BLUESPACE FUND UPDATE

October 2026



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BLUESTAR
Investment Managers

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

Rocket Lab has signed the largest commercial contract in its history for the Electron launch vehicle, reaching an agreement with Japan's Synspective for 20 dedicated launches between 2028 and 2031. The agreement strengthens Electron's competitive positioning in the small launch vehicle market and provides greater visibility into future revenues. At the same time, the company announced a further postponement of Neutron's inaugural flight, its new medium-lift launch vehicle, now scheduled for 2027 due to manufacturing challenges related to carbon fiber structures. Although disappointing, the delay comes amid a growing shortage of launch capacity, also driven by SpaceX's gradual transition from Falcon 9 to Starship. This dynamic could create significant commercial opportunities for Neutron once operational, although risks related to the program's execution remain.

SpaceX has completed a series of missions confirming the versatility and strategic importance of its launch infrastructure. The Transporter-18 mission delivered 130 payloads into orbit, including Earth observation satellites and technology demonstrators dedicated to space-based power transmission, orbital computing, and satellite servicing. On the crewed mission front, Crew-13 transported four astronauts to the International Space Station, while the CRS-35 cargo mission delivered nearly 2.9 tons of supplies, scientific equipment, and new solar panels. In the military sector, a Falcon 9 launched 21 Northrop Grumman satellites intended for a U.S. military communications network designed to ensure secure transmissions and support missile tracking. Finally, the Bandwagon-5 rideshare mission carried 32 payloads, including satellites for testing advanced propulsion and data transmission systems, as well as SpaceX's second Starfall reentry vehicle, developed for microgravity research, in-orbit manufacturing, and the return of materials to Earth.

Voyager Technologies has secured a $22.4 million contract with the Pentagon to develop small satellite deployment systems for the U.S. Space Force. The objective is to leverage unused payload capacity on national security launches, allowing additional satellites to be placed into orbit without interfering with primary missions. The project will build on the experience gained through Nanoracks, a group company that has operated satellite deployment systems from the International Space Station and other spacecraft for more than a decade.

The direct-to-smartphone satellite connectivity market, or Direct-to-Device, is undergoing a period of rapid evolution. SpaceX has reached an agreement to acquire additional spectrum in the 800 MHz band, aiming to improve indoor coverage for Starlink Mobile and develop connectivity services comparable to 5G directly on mobile phones, integrating satellite and terrestrial infrastructure. In Europe, four major telecommunications operators are evaluating a joint initiative to secure spectrum in the S-band and develop mobile satellite services, with particular attention to technological sovereignty and the resilience of European networks.

These developments are taking place against a backdrop of growing competition for access to radio spectrum, as satellite operators and telecommunications companies explore new partnerships to expand coverage and develop hybrid network architectures.

Amazon Leo has successfully completed a demonstration of its satellite Internet service for the U.S. military, achieving download speeds exceeding 400 Mbps through its low Earth orbit constellation and an electronically steered phased-array antenna. The test represents an important step in Amazon's expansion into the military satellite communications market, currently dominated by SpaceX's Starlink and Starshield services. Further demonstrations are planned, focusing on connectivity on the move, higher transmission speeds, and integration with military tactical networks. Meanwhile, Amazon continues to expand its constellation, with 396 satellites already launched against an initial target of more than 3,200, and is preparing to launch commercial services in selected markets by the end of 2026.

Finnish companies **ICEYE** and **Nokia** have launched a collaboration to develop secure and independent broadband satellite networks, primarily intended for governments and public institutions, with the first systems expected in 2028. **Ukraine** has already signed a preliminary agreement to evaluate the development of its own satellite network, following recent restrictions on Starlink services that have highlighted the strategic risks associated with dependence on a single provider. The partnership also marks an important diversification for ICEYE, which has so far specialized in Earth observation using SAR radar, and reflects Europe's growing determination to develop autonomous and secure space-based communications infrastructure.

HawkEye 360 has expanded its radiofrequency intelligence constellation with six new satellites, launched aboard SpaceX and Rocket Lab rockets, bringing its total fleet to 39 satellites. The new spacecraft incorporate more advanced RF sensors and introduce a commercial model based on dedicated capacity, allowing customers to secure priority in intelligence collection over specific geographic areas through multi-year contracts. Separately, the company completed an 18-month demonstration showing how its satellites, originally designed to detect radio signals originating from Earth's surface, can also detect and identify transmissions emitted by other satellites in different orbits. This new capability could complement traditional space surveillance systems by providing information on satellite communications, operational behavior, and anomalies, with applications in both military intelligence and commercial monitoring of orbital activities.

BlackSky Technology has secured two new international agreements to provide high-resolution satellite imagery and intelligence services. The first is a six-figure pilot contract with a new sovereign government customer, which will have on-demand access to imagery collected by Gen-3 satellites, capable of achieving a resolution of 35 centimeters. The second involves a seven-figure expansion of a contract with an existing defense customer, whose demand for priority satellite acquisitions has doubled in less than six months. Both agreements leverage BlackSky's automated intelligence platform and its Assured service, which guarantees observation capacity over predefined geographic areas. The contracts confirm growing international demand for high-resolution imagery, continuous monitoring, and sovereign access to information collected from space.

Planet Labs is strengthening its European presence through the establishment of a new satellite manufacturing facility in Berlin and a contract to provide Earth observation data and analytics to German civilian government agencies. The company aims to achieve a production capacity of 60 Pelican satellites per year by the end of 2027, while simultaneously expanding collaborations with defense and intelligence customers through dedicated satellite capabilities and secure data management infrastructure. Planet is also integrating artificial intelligence with its extensive archive of satellite imagery, developing applications ranging from military surveillance and intelligence analysis to environmental monitoring, agriculture, and urban planning. The company is also continuing to develop next-generation satellite technologies, including hyperspectral imaging capabilities, to enhance the precision and range of its Earth observation services.

NASA is reviewing certain aspects of the **Artemis** program to maintain its goal of returning astronauts to the lunar surface in 2028, while continuing to evaluate both landers developed by **SpaceX** (**Starship**) and **Blue Origin** (**Blue Moon**). The agency is examining alternative mission architectures, including modifications to orbital rendezvous procedures, propellant transfer operations, and upper-stage configurations of the **Space Launch System**. Ahead of the lunar landing attempt, Artemis 3 is scheduled for 2027 as a crewed test mission in low Earth orbit, featuring docking demonstrations with prototypes of the two lunar landers. However, uncertainties remain regarding the timeline, primarily related to supply chain constraints, technical complexities, and delays in the development of the systems required for the return to the Moon.

Honda and Redwire have launched a collaboration to develop robotic systems for future commercial space stations. The project will combine the robotic hand developed by Honda with Redwire's Staark arm, creating a solution capable of assisting astronauts in managing scientific experiments and laboratory activities. With the International Space Station expected to be retired in 2030, automation and robotics will become increasingly important in ensuring the operation of new commercial stations, designed to function with smaller crews and a greater degree of autonomy.

Portfolio Activity

In October, we decided to deploy the fund's remaining cash and significantly increase our exposure to companies in the New Space segment, as we believe valuations have returned to more reasonable levels and, in some cases, have become particularly attractive compared with the excesses seen last spring. With this in mind, we purchased shares of HawkEye 360, Intuitive Machines, Firefly Aerospace, Voyager Technologies, Rocket Lab, AST SpaceMobile, Planet Labs and MDA Space. We are convinced that recent share price performance does not adequately reflect the quality of the underlying companies' fundamentals and growth prospects. We therefore decided to increase the weight of this segment within the portfolio, also ahead of the upcoming quarterly earnings releases.

At the same time, we financed part of these purchases by reducing our exposure to certain companies that had recorded strong share price gains, including Palantir, Garmin and Viasat, as well as to the traditional defense sector, taking advantage of the rallies that followed the excellent quarterly results of Lockheed Martin, Northrop Grumman and L3Harris Technologies. The sector's fundamentals remain extremely solid: growing demand for missile systems, air defense and advanced technologies continues to support revenues, margins and order backlogs, often at record levels. Companies are also accelerating investments in production capacity, providing good visibility into growth over the coming years.

The objective of these transactions was to deliberately increase the fund's risk profile, following a period in which we prioritized capital preservation, successfully limiting losses during the recent sector correction. We believe that current valuations of New Space companies once again offer an attractive risk/reward profile, and we have therefore decided to position the portfolio more aggressively, with the aim of participating more fully in a potential sector recovery and accelerating the recovery in performance.

Performance

BlueSpace Fund recorded a decline of 1.8% in October, bringing its year-to-date performance to +17%.

Among the main negative contributors was AST SpaceMobile (-30%), which was negatively affected by SpaceX's plans to enter the mobile telecommunications market directly through its Starlink Mobile service. This development has fueled concerns about increasing competitive pressure, but we believe the market's reaction has been excessive. SpaceX's entry represents a potential threat not only to AST SpaceMobile, but also to traditional mobile operators, which risk facing a new competitor. We therefore believe that these operators are likely to be incentivized to accelerate the development and commercialization of the satellite services offered by AST SpaceMobile, strengthening its role as a strategic partner.

Rocket Lab (-19%), on the other hand, was negatively affected by the announcement from CEO Peter Beck of a further postponement of the inaugural launch of Neutron, the new medium-lift rocket designed to compete in the market for larger satellite launches. The news reignited investor concerns about the program's development timeline and costs, delaying the potential generation of revenues from this new platform. However, we believe that the delay does not undermine the validity of the industrial project or the progress made by the company in its other activities, particularly in the production of satellites and space components.

More broadly, numerous companies in the New Space segment recorded double-digit losses in a particularly challenging month for small-cap growth stocks. In our view, these corrections appear in many cases disconnected from the evolution of corporate fundamentals, which continue to show industrial progress and attractive growth prospects. It is precisely in this context that our contrarian approach comes into play,

aiming to capture the opportunities offered by valuations that have returned to more attractive levels following the excesses of last spring.

On the positive side, the traditional defense sector stood out, supported by particularly strong quarterly results. **Lockheed Martin** (**+25%**) benefited from the sharp acceleration in demand for missile and air defense systems, while **Northrop Grumman** (**+15%**) reported an improvement in margins and raised its full-year guidance. **L3Harris Technologies** (**+17%**) also delivered an excellent performance, thanks to growth in its Space & Mission Systems activities and the announcement of a record order backlog. Overall, the sector continues to benefit from structurally high demand, supporting revenue and earnings growth and providing good visibility into industrial prospects over the coming years.

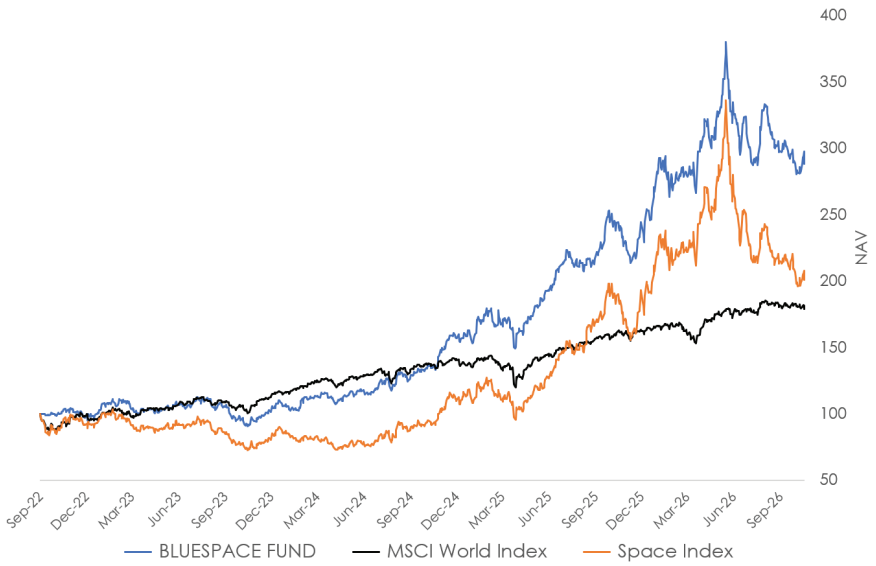
Leidos Holdings (**+17%**) also performed very well, benefiting from a market revaluation ahead of the award of the new **VBA** contract. We remain convinced that the stock still offers significant recovery potential, considering the strength of its fundamentals and the company's strategic role in the U.S. **Defence Tech** sector.

In Europe, **Eutelsat Communications** (**+16%**) stood out, benefiting from growing concerns about Europe's strategic dependence on **Starlink**, heightened by recent service restrictions in Ukraine. These developments have brought renewed attention to the need for alternative and sovereign satellite communications infrastructure, highlighting the strategic importance of the **OneWeb** constellation. Eutelsat remains one of the key players in Europe's path toward greater autonomy in satellite communications, also thanks to its participation in the **IRIS²** program.

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

Positive	%	Negative	%
LOCKHEED MARTIN	+0.72	AST SPACEMOBILE	-0.78
LEIDOS HOLDINGS	+0.63	INTUITIVE MACHINES	-0.71
TRIMBLE	+0.49	ROCKET LAB	-0.66
L3HARRIS TECHNOLOGIES	+0.49	SPACEX	-0.56
NORTHROP GRUMMAN	+0.42	FIREFLY AEROSPACE	-0.51

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



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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.

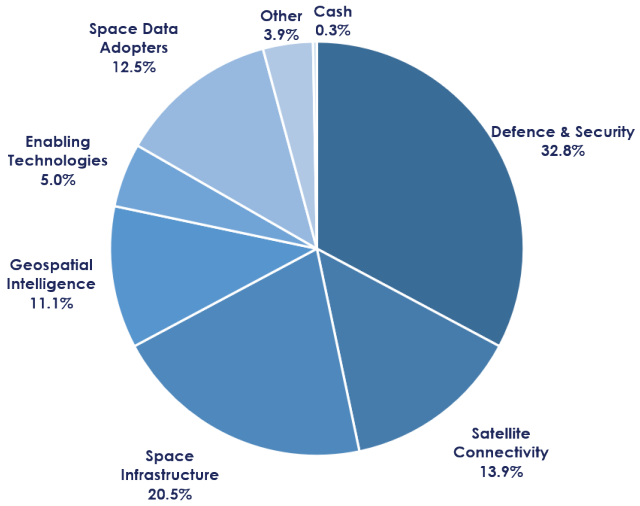
Space Infrastructure: This decade will be marked by the construction of a new orbital infrastructure: thousands of satellites will be built, launched, and operated to support communications, Earth observation, AI, and cloud services from space. New commercial space stations are opening the door to experimentation 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.



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