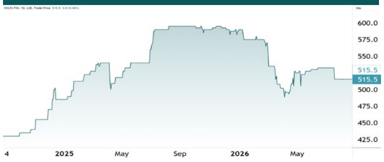
VOLTA FINANCE LIMITED

Closed End Investments



Source: LSEG, 2026

Market data

EPIC/TKR	**VTA.NA, VTA.LN, VTAS LN**
Price (€)	**5.92/5.95/515p**
12m high (€)	7.02/7.15/620p
12m low (€)	5.54/5.53/482p
NAV p/sh (Jun'26, €)	6.77
Disc. to NAV (%)	-13
Shares (m)	36.6
Mkt cap (€m)	216
Market (NL, UK)	AEX, LSE, LSE

Description

Volta Finance (Volta) is a closed-ended, limited liability investment company with a diversified investment 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

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

Key shareholders (31 Dec'25)

AXA SA Bank	21.75%
BNP Paribas (for clients)	15.71%
AXA Framlington IM	8.23%
BNP Wealth Mgt.	5.97%

Diary

Sep'26	Jul factsheet

Analyst

Mark Thomas mt@hardmanandco.com

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In our note, Credit resilience from CLO structure and manager, we noted the fall in prices of loans that could be affected by events in the Middle East (e.g. energy price surges). Also, concerns related to AI disruption have penalised software companies' loans. We reiterated why Volta's underlying portfolio exposure is limited, noting the double benefits from i) incremental protections embedded within CLO vehicles, and ii) the manager's track record of better-than-CLO market risk management. MTM accounting means NAV will show sentiment-driven volatility, and we have now reflected a large writedown in FY'26 (ending July), largely recovered in FY'27. The underlying portfolio will drive long-term performance.

- **Latest factsheet:** June saw a +0.4% NAV performance in the month. Volta's CLO equity tranches returned +0.7% while its debt tranches returned +0.6% performance. CLO spreads continued to tighten across ratings. The fund generated €18m in interest over the past six months (15% of NAV).
- **Limited share price volatility:** In the past three months, VTA's share price in € (see *here* for chart) has shown more stability, trading in a €5.80-€6.12 range. In our view, this reflects limited company-specific news flow and the market being more sanguine about macro developments, particularly concerning Iran.
- **Valuation:** Volta trades at a double discount: its share price is at a 13% discount to NAV, and we believe its NAV includes a sentiment-driven discount to the expected cashflows. Volta's yield (2027E: 10.2%) is a key attraction. In 2027, we forecast >2x statutory cover, giving investors considerable comfort.
- **Risks:** Credit risk is a key sensitivity. We examined the valuation of assets, highlighting the multiple controls to ensure its validity, in our September 2018 *initiation note*. The NAV is exposed to sentiment towards its own and underlying markets. Volta's long $ position is only partially hedged.
- **Investment summary:** Volta is an investment for sophisticated investors, as both the NAV and the discount to NAV may be volatile over time. Fundamental, long-term share returns are reasonable: 9.0% p.a. (dividend reinvested basis) since inception to end-June 2026. Volta's returns for investments made after the financial crisis were double those in prior years.

Financial summary and valuation (Hardman & Co adjusted basis)

Year-end July (£000)	2022	2023	2024	2025	2026E	2027E
Coupons & dividend	42.9	47.0	57.1	56.9	49.1	33.9
Operating income	41.6	44.1	51.5	29.4	42.7	27.5
Inv. manager fees	(3.9)	(5.6)	(10.1)	(7.5)	2.8	(11.3)
Expenses	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Total comp. income	33.4	35.2	41.0	23.5	34.2	21.9
Statutory PTP	(17.8)	27.0	45.0	35.4	(5.7)	50.1
Underlying EPS (€)	0.9	1.0	1.1	0.6	0.9	0.6
NAV per share (€)	6.22	6.45	7.13	7.49	6.79	7.56
S/P prem./disc (-). to NAV*	-16%	-21%	-27%	-9%	-13%	-22%
Gearing	0%	0%	0%	0%	0%	0%
Dividend (€)	0.57	0.51	0.55	0.61	0.55	0.60
Dividend yield	9.6%	8.6%	9.3%	10.3%	9.3%	10.2%

**2022-25 actual NAV and share price, 2026-27 forecast NAV to current share price.*
Source: Hardman & Co Research