BLUESPACE FUND UPDATE

January 2026

Edited by **Juan Luis Mallo**
Head of Institutional Portfolio Management, Partner

The Fund

The BlueSpace Fund is a long-only equity fund investing in the Space Economy sector. Target companies, which are mainly listed in the US and Europe, are involved in the launch industry, satellite manufacturing, space exploration, space infrastructure, broadcasting, broadband connectivity, Internet of Things, 5G and earth observation. The fund invests furthermore in companies that directly benefit from space technologies and that use space data for their products and services. Companies are selected through a financial analysis process coupled with a technical-scientific analysis provided by a leading advisory board.

Update on the Space Economy

SpaceX is absorbing Elon Musk's AI startup **xAI**, in a move that brings together his ventures in space, artificial intelligence, and digital infrastructure under one roof. The deal was confirmed by SpaceX via a memo from Musk, who described the merger as an "innovation engine" combining AI, rockets, space-based internet, and media. While terms were not officially disclosed, sources suggest xAI was valued at $125 billion, with SpaceX at $1 trillion — reinforcing its position as the world's most valuable private company. The merger follows a $2 billion investment from **Tesla** into xAI, as Musk pivots his broader portfolio toward AI and robotics. With plans to sunset two car models in favor of humanoid robot production, Tesla is expected to integrate xAI's technology into its manufacturing systems.

Blue Origin has unveiled **TeraWave**, a satellite network designed to deliver ultra-fast internet — up to 6 terabits per second — to users anywhere on Earth. Aimed at enterprise, government, and data center markets, the system promises global reach with high-performance connectivity. The architecture includes 5,280 satellites in low Earth orbit, responsible for regional coverage using high-frequency radio links, and 128 satellites in medium Earth orbit, which will handle the network's core capacity via optical inter-satellite connections. Together, the two layers form a tightly integrated, globe-spanning system designed for high speed, resilience, and scale. Deployment of the constellation is set to begin in Q4 2027, marking Blue Origin's most aggressive move yet into the satellite communications arena.

BlackSky Technology has secured a wave of Gen-3 expansion contracts, converting several early-access pilot programs into full renewals. The company framed the deals as evidence of strong customer retention, particularly across its expanding international user base. According to BlackSky, the growing demand is being driven by the time-sensitive nature of global geopolitical tensions, which continue to favor AI-driven space-based intelligence solutions.

Airbus has been tapped by **Eutelsat** to build an additional 340 **OneWeb** low Earth orbit satellites, adding to the 100 ordered in December 2024. This brings the total order to 440 next-generation satellites, set to begin delivery at the end of 2026. The new fleet will progressively replace OneWeb's first-generation satellites, many of which are approaching the end of their operational life. With over 600 already in orbit, the refresh signals Eutelsat's long-term commitment to maintaining and upgrading its LEO constellation.

Intuitive Machines has completed its $800 million acquisition of **Lanteris Space Systems** — formerly Maxar Space Systems — in a deal consisting of $450 million in cash and $350 million in LUNR stock. Lanteris brings a strong heritage in spacecraft manufacturing across LEO, MEO, and GEO orbits, supporting missions in missile warning, tactical ISR, Earth observation, and space domain awareness. The acquisition positions Intuitive Machines to expand its footprint in national security, civil, and commercial space markets.

Portfolio Activity

Over the past month, we took a deliberate step back from high-growth, pre-profit space companies, as we observed valuations becoming increasingly stretched amid broader market exuberance. In our view, the market was overshooting, and prudence dictated a reduction in exposure.

As a result, we have been steadily trimming our positions in **Rocket Lab**, **AST SpaceMobile**, **Planet Labs**, and **Intuitive Machines**. These companies remain important players in the emerging space economy but given their current growth-to-profit dynamics, we prefer to re-enter or increase our exposure at more favorable valuations.

In parallel, we rotated capital toward more established and fundamentally stable businesses like **Amazon**, **CACI**, **Garmin**, and **Verisk Analytics**, each offering durable earnings profiles and operational resilience.

We also initiated a position in **Tesla** in light of its growing strategic alignment with **SpaceX**—and increasingly, with **xAI**. While a formal Tesla–SpaceX merger remains speculative, the convergence of these entities suggests the early architecture of a vertically integrated space–AI–energy ecosystem.

Key synergies with space applications are already emerging:

- **Tesla's solar and battery systems** could power orbital data centers and off-world habitats, advancing SpaceX's extraterrestrial infrastructure ambitions.
- **Starship** may serve as the logistical backbone for deploying **Tesla's Optimus robots**, enabling autonomous labor on the Moon, Mars, or in orbit.
- **Starlink** provides a low-latency communications layer that could enhance Tesla's Robotaxi network—and more critically enable persistent connectivity for AI systems operating off-Earth.
- **xAI**, Elon Musk's artificial intelligence venture, could integrate advanced autonomy and decision-making into robotic systems, planetary navigation, and satellite constellation critical components for scalable space operations.

Performance

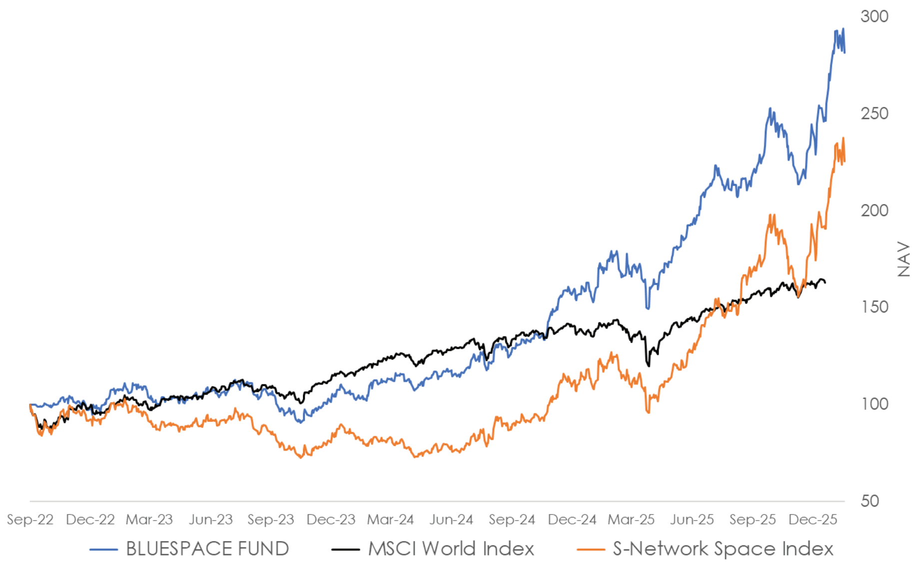
BlueSpace Fund opened 2026 with a solid **+14.2% gain in January**, following an impressive **+55.7%** return in 2025. Since inception, performance now stands at **+181%**, underscoring the strength of our strategy and our continued focus on capturing long-term value across the evolving space and technology landscape.

This early-year strength was driven by standout performances across several holdings. Notably, **AST SpaceMobile** surged **+57%**, followed by **Redwire** at **+55%**, **Spire Global** at +53%, **MDA Space** at **+44%**, and **Planet Labs** at **+38%**. **Eutelsat Communications** advanced **+34%**, while both **Lockheed Martin** and **Viasat** delivered robust **+31%** gains.

The table below outlines the top contributors and detractors to last month's performance:

Positive	%	Negative	%
AST SPACEMOBILE	+1.83	PALANTIR TECHNOLOGIES	-0.55
PLANET LABS	+1.52	TRIMBLE	-0.39
REDWIRE	+1.13	VERISK ANALYTICS	-0.05
MDA SPACE	+1.1	AIRBUS	-0.03
ROCKET LAB	+0.99	GARMIN	-0.03

The chart below illustrates the performance since inception of the BlueSpace Fund, the S-Network Space Index, and the MSCI World Index.:



Investment Trends

Defence and Security: Today more than ever, defense and national security are strategic priorities for governments and international alliances. The structural increase in military spending, the evolution of hybrid threats, and the growing importance of technological sovereignty are benefiting companies active in defense systems, secure communications, dual-use space technologies, and cybersecurity. The sector also enjoys strong political visibility and long-term public investment cycles.

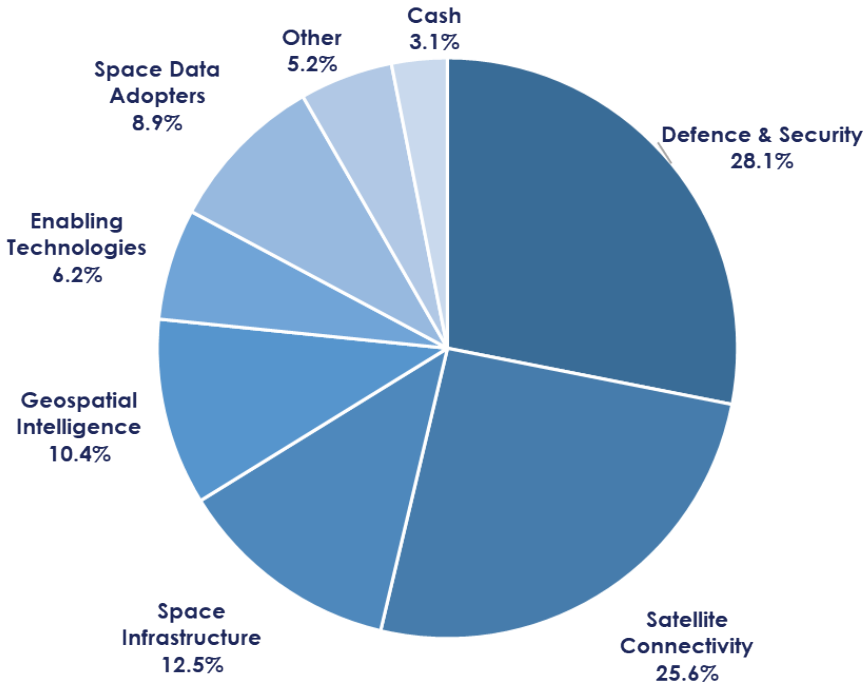
Space Infrastructure: This decade will be marked by the construction of a new orbital infrastructure: thousands of satellites will be built, launched, and operated to support communications, Earth observation, AI, and cloud services from space. New commercial space stations are opening the door to experimentation and manufacturing in microgravity (advanced materials, pharmaceuticals, bioprinting). The Artemis program and upcoming lunar missions ensure long-term public investment in this value chain.

Geospatial Intelligence: Increasingly sophisticated satellite constellations collect multispectral, infrared, radar, and radiofrequency data from Earth in real time. Companies in this segment provide scalable SaaS solutions, turning satellite imagery into strategic insights for defense, agriculture, logistics, climate science, and risk management. The convergence of AI, cloud, and space-based observation is at the core of this new form of geospatial intelligence.

Satellite Connectivity: LEO, MEO, and GEO constellations enable high-speed, low-latency internet access anywhere on Earth — from remote areas and open seas to regions with no terrestrial infrastructure. Thanks to direct-to-device technologies, everything from smartphones to industrial IoT devices can now communicate directly with satellites, creating a global network independent of the ground. This key segment bridges the digital divide and supports mission-critical applications on a planetary scale.

Enabling Technologies: Companies providing essential technologies — such as sensors, optical components, semiconductors, and advanced engineering services — to build, integrate, and operate space infrastructure and missions. These players are the backbone of the space value chain, ensuring reliability, innovation, and scalability for satellites, payloads, launch vehicles, modules, and communications networks.

Strategic Data Adopters: Companies that, while not directly operating in the space sector, derive economic benefit from the expansion of the space economy. These include technology, industrial, or financial operators that leverage space-based data and services (e.g., geolocation, analytics, connectivity) to enhance their offerings, enter new markets, or support innovation in their verticals.


Cash
3.1%
Other
5.2%
Space Data
Adopters
8.9%
Defence & Security
28.1%
Enabling
Technologies
6.2%
Geospatial
Intelligence
10.4%
Space
Infrastructure
12.5%
Satellite
Connectivity
25.6%