THE MONTHLY
JANUARY 2026

Featuring

HARDMAN & CO HEALTHCARE INDEX

By Dr Martin Hall

Plus

COMPANY UPDATES

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Specific comments have been made in this report on the following companies:

Hardman & Co Healthcare Index

Enforced changes to constituent companies

M&A, delisting and administration have enforced changes to the index

As seen in previous years, there have been some enforced changes to the composition of the HHI following a number of M&A transactions, delistings to become private again and, unfortunately, some companies going into administration. During 2025, there were five M&A deals completed, the largest being the acquisition of Assura Group (AGR.L) by Primary Health Properties (PHP.L) after a prolonged battle with a private equity group. We have taken this opportunity to replace PHP in our index, as it is essentially a property company rather than a healthcare company, albeit it does provide premises for healthcare providers. Moreover, we had some additional unexpected changes during the year, with 11 healthcare companies delisting – not all of these were included in our index – and becoming private again as a consequence of finding it difficult to raise new capital at sensible valuations, and two companies, unfortunately, going into administration. Overall, we have replaced nine companies with a combined market capitalisation of £2.86bn (at 31 Dec 2024; £3.44bn less the £0.56bn M&A appreciation by the date of completion), representing 14.5% of the index, as shown in the following table.

Changes to HHI composition

Company	Reason	*Mkt cap (£m)
Deletions		
Alliance Pharma	Acquired by major shareholder	**-337.9
Assura	Acquired by Primary Health Properties	**-1,735.6
BenevolentAI	Delisted from AMS – taken private	-38.5
Deltex Medical Group	Delisted from AIM – taken private	-1.5
Oncimmune	Administration	-18.7
Polarean Imaging	Delisted from AIM – taken private	-16.1
Primary Health Properties	Property company	-1,247.0
Synairgen	Delisted from AIM – taken private	-5.5
Tissue Regenix	Delisted from AIM – taken private	-42.2
Total deletions		**-3,443.0**
Positive adjustment	*Share price appreciation due to acquisition*	*+580.0*
Negative adjustment	*Share price fall at point of delisting*	*-112.2*
Total deletions		**-2,975.2**
Additions		
Hikma (50% weighting)	Generic pharmaceuticals	2,196.6
Hutchmed (China) (50%)	Developing oncology drugs	1,024.1
Kooth	Psychiatric services	66.6
One Health Group	Patient data services	35.4
Renalytix	Kidney function testing	35.6
Total additions		**3,358.3**
Adjusted weighting		
Smith & Nephew	From 36% to 33.8%	-383.1
Total additions		**2,975.2**

**31 December 2024; **At completion of acquisition*
Source: Hardman & Co Life Sciences Research

Five additions replaced nine losses…with a minor adjustment to weighting of Smith & Nephew

To keep the balance and broad spectrum of healthcare technologies that are covered by the index, five companies have been added. Together – and allowing for only 50% weighting for both Hikma and Hutchmed – these had a market capitalisation at 31 Dec 2024 of £3,322.9m (£3,358.3m less the valuation of One Health Group, which did not exist at that time point), effectively over-compensating (12.9%) for all of the companies lost. To correct for this, the weighting of the largest company, Smith & Nephew, was reduced from 36% to 33.8%.

Further delistings likely if distressed companies cannot raise new capital

At the time of writing, while there have not been any announcements, there is a threat of further delistings, with a number of small cap stocks cash-constrained and likely to find it difficult to raise new capital from equity markets.

Share price performance of stocks in HHI						
Listing	Company	Ticker	Share price (p) 31 Dec 2024	Share price (p) 31 Dec 2025	Market cap (£m) 31 Dec 2025	Price change (%)
AIM	Abingdon Health	ABDX	7.8	6.4	27.7	-17%
AIM	Advanced Medical Solutions	AMS	197.6	218.0	478.5	10%
AIM	Allergy Therapeutics	AGY	6.5	11.0	675.6	69%
AIM	Arecor	AREC	73.5	80.5	30.4	10%
AIM	Avacta	AVCT	50.0	58.0	253.1	16%
AIM	4basebio	4BB	1,210.0	615.0	95.3	-49%
AIM	Camb. Nutritional Sciences	CNSL	2.8	2.0	4.6	-29%
AIM	CelLBxHealth (Angle)	CLBX	10.3	1.1	12.5	-89%
Main	ConvaTec	CTEC	221.2	243.2	4,774.7	10%
AIM	Creo Medical	CREO	19.5	9.9	40.8	-49%
AIM	Eco Animal Health	EAH	71.0	104.5	70.8	47%
AIM	EKF Diagnostics	EKF	27.0	26.4	115.1	-2%
AIM	Faron	FARN	205.0	180.0	213.4	-12%
AIM	Fusion Antibody	FAB	7.1	14.0	15.9	99%
AIM	Futura Medical	FUM	31.7	1.1	6.5	-96%
AIM	genedrive plc	GDR	2.45	0.88	9.1	-64%
Main	Genus	GNS	1,550.0	2,595.0	1,726.7	67%
Main	Hikma	HIK	1,993.0	1,550.0	3,432.5	-22%
AIM	Hutchmed (China)	HCM	235.0	208.0	1,812.9	-11%
AIM	hVIVO	HVO	20.5	6.3	42.9	-69%
NASDAQ	Immunocore	IMCR	+29.5	+34.7	1,304.5	18%
AIM	ImmuPharma	IMM	1.2	6.2	31.2	412%
NASDAQ	Indivior	INDV	+12.4	+35.9	3,332.9	189%
Main	IP Group	IPO	53.9	58.5	516.8	9%
AIM	Ixico	IXI	11.8	11.8	10.9	0%
AIM	Judges Scientific	JDG	8,450.0	5,700.0	379.1	-33%
AIM	Kooth	KOO	181.5	115.0	41.4	-37%
AIM	Niox Group	NIOX	63.0	66.4	277.5	5%
AIM	Novacyt	NCYT	49.6	35.4	25.0	-29%
AIM	One Health Group	OHGR	0.0	256.0	35.4	-
AIM	Optima Health	OPT	144.0	201.0	178.4	40%
Main	OXB	OXB	420.0	617.0	743.7	47%
AIM	Oxford Metrics	OMG	55.7	49.9	57.3	-10%
AIM	Oxford Nanopore	ONT	128.8	128.4	1,240.2	0%
AIM	Proteome Sciences	PRM	3.4	2.5	7.4	-26%
AIM	Renalytix	RNLX	10.8	5.9	25.8	-45%
AIM	Sareum	SAR	24.5	15.0	20.7	-39%
AIM	Scancell	SCLP	10.8	9.9	102.7	-8%
AIM	SDI Group	SDI	57.5	86.0	89.9	50%
AIM	Shield Therapeutics	STX	2.7	9.9	105.2	265%
NASDAQ	Silence Therapeutics	SLN	+6.9	+6.1	213.7	-12%
AIM	SkinBioTherapeutics	SBTX	18.5	15.8	40.8	-15%
Main	Smith & Nephew	SN.	991.5	1,238.0	10,519.6	25%
Main	Spire	SPI	226.0	167.0	672.6	-26%
AIM	Surgical Innovations	SUN	0.55	0.45	4.2	-18%
Main	Syncona	SYNC	105.6	95.0	577.8	-10%
AIM	Tristel	TSTL	425.0	417.5	199.4	-2%
AIM	ValiRx	VAL	0.8	0.3	2.5	-56%
AIM	Venture Life	VLG	39.3	66.0	83.9	68%

+US$

Source: Company data, Hardman & Co Life Sciences Research

Review of 2025

HHI comprises 49 stocks…

The main function of the HHI is to monitor the performance, and to highlight the attractiveness, of life sciences investments over the long term, and to try to identify those stocks that have disruptive technologies that consistently allow them to outperform both the index and the markets. Many of the 49 constituents of the index are high-risk, with micro-capitalisations and a long way from commercial success and profitability. Despite this, some companies can still make extremely attractive returns for investors. Although pharmaceutical, biotech and healthcare industries have defensive qualities, they are not immune from global economics.

…with disruptive technologies that should allow them to outperform index and markets

Healthcare not immune to global economic pressures and events…

…and is capital-intensive

Furthermore, the development and commercialisation of new drugs and medical technologies is capital-intensive. Given the interlink between inflation and interest rates, coupled with the increased risk-aversion of investors since the middle of 2022, there has been a financing crunch, which particularly affects smaller companies at the earlier stages of drug discovery and development with less robust financial profiles.

Performance of world markets

Although US markets have been generally buoyant…

…stubborn inflation data limited the opportunity to cut interest rates

To put the performance of our, largely, small UK healthcare stocks into perspective, it is sensible to look first at the performance of the major world markets. At the beginning of 2025, global markets were again expecting the major central banks to make a number of interest rate cuts throughout the year. However, as was the case in 2024, with inflation staying stubbornly high and concerns about unemployment levels, the central banks continued to take a more cautious approach, and, while there were cuts in interest rates, they were fewer than originally expected and much later in the year. Further cuts are anticipated through 2026. Add to this, the escalation of global unrest and political instability in a number of countries. Furthermore, there has been considerable uncertainty created by the threats and about-turns seen from the Trump administration in the US.

Overvalued US market did see temporary correction on Trump tariffs…

…but was short-lived with capital being redistributed from “Mag7” to broader market and overseas…

…but major pharmaceuticals did not benefit at that stage

In our review of 2024, we highlighted that many stocks in the US were trading on prospective P/Es of 40x-50x and that a market correction was inevitable. But the question was: what and when will be the trigger? This duly arrived in April following Trump’s initial announcement about the imposition and size of trade tariffs to protect US manufacturing companies and, in the case of microchips, to protect intellectual technologies. However, many portfolio managers used this opportunity to adjust their portfolios, moving some of the huge gains made on the “Mag7”, into the broader US market and into overseas markets, including the UK, where valuations were much more reasonable. This dispersion of capital did not, though, include mainstream pharmaceuticals because the Trump administration specifically targeted the high drug prices in the US – demanding that they matched commercial prices available in other countries – and adopted a particularly negative stance on the benefits of vaccines. Biotechs fared better and were also boosted by a number of significant M&A transactions.

2025 market performance

Index	Ticker	31 Dec 2024	31 Dec 2025	Change
S&P 500	GSPC	5,881.6	6,845.5	16.4%
MSCI All-World (ex-US)	DBAW	33.96	41.22	21.4%
FTSE 100	FTSE100	8,173.0	9,931.4	21.5%
NASDAQ Biotech	NBI	4,310.6	5,707.2	32.4%

Source: LSEG, 2026, Hardman & Co Life Sciences Research

The strong performances of global markets are clearly evident in the table above. In the US, the broad S&P 500 index rose 16.4%, outperforming the “Mag7”. The global index (MSCI All-World (ex-US)) rose 21.4%. In the UK, the FTSE 100 had its best year since 2009, rising 21.5%. The HHI is also compared with the NASDAQ Biotech index, which put in a particularly strong performance, rising 32.4%.

Strong performance by UK healthcare majors in 2025

Performance of UK healthcare majors

After underperformance in recent years, largely the result of a lack of news on drug developments, major pharmaceuticals and healthcare had strong returns in 2025. The best performer was GSK, rising 35.5% followed by AstraZeneca, up 31.7%. Smith & Nephew rebounded after a weak 1H'25 to post an overall gain of 24.9%. All three were ahead of the FTSE 100 index. The exception amongst the major healthcare companies was Haleon, which largely marked time, influenced, in part, by large share sales by its former owners, Pfizer and GSK, and also by difficult trading conditions for consumer products in the US.

US healthcare companies were impacted by the same issues, largely because many of their drugs are manufactured in tax havens and imported into the US, and so, ironically, were also affected by the trade tariffs. However, by the end of the year, many of the issues surrounding drug pricing were obfuscated by pricing agreements with the Trump administration. The average share price rise of the US pharma majors was 18.4% (median 24.9%), with the range from -5.5% (Bristol-Myers Squibb) to +44.3% (Johnson & Johnson).

Performance of healthcare majors, 2024-25

Company	Ticker	Share price (p) 31 Dec 2024	Share price (p) 31 Dec 2025	Change 2025	CAGR 2015-25
AstraZeneca	AZN	10,468	13,790	31.7%	11.6%
GSK	GSK	1,347	1,825	35.5%	2.9%
Haleon	HLN	377	375	-0.6%	-
Smith & Nephew	SN.	992	1,238	24.9%	0.2%

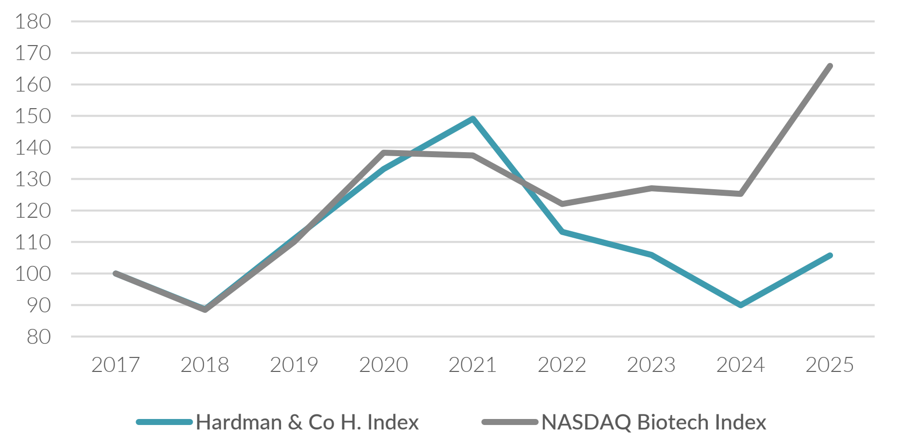
Source: Hardman & Co Life Sciences Research

Given need for more capital, unsurprising 2024 was poor for HHI

Performance of HHI

After three years of underperformance, 2025 recorded a 17.6% rebound in the HHI. Although positive, it was below the strong gains recorded by the major UK healthcare companies and the exceptional performance by the NASDAQ Biotech Index (NBI).

Performance of Hardman Healthcare Index vs. NASDAQ Biotech – rebased



Source: Hardman & Co Life Sciences Research

Having peaked in August 2021 on the back of COVID-19-related benefits, the NBI began to correct. At that point in time, valuations were considered excessive, so a period of low M&A activity resulted. This also coincided with investors becoming more risk-averse. However, in 2025, sector M&A was strong with more than $70bn spent by the end of October, as big pharma looked to rebuild their R&D and refresh commercial pipelines. A few companies were in great demand, resulting in some messy and expensive bidding wars. This greatly benefited the performance of the NBI.

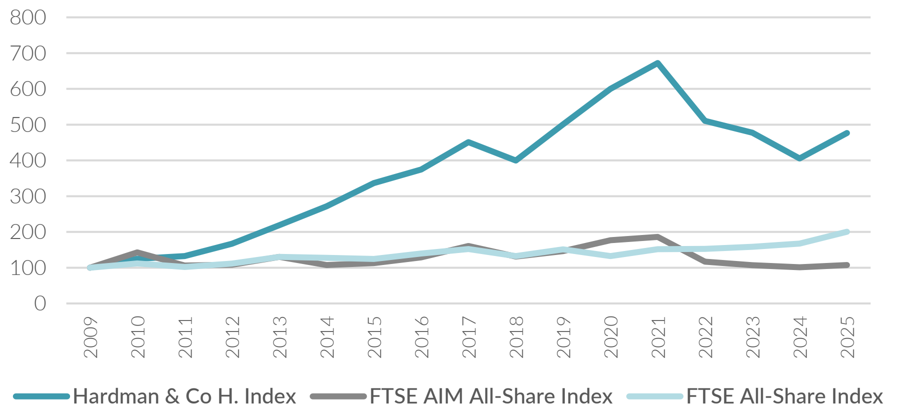
Comparison of Hardman Healthcare Index with London markets, 2009-25

@ 31 Dec	2009 Index	2015 Δ	2016 Δ	2017 Δ	2018 Δ	2019 Δ	2020 Δ	2021 Δ	2022 Δ	2023 Δ	2024 Δ	2025 Δ	CAGR %
Hardman & Co Healthcare Index	**98.4**	23.9%	11.3%	20.4%	-11.4%	25.3%	19.9%	12.0%	-24.1%	-6.5%	-15.1%	17.6%	**10.3%**
FTSE AIM All-Share Index	**654.2**	5.2%	14.3%	24.3%	-18.2%	11.6%	20.7%	5.2%	-37.3%	-8.2%	-5.7%	6.5%	**0.5%**
FTSE All-Share Index	**2,772.0**	-2.5%	12.5%	9.0%	-13.0%	14.2%	-12.5%	14.5%	0.6%	3.8%	5.6%	19.8%	**4.4%**

Source: London Stock Exchange, Hardman & Co Life Sciences Research

In 2025, the HHI underperformed most of its national and international benchmarks – the NBI (peers) and the broad-based FTSE All-Share index. It only outperformed the FTSE AIM All-Share index (small, growth companies). Despite this, since inception, the HHI has seen a CAGR of 10.3%, compared with 4.4% for the FTSE All-Share Index and 0.5% for the FTSE AIM All-Share Index, highlighting the attractiveness of the sector as a long-term investment.

Performance of Hardman Healthcare Index – rebased



Source: London Stock Exchange, Hardman & Co Life Sciences Research

In our opinion, the performance in 2025 had a number of influences. First, as in the US, there was M&A activity, with five companies being acquired, generally at good valuations. Secondly, there were special situations with a number of companies reporting positive developments – clinical trials and/or commercial progress. Thirdly, on the negative side, raising capital was particularly difficult and was often undertaken at big discounts, or companies were taken private so that venture capital markets could be approached for funding.

Movers and shakers

Of the 49 companies included in the HHI, only 19 recorded an increase in their share prices during 2025; three companies were flat over the year and the remaining 27 decreased.

13 companies outperformed and 36 underperformed…

Compared with the movement in the index, 13 companies outperformed and 36 underperformed.

…with big variance between the best and worst

At 509%, the variance between the best- and worst-performing stocks was extremely high compared to historical data, – ImmuPharma (IMM) rising 412% and Futura Medical (FUM) down 96%; the median share price change was -8%. This excludes the two companies that went into administration.

Given the large portfolio of constituent companies, we usually focus on both the top five (outperformers) and the bottom five (underperformers), and try to offer a short explanation as to why the shares performed in the way that they did.

Best and worst performers in 2025 – share price rises and falls

Top five				Bottom five			
Rank	Company	Ticker	Δ	Rank	Company	Ticker	Δ
1	ImmuPharma	IMM	412%	49	ValiRx	VAL	-56%
2	Shield Ther.	STX	265%	50	genedrive plc	GDR	-64%
3	Indivior	INDV	189%	51	hVIVO	HVO	-69%
4	Fusion Antibody	FAB	99%	52	CelLBxHealth	CLBX	-89%
5	Allergy Ther.	AGY	69%	53	Futura Medical	FUM	-96%

Source: Hardman & Co Life Sciences Research

The "top five"

ImmuPharma (IMM)

Newsflow on P140 platform for autoimmune disease drove shares…

…and expected to continue in 2026

The company focus evolved from the clinical development of Lupuzor for the treatment of lupus into the underlying P140 technology platform and the pathogenesis of autoimmune disease following a breakthrough announcement in January 2025. Shortly afterwards, IMM strengthened its balance sheet with a £2.9m capital increase. For the remainder of 2025, IMM regularly updated the market on P140 progress, including the mechanism of action of the platform, expansion of its intellectual property with additional P140 patents, and discussions with big pharma for the potential outlicensing of the P140 platform. This latter point got investors – IMM has a large private retail investor following – driving the share price as high as 19.4p in mid-September, or 17-fold increase. However, excitement was tempered in November with news that partnership discussions were taking longer than originally anticipated, pushing the conclusion of any deal from the end of 2025 into 2026. Despite this, IMM was still the best performer, rising 412% to 6.2p. Management maintains that it has sufficient cash until 4Q'26 and aims to strengthen its balance sheet through the anticipated commercial deals. IMM is expected to be reasonably volatile in the expectation of positive newsflow in 2026.

Shield Therapeutics (STX)

Consistently positive newsflow from STX

Throughout 2025, there has been a steady flow of, generally, positive newsflow from STX, which has resulted in a steady rise in its share price, rising 265% to 9.85p. Key has been news from the US that ACCRUFeR, for iron deficiency anaemia, has seen consistent growth in prescriptions (Rxs) at markedly improved prices. So, although the total number of Rxs has been, consistently, slightly short of expectations, sales have been at least in line and mostly better than forecast because of the improved pricing. In addition, STX has reported a number of positive clinical trials, regulatory submissions and approvals and commercial launches through its partners in a number of other countries. Taken together, management has maintained throughout the year that STX remains on track to turn cashflow-positive by the end of 2025.

Extra capital and refinanced debt

Even though STX was not looking to raise new capital, one institutional investor was impressed with the company's progress and subscribed £1.5m for a near 2% stake in the company. Also, with a stronger balance sheet and consistently improving operational data, STX was able to refinance its debt on better terms and expand its financing facility to allow for possible M&A activity.

Indivior (INDV)

Decision to move its listing to the US vindicated…

…with strong re-valuation…

…and still relatively cheap…

…but risks lie ahead

The main argument for listing its shares in the US was that 85% of Indivior's business was derived from that country. But, of course, management also thought that the company was being seriously undervalued by the UK market. This appears to have been the case, with INDV shares rising 189% to $35.9 in 2025 and the company delisting completely from the LSE. This performance was achieved despite the decision to cease all activities on PERSERIS (re-formulated risperidone (anti-psychotic); in July 2024) and OPVEE (nasal spray for opioid overdose; in 3Q'25), as neither were performing, or likely to perform, in a profitable way, putting even more focus on SUBLOCADE (opioid addiction) and the massive hole in its R&D pipeline. The share price performance was also helped by a rise in sales and EBITDA guidance each quarter for SUBLOCADE and, therefore, the whole company. Whether the outperformance of INDV can continue is open to debate. There is no doubt that the shares are relatively cheap, trading on a 2026 P/E of 12.5x and likely to start paying dividends, but growth can only be achieved through increasing SUBLOCADE's injectable market share and achieving this with a lower cost base. At some point, INDV must address its dependence on opioid addiction and hole in its R&D pipeline.

Fusion Antibody (FAB)

Boosted by several new contracts…

…but sales numbers still very small…

…another cash injection is inevitable

This is the second year running that FAB has appeared in the "Top 5" performers, its shares rising 99% to 14.0p in 2025, and giving a two-year gain of 325%. FAB is a CRO providing antibody services, including discovery/generation, development, characterisation, optimisation, and small-scale production, for human and veterinary medicines, diagnostic tools, and research. 2025 has been characterised by a number of contract announcements with biotech and pharma companies and research labs. In addition, throughout the year, FAB, together with its development partner, the National Cancer Institute (NCI), has progressed its OptiMAL, its antibody discovery platform aimed at accelerating the delivery of therapeutic antibodies to market, culminating in its formal launch in December. Although operating news is likely to remain positive, sales remain painfully low. The main risk is FAB's dependence on regular capital increases, the latest one (£1.2m) being in March 2025. At 30 September 2025, FAB had £0.25m gross cash but had taken on some debt (ca.£0.4m). With an annual cash burn of ca.£1,2m, a further capital increase is inevitable in the short term.

Allergy Therapeutics (AGY)

2025 is also the second consecutive year that AGY has appeared in the "Top 5" performers, rising 69% to 11.0p, and giving a two-year gain of 340%. While 2024 was dominated by the company sorting out its financing, resulting in two major shareholders – SkyGem 65.8% and Southern Fox 28.4% – that now dominate the company, 2025 saw strong newsflow from an operational standpoint.

Influential PEI granted Grassmuno regulatory approval in December

The goal of AGY is to have its allergy vaccines approved and registered in key world markets, including Europe and the US. While there is some form of registration in Europe, the US is a highly unregulated market, which would promptly change in the event that an allergy vaccine were to receive FDA approval. 2025 has seen considerable progress with its clinical trials, culminating in the regulatory approval from the authoritative Paul Ehrlich Institut (PEI) for Grassmuno, its subcutaneous grass pollen immunotherapy. This approval positions AGY very positively in the treatment of allergies in Europe. Grassmuno is expected to drive a return to sales growth in fiscal 2026 following two years of manufacturing reorganisation. Meanwhile, AGY continues to recruit for trials that would support its FDA submission in the US and further news on these can be expected in 2026.

One small word of caution: any investor should be aware that the free float is minimal and that buying and selling even small share volumes has the potential to cause significant movements in the share price.

The "bottom five"

Futura Medical (FUM)

Eroxon now on major markets…

…but debate over timing to get sales traction

Having appeared in the "Top 5" in 2024 on high expectations for Eroxon following its EU and US regulatory approvals, FUM was the worst performer in 2025, with the shares falling 96%. Getting regulatory approval is one thing, converting this into commercial traction is a very different ball game. On the face of it, FUM had commercial agreements with strong consumer partners, notably Cooper Consumer Health (EU, UK and Switzerland) and Haleon (US). Despite this, Eroxon has failed to take off and consumer reviews on social media are extremely negative. It is difficult to see what will change this.

FUM reported sales of £1.0m (vs. £3.8m) in 1H'25 and in a trading statement, issued in September, indicated that sales would reach only £1.3-£1.4m for the full year, indicating a very weak 2H'25. Interim results, also in September, showed that the company was very cash constrained and it was no surprise when FUM undertook a deeply discounted emergency fundraise of £2.75m in November. New management is trying to recover the situation; ultimately, though, it requires strong endorsement for Eroxon from consumers, which seems highly unlikely, in our opinion. Also, in our opinion, Haleon will almost certainly try and draw a line under this failed commercial venture in 2026 and, even though this might involve some financial compensation for FUM, it would leave the company with few options to improve shareholder value.

CelLBxHealth (CLBX)

CLBX has struggled to get Parsortix accepted…

…necessitating dilutive funding in December

CLBX was formerly known as Angle. The company has developed the Parsortix technology platform, a medical device for the capture and harvesting of intact circulating tumour cells, with the aim of improving diagnosis and treatment of several cancer types. However, despite this being an interesting and validated technology, Parsortix has never gained any sales traction. In our opinion, this is largely because the market is very congested and the technology requires operators to alter their usual work practices. Over the years, CLBX has sought more capital from investors in the expectation that each funding would result in greater commercial success. In November, the new management team was given the chance to prove that it can generate commercial success for Parsortix, with an £8.3m fundraise at 1.0p per share, diluting existing shareholders by 72% if they were unable to participate. Consequently, the shares retraced to the Placing level and remained within 10% of that at the year-end. Overall, CLBX shares fell 89% in 2025.

hVIVO (HVO)

Cancellation of significant contract hurt share price…

…but recovery is anticipated in 2026

Over the past two years, everything appeared to be going well for HVO. It moved to new premises, opened a new clinical testing facility to increase capacity, and won a number of new contracts, generating a significant forward order book. However, on 30 May, it announced to the market that a significant human challenge trial had been cancelled and a small study had been postponed. Management claimed that this was due to funding uncertainty in biotechs. While the Trump administration was exerting considerable pressure on the pharmaceutical industry to lower prices around that time, it did not appear to be having any undue negativity on biotech funding. The news caused the share price to half and there has been a modest downward trend ever since. Even the announcement in November of some decent new contracts, coupled with a positive trading update, did not greatly change this pattern. The CEO and CFO both invested in the shares in December in the expectation that 2026 will see some recovery. Overall, HVO shares fell 69% in 2025.

genedrive plc (GDR)

Technology recognition needs to be translated into sales

GDR has now appeared in the "Bottom 5" for share price performance in each of the past three years. In 2025, the shares fell 64% and are now down 92% over the three years. Initially, the fall was caused by a disastrous alternative funding arrangement, but, in 2025, the main reason was the inability to gain any sales traction from its regulatory approved products.

Still more validation until commercial traction

The investment to get the products through the complex development and regulatory stages is behind the group. Product news flow in 2025 has generally been of a positive nature, but the new management team still seems to be struggling to generate sales traction. NICE recommendation for use in the UK NHS and "Breakthrough Device Designation" by the US FDA are clear recognition of the positive benefits that its MT-RNR1 ID kit provides. Additionally, NICE has recommended its CYP2C19-ID kit to improve outcomes for stroke patients and it has been adopted by some NHS Trusts. Despite these recommendations, some NHS Trusts in England and Scotland are still undertaking more validation tests and pilot studies, which will delay commercial traction further.

Further funding needed in 2026

GDR had a small (£1.23m) fundraise at 1.5p in March to tide the company over, but then required an emergency £3.63m equity raise in September at 0.2p, which virtually wiped out existing shareholders who could not participate. It has also taken out a £1.0m shareholder loan, payable in two equal tranches. The first tranche only extends the company's cash runway until February 2026; with the second tranche available from 20 February 2026, so further funds will be required sometime towards the middle of the year.

ValiRx (VAL)

Third year running that VAL is in "Bottom 5"

VAL has also been in the "Bottom 5" for three consecutive years, falling 56% in 2025. ValiRx is an early-stage company focused on cancer therapeutics and women's health. After replacing the entire Board of Directors and undertaking a change in strategy to focus on Inaphaea BioLabs, a wholly owned subsidiary, which provides a high throughput drug screening service using patient derived cells (PDC), 2025 was supposed to be a year of recovery. While progress has been made, with a number of completed validation and signed agreements, VAL is still cash-constrained. In October, VAL undertook a capital increase to raise £0.92m, at 0.25p per share, and is just starting to recover some of its poise.

Ongoing need for more capital

£266m raised by 38 UK-listed companies in 2025…

…down 52% on 2024 from broadly same number of companies

Investors are well aware that the healthcare industry, particularly for small companies with products in development or the early stages of commercialisation, is capital-intensive. Given the enormous quantum of money managed by institutional investors, interest in small- and micro-cap healthcare technologies has significantly waned in recent years and support comes from a few specialist small cap funds and retail investors. In 2025, 38 (37) companies raised new capital through equity issues, £265.8m (£556.6m) to support operational activities, down 52% on 2024.

Key features

- 38 (37) UK-listed life sciences companies raised a total gross cash of £265.8m (£556.6m) during the year for working capital purposes. While this is a substantial figure, it pales into insignificance against the funds raised by private life sciences companies from venture capital and private equity.
- Funds were raised at an average discount of 23.9% to the prior closing share price, or 22.0% to the share price at the start of the year, with the market often anticipating a fundraise and marking the shares down ahead of it.
- There was a large variance in the price at which funds were raised from a premium of 27% (EDX Medical) to a discount of 89% (Physiomics), compared with the share price at the previous close.
- Two companies – Oncimmune (ONC) and Belluscura (BELL) – were unable to raise the required capital and went into administration.
- Nine companies – Benevolent AI (BAI), Deltex Medical (DEMG), Lung Life AI (LLAI), Synairgen (SNG), Biome Technologies (BIOM), Celadon Pharma (CEL), Polarean Imaging (POLX), Ananda Pharma (ANA) and Tissue Regenix (TRX) – were unhappy with the valuation afforded them by the London market and decided to delist and look to private equity for their working capital needs.
- Two companies – Maxcyte (MXCT) and Indivior (INDV) – transferred their primary listing to the US market and delisted from the LSE.
- During 2025, there have been a number of notable fundraises by unlisted UK companies, backed by venture capital and private equity at valuations substantially above those of listed peers, highlighting the lack of interest in small companies by institutional investors and the enormous discrepancy in the valuations of private and listed companies.

Commercial traction

Readers will be aware that it takes several years and large amounts of money to get new drugs, medical devices and diagnostics through the R&D process and to satisfy the regulators. However, even when products receive approval, allowing them to be commercialised, the time taken and cash required to get sales traction can also be quite significant.

With painful R&D now behind several companies…

…time has come to deliver on sales in 2026

Many of the companies included in our index have been through the painful development and regulatory stages to the point of commercialisation and many of the fundraises in 2025 were to support the commercialisation of their products and technologies. Again, we believe that 2026 will be an important year for several companies to achieve sales traction, often a very important step towards reaching profitability and cash generation.

UK life sciences capital increases – 2025

Date	Company	Ticker	Gross cash (£m)	Share price (p)	Prior close (p)	Prem./(Disc.) (%)	31 Dec 2024 (p)	Δ (%)
08-Jan	Hemogenyx	HEMO	£0.34m	340.0p	400.0p	-15.0%	405.0p	-16.0%
15-Jan	Synairgen	SNG	£18.00m	2.0p	4.5p	-55.8%	6.0p	-66.6%
15-Jan	Oxford Biodynamics	OBD	£7.35m	0.50p	0.90p	-44.1%	1.49p	-66.4%
06-Feb	Faron Pharma	FARN	£9.99m	143.2p	157.2p	-8.9%	205.0p	-30.1%
13-Feb	ImmuPharma	IMM	£1.03m	3.75p	4.31p	-13.0%	1.21p	211.2%
13-Feb	Physiomics	PYC	£0.50m	0.50p	4.35p	-88.5%	0.75p	-33.3%
14-Feb	GENinCode	GENI	£4.07m	3.70p	3.90p	-5.1%	3.80p	-2.6%
19-Feb	One Health	OHGR	£5.38m	180.0p	194.0p	-7.2%	200.0p	-10.0%
19-Feb	TheraCryf	TCF	£4.25m	0.25p	1.00p	-75.0%	0.53p	-52.4%
11-Mar	Hemogenyx	HEMO	£0.71m	180.0p	305.0p	-41.0%	405.0p	-55.6%
13-Mar	Sareum	SAR	£1.07m	12.50p	16.50p	-24.2%	24.50p	-49.0%
14-Mar	Roquefort Therapeutics	ROQ	£0.25m	1.60p	2.40p	-33.3%	4.05p	-60.5%
18-Mar	Fusion Antibodies	FAB	£1.17m	6.8p	6.8p	0.0%	7.1p	-4.3%
27-Mar	genedrive plc	GDR	£1.23m	1.5p	1.8p	-18.0%	2.5p	-38.8%
01-Apr	N4 Pharma	N4P	£1.75m	0.4p	0.48p	-15.8%	0.53p	-23.8%
16-May	Solvonis Therapeutics	SVNS	£2.00m	0.13p	0.17p	-25.1%	0.21p	-36.6%
23-May	Poolbeg	POLB	£4.87m	2.5p	2.9p	-12.3%	7.1p	-64.8%
23-May	OptiBiotix Health	OPTI	£0.75m	14.0p	18.3p	-23.3%	18.0p	-22.2%
03-Jun	Hemogenyx	HEMO	£0.45m	180.5p	178.5p	1.1%	405.0p	-55.4%
16-Jun	SkinBioTherapeutics	SBTX	£4.20m	17.0p	17.3p	-1.4%	18.5p	-8.1%
30-Jun	Incanthera	INC	£0.51m	3.5p	4.0p	-12.5%	3.0p	16.7%
03-Jul	Crism Therapeutics	CRTX	£0.87m	12.0p	21.0p	-42.9%	11.0p	9.1%
11-Jul	Solvonis Therapeutics	SVNS	£1.00m	0.30p	0.29p	3.4%	0.21p	46.3%
17-Jul	Avacta	AVCT	£3.25m	30.0p	32.5p	-7.7%	47.8p	-37.2%
04-Jul	Aptamer	APTA	£2.00m	0.30p	0.38p	-21.1%	0.37p	-18.9%
21-Jul	Verici DX	VRCI	£6.35m	0.50p	0.88p	-42.9%	3.9p	-87.1%
15-Aug	Oxford Biomedica	OXB	£60.00m	431.0p	440.0p	-2.0%	420.0p	2.6%
28-Aug	Ondine Biomedical	OBI	£11.12m	15.0p	16.5p	-9.1%	8.8p	71.4%
29-Aug	Avacta	AVCT	£3.25m	50.0p	55.0p	-9.1%	50.0p	0.0%
22-Sep	Renalytix	RENX	£8.09m	9.5p	10.8p	-11.6%	10.8p	-11.6%
23-Sep	genedrive plc	GENE	£3.63m	0.20p	0.53p	-62.3%	2.5p	-91.8%
14-Oct	Abingdon Health	ABDX	£3.45m	6.0p	6.1p	-1.6%	7.8p	-22.6%
20-Oct	Avacta	AVCT	£16.00m	63.0p	69.0p	-8.7%	50.0p	26.0%
20-Oct	EDX Medical Group	EDX	£2.00m	14.0p	11.0p	27.3%	7.3p	93.1%
22-Oct	Oxford Biodynamics	OBD	£7.00m	0.30p	0.50p	-40.0%	1.45p	-79.3%
29-Oct	Allergy Therapeutics	AGY	*£55.0m	4.00p	8.20p	-51.2%	6.50p	-38.5%
30-Oct	ValiRx	VAL	£0.92m	0.25p	0.48p	-47.4%	0.78p	-67.7%
13-Nov	Futura Medical	FUM	£2.75m	1.00p	2.20p	-54.5%	31.65p	-96.8%
25-Nov	CelLBxHealth	CLBX	£8.17m	1.00p	1.60p	-37.5%	10.25p	-90.2%
10-Dec	Crism Therapeutics	CRTX	£1.06m	9.0p	11.0p	-18.2%	11.00p	-18.2%
	Total raised		**£265.76m**		**Average**	**-23.9%**		**-22.0%**
	(n=38)				**Median**	**-16.9%**		**-27.0%**

**Warrant conversion*
Although RNS announcements are closely monitored, this table should not be viewed as comprehensive
Source: Company data, Hardman & Co Life Sciences Research

Companies hoping to achieve commercial traction in 2026		
Company	**Product/technology**	**Category**
Abingdon Health	Lateral flow CDMO	Diagnostic service
CelLBxHealth	Parsortix – liquid biopsy (oncology)	Diagnostic
Creo Medical	Speedboat and other products	MedTech
Futura Medical	Eroxon – male healthcare support	OTC/consumer healthcare
genedrive plc	AIHL.MT-RNR1 (neonates); CYP2C19 (stroke)	Diagnostics
Oxford Biodynamics	EpiSwitch 3D genomics platform – rapid blood test for prostate cancer	Diagnostic
Renalytix	KidneyIntelX – prognosis of patients with diabetic kidney disease	Prognostic
Shield Therapeutics	ACCRUFeR oral iron supplement	Pharmaceuticals
SkinBioTherapeutics	SkinBiotix/Croda; AxisBiotix (psoriasis/acne)	Consumer/cosmetic
Tristel	Tristel ULT/OPH – ultrasound/ophthalmic equipment disinfectant in US	MedTech

Source: Hardman & Co Life Sciences Research

Share buybacks

Capital increases reasonably balanced by share buybacks in 2025

By default, capital increases raise the number of shares in issue and have the potential to increase the market capitalisation of a company, all clearly dependent on share price appreciation. Consequently, they may positively bias the performance of the index. Conversely, share buybacks reduce the number of shares in issue and can potentially negatively influence the index. In 2025, there was a reasonable balance between capital increases and share buybacks, so this was not a major issue when considering the performance of our index.

Potential capital raises in 2026

Inevitable need for more capital in 2026

As we highlighted in last year's report, a quick assessment of the latest balance sheets and statements from companies included in our index suggests that there will be a number of cash calls again in 2026. Some of these are expected to occur imminently in order to get auditor sign-off of 2025 accounts for the 12 months' working capital requirement, whereas others will be later in the year, depending on fiscal year-end ready, for sign-off of 2026 accounts.

GSK – Was I right or wrong?

Analysts should be held accountable and be prepared to say when they got it wrong

Throughout my time as an analyst, I have always been conscious of my recommendations and opinions. However much research you do, there is always the risk of something lurking in the background that you have not considered which suddenly appears and alters the course of a share price. This occurs slightly less often today given the huge amount of "guidance" that companies have to issue, but it still happens, because all management teams think that their shares are undervalued and look at things through rose-tinted glasses. When you get a recommendation, forecast or opinion wrong, I still believe it is important to stand up and be counted and admit that you have got it wrong – but always try to provide an explanation as to why.

GSK RNS in July 2025 caught my eye…

…CEO departing after 8½ years…

…an appointment that I was less than enthused based on past experience

Given this backdrop, an RNS announcement on 29 September 2025 caught my eye, and I feel that it is important to comment on it. As I type this section, I actually do not know the answer to the question that I raised in the title. That will only become apparent when I finish this piece. The RNS announcement in question was titled: *Luke Miels appointed CEO designate for GSK*, and its release indicated immediately to me that Dame Emma Walmsley was stepping down as CEO of GSK after 8½ years in the post. When Dame Walmsley was appointed on 1 January 2017, I confess (and either wrote or was quoted in the financial press) that I was not overly enthused by her appointment. These comments were driven solely by my 30+ years' experience as a global pharmaceuticals analyst that appointments of personnel with drug-related commercial experience to the post of CEO in pharmaceutical companies have tended to result in an "agreement to leave" a few years later, because the scientists and leaders in R&D had the upper hand, carefully protecting their "babies", resulting in expensive clinical trials being performed that were more likely, than not, to fail. History indicates that marketing executives lack the deep scientific background to be able to argue against a certain drug being developed further. In the case of Dame Walmsley, this argument was further enhanced by the fact that her marketing experience was in consumer brands, not pharmaceuticals, which requires a totally different approach involving direct-to-consumer advertising.

Reliance and trust on scientific advisors…

…but can lead to misguided goals…

…if not strong enough to speak up

To compensate for her limited scientific background, she almost certainly surrounded herself with a number of trusted "scientific generals" to advise her, but this assumes that they will give the best guidance, which is not necessarily the case. For example, at an early strategy meeting with analysts and investors, Dame Walmley stated that one of the goals was for GSK to become a "top five" player in oncology, considered a high-growth sector in which GSK had no involvement, through its own R&D pipeline and possible acquisitions. In my opinion, this was almost certainly an impossible goal to meet. At that point in time, the oncology market was worth $106bn (2016) and forecast to grow to $200bn by 2021 and $250bn in 2024 – it actually reached $189bn in 2021 and $229bn in 2024 – and to be in the top five companies, GSK would have needed sales in excess of $15bn in 2021 or $20.5bn in 2024. Given usual development timescales, this would only be achievable with sizeable M&A activity, which GSK could not afford. As part of a sense check, both her trusty generals and/or GSK's extensive data analysis department should have known these facts and strongly advised against making such a statement.

CEO has definitely cleaned up GSK and managed the demerger of Haleon…

However, I do believe that during her tenure as CEO, Dame Walmsley has cleaned up GSK, improved its focus and successfully demerged its consumer business, Haleon. But this latter point raised a further question. Given, historically, that her main experience had been in consumer care, why did she not become the CEO of the consumer business when it demerged?

So, back to my original question, were my opinions correct or wrong? Although the announcement of Dame Walmsley was made on 1 January 2017, she did not take up the post until 1 April 2017. At that point in time, GSK had a market capitalisation of £71.89bn and, after allowing for cash and debt, an enterprise value of £85.64bn.

GSK share statistics – 1 Apr 2017 to 28 Sep 2025

	Date	Share price (p)	Shares in issue (m)	Market cap (£bn)	Cash (£m)	Debt (£m)	EV (£bn)
GSK	01 Apr 17	1,462	4,917.4	71.89	4,596	-18,340	85.64
GSK	28 Sep 25	1,486	4,067.9	60.45	3,306	-16,750	73.89
Change		1.6%	-17.3%	-15.9%			-13.7%
Haleon div	17 Jly 22	330	5,084.2	16.78			16.78
							90.67
							+5.9%

Source: Hardman & Co Life Sciences Research

...but the EV fell 13.7% over her tenure

At the close of business on 28 September 2025, the last close before the RNS announcement, the market capitalisation was £60.45bn (-15.9%) and GSK had an EV of £73.89bn, down 13.7%. There was no change in the net debt position between the two dates, despite receiving dividends and selling off its residual holding in Haleon post-demerger.

Only allowing for in specie Haleon dividend does EV look positive

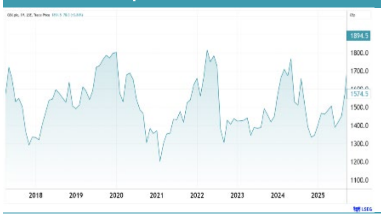
However, the situation is complicated by the demerger of Haleon in July 2022. To allow for the change in the GSK share price as a direct consequence of the market value ascribed to Haleon, GSK undertook a share consolidation to equalise the before and after demerger share prices, which largely explains the 17.3% fall in the number of shares in issue between the two time points. In addition, on 17 July 2022, Haleon issued 5,084.2m shares (1-for-1 basis) to shareholders of GSK to satisfy the demerger dividend. Trading in Haleon shares opened at 330p per share, valuing the dividend to GSK shareholders at £16.78bn. Therefore, from a shareholders' perspective, the EV of GSK has increased 5.9% during her tenure.

Strong support from Chairman...

...not wholly supported by the share price

At the time of the RNS announcement in September, the Chair of GSK, Sir Jonathan Symonds CBE, stated the positive features of Dame Walmsley's tenure: "*...I want to thank the CEO and acknowledge her outstanding leadership in delivering a strategic transformation of GSK, including the successful demerger of Haleon. GSK today is necessarily very different to the company she was appointed to nine years ago and has a bright and ambitious future...*". While I cannot disagree with his statement, the share price tells a slightly different story regarding her success, with massive underperformance (-70%) of GSK relative to its global peers.

GSK share price chart



Source: LSEG, 2026

GSK share performance vs. global sector – 1 Apr 2017 to 28 Sep 2025

Source: LSEG, 2026

I acknowledge that this is a simplistic overview and that it contains an opinionated view that not all readers will concur with. However, it circles back to my original point that analysts should be prepared to stand up and be counted, as should all company executives. Gone are the days when analysts gave executives a hard time!

About the author

Dr Martin Hall

Martin's career in the City started as a healthcare analyst in 1987, working at Morgan Grenfell and then UBS. He joined HSBC in 1992, where he became Head of Global Pharmaceutical/Healthcare Equity Research. In 2005, he set up as an independent Life Sciences Analyst and Corporate Broker under the umbrella of Eden Financial Limited. Martin is acknowledged for his thought-provoking and opinionated research. He joined Hardman & Co in June 2013.

Martin qualified as a pharmacist (B.Pharm.Hons) at the School of Pharmacy, University of London, and has a PhD in Neuropharmacology, also from the University of London. After two years of post-doctoral research under a Royal Society Fellowship at the Collège de France, Paris, he became leader in Biochemical Pharmacology at the Parke-Davis Research Centre in Cambridge. Martin is a member of the Royal Pharmaceutical Society of Great Britain.

As always, I hope that you have enjoyed this opinionated review of UK healthcare in 2025 and wish you the best of luck with stock selections in 2026!

Company research

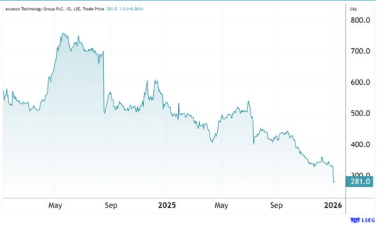
- Priced at 6 January 2026 (unless otherwise stated).

HARDMAN&CO.

ACCESSO TECHNOLOGY GROUP

FY'25 in line but challenges persist

Technology



Source: LSEG, 2026

Market data

EPIC/TKR	**ACSO**
Price (p)	**280**
12m high (p)	552
12m low (p)	264
Shares (m)	38.152
Mkt cap (£m)	106.8
EV (£m)	91.6
Free float*	93.53%
Country/Ccy	UK/GBP
Market	AIM

**As defined by AIM Rule 26*

Description

accesso Technology Group provides technology solutions to the global leisure & entertainment sector and it currently serves more than 1,200 venues worldwide.

Company information

CEO	Steve Brown
CFO	Matthew Boyle
Chair	Bill Russell

+44 (0)118 934 7400
www.accesso.com

Key shareholders (as at 23 Dec)

Directors & Group EBT	6.47%
Long Path Partners	19.01%
Canaccord Genuity Group	10.87%
Orange River	5.00%
Chelverton AM	4.79%
BFG Inv. Mgmt.	3.42%

Diary

Late Jan'26	Trading update

Analyst

Richard Jeans rj@hardmanandco.com

In an unscheduled announcement, the group has indicated that a second major customer has said that is does not intend to renew the group's virtual queuing solution. This follows the decision by Six Flags in July last year to discontinue with the solution. These decisions reflect the subdued trading in theme parks, resulting in shorter queue lengths, combined with the need for operators to reduce costs. Nevertheless, Six Flags has extended the solution for a year, albeit at a reduced rate. We will review our forecasts following the full trading update at the end of the month. The shares trade on a modest ca.4.6x EV/EBITDA for FY'26.

- **Trading update:** In a short update, the company said it expects FY'25 results to be in line with expectations. It also said that one key customer will extend a software product for a year on revised terms, while another will not renew, and efficiency initiatives should offset net revenue impact at the cash EBITDA level.

- **Virtual queueing:** accesso's virtual queuing product runs on a revenue-share model, generating extra income for operators while optimising guest flow. Unlike basic reservation or QR-code tools, it dynamically manages queue length and wait times across a venue, clearly demonstrating strong value to operators.

- **Forecasts:** We will review our forecasts following the full trading update at the end of the month and expect to cut our FY'26 revenue forecasts to ca.$146m. Meanwhile, efficiency initiatives are expected to drive costs down and hence our FY'26 cash EBITDA forecast is expected to ease only slightly to ca.$20m.

- **Valuation:** Based on a FY'26 cash EBITDA of $20m, the stock trades on a modest ca.4.6x EBITDA. accesso has attractive cash conversion metrics, a high level of repeatable revenues and a healthy net cash position. We note that US ticketing peer Eventbrite is being acquired at a >80% premium.

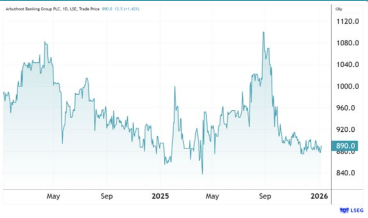
- **Investment summary:** accesso is a unique investment proposition in an ever-declining UK software universe, as peers continue to be snapped up by industry buyers and private equity. The stock rebased following the 2018 sell-off and pandemic and now trades at substantially more value-oriented levels, supported by improved cash generation. accesso sizes its total addressable market at $2.3bn, giving it a ca.5.6% market share and with plenty of scope for growth.

Financial summary and valuation

Year-end Dec ($000)	2022	2023	2024	2025E	2026E	2027E
Revenues	139,730	149,515	152,291	153,000	152,862	160,729
Cash EBITDA	25,805	23,626	22,831	21,152	20,675	22,515
Adjusted EBITDA	27,761	26,064	24,926	24,267	23,732	25,729
Adjusted operating profit	17,216	18,633	21,078	20,883	20,352	22,175
Underlying PBT	14,384	16,386	17,127	16,629	16,246	17,617
Statutory PBT	12,417	8,808	11,681	12,336	11,980	13,833
Adjusted basic EPS (c)	35.93	37.48	38.39	37.76	37.90	41.36
Adjusted diluted EPS (c)	34.51	36.46	37.44	36.85	36.99	40.36
Adjusted diluted EPS (p)	27.92	29.31	29.30	27.92	27.40	29.90
Net debt/(cash)	(64,663)	(23,959)	(25,875)	(21,985)	(32,888)	(49,078)
P/E (x)	10.0	9.6	9.6	10.0	10.2	9.4
FCF yield (%)	6.2	14.6	5.1	12.5	10.4	11.3

Source: Company accounts, Hardman & Co Research

Financials



Source: LSEG, 2026

Market data

EPIC/TKR	**ARBB/ARBN**
Price (p)	**885.0/895.0**
12m high (p)	1,130
12m low (p)	830
Shares (m)	16.7
Mkt cap (£m)	148
Loans to deposits, 2025E	43%
Free float*	40.4%
Country/Ccy	UK/GBP
Market	AIM/AQSE

**As defined by AIM Rule 26*

Description

Arbuthnot Banking Group (ABG) has a well-funded and well-capitalised private bank, and it has been growing commercial banking very strongly.

Company information

Chair/CEO	Sir Henry Angest
COO/CEO Arb. Latham	Andrew Salmon
Group FD, Deputy CEO Arb. Latham	James Cobb
NEDs	Jayne Almond, Frederick Angest, Sir Nigel Boardman, Ian Dewar, Richard Gabbertas, Angela Knight, Lord Sassoon, Sir Alan Yarrow

+44 (0)207 012 2400
www.arbuthnotgroup.com

Key shareholders

Sir Henry Angest	58.0%
Liontrust AM	9.2%
Slater Investments	7.2%

Diary

Feb'26	Pre close FY trading update

Analyst

Mark Thomas mt@hardmanandco.com

ARBUTHNOT BANKING GROUP

2026: continued selective growth, rate sensitivity

We expect ABG's 2026 to continue recent trends, notably i) sustained growth in low-capital-intensity deposits and AUM, ii) strong growth in specialist SME lending across all three divisions with renewed PE activity seeing a return to growth for Arbuthnot Commercial Asset Based Lending, and iii) a small reduction in the banking loan book as ABG chooses not to compete for below-target-return loans. ABG has taken multiple actions to mitigate the effect of a falling base rate environment, but it still has a residual sensitivity. We assume stable profits 2026 on 2025 but to be driven by the timing and scale of any further rate cuts (we assume two additional cuts spread through 2026).

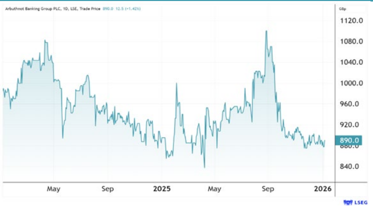
- **Specialist lending divisions:** The 2025 results should show very strong and good loan book growth, respectively, for Renaissance Asset Finance and AAG; trends we expect to continue. Arbuthnot Commercial Asset Based Lending will see a decline in 2025 (less PE activity) but we forecast growth in 2026E.
- **Deposits:** In the 2025 results, good deposit growth is expected with deposits a profitable product in its own right. ABG has proved to be very adept at targeting niche submarkets to optimise profitability and, in particular, in 2026, we expect new products targeted at the under-served, wider margin SME market.
- **Valuation:** Our range of valuations is: £8.90 DDM, £18.58 SOTP and £23.88 GGM. The average is £17.12 or a P/BV of just 1.04x. Currently trading at 54% of NAV is anomalous, in our view, with above the cost of capital returns and given ABG's growth potential. ABG's 2026E yield is 6.7% with 1.7x cover.
- **Risks:** Margins may be past their peak, with the trend, and level, of interest rates a key driver to earnings. Credit is a risk, but ABG is conservative in lending, taking good security. As with any bank, there are reputation, regulation, and compliance issues. Short-duration assets and a conservative culture limit risk.
- **Investment summary:** ABG offers strong-franchise and continuing-business (normalised) profit growth. Its balance sheet strength gives it a number of wide-ranging options to develop organic and inorganic opportunities. The latter are likely to increase in uncertain times. Management has been conservative in controlling risk, as evidenced by the continued strong credit metrics and management of the impact of changing market interest rates. Having a profitable, well-funded, well-capitalised and strongly growing bank, priced so far below book value, is anomalous, in our view.

Financial summary and valuation

Year-end Dec (£000)	2022	2023	2024	2025E	2026E
Total op. income	137,388	178,899	179,511	173,845	182,445
Total costs	(108,913)	(131,113)	(139,806)	(147,503)	(154,253)
Cost:income ratio	79%	73%	78%	85%	85%
Total impairments	(5,503)	(3,191)	(6,275)	(4,950)	(6,250)
Reported PBT	20,009	47,117	35,090	22,021	22,691
Adjusted PBT	31,078	51,384	35,090	22,021	22,691
Statutory EPS (p)	109.0	222.8	152.3	101.7	104.7
Adjusted EPS (p)	169.2	244.6	152.3	101.7	104.7
Loans/deposits	66%	55%	51%	43%	43%
Ord. dividend (p)*	42.0	46.0	49.0	54.0	59.0
P/adj. earnings (x)	5.2	3.6	5.8	8.7	8.5
P/BV (x)	0.63	0.57	0.54	0.52	0.51

**Additional special dividend of 20p (2024). Source: Hardman & Co Research*

Closed End Investments



Source: LSEG, 2026

Market data

EPIC/TKR	**ICGT**
Price (p)	**1,494**
12m high (p)	1,611
12m low (p)	1,064
Shares (m)	62.2
Mkt cap (£m)	930
NAV p/sh (Jul'25, p)	2,040
Disc. to NAV (%)	-27
Country/Ccy	UK/GBP
Market	Premium equity closed-ended inv. funds

Description

ICG Enterprise Trust (ICGT) is a listed private equity (PE) investor, providing shareholders with access to a portfolio of European and US investments in profitable, cash-generative, unquoted companies. It invests in companies managed by ICG and other leading PE managers, directly and through funds. It strikes a balance between concentration and diversification, risk and reward.

Company information

Chair	Jane Tufnell
Audit Cttee. Chr.	A Bruce
NEDs	G Fusenig, A Ighodaro, J Nicholls, D Warnock (SID)
Inv. Mgrs.	Oliver Gardey, Colm Walsh
Contact	Christopher Hunt +44 (0)203 545 2000 *www.icg-enterprise.co.uk*

Key shareholders

None above 3%

Diary

Jan'26	3Q results

Analyst

Mark Thomas	*mt@hardmanandco.com*

Disclosure: the relevant analyst is a shareholder in ICG Enterprise Trust.

ICG ENTERPRISE TRUST PLC

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ICGT provides public-market investors with access to the long-term returns generated by investing in private companies, with the added benefit of the daily liquidity of a publicly traded FTSE 250 company. ICG Enterprise has been listed on the London Stock Exchange since 1981.

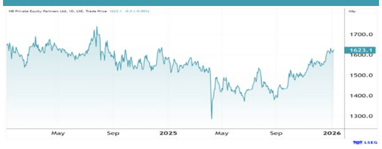
ICGT's actively managed portfolio balances diversification, through third-party fund investments, and direct investments focusing on companies with defensive growth characteristics. Its portfolio provides shareholders with exposure to a wide network of PE funds whose managers share its investment philosophy, as well as its focus on responsible investing. It also identifies managers who provide the potential for co-investment opportunities. ICGT is managed externally by a dedicated investment team of seven within ICG plc, a leading global alternative asset manager, with 36 years' history, managing ca.$124bn of assets (Sep'25). ICG has 686 employees, based in offices in 21 countries around the world. More detail is available *here*.

Given the regulatory restrictions on distributing research on this company, the monthly book entry for ICGT can be accessed through our website, ***Hardman & Co Research***. Our detailed thematic reports are listed below. Each link, below, contains a click-through to our five-minute *Directors Talk* audio interviews. ICGT reported its *1H results to July 2025* on 7 October 2025. Other company announcements, such as buybacks, can be found on its *LSE news page*.

- 2020: Our initiation report, *Outperformance through every stage of cycle* (6 July 2020) and *Defensive growth: explaining downside resilience* (8 September 2020).
- 2021: *ICGT's steps to value-adding portfolio construction* (22 February), *FY'21 results: blew the roof off, not just the doors* (20 May), *ICGT in personal pensions: do as the professionals do* (14 September) and *Intermediate Capital Group/ICGT: friends with benefits* (2 December).
- 2022: *Spotlight on secondaries* (2 March), *FY'22: you couldn't ask for more* (7 June) and *1H'23 and beyond: safe harbour in the storm* (10 November).
- 2023: *3Q'23: continued growth and resilience* (9 February 2023), *FY results: proving the market-beating model again* (1 June 2023), *Investor Day – defensive growth in practice* (10 July 2023), and *1HFY'24: defensive growth/disciplined approach* (16 October 2023).
- *Putting the discount into perspective* (8 January 2024).
- *FY'24: portfolio companies performing strongly* (16 May 2024).
- *CM day 2024: defensive growth value creation* (28 June 2024).
- Portfolio: 14% EBITDA growth + widening margins (23 October 2024).
- Unique approach to capital allocation (28 January 2025).
- Investing in resilience, delivering growth (21 May 2025).
- Investor seminar 2025: resilience and growth (2 July 2025).
- Mid-teens EBITDA growth and long-term returns (21 October 2025).

See ICGT's 18 June 2025 Capital Markets Day presentations and webcast *here*.

Closed End Investments



Source: LSEG, 2026

Market data

EPIC/TKR	NBPE/NBPU
Price (£)	**16.18/$21.75**
12m high (£)	16.32/$21.00
12m low (£)	12.74/$16.50
Shares (m)	43.3
Mkt cap (£m)	700
NAV (Nov'25)	£20.88/$27.67
Disc. to £ NAV (%)	-23
Free float	100%
Ctry/Ccy of listing	UK - GBP/$
Market	FTSE 250, STMM

Description

NB Private Equity Partners (NBPE) leverages the platform of its manager, the PE division of Neuberger Berman (NB), including NB's relationships, deal flow and expertise, and has built a portfolio of 68 direct investments diversified by manager, sector, geography and size. It focuses on investing in companies that benefit from secular tailwinds and/or lower cyclicality, with high barriers to entry, or the delivery of mission-critical products or services.

Company information

Chair	William Maltby
NEDs	Caroline Chan, Trudi Clark, Pawan Dhir, Louisa Symington-Mills, Wilken Von Hodenberg
Key NB Managers	Peter von Lehe, Paul Daggett
Contact	+44 (0)20 3214 9002

www.nbprivateequitypartners.com

Key shareholders (31 Dec'24)

Quilter (May'25)	10.0%
Evelyn Partners	8.4%
Schroders	8.3%
Treasury shares (Sep)	7.0%
CCLA	4.5%

Diary

Mid-Jan	Dec monthly update

Analyst

Mark Thomas mt@hardmanandco.com

Disclosure: the relevant analyst is a shareholder in NBPE.

NB PRIVATE EQUITY PARTNERS

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NBPE invests directly in private companies alongside some of the world's leading private equity managers. Managed by the Private Equity (PE) division of Neuberger Berman (NB), a leading private markets investor, NBPE leverages the strength of NB's platform, relationships, deal flow and expertise to access the most attractive investment opportunities, providing shareholders with access to a portfolio of direct investments, diversified by manager, sector, geography and size.

NBPE is uniquely focused on the co-investment subsector of private equity. It invests into a company alongside PE managers, rather than via the fund. As a co-investor, NB does full due diligence and invests on a deal-by-deal basis. This does not incur the long-term commitments, and it is a lower-cost model. Operating control of the investee company remains with the PE manager. We detailed the implications of this strategic focus in our initiation, linked below.

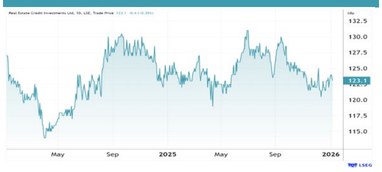
Neuberger Berman, as a whole, operates across 39 cities and 26 countries, with $558bn AUM and nearly 3,000 staff. Within this, NB Private Markets has a team of more than 450 private markets professionals. The PE team has made $140bn+ in active capital commitments to more than 940+ active PE investments, with 9,500+ underlying portfolio companies. It sits on 460+ advisory board seats. The PE team operates from 17 offices and includes 77 senior investment professionals, with an average of more than 21 years of experience (more details can be found here).

Given the regulatory restrictions on distributing research on this company, the monthly book entry and other research on the company can be accessed via ***Hardman & Co Research***. Specific research reports include:

- *Co-investments generating superior performance* (initiation, 16 June 2023).
- *1H'23 results summary: continued growth* (3 October 2023).
- *2023 CMD: value creation from growing companies* (23 October 2023).
- *Value creation in a higher-rate environment* (7 March 2024).
- *Wider operating company EBITDA margins in 2023* (13 May 2024).
- *NB: adding value in attractive co-investment sector* (8 October 2024).
- *Update on: NAV, capital, Trump and interest rates* (18 March 2025).
- *2024: short-term noise over long-term growth* (12 May 2025).
- *1H'25 results: turning the corner* (6 November 2025).
- *2025 CMD: good returns from low-risk PE model* (3 December 2025).

Each link contains a click-through to our five-minute *Directors Talk* audio interviews, summarising each report. *NBPE's 1H'25 results* were reported on 25 September. More information, including monthly updates and presentations, is available on its *website*. Other regulatory news, including the NAV updates and buybacks, can be seen on the company's *LSE page*. NBPE publishes regular insights and research on its webpage *here*.

Diversified Financial Services



Source: LSEG, 2026

Market data

EPIC/TKR	**RECI**
Price (p)	**124.0**
12m high (p)	132.0
12m low (p)	118.0
Shares (m, exc. Treasury)	221.7
Mkt cap (£m)	276.0
NAV p/sh (Nov'25, p)	142.4
Disc. to NAV (%)	-12.9
Div. yield (FY'24)	9.7%
Ctry/Ccy	UK/GBP
Market	Premium equity closed-ended inv. funds

Description

Real Estate Credit Investments (RECI) is a closed-ended investment company that originates and invests in real estate debt secured by commercial or residential properties in the United Kingdom and Western Europe.

Company information

Chair	Andreas Tautscher
NEDs	Susie Farnon, Colleen McHugh Mark Thompson
Inv. Mgr.	Cheyne Capital
Main contact	Ravi Stickney
	+44 (0)20 7968 7453
	realestatecreditinvestments.com

Key shareholders

Close Bros.	9.35%
Bank Leumi	8.02%
Hargreaves Lansdown AM	6.42%
Canaccord Genuity	5.91%
Premier Miton (Jun'24)	5.52%
Evelyn Partners (Sep'24)	4.99%
FIL (Apr'24)	4.64%

Diary

Mid-Jan	Dec factsheet

Analysts

Mark Thomas mt@hardmanandco.com
Mike Foster mf@hardmanandco.com

REAL ESTATE CREDIT INVESTMENTS

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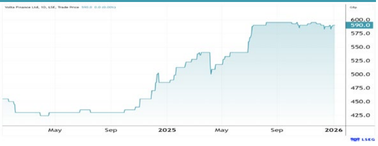
RECI is managed by Cheyne Capital Management (UK) LLP. Cheyne has over 170 employees, of which there are 65 dedicated real estate professionals in the Real Estate team. The team's assets under management, of $7.5bn, are managed on behalf of more than 100 global investors. Cheyne Real Estate operates from four European offices and invests across the capital structure. For more, see here.

- Given the regulatory restrictions on distributing research on this company, the monthly book entry for RECI can be accessed through our website, ***Hardman & Co Research***. More detailed research reports are listed below. Each link contains a click-through to our *Directors Talk* audio interviews, which give a summary of each report. Company announcements, including buybacks, can be found on RECI's page on the LSE website and on its investor relations website here.

- Our *initiation report* (28 August 2019).
- *Delivering on its promises* (17 December 2019).
- *Getting a balanced view on outlook* (21 May 2020).
- *Improving returns on new opportunities* (14 September 2020).
- *Portfolio repayments fund enhanced return pipeline* (18 January 2021).
- *Experience shows resilience of the model* (6 May 2021).
- *Experience shows resilience of the model (2)* (12 August 2021).
- *Why rising rates should not hurt RECI* (8 November 2021).
- *Vive la difference* (15 February 2022).
- *New faces, same resilience* (20 May 2022).
- *Marks taken in uncertainty, released thereafter* (5 August 2022).
- *Positioned for the current crisis* (17 November 2022).
- *Looking at the current opportunities* (9 February 2023).
- *Double tangible security* (13 June 2023).
- *Why CRE equity worries should not apply to RECI* (30 August 2023).
- *Portfolio management to optimise risk/reward* (16 November 2023).
- *French and German exposures in perspective* (27 February 2024).
- *Capital Markets Day* (25 July 2024).
- *Why the discount has been closing and its outlook* (15 October 2024).
- *The rise of private credit: threats and opportunities* (20 February 2025).
- *Meeting any potential macro challenges head on* (20 May 2025).
- *What RECI brings to investors* (9 September 2025).
- *Investor Day: opportunities aplenty* (2 December 2025).

Closed End Investments



Source: LSEG, 2026

Market data

EPIC/TKR	VTA.NA, VTA.LN, VTAS LN
Price (€)	**666/6.65/590p**
12m high (€)	7.02/7.06/614p
12m low (€)	5.15/5.00/416p
NAV p/sh (Nov'25, €)	7.21
Disc. to NAV (%)	-8
Shares (m)	36.6
Mkt cap (€m)	244
FY'25 div. yield (%)	9.2
Free float	70%
Market (NL, UK)	AEX, LSE, LSE
Currency	€, €, GBP

Description

Volta Finance (Volta) is a closed-ended, limited liability investment company with a diversified strategy across structured finance assets (primarily CLOs). It aims to provide a stable stream of income through quarterly dividends.

Company information

Ind. Chair	Dagmar Kent Kershaw
Ind. NEDs	Simon Holden, Yedau Ogundele Joanne Peacegood
Fund Managers	BNP Paribas AM Europe
Co. Sec./ Administrator	BNP Paribas Securities Services SCA, Guernsey Branch

BNP: +44 (0)1481 750853
www.voltafinance.com

Key shareholders (31 July 2025)

AXA SA Bank	21.75%
BNP Paribas	15.71%
AXA Framlington IM	8.23%
BNP Wealth Mgt.	5.97%

Diary

Mid-Jan	Dec estimated NAV

Analyst

Mark Thomas mt@hardmanandco.com

VOLTA FINANCE

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Volta is a closed-ended, limited liability company, registered in Guernsey. Its investment objectives are to seek to preserve capital across the credit cycle, and to provide a stable stream of income to its shareholders through dividends. The annual dividend policy is to target 8% NAV, payable quarterly. Volta's focus is the broad range of CLO securities with a current concentration in CLO debt and equity positions. The investment manager for Volta's assets is AXA Investment Managers Paris (AXA IM), which has a team of experts concentrating on the structured finance markets. The latest factsheet can be found *here*.

Given the regulatory restrictions on distributing research on this company, the monthly book entry for Volta Finance can be accessed through our website, *Hardman & Co Research*. More detailed research reports include:

- 2018: Our *initiation report* (5 September 2018).
- 2019: *Investment opportunities at this point of the cycle* (14 January 2019), Reports on the manager's *March 2019* and *June 2019* presentations, and *9%+ yield in uncertain times* (7 October 2019).
- 2020: *Follow the money* (3 February 2020), *Q&A with Hardman analyst* (12 May 2020), and *Value added by active portfolio management* (15 September 2020).
- 2021: *Volta's seven yield uplifts* (11 January 2021), *Re-Set, Re-Fi, Re-Light my Fire* (5 May 2021), *Yield (10%, covered and growing) + capital growth* (28 July 2021), and *Simple Simon Says* (30 November 2021).
- 2022: *What Volta brings to investors* (17 February 2022), *Hardman presentation: Carpe Diem* (29 June 2022), and *Cash is king and the king is rocking and rolling* (16 September 2022).
- *R&A shining light on 20%+ IRR base-case scenarios* (11 January 2023).
- *An easy guide to the benefits of CLOs* (18 April 2023).
- *The benefits of having AXA IM as the manager* (7 December 2023).
- *Insights from the Report and Accounts* (24 January 2024).
- *Putting the discount into perspective* (17 May 2024).
- *FY'24: another year of outperformance* (11 September 2024).
- *2024 experience bodes well for 2025* (17 February 2025).
- *Volatility put into context* (24 June 2025).
- *Liquid access to outperforming private credit* (3 October 2025).

Each link contains a click-through to our five-minute *Directors Talk* audio interviews, summarising each report. Regulatory announcements, such as the *December 2025 €0.145c quarterly dividend* or the *2025 Report and Accounts* can be found on the company's *LSE page*.

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