Quantum Financial Holdings

30th January 2025

Inflection point of growth coming prior to expected IPO in 2026

Quantum Financial is a rapidly growing technology incubator, offering high-level regulated financial solutions, along with security services. Forex, multicurrency pre-paid Mastercards and expense management business Volopa is spearheading the expansion in the financial services division, with cashback and rewards business Verve close behind. Meanwhile, Valkyrie and the recently acquired Forensic Control are growing in the physical and digital security markets. With a focus on higher end B2B clients, the group companies offer product & technology synergies, providing cross selling and product development opportunities across the business.

• Positioned for scale and rapid revenue growth

Following years of product development and building high quality management teams, Quantum is now at the stage where it has highly scalable operations where revenues are set to rapidly rise, with financial and strategic support coming from the holding company. Quantum has stated that the current business plan is fully funded with existing committed funds.

• Volopa set for rapid expansion, with many opportunities in the pipeline

Volopa has the products, strategy & infrastructure in place to grow revenues quickly. Sales teams are focused on bringing in better quality, high volume clients, and FY2025 will see the first full year contribution from the acquisition of the UK branch of the American Express FX team. What's more, a variety of e-money applications are about to be submitted in various jurisdictions and a deal with easyGroup to provide an "easyWallet" is scheduled for Q2/3 2025.

• Heavyweight management team making plans to IPO in 2026

Adding to an already strong senior team, recently joining as a main board director and Volopa CEO is fintech industry leader James Radford. He is the former CEO of Revolut UK and was part of the senior management team that delivered a rise in the fintech's value from $5.5 billion to $33 billion. Along with the planned hiring of a new high profile Group Chairman, Quantum is looking to list on the LSE in 2026.

• Analysis suggest a present valuation of £411.75 million is highly realistic

Working with management we have put together forecasts for the Quantum Group up to the end of FY2027. On an EBITDA multiple of 18 times, discounted back to end March 2025 at a rate of 20%, we suggest a reasonable valuation for the group of £411.75 million. We also note that significant upside comes from various business opportunities not considered in the forecasts.

Table: Financial overview. Source: Company accounts & Optimo Capital

Year to end June	2025E	2026E	2027E
Revenue (£m)	3.77	17.29	54.09
EBITDA (£m)	-4.36	5.60	32.94

Valuation - £411.75m

Key data

Code	QFH
Share price	2,200p
Listing	JP Jenkins
Shares in issue	15,323,752
Market Cap	£337m
Sector	Financial & Insurance Services

Analyst details
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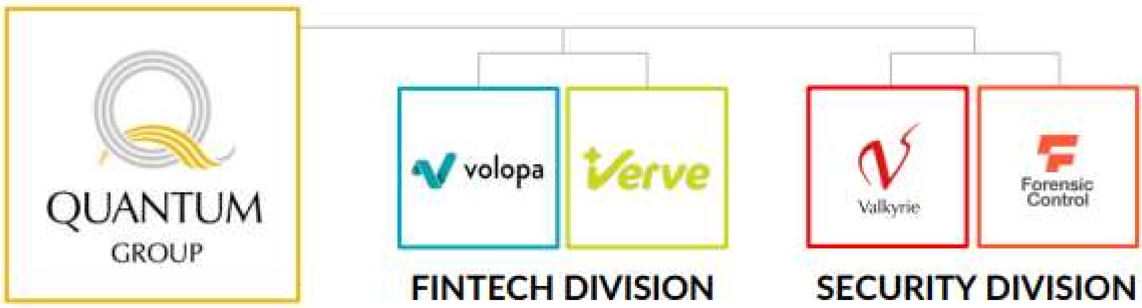
Business Overview

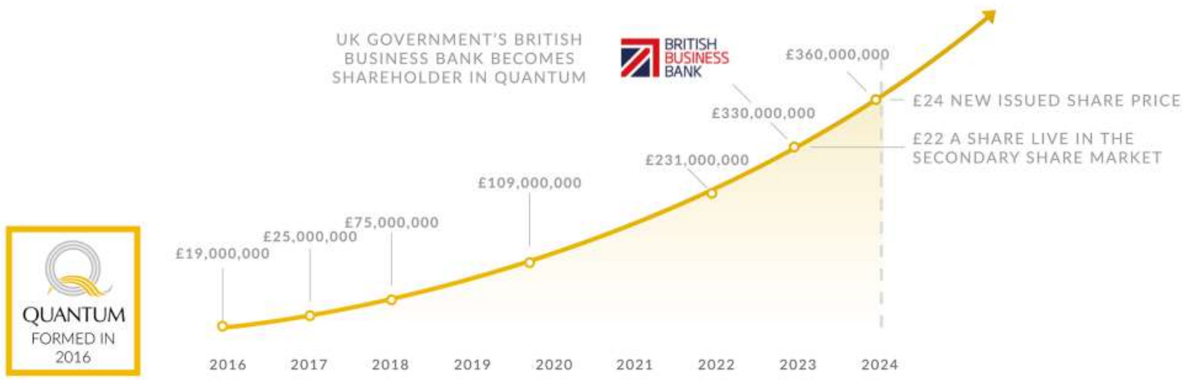
Quantum Financial was founded in 2015 by current Chairman Floyd Woodrow and head of M&A Peter Malmstrom. Starting off life as a security services business, Quantum has since become a fast growing fintech incubator. The group today is divided into the two divisions of regulated fintech and security, with other development opportunities also being pursued. While separate, both divisions have multiple synergies between them in terms of products, technology and client base, offering the potential for cross selling and new product development across the group. Each subsidiary is independently run by its own management team, with governance and strategic support coming from the holding company. This structure helps individual businesses focus on creating products, services and sales, helping to maximize performance across the group and to identify organic and acquisitional growth opportunities.



Quantum group structure: Source Company

Since inception, Quantum has been financed via a mixture of equity, debt and other borrowings. Notably, in early 2021 the UK government backed British Business Bank (BBB) made a £2.5 million investment into Quantum (matched by Fortco (UK) Limited) under the convertible business loan scheme, the Future Fund. The BBB converted its holding in August 2023, converting the interest earned on the loan at £22 per share with a 20% discount to this price for the conversion of the capital at £17.60 per share. This helped the group move into 2024 with no external debt or bank borrowing.

The most recent fundraising was completed at a price of £24 per share following the conversion of a loan into equity, valuing the business at £360 million. Aside from the BBB, Quantum has impressively had no institutional or venture capital investment to date, having been entirely funded by management, high net worth investors and family offices. The shares can currently be traded on the secondary market through the JP Jenkins matching facility, with the current quote of £22 per share valuing the business at £337 million.



Quantum Group valuation history. Source: Company

Progress towards IPO

With the foundations in place for a period of significant expansion, Quantum is now preparing for a listing on the London Stock Exchange. Early discussions have been held with the LSE and a potential duel float on the NASDAQ is also being considered. The IPO is currently expected in Q3 2026 subject to certain milestones being achieved.

A key milestone is that Quantum is only looking to list once the group has reached break-even point and moved into profitability. This, it believes, will make the company more attractive to potential investors, including a number of pension funds with which management have had discussions over investment. Importantly, Quantum has stated that it currently has funding in place to manage the current trajectory through to break-even and to the float. Any additional funding received will be used to finance additional projects, such as the planned e-money applications by Volopa (see page 7).

Aside from one shareholder loan and day-to-day operational ledgers, Quantum currently has no external debt. With the shareholder loan expected to be converted into equity a £22 per share, the company is looking to list on a debt free basis.

In addition, to boost the balance sheet and to strengthen the shareholder register, Quantum is seeking an investment from a Middle Eastern Sovereign Wealth Fund to balance the investment from the UK Government. To date, the firm has had direct approaches from potential investors in Qatar, Bahrain, Saudi Arabia and Oman. As a growing fintech business, Quantum has been attractive as the region seeks to diversify away from its petrochemicals based economy and move towards financial services. Senior management are set to visit the region in Q1 to progress discussions and other operational opportunities.

Finally, Quantum is looking at appointing a skilled and high profile Chairman, with significant City experience, to lead the team dedicated to preparing the firm for the IPO.

Operations

FINTECH DIVISION

Volopa

Founded in 2011, Volopa is a fintech company, with subsidiary Volopa Financial Services (Scotland) Limited authorised in the UK by the Financial Conduct Authority as a payment institution. The business was one of the UK's first innovators in the international payments, foreign exchange and pre-paid cards space. Since then it has evolved from a B2C focused provider of travel cards into providing a comprehensive all-in-one solution for B2B clients that addresses the payments, expense, risk and reporting needs of finance teams and can be embedded into other platforms. Volopa is the largest division in the group measured by revenues and, with significant new opportunities being pursued, is seen as the primary driver of growth over the next few years.

Products & Services

Through its proprietary platform, accessed through mobile and desktop apps, Volopa primarily offers services to UK and European corporates including: international payments, FX hedging solutions, multicurrency pre-paid Mastercards and expense management solutions. While being a much smaller focus, Volopa also targets personal clients with its B2C multicurrency pre-paid Mastercards. Here, clients are mainly affluent individuals who frequently travel around the world and require an FX payment solution.

The majority of Volopa's revenues are made from both forex trading, where payment processing fees and a commission is earned on trading volumes, and from card revenues via the Volopa Mastercard programme. In forex, clients can make international business payments from the UK in 36 currencies and from the EEA in 26 currencies, to 180 countries worldwide.

Meanwhile, the Volopa card is a multi-currency pre-paid payment card which can hold and spend in up to 14 local currencies, all benefitting from Volopa's attractive currency exchange rates, effectively operating as a local debit card when spending in these currencies. In addition, the card can be used worldwide in any of the 200+ currencies supported by Mastercard, using the Mastercard currency exchange rates of the day. Volopa Cards are provided by Moorwand Ltd, an FCA regulated, Principal member of Mastercard International, with whom Volopa has a card issuing agreement and is paid a revenue share. All currency is converted on the card at the real market exchange rate without incurring hidden fees. The cards act as a useful tool for businesses, helping them to facilitate business purchases and actively manage expenses.

Selected Volopa clients across a range of industries. Source: Company

Digital B2B solution

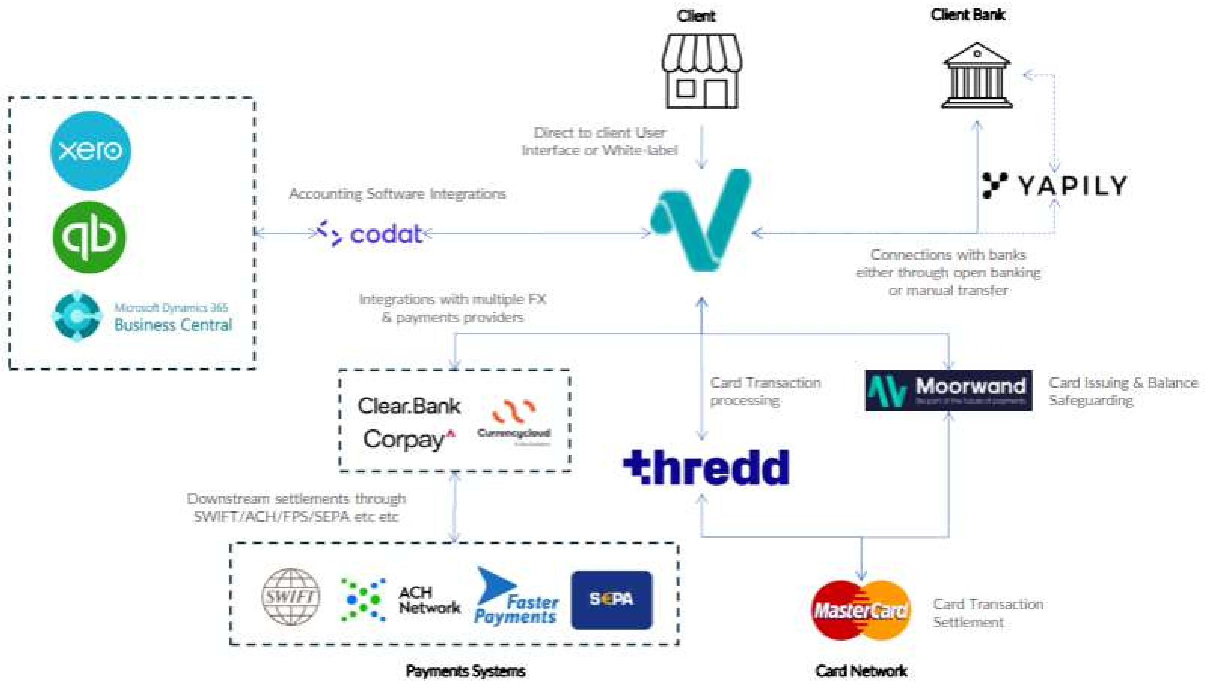
Via the Volopa business app (available on desktop and mobile), Volopa's vision is to bring all the functions of a Chief Financial Officer's role into a single digital solution, or "supercharge their banking". The app has a number of features including: receipt capture, ability to set spending limits, transaction categorisation, statement downloads, and expense reports integration.

he solution is easily integrated into corporate financial systems such as Intuit Quickbooks, Xero and Microsoft Dynamics 365, while open banking allows additional information and access to primary bank accounts to be imported into the Volopa platform. The key growth factor here for the business is that Volopa becomes embedded into a client's systems, leading to high client retention and providing good visibility on future revenues.

Standard business accounts come with zero set-up or monthly card fees, in contrast to many competitors whose monthly fees can run up to £100+ per month. Subscription fees are charged for bespoke accounts which come with value-added features such enhanced transaction reporting. While Volopa's target market is SMEs, the solution is also highly scalable into larger corporate organisations.

Important for Volopa is the offering of a high level of customer service to its platform clients, keeping them satisfied with the service and improving retention rates. Unlike many traditional banks, and those in the B2C space, Volopa does not use any form of chatbot or outsourced teams. This would simply not be good enough for corporate clients. Instead, all customer service is performed in-house, in the UK, with clients having a dedicated account manager contactable by phone or e-mail, supported by the Volopa administration team. Account managers are able to take large numbers of individual clients as the Volopa technology is of such high quality that customers' queries are kept to a minimum.

In terms of the technology, underpinning the Volopa platform is a Software as a Service (SaaS) architecture that will also enable the company to target incremental revenue generation through the monetisation of white-labelling (B2B2C) its technical capabilities and other uses such as the easyGroup joint-venture discussed on page 8.



Volopa funds and data flows showing key operational partners. Source: Company

Recent performance and developments

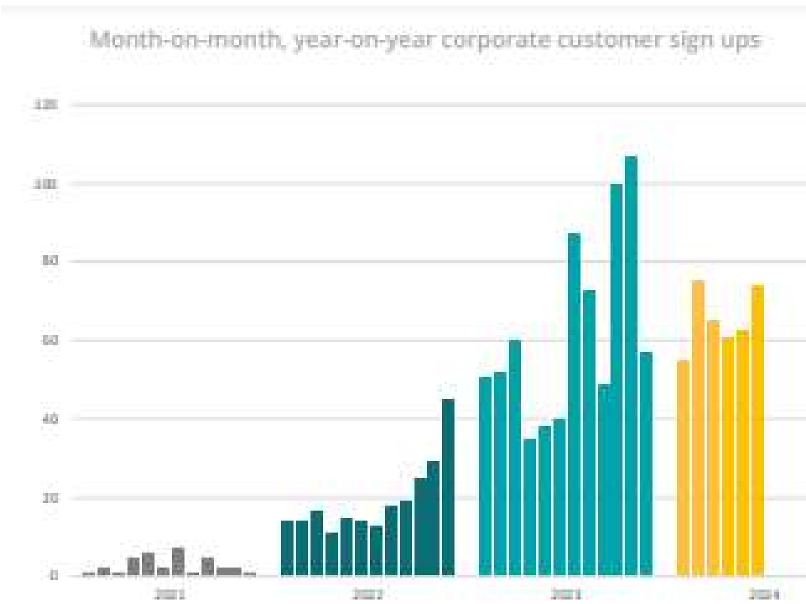
Growth

For the last reported financial year (to 31st March 2023) positive month-on-month sustainable client growth was seen at Volopa, with revenues growing by 104% to £353,433. This continued into 2024 and over the 12 months to June 2024 the firm has reported a 3.2 times increase in the B2B client base.

We understand that over 70 new corporate accounts are currently being signed up each month. Some recent high profile clients include Aston Martin Formula 1, Team Paralympic GB, 3 large Air Charter companies /business travel agents, The England and Wales Cricket Board (ECB), Golf Ireland, Scottish Hockey, and a major luxury hotel chain.

Some other headline performance stats include, in FX & payments: a 22 times increase in monthly international payments processed, 36% rise in payments spend/volume quarter-on-quarter and 32% growth in month-on-month international payments volume. In pre-paid Mastercard there has been a 20% spend/volume increase quarter-on-quarter, 31% rise in the number of card transactions processed per quarter and 58% increase in monthly card transactions processed over 12 months.

More recently, Volopa has reported a 700% increase in year-on-year payment volumes from June, July, August 2023 to 2024. Cards have seen a 33% increase in volumes over the same period and active clients have seen a 250% increase.



Source: Company

Amex team acquisition

One of the most significant recent developments for the division came in August 2023 when it acquired the UK branch of the American Express (Amex) FX team. This came following the decision by Amex to decommission its foreign exchange services for business customers outside the US by the end of 2023. As part of the deal, the Amex team came to Volopa with its account managers, compliance, onboarding and support teams. Following the deal, Volopa has been onboarding the former Amex client base with a view to increasing its FX revenues. The deal is expected to have a further significant impact on Volopa's revenues, making the first full year contribution to the numbers in FY2025.

E-money licence applications

In a bid to elevate Volopa to "neo-bank" status, increase its global reach and introduce new products to its SME client base, a number of e-money applications are in the process of being prepared and submitted to the relevant regulatory authorities. The main difference between a Payment Institution (PI), Volopas current status, and an electronic money institution (EMI), is that PIs only offer payment services, while EMIs can also issue and manage electronic money. PIs do not issue e-money but instead focus on facilitating the movement of funds.

Becoming an EMI will open up a whole new opportunity for Volopa, enabling it to provide services including issuing electronic money such as e-wallets and cards, payment services including payment accounts, international money transfer, payment acquiring and processing, account information services, and payment initiation services.

With an EMI, Volopa can become a direct card issuer and set-up its own safeguarding arrangements with multiple banking providers. For clients, this increases the flexibility of Volopa's card proposition and will enable it to increase the number of supported card currencies. At scale, this will allow the business to become more profitable as it cuts out costs and allows competitive pricing to be maintained.

Currently, Volopa can not hold client funds if they are not associated with a payment unless they are held in segregated accounts with the card issuer. With an EMI, the firm will be able to hold client money in holding accounts regardless of being associated with a payment or not. For clients, this will improve their experience, enabling them to hold funds with Volopa and then decide what transaction they can be used for. Client transactions will be able to be completed without funding them on a case by case basis, which is done at present, dramatically increasing the speed of transactions.

Also, as a PI, Volopa's banking network is currently limited. But with an EMI the company will be able to diversify its relationships due to its increased permissions and access institutional banking and interbank FX rates. This will enable the firm to route client payments through different providers depending on the cheapest or fastest option and partner with more banks to offer more currencies and more settlement methods.

In discussions with management we understand that Volopa is about to submit four effective EMI applications. The first three are with: the UK FCA; the European authority via Malta; and, through the Central Bank of Bahrain, an EMI equivalent licence that will allow passporting to all the Middle Eastern GCC states, including the lucrative markets of the Emirates and Saudi Arabia. Volopa is also in discussions with the Central Bank of Nigeria to upgrade its existing IMTO licence to an EMI licence. This will give it access to the Sub-Saharan African markets through passporting agreements that are in place between Nigeria and other African states. This will all come with increased regulatory and capital requirements. In the UK for example, the initial capital required for an EMI license is €350,000, with ongoing capital being 2% of the outstanding electronic money a firm has issued.

Joint-venture with easyGroup to develop and promote the "easyCard"

At the end of 2023 an opportunity arose for Volopa to form a partnership and revenue sharing deal with easyGroup, the holding company of the "easy" family of brands, and its owner Stelios Haji-Ioannou. Following meetings at the end of 2024, commercial terms have been agreed, along with a JV split 80%/20% respectively between Quantum and easyGroup. This new company will sit in the Quantum fintech division.

Under the deal the plan is to develop a branded "easyCard" as part of an "easyWallet". This seems like an easy win for Quantum, as the technology to power the product already exists within the group businesses. Volopa will power the payments and the wallet will also include a cashback and rewards function which is white labelled from the Verve division (see page 9). Quantum has already developed a platform for a B2C card and expects to be able to use elements of this to accelerate the easyWallet development for the new target market at a minimal cost and development time.

The expectation is that the new B2C easyCard and digital wallet will be ready to launch by Q2 this year. Initially, it will be marketed to all members of the easyGroup, of which there are several hundred active brands, including the popular low-cost, short-haul airline easyJet. Volopa's main focus will continue to be on the B2B side of things, but this venture gives the chance to launch a competitive B2C card. While there are many competitors in this space, Revolut and Monzo for example, Quantum believes that it has a large opportunity due to being linked to the well-known and trusted easy brand. The intention is to market the product across all the easyGroup companies before marketing it in the UK and Europe as a standalone product, prior to a global roll out.

The opportunity here is potentially huge as the easyGroup companies have large and captive client bases. The easyGroup branded companies also have a high proportion of affluent customers who buy products and services which require foreign currency transactions – easyJet and easyHoliday customers for example, with easyJet flying almost 90 million passengers in its last financial year to end September 2024. Capturing those revenues streams (along with domestic spend) on the easyCard will open up new revenue streams for easyGroup. Other benefits to easyGroup will come from increased customer loyalty via the Verve powered rewards and cashback function.

For customers, they may like to separate holiday funds from their main bank account onto the easyCard, with the JV capturing spend on typical holiday costs such as flights, hotels, insurance, car rentals and general holiday expenses. Customers will also have the benefits of secure spending on a dedicated mobile app, competitive FX rates and rewards.

New high profile CEO to drive growth

Recently joining Volopa as CEO is James Radford, a banking and fintech industry veteran. He has held various roles including Head of Banking Operations at Lloyds Banking Group and Chief Operating Officer at Aldermore Bank. He is perhaps best known for his time as CEO of Revolut UK where he, as part of the senior management team, oversaw its application for a UK banking licence and an increase in valuation, from $5.5 billion to $33 billion following a funding round – a record at the time for a private UK tech company. Radford will be looking to deliver similar growth at Quantum and will be reviewing the sales strategy at Volopa over the coming months, overseeing the planned e-money licence applications and will also be joining the Quantum board as a director.

We cover more on Volopa's growth strategy on pages 15 & 16. Overall, the Amex deal, combined with a strengthening of the sales team, e-money licence applications, easyCard venture, and focus on bigger and better quality clients (who generate significantly larger trading volumes), are expected to continue to deliver rapid growth at Volopa over the next few years.

Verve

Fully acquired by the group in August 2020, Verve is the trading name of Tail Offers Ltd, which is registered with the FCA as an account information services provider. Verve provides a cashback and rewards platform to both consumers and retailers, from which its major source of revenues is commissions on redemptions, which can be as high as 1.5% - 2% of the transaction value. Previously known as Tail Cashback, the app was rebranded and relaunched as Verve in April 2024 by Quantum's creative agency Vantage Media (see page 13). The app creates a "triple win" situation, with individuals able to earn cashback on retailer deals, retailers making additional sales, and Verve earning a commission on cashback redemptions.

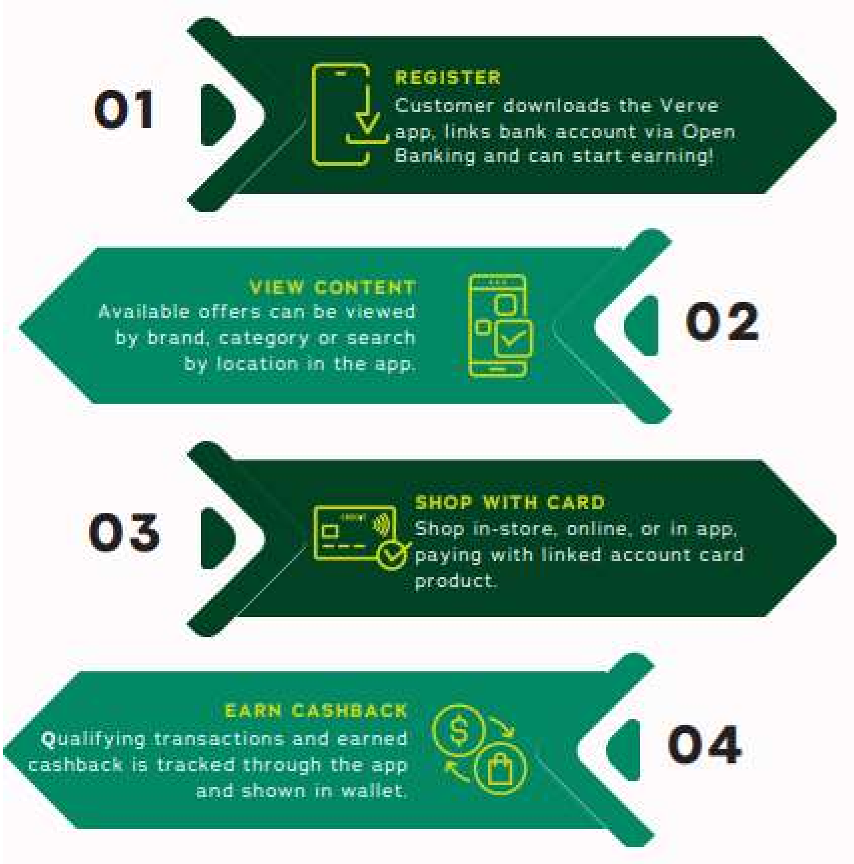
In this division, there are three targeted customer segments.

Individual members – via the Verve mobile app, registered consumers can earn cashback from a variety of participating retailers, which then is paid directly to their bank account. The app is free to use for individuals, who can search offers and pay for them via their linked card without using loyalty cards or vouchers. Using open banking, Verve currently enables cashback to be paid to individuals with accounts with Monzo, Starling Bank, and most recently, Revolut, with Verve working on adding additional banking partners. There are currently over 100,000 registered individual members of the Verve app.

Retailers – Verve helps retailers to drive new business, customer engagement and to encourage repeat custom using cashback incentives targeted to relevant members. Retailers on the platform have access to a real time dashboard where campaigns can be created, along with analytics features such as redemption tracking, customer behavior insights and transaction spending reports. For Verve, a commission is applied on each customer cashback redemption. There are currently around 160 retail clients live on the platform including the likes of Homebase, DHL, SilentNight, Mindful Chef, Decathlon, FatFace and Purina. Verve is in discussions with a range of other retailers with a view to using the platform for cashback & reward offers.

Strategic Partners – currently seen as the main area of growth is the provision of the Verve platform as a white label offering to corporates with large customer bases, for use as their own rewards programme. This is delivered via a bespoke API that allows strategic partners to integrate and customise their own programmes. For such deals, Verve typically receives an initial integration fee, with the real attraction being the earning of commissions over the long-term based upon client activity.

Last year, Verve signed its first deal to provide a white label platform. This was with SME focused mobile accounting and administrative app, ANNA Money. Verve is powering ANNA Money's cashback programme to over 100,000 individual corporate users, who will be able to choose rewards and offers from online and in-person stores across the UK. Verve is also in ongoing discussions with several major banks, including Starling Bank, to provide bespoke white label cashback and rewards programmes. We understand that discussions are also underway with many other potential clients who have end user bases in the hundreds of thousands.



How Verve cardlinking works. Source: Company

The Verve division is currently delivering modest revenues to the group but with a strategy focused on increasing the user base, number of retailers and number of strategic partners using the platform, revenues are expected to rise significantly over the next few years.

SECURITY DIVISION

Valkyrie

Valkyrie

Heading up the security division is Valkyrie (GB) Limited, a specialist security consultancy whose management have more than 100 years of combined experience in Britain's most elite military and intelligence units. The business delivers high-level cyber and physical security solutions specialising in safeguarding its clients' environments both at home and abroad, across their business and social interests, helping to mitigate risk. On the theme of inter-company synergies, Valkyrie also provides security services to the Quantum Financial Group.

Valkyrie's core services include:

Technical Surveillance Countermeasures (TSCM) - popularly known as bug-sweeping, this specialised security service is designed to detect & prevent unauthorised eavesdropping or surveillance activities placed by criminals in a business or home. Using state-of-the-art equipment, Valkyrie's TSCM services employ proactive measures including: electronic sweeps, live monitoring and comprehensive training of clients to safeguard them from traditional and digital surveillance risks, including audio and data eavesdropping, bugging devices, hacking, information theft, fraud and cybercrime.

Cyber Security – Valkyrie helps businesses to protect their digital assets against cybercrime with an expert-led suite of services. These include penetration testing to assess the resilience of client systems, vulnerability assessments to evaluate IT systems, data audit review, breach simulations of real cyber attack scenarios and forensic investigations following cyber attacks.

Investigations - Valkyrie's private investigation services are designed to gather information, conduct inquiries and analyse facts to build evidence and uncover insights into specific situations. Typical investigations might include: gathering evidence for legal cases, searching for and locating missing persons, family matters - such as infidelity or child custody cases, insurance fraud, corporate espionage and insider threats.

Covert Surveillance – these services help clients, in a fully legal manner, to monitor or observe individuals, groups or activities discreetly, to gain valuable information. Valkyrie can deploy single operators or large teams, covering everything from confirm/deny operations to 24/7 activity requests involving dynamic surveillance, multiple operators, vehicles and technical surveillance. Cover surveillance may cover a range of scenarios including security assessments, stalking/harassment, employee misconduct, infidelity investigations and personal security. Valkyrie also provides anti-surveillance and counter-surveillance training to protect clients from surveillance threats.

Physical and Personal Security - physical security services aim to evaluate and enhance the protection of tangible assets, premises and people. These services cater for individuals with security needs at home, such as CCTV, perimeter security and intrusion detection systems, or for those who require in depth emergency response plans or training for security personnel.

Crisis Response – Valkyrie can provide an immediate response to incidents, and provide expert counsel and support throughout and after an incident such as: kidnapping, extortion, ransomware, blackmail, political instability or financial crisis. Valkyrie assists clients in identifying, preparing for, and responding to potential crises, whether complex issues, cyber-related problems, or immediate threats. Services include kidnap, ransom and extortion (KRE) response, evacuation services, crisis response teams and post-incident analysis.

Security Training – Valkyrie’s tailor-made training modules are created to provide clients with the knowledge and tools necessary to safeguard their people, assets and information. They can come in the form of roundtable sessions, desktop crisis exercises, classroom sessions, seminars and online modules to offer a comprehensive overview of the physical and digital security landscape.

Physical Penetration Testing - Physical penetration testing is designed to put an organisation’s security to the test by conducting a controlled attempt to gain “unauthorised” access to a facility, building, data centre or other secure area. This is in order to identify weaknesses and provide recommendations for improving physical security. Valkyrie’s team is made up of former military, police and civilian experts who are fully insured to conduct penetration testing activity. Following testing, the firm will also deliver a comprehensive report outlining vulnerabilities and recommendations for remediation.

Valkyrie’s clients include individuals, companies and government bodies across a range of security concerns. Some of the division’s high profile clients include the UK Houses of Parliament, where Valkyrie provides the access control systems. The firm also provides physical and electronic penetration testing for the Metropolitan Police Federation and the corporate community.

In the financial year to March 2023 Valkyrie grew revenues by 6.7% to £481,721, driven by investigations. The business continued to experience growth in its traditional services and added key services, with additional specialist hires made to expand its cyber and physical security teams.

Forensic Control

Forensic Control

Adding to the security division via its acquisition by Quantum Group in July 2024 is Forensic Control, a specialist consultancy in digital forensics and cyber security which supports legal professionals, businesses, and government agencies. The strategic acquisition was in line with the firm’s strategy to strengthen its existing service portfolio and expands its capabilities in top-tier cyber security solutions. **The acquisition also creates synergies with the rest of the group, particularly with Volopa where its B2B client base will be potential customers of Forensic Control’s cyber security services.**

Products & services

Forensic Control’s offerings include comprehensive digital forensics services, including data recovery, eDiscovery, and expert witness testimony. The company assists in the investigation and resolution of cyber incidents, ensuring the integrity and confidentiality of sensitive data. It also provides proactive measures, including vulnerability assessments and penetration testing to protect clients against future threats.

A key part of its offering is its Cyber Essentials & Cyber Essentials Plus certification services. Cyber Essentials is a Government-backed scheme that helps organisations keep their data and customers’ data safe from cyber attacks. Government body, The National Cyber Security Centre, recommends Cyber Essentials as the minimum standard of cyber security for all organisations. As well as helping firms to reduce cyber security risks, certification brings a number of other benefits including: attracting new business, complying with regulations and contractual requirements for minimum standards of cyber security, and protecting data and reputation. Data from the provider of the free cyber insurance that comes with Cyber Essentials certification estimates that organisations with Cyber Essentials certification are 92% less likely to make a cyber insurance claim compared to those without it.

Forensic Control provides both Cyber Essentials and Cyber Essentials Plus certification, with the former being an online self-assessment questionnaire which is reviewed by an assessment firm and the latter including more rigorous, independent technical testing.

DEVELOPMENT COMPANIES

Alongside its four core businesses, Quantum also has a pipeline of development companies and intellectual property.

Vantage

Vantage Media is an award-winning boutique creative agency specialising in publishing and design for the luxury and fintech sectors. The business provides a range of services for clients including: branding and editorial work, website design, creation of in-house magazines, digital website and mobile app design, advertising campaigns and organisation of prestige events such as awards evenings and product launches. Major clients have included the likes of Aston Martin, The Brit Awards, Rolls Royce, Faberge and Blenheim Palace.

Vantage also publishes the premiere luxury lifestyle brand Tempus which includes an award-nominated quarterly print magazine, daily news website and regular bespoke events. The print version is made available in prestigious locations including The Savoy Hotel, Claridge's, private members clubs and airport lounges. Readership has a near 50/50 split between high net worth male and female readers, making the publication highly attractive to luxury brand clients who want to advertise and promote themselves.

Vantage acquired Tempus Magazine in late 2018 with the aim of growing the title from a little-known watch and lifestyle magazine into a world-class publication. The division is not currently seen as the major growth area within the wider group, especially compared to the likes of Volopa and Verve. However, it does have an important support role, having completed rebrandings and events for other Quantum Group companies and promoted their products in Tempus magazine.

In recent times Vantage has rebranded the Verve app, completed a visual overhaul of Volopa to support the launch of new expense management products, refreshed Valkyrie's branding and organised a major product launch, and designed and launched a new look website for the Quantum Group as part of a new marketing and public relations strategy. With a high profile corporate client list and high net worth readers, Vantage also offers potential cross selling opportunities to other companies within the group.

Oya

Oya is Quantum's money transfer service, designed exclusively for the over one million people of Nigerian heritage who live in the UK. Developed in partnership with Wema Bank, the Oya app offers competitive rates and fast transfers where users can send money from the UK and Europe straight to domestic accounts in Nigeria. Using an International Money Transfer Operator (IMTO) Licence issued by the Central Bank of Nigeria (which can passport through Nigeria to other countries across Sub-Saharan Africa), Oya aims to make international money transfers more accessible and affordable to a growing and often-underbanked diaspora. As discussed on page 7, Quantum is currently in discussions with the Central Bank of Nigeria to upgrade its existing IMTO licence to an EMI licence.

Valkyrie Ambassador

Building on its product offering in the Valkyrie business, the Ambassador Programme provides high net worth clients with the Valkyrie Ambassador Card – powered by Volopa technology. Designed for highly mobile, high-net worth clients, the card is milled from solid gold and designed as a highly secure payment card, being the front end of a security solution that enables highly mobile HNW individuals to track and monitor their global assets, mitigating risk, through a highly secure mobile app.

Made to order and clearing in more than 120 currencies, the Valkyrie Ambassador Card will feature advanced security measures to protect against cloning and fraud, and it is specifically tailored for high-net-worth individuals who require high security and convenience in global transactions. Other security features will include: the card firewalling its clients' bank accounts and protecting them from direct attack through cloning or skimming. The card will not be able to be scanned and will only be readable in a Point of Sale (POS) machine with highly secure chip and PIN.

Volopa Bullion

Volopa Bullion will offer a range of financial services including the addition of gold and silver bullion on a multicurrency card, supporting 14 major currencies, effectively making physical gold and silver the 15th and 16th currencies on the card, which can be used in more than 35 million outlets globally. Clients can buy and sell gold through the app, taking advantage of price movements to use the bullion strength in purchases when high and buying the physical bullion back on dips, to mobilise their physical gold and silver deposits and optimise this asset for use in their everyday lives.

Strategy for Growth

As an incubator, Quantum Financial has a four stage approach to its corporate business strategy, which focusses on identifying investment opportunities, then growing companies to profitability and beyond.

1. Target & Acquire – Quantum has a dedicated M&A team which acts to identify acquisition opportunities and assess their growth potential both on a stand-alone basis and as part of the wider group. Once found, favourable terms will be negotiated to acquire either a strategic stake or the business as a whole.

2. **Analyse & Execute** – Once a business has been acquired Quantum will identify actions required to fill in any gaps in the business and focus resources to strengthen it. Key functional roles will be filled and key non-revenue objectives met to progress to the next phase.

3. Structure & Commercialise – Quantum will establish a strong operational foundation and governance structure while commercialising the business and using its expertise to expand.

4. Scale and Exit – the final stage is to scale the business to its full potential before positioning each company for a large Series B investment and then execute a successful exit via a flotation or significant trade sale.

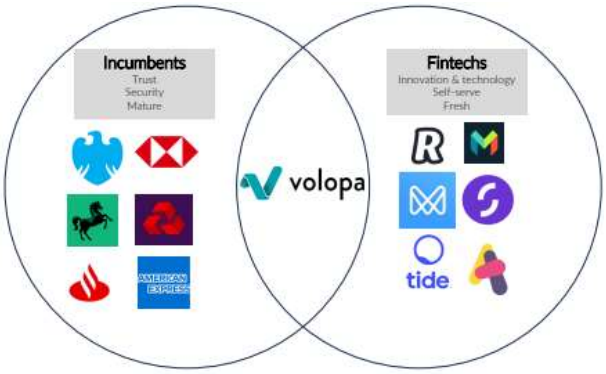
Divisional Strategies & Market Opportunities

FINTECH

At the divisional level, Quantum Financial is at the stage where years of internal development has created a range of high quality products and services which are being delivered to an increasing base of clients. Taking advantage of growth opportunities across its areas of operation, the focus now is upon a period of aggressive scaling of client numbers, along with the continuing development of its offerings.

Volopa

With its B2B app, Volopa has positioned itself to target larger SMEs and Commercial Banking sized companies. This an area of financial services which the company believes has significant opportunities to offer a comprehensive payments, expense and risk management solution to finance professionals. A gap is seen in this space as traditional banks struggle to provide adequate customer service & innovative/flexible solutions to SMEs. Meanwhile, other fintechs and “challenger banks” have tended to focus on the smaller end of the business market where off the shelf solutions fit needs adequately and are easy to scale. To meet its clients’ needs, Volopa has therefore ensured that its services are customizable, backed by quality relationship management and reliable customer support. It sees itself as a “mature fintech” that combines innovation with the maturity and trust of traditional banks.



Volopa market positioning. Source: Company

Market size

The global addressable market for Volopa is large and growing. At a high level, according to a recent report by FXC Intelligence, global cross-border payment flows are growing at around 9% annually, reaching a total value of $190.1 trillion in 2023 and expected to grow to $290 trillion by 2030. Within this, B2B transactions make up the largest share at US$183.5 trillion. Meanwhile, Boston Consulting Group's Global Payments Report 2024 estimated the global payments revenue pool at $1.8 trillion in 2023, growing to $2.3 trillion by 2028.

Driving the market are factors including: the digitisation and automation of B2B payments, a rising preference for real-time payments, increased investments in technology-based payment solutions, growing integration with enterprise resource planning (ERP) systems, and the surge in online marketplaces and e-commerce platforms.

Important for Volopa, Allied Market Research's November 2024 report "Forex Pre-paid Cards Market" sees the forex pre-paid card market worth $159.2 billion in 2024 and growing at a CAGR of 15.3% to be worth $492.8 billion by 2032. What's more, the multi-currency forex card segment held the highest market share in 2022, accounting for nearly three-quarters of the global forex pre-paid cards market revenue and is projected to see the highest CAGR of 16.4% from 2023 to 2032. Allied sees growth driven by a rise in cross-border transactions brought about by the globalisation of travel and businesses and the need for convenient and secure payment solutions, which forex pre-paid cards are able to fulfill. Also, the increase in the popularity of online purchasing has increased the need for pre-paid cards as a convenient payment option for overseas transactions, along with the offering of better exchange rates and fewer foreign exchange fees.

Strategy

Under this backdrop, and along with the e-money and easyCard opportunities discussed on pages 7 & 8, Volopa's intention is to continue to focus on its B2B solution and rapidly scale all areas of the business – FX revenue, card revenues and card subscription fees. As these are a function of client spending and client numbers, sales teams have recently been strengthened, marketing budgets have been increased and the development team instigated to deliver the company's product roadmap. Due to the high operational leverage of the business, fixed costs are expected to rise only modestly as Volopa has significantly opportunities to scale from its existing set up.

Verve

Market growth

Rewards and cashback is another area of fintech experiencing strong growth, being driven by consumers looking to optimise their spending in an inflationary environment and a desire for faster, more tangible rewards compared to typical "points" programmes. Retailers too are seeing cashback and rewards as an increasingly important consumer engagement tool, coming with the ease of integration into e-commerce and digital payment systems. A report from Research and Markets in November last year suggested that the value of the global cashback programmes market is set to grow at a CAGR of 12.3% from 2024 to 2029, rising from $215.8 billion to $384.9 billion. In the UK the expectation is for compound annual growth of 11.3%, from $13 billion in 2024 to $22.1 billion in 2029.

Strategy

To take its own slice of this growth, Verve has a plan to scale the business via a three pronged strategy. First, the company will grow the user base via a number of methods, including expanding its open banking connectivity to more financial institutions and improving engagement in order to increase levels of redemptions. Content on the platform will be expanded by increasing the number of retailers and types of offers, with additional cashback qualifying products including gift cards and event tickets being added via integrations with a number of partners.

Verve will also be targetting the customers of its open banking partners, Monzo, Starling and Revolut, encouraging them to register their cards on the app. Notably, Revolut, with a 10 million B2C customer base, has recently made the decision to pull away from cashback offering to focus on its “Revpoints” rewards programme, which offers benefits such as air miles, and discounts on hotel stays and experiences. This offers Verve the opportunity to step into the Revolut customer cashback space with its own offering.

Regarding retailers, in 2024 Verve averaged 200 active campaigns across 161 retailers, with 40 new offers and 60 new brands added since the April rebrand. The intention is to keep adding more retailers to the platform and improve functionality for them by adding new features including: improvements on reporting and invoicing, campaign management and analytics, and also improving customer care.

Finally, building on its recent successful win with ANNA Money, Verve is looking to add more white label strategic partners to drive cashback redemptions and related fees. ANNA Money is shortly expected to move its cashback programme from an opt-in to an opt-out model, which should help to increase the user base.

To support expected growth at Verve, staff are expected to be hired in various areas including product management, operations, marketing and software development. A full marketing budget and plan has been developed, which will include video campaigns to target strategic partners, performance marketing and SEO. Verve also wants to increase awareness of the brand within the cashback and rewards industry. This focus will include event sponsorship and attendance, with the company having recently attended the Open Banking Expo in London where its offering was well received by potential clients.

SECURITY

Security is another growth market across both physical and digital sectors. Grand View Research estimates the global physical security market was worth $127 billion in 2022 and expects it to grow at a CAGR of 6.8% between 2023 - 2030, to a figure of $216.43 billion. Meanwhile, Fortune Business Insights is looking for the global cybersecurity market to grow from $172.24 billion in 2023 to $562.72 billion by 2032.

The security division is said to be experiencing significant growth, with a recent 27% quarter-on-quarter revenue increase and a major sales and marketing campaign set to launch mid-January. This is expected to drive sales of the SME focused Cyber Essentials product, which will also be offered to Volopa clients, demonstrating further synergies that exist across the group products. Valkyrie will see a first full year of contribution to the group from Forensic Control in FY2026, with cybersecurity products and services expected to be a major driver of growth in the coming years. In the wider security division, management will also consider targeted acquisitions to increase operational capacity and revenues.

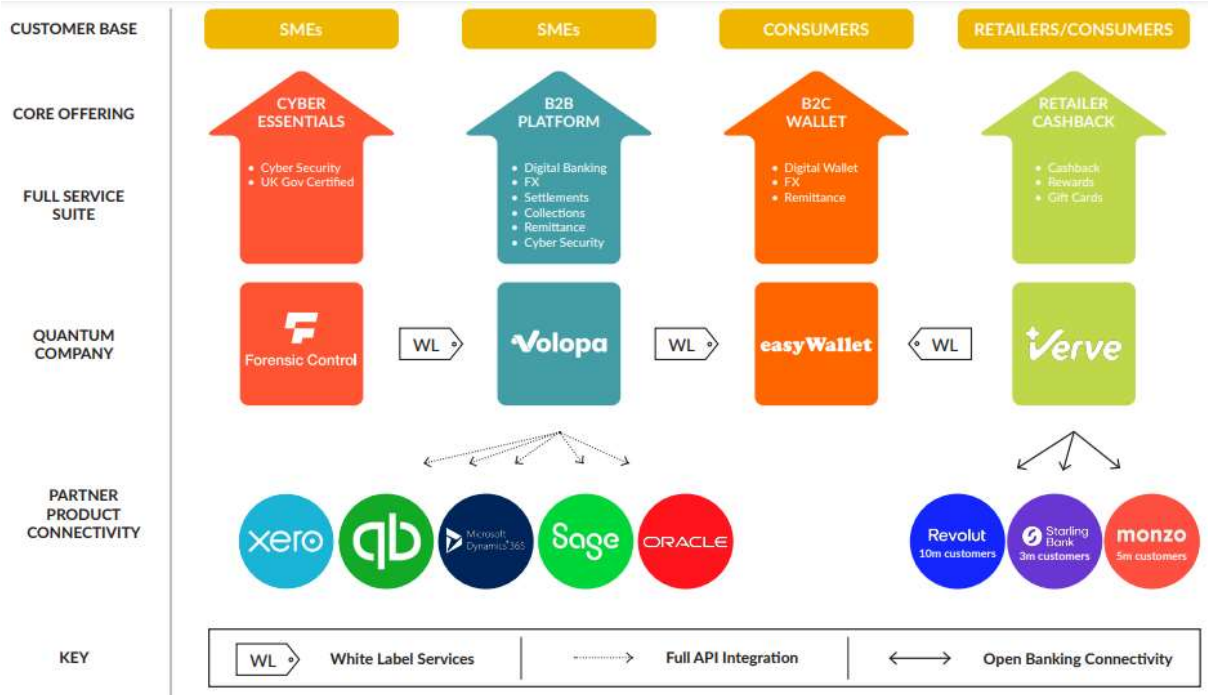
OTHER

The Vantage business is expected to see more modest growth while remaining as promotional support for the rest of the group companies. The business is looking to mainly focus on increasing advertising revenues while gaining new branding projects and specialist client publishing.

INTER-COMPANY SYNERGIES

A common theme in this report has been the various synergies that exist across the individual Quantum Group companies in terms of technology, clients, products and internal support. The firm's strategy remains focused on taking advantage of these synergies, with the chart below demonstrating some of the opportunities.

Starting on the left, Forensic Control's Cyber Essentials certification services are relevant to the SME client base of Volopa. These services can easily be cross-sold to Volopa clients via the B2B platform. Moving on, both Volopa and Verve have developed the technology to create the easyCard and easyWallet, with Volopa powering the payments and Verve the cashback and rewards element. This provides the opportunity to focus more on the B2C side of the market, with elements of both businesses combining to create an attractive consumer product.



Quantum Group companies connectivity. Source: Company

Financials & Current Trading

Since its inception Quantum has been focused on developing a strong product suite to offer to its mainly B2B customer base. While the group as a whole has been revenue generating historically, a P&L deficit has been built up over the years due to the development nature of the business. As at 31st March 2023, the reference date of the last reported set of accounts, the P&L deficit stood at £20.49 million.

We provide historic financials here for reference but note that the investment case strongly lies on the future potential of the business over the next few years, covered in the Forecasts section on page 23. In terms of the balance sheet, management accounts for the year to March 2024 show cash of c.£0.9 million, although we understand that significant additional funding has been committed since then.

Year to 31st March	**2016**	**2017**	**2018**	**2019**
Revenue	289,299	554,266	269,358	344,886
Net profit (loss)	-1,846,135	-966,198	-1,859,180	-2,505,853
Shareholder funds	-1,374,137	-1,135,261	-744,966	2,450,858

Year to 31st March	**2020**	**2021**	**2022**	**2023**
Revenue	442,021	370,754	529,577	705,830
Net profit (loss)	-3,051,381	-2,532,033	-4,767,586	-6,626,656
Shareholder funds	366,202	30,254	-4,737,332	-8,431,188

Quantum Group, select historic financials: Source: Companies House accounts.

Risks

Funding Risk

As yet, Quantum is yet to reach break-even point but believes that it presently has committed funding to reach this stage. Our forecasts are looking for break-even to be reached in Q1 of the 2026 financial year. Additional funds may need to be raised to finance further projects and business opportunities. Any further equity raisings will result in dilution of current shareholders. In addition, as an FCA regulated entity, and with several e-money applications expected to be submitted in the near future, certain minimum levels of regulatory capital will need to be maintained.

Execution Risk

Quantum has an ambitious growth plan which sees both revenues and profits rising significantly over the coming years. Delays in or failure to meet budgets across all divisions could have a detrimental effect on the business and the valuation investors place upon the company. In addition, there is the challenge of being able to hire sufficiently skilled employees to deliver the business plan, although Quantum has demonstrated its capacity to both attract and retain highly skilled individuals with proven track records of success to populate both its executive and operational teams.

Competitive risks

There are many competitors operating in the payments and money transfer industry as open banking has driven innovation and attracted hundreds of new players. Established financial operators too have begun to invest in and embrace fintech, creating challenges for Quantum to continue to attract clients and deliver products and services that clients want to use. Both the payments & rewards and security markets also have high levels of competition. Offsetting this, Quantum is an established player in the market, being a mature fintech with a focused strategy on the upper end of the SME market.

Technology risks

As an operator in the fast developing fintech and cyber security markets, Quantum must continually invest in and keep up with technological developments in order to maintain a high quality of product and services. To do this it is has dedicated technology teams across the key areas of the business.

Regulatory Risk

In finance, Quantum operates in an industry subject to extensive and comprehensive regulation which has seen rapid change in the past few years. The potential non-compliance with laws and regulations is a risk for the group, particularly in the area of money laundering and terrorist financing. However, this can also be seen as a positive as it will restrict entry into the marketplace due to the level of regulatory approvals needed. This compliance risk is mitigated by the Group having a chief compliance officer who oversees an adequately resourced compliance function, maintained by specialist compliance teams that sit within all its regulated entities.

Board & Senior Management

Floyd Woodrow MBE DCM - Founder & CEO

Floyd has significant experience in the fintech and security space. He served with Special Air Service (SAS) for 24 years, working with COBR and as Head of the UK Counter Terrorist Wing, before leaving the military and founding Quantum Group with Peter Malmstrom. Floyd has an excellent track record of success as a military leader, company director and negotiator, working with government agencies and police forces throughout the UK and overseas, and was named a Top 50 Fintech Founder by leading industry publication The Financial Technologist. Through his philanthropic foundation, Compass for Life, Floyd delivers elite performance training to executives of some of the UK's biggest companies, as well as the UK National Health Service, the Police and First Response Agencies. He was awarded the second-highest gallantry award, a Distinguished Conduct Medal, for his work in Iraq and an MBE for his work in Afghanistan.

James Radford – Board member and CEO Volopa

James Radford stands as one of the UK's most accomplished and visionary fintech leaders, celebrated for his hands-on approach and unparalleled track record of success. As the CEO of Revolut UK for nearly four transformative years, James established from scratch the UK Board, executive and banking team and was a key senior leader during the companies most dynamic growth phase. Revolut's Group valuation in that period skyrocketed from £5.5bn to an extraordinary £33bn, firmly establishing the company as a global fintech powerhouse. With a deep understanding of strategy, execution and innovation, James has consistently demonstrated his ability to build teams, drive growth, unlock value and deliver exceptional results in the fast-moving and rapidly evolving fintech landscape.

Steven Strauss – Chief Financial Officer

Steven is an accomplished accountant with a strong financial, tax and advisory background. A Fellow of the ICAEW, he regularly advises and consults with corporate entities on a wide range of matters, including London Stock Exchange floatations, advising overseas governments on tax matters, international structuring for multi-nationals, and advising on complex transactions at both corporate and shareholder level. He was previously senior partner of top West End firm Simmons Gainsford LLP until he stepped down in 2017 to develop a number of commercial opportunities. He has been a director of several private companies in the financial services sector, including an international payments solution company, and is currently a trustee of a major UK charity.

Graham Smith – Chief Operations Officer

International payment specialist Graham has an enviable track record of managing teams, strategic clients and programmes to deliver the highest levels of customer experience and generate return on investment for companies. With more than 31 years in the financial, retail and card payments sector, he has extensive knowledge of the fintech sector — particularly card payment solutions — and brings unrivalled regulatory expertise to Quantum's FCA-regulated and unregulated products. Combining excellent programme director skills with strong client focus and financial insight, Graham is a calm leader who excels in building trusting relationships at all levels to power innovation and overcome traditional barriers to change. Graham is FCA registered as CF1 (Director).

Steven Newman – Chief Compliance Officer

Steven is an internationally experienced Financial Crime, Risk & Regulatory Compliance leader with extensive knowledge of developing, implementing and reviewing strategic risk-based frameworks and transformation projects. He has significant knowledge of the international legal and regulatory environment and is experienced in influencing politicians and c-suite executives. Steven sits on the Cross Sector Advisory Group that gives advice to the Cabinet Office on the Governments Financial Crime strategy and was commended by the UN Ambassador to NATO on his Anti-Corruption work, mentored Foreign Government officials and has given advice on their financial crime frameworks.

Shahnawaz Aziz - Chief Technology Officer

Responsible for all IT as well as critical projects for Verve and Volopa, Shanawaz is a highly experienced and team-oriented professional, focused on fine tuning the collective efforts of Quantum's design, product and sale teams to optimise tech delivery. With more than 25 years of IT and software development experience across financial services, captive finance, government and retail sectors, his demonstrated track record includes holding patents for blockchain security solutions, launching bitcoin wallet and blockchain exchange platforms, and initiating cost-saving frameworks for Maersk Line and Tungsten. A technologist at heart, Shanawaz is highly skilled at solving complex issues using social, cloud, mobile and big data technology and Gen AI, as well as interpreting blockchain at byte level to create commercial value.

Ali Al Bajati - Chief Product Officer

Ali joined Volopa in 2021 as Head of Product and is now responsible for steering the commercial strategy for Quantum's Fintech Division at Group level. Ali's career spans pivotal roles at globally recognised institutions. Notably, during his tenure as a Product Manager at JP Morgan Payments, he managed the launch and expansion of the Global Mass Pay and the Global Earnings Credit Rate (ECR) products in the EMEA region. Ali also served as a senior product manager at American Express, where he played a key role in research and development, optimising the roadmap process, and contributing to the launch of the new Global Pay product. With a proven track record of transforming concepts into successful products, Ali continues to drive innovation and excellence in the realm of product development and commercial strategies.

Matt Hayward Ryan - VP Sales

Matt Hayward-Ryan, formerly Sales Director at Transaction Network Services UK and Country Manager in New Zealand, is a distinguished sales leader with a track record of delivering transformative growth and innovation in the payments industry. Notably, Matt pioneered the UK's first Incremental Authorisation card payment process, revolutionising how consumers pay for EV charging and setting a new standard in the market. With deep expertise across the payment's ecosystem, Matt combines strategic vision, persuasive sales acumen, and a talent for building impactful partnerships to redefine user experiences, streamline operations, and drive significant stakeholder value. His ability to identify opportunities and implement effective growth strategies has consistently delivered exceptional results in highly competitive markets.

Katie Prendergast - Head of Human Resources

An HR and office management professional with 10 years of administrative experience, Katie has a demonstrated history working in the financial and private property sector. Katie is responsible for coordinating human resources management across Group companies, as well as developing inter-office communication, streamlining administrative procedures and maintaining office policies. She also oversees the daily operations and communications with all elements of the Group organising meetings, conferences and special events. Katie possesses excellent leadership, organisational and communicative skills, and ensures the effectiveness and welfare of the Group's staff and processes.

Peter Malmstrom – Co-Founder & Head of M&A

Peter brings a wealth of expertise in fintech innovation and security solutions to Quantum Group through both his military and civilian experience. He trained as a commodity futures broker and foreign currency trader in the City of London, developing trading algorithms and pioneering deliverable FX platforms. After a period of time with the British Army, , he entered the world of specialist security providers, gaining more than 25 years of experience in the security sector, while also active in the development of several FX financial services companies.

Forecasts

Working with management, we have put together forecasts for Quantum Financial Group for the three financial years to March 2027. We present these below at the divisional level, summarising any key assumptions made.

Volopa

Due to the incentives described above we expect an aggressive ramp up in revenues in Volopa in the forecast period across both FX and card revenues. For the company as a whole we are looking for a compound monthly growth rate of near 21% in FY2025 as it builds from a relatively low base. In 2026 we are looking for growth to slow to 8.7% month-on-month and then rise slightly to 10% in 2027. Key assumptions include the winning of more higher volume clients, with lower rates being offered on higher volumes. **It is important to note that these forecasts do not include any figures from the easyGroup joint-venture or e-money licence approvals.**

Verve

In the cashback and rewards business a similar scaling opportunity exists given the technological infrastructure in place and sales teams who are focusing on bringing in new clients. Starting from a lower base than Volopa, we are looking for monthly growth of 41.2% in FY2025, then falling to 12.3% and 7.4% for the next two years. Certain assumptions are made on rates of active customers, redemptions per month, average transaction values and commission rates. Growth in user numbers and commissions on cashback are the greatest drivers of growth, with ticket sales and gift cards becoming more important.

Valkyrie

In the security division (Valkyrie and Forensic Control combined) monthly revenues can be lumpy due to the receipt of funds from individual projects. We see growth here mainly being driven by cyber security and the Forensic Control certification services.

Vantage

We expect a much more modest performance at creative agency Vantage, with the focus being on growth opportunities in other group companies. Monthly revenues are forecast to be lumpy, with specific branding and client publishing projects coming every three months.

Our combined divisional revenue forecasts are presented in the table below.

FY to March (£)	2025	2026	2027
Volopa	2,791,092	13,948,629	44,132,985
Verve	170,224	2,351,293	8,281,074
Valkyrie	586,166	1,047,384	1,271,113
Vantage	220,120	382,120	401,226
TOTAL	**3,767,602**	**17,729,426**	**54,086,398**

Quantum revenue forecasts. Source: Optimo Capital

Costs

Across the two main growth businesses of Volopa and Verve we expect direct costs to rise markedly, in line with increased volumes but at a lower rate than revenues. Valkyrie sees a fall in direct costs due to 2025 seeing one off training costs early in the year, with direct costs practically flat at Vantage.

Demonstrating the scalability of the business, overheads across the group businesses are expected to rise at low levels, at substantially lower rates than revenues. At Volopa and Verve, respective overheads are only expected to rise at c.8% and 17% respectively over the forecast period, while both divisions are expected to deliver triple digit revenue gains. We also add in group costs, which are practically flat from 2025 to 2027.

DIRECT COSTS

FY to March (£)	2025	2026	2027
Volopa	1,641,671	4,234,679	10,024,985
Verve	83,224	1,045,943	3,700,944
Valkyrie	79,777	34,418	36,202
Vantage	99,875	96,398	101,218
TOTAL	**1,904,547**	**5,411,439**	**13,863,350**

OVERHEADS

FY to March (£)	2025	2026	2027
Quantum Group	1,249,915	1,220,077	1,255,453
Volopa	2,976,782	3,076,256	3,485,269
Verve	1,284,258	1,664,129	1,747,140
Valkyrie	491,403	511,396	537,575
Vantage	235,814	245,736	257,773
TOTAL	**6,238,171**	**6,717,594**	**7,283,211**

Quantum cost forecasts. Source Optimo Capital

EBITDA

Our model suggests that Quantum as a group will move into profitability in the first quarter of its FY2026 financial period. Following a £4.375 million EBITDA loss in FY2025 we are looking for a profit of £5.6 million in 2026, growing almost fivefold in 2027 to just under £33 million. We note that the firm has built up considerable tax losses over the years and we expect that corporation tax will only become payable from December 2026.

FY to March (£)	2025	2026	2027
GROUP EBITDA	-4,375,116	5,600,393	32,939,837

Quantum EBITDA forecasts. Source Optimo Capital

Industry Multiples

To highlight the current high interest in the sector and to help determine a credible multiple to use for our valuation of Quantum Financial Group, we examine recent trends and deals in the fintech industry, noting that full financial details are not always available for private company transactions.

Recent Transactions

There have been plenty of deals in the B2B payments and foreign exchange space over recent years as major institutional players look to invest in and acquire agile fintechs that add value to their operations. These reflect the interest in the sector and provide some clues as to the valuation that Quantum Group could realistically command.

Morgan Stanley / Sokin

In July 2024 Morgan Stanley Expansion Capital led a $31 million investment into UK based payments business Sokin. The company enables global businesses to transfer, hold, and exchange over 100 currencies through its multi-currency IBAN and local currency accounts, integrated into a comprehensive platform. The valuation of Sokin following the deal has not been announced, although CEO Vroon Modgill said in a recent interview that last year the firm reported a pre-tax profit of $4.5 million on revenues of $11.5 million, with +$10 million of profit on track this year.

Sokin has recently expanded into the European Union (EU) through the acquisition of Norwegian fintech Settle, which will give Sokin access to its European EMI licence, enabling it to provide payment services in Europe. The information platform Dealroom has estimated the deal value to be between $7 million and $11 million.

Corpay / GPS Capital Markets

In June 2024 the New York listed corporate payments company Corpay signed a definitive agreement to acquire GPS Capital Markets, which provides business-to-business cross-border and treasury management solutions to upper middle market companies, primarily in the US. This was in line with Corpay's focus on scaling its Corporate Payment business to nearly $2 billion by 2026. The deal value was estimated at $730 million. Reading comments from Corpay's corporate releases we estimate that GPS is expected to contribute around $130 million of revenues in 2025, putting the deal revenue multiple at 5.6 times.

Railsr / Equals Group & Fair FX

In December 2023 it was confirmed that embedded finance platform Railsr had agreed to acquire AIM listed Equals Group, which offers SMEs a suite of payment products across FX transactions and pre-paid card solutions, for £283 million in cash. The deal price implied an enterprise value multiple of approximately 11.3 times Equals' Adjusted EBITDA for the 12 months to June 2024. For the year to December 2023 Equals grew adjusted EBITDA by 70% to £20.6 million, following an 81% rise to £12.1 million in 2022.

Visa / Currencycloud

In December 2021 Visa acquired Currencycloud, a global platform that enables banks and fintechs to provide foreign exchange solutions for cross-border payments. For the financial year to 31st December 2021 The Currency Cloud Group made revenues of £62 million and a net loss of £10.97 million as it continued to invest in technology and staff. The deal was valued at $963 million (£700 million at the time, £790 million now), up from a reported valuation of around $500 million in a previous funding round in January 2020. At current exchange rates, that equates to Visa paying a multiple of 12.7 times revenues for Currencycloud.

Visa / Earthport

May 2019 saw VISA buy AIM listed Earthport for £247 million in cash after a bidding war with Mastercard. Earthport provides cross-border payment services to banks, money transfer service providers and businesses via the world's largest independent ACH network. Visa was attracted to Earthport's technology which it believed would help it expand and scale Visa Direct's portfolio including: funds disbursements, peer-to-peer payments, cross border payments, marketplace payouts, and bill payments. For the year to June 2018 Earthport made a net loss of £8.4 million on revenues of £31.86 million, for a deal revenue multiple of 7.75 times.

Revolut

Revolut completed a secondary share sale in August 2024, led by Coatue, D1 Capital Partners, and existing investor Tiger Global. The deal valued the business at $45 billion. This represented a multiple of 20.5 times the £1.8 billion ($2.2 billion) of revenues reported for the year to 31st December 2023 and almost 75 times adjusted EBITDA of £493 million ($602 million).

Industry Average Multiples

We note a recent report from thought leadership marketing company First Page Sage - *Fintech Valuation Multiples: 2025*[1]. This compiled data on private fintech M&A deals from Q4 2022 to Q1 2025 using private equity networks, expert interviews, and proprietary databases, to determine a range of fintech valuation multiples. The report notes that revenue multiples are generally preferred in fintech due to the high-growth, high-burn nature of these businesses, although EBITDA numbers are also provided.

In the fintech money transfer & payment solutions sectors (which most closely matches Quantum's operations) First Page Sage found revenue multiples to be in the range of 5 to 6.7 times, with higher revenue companies demanding a higher valuation. This is supported by accountancy services company finerva's most recent fintech sector report, which found overall fintech sector revenue multiples growing from 5 times in Q1 2023 to 6.3 times in Q4 2023.

Meanwhile, First Page Sage finds that EBITDA multiples in the transfer and payment sectors were between 12.3 and 16.4 times, with the high-end of the range being for companies with between $5 - $10 million of EBITDA. These figures are backed up by Hampleton Partners' 2024 fintech report which, in the payments sub-sector, found a trailing 30-month median EBITDA multiple of 14.8 times.

1. https://firstpagesage.com/business/fintech-valuation-multiples/

Valuation

With our forecasts suggesting that Quantum is shortly expected to be strongly profitable, we consider an EBITDA multiple to be the most relevant to use in our valuation of the firm. Given the fivefold expected rise in EBITDA in 2027, we consider a multiple of 18 times to be a reasonable figure. This is a 10% premium to First Page Sage's higher end transfer and payments sector multiple, and perhaps even conservative given that Quantum is expected to post EBITDA much higher than companies in that range (c.£33 million vs $5 -$10 million).

Using our 2027 EBITDA forecast of just under £33 million we get a figure of £593 million. We then discount this back to end March 2025 at a rate of 20% to reflect execution risk. Therefore, our discounted valuation for Quantum Financial Holdings is £411.75 million. Quantum currently has 15,323,752 shares in issue, with no options, warrants or convertible loan notes aside from a modest HMRC approved employee share option incentive scheme. That equates to a price per share of £26.87.

To illustrate potential valuations at other multiples and discount rates we present the valuation matrix below.

Discount rate

	£m	15	16	17	18	19	20	21	22	23	24	25
Multiple	13	323.79	318.24	312.82	307.54	302.39	297.37	292.48	287.70	283.04	278.50	274.06
	14	348.70	342.72	336.88	331.20	325.65	320.25	314.98	309.83	304.82	299.92	295.14
	15	373.61	367.19	360.94	354.85	348.91	343.12	337.48	331.97	326.59	321.34	316.22
	16	398.52	391.67	385.01	378.51	372.18	366.00	359.97	354.10	348.36	342.77	337.30
	17	423.42	416.15	409.07	402.17	395.44	388.87	382.47	376.23	370.13	364.19	358.39
	18	448.33	440.63	433.13	425.82	418.70	411.75	404.97	398.36	391.91	385.61	379.47
	19	473.24	465.11	457.20	449.48	441.96	434.62	427.47	420.49	413.68	407.03	400.55
	18	448.33	440.63	433.13	425.82	418.70	411.75	404.97	398.36	391.91	385.61	379.47
	20	498.14	489.59	481.26	473.14	465.22	457.50	449.97	442.62	435.45	428.46	421.63
	21	523.05	514.07	505.32	496.79	488.48	480.37	472.47	464.75	457.23	449.88	442.71
	22	547.96	538.55	529.39	520.45	511.74	503.25	494.96	486.88	479.00	471.30	463.79

Base case valuation. Source: Optimo Capital

Conclusion

Following years of product development and building high quality management teams, Quantum is now at the stage where it has highly scalable operations where revenues are set to rapidly rise, with financial and strategic support coming from the holding company. Quantum has stated that the current business plan is fully funded with existing committed funds, and we are looking for break-even to be reached in Q1 of the upcoming 2026 financial year.

In the financial services division, Volopa has the products, strategy & infrastructure in place to grow revenues quickly. Sales teams are focused on bringing in better quality, high volume clients, and FY2025 will see the first full year contribution from the Amex team acquisition. The variety of e-money applications and easyGroup joint-venture are potential additional near-term revenue drivers. Meanwhile at Verve, with a strategy focused on increasing the user base, number of retailers and number of strategic partners using the platform, revenues are also poised to rise significantly over the next few years.

As mentioned above, our forecasts do not include any figures from the easyGroup joint-venture or e-money licence approvals, both of which are potentially significant revenue drivers for our forecast period. To reflect the potential upside, according to our model, every additional £1 million added to our 2027 EBITDA expectation would result in a £12.5 million uplift in the valuation. As the firm works its way to the planned IPO, our current valuation of £411.75 million would be enough to make Quantum eligible for inclusion in the FTSE 250.

At this stage the main point on which investors must take a view is whether management can deliver the growth being forecast. We believe that with a highly experienced senior team, the funding in place to reach break-even and multiple expansion opportunities across the group, Quantum looks well placed to reach its goals.

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