based data collection, infrastructure development,



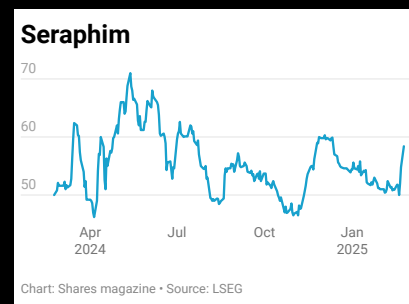
or in-space servicing, the opportunities in space are bound to expand across industries.

The space economy represents a truly unique opportunity for forward-thinking investors.

As new technologies emerge and new applications are realised, the growth potential is exponential. For those looking to participate in one of the most exciting growth sectors of the 21st century, the space industry offers unparalleled opportunities.

**Seraphim Space Investment Trust PLC (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 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.

**Capital at risk. The value of an investment and the income from it can go down as well as up and investors may not get back the amount invested.**



<sup>1</sup> McKinsey & Company. (2024). Space: The \$1.8 Trillion Opportunity for Global Economic Growth. [www.mckinsey.com/industries/aerospace-and-defense/our-insights/space-the-1-point-8-trillion-dollar-opportunity-for-global-economic-growth](https://www.mckinsey.com/industries/aerospace-and-defense/our-insights/space-the-1-point-8-trillion-dollar-opportunity-for-global-economic-growth)

<sup>2</sup> Seraphim. (2024). The Seraphim Space Index, Q4 2024. [www.seraphim.vc/wp-content/uploads/2024/10/seraphimspaceUK-q3-2024\\_v1.pdf](https://www.seraphim.vc/wp-content/uploads/2024/10/seraphimspaceUK-q3-2024_v1.pdf)