



QUANTUM GROUP

CONFIDENTIAL
SHAREHOLDER
UPDATE

JANUARY 2025





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MBE DCM LLB

Co-Founder & CEO

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Dear Shareholders,

Further to requests from shareholders, and ahead of the annual Chairman's Statement that Peter and I am working on, I wanted to write to provide a confidential operational update on several projects in progress across Quantum Group, including the current position regarding the Sovereign Wealth discussions, the easyGroup developments with Sir Stelios Haji-Ioannou (of easyJet), and the commercial opportunities developing in the Middle East.

I hope this update will address your questions and give a good indication of the progress we are making. The energy across all the teams in Quantum is high as we move into the New Year and maintain our trajectory.

Key Personnel Announcement

I am pleased to announce that **James Radford** will officially join Quantum Group on 1 February, but he is already getting stuck in unofficially as he prepares to take

the reins as CEO of Volopa. James has a wealth of experience driving high-growth fintechs. James was the CEO of Revolut UK for nearly four transformative years, where he established, from scratch, the UK Board, executive and banking team and was a key senior leader during the company's most dynamic growth phase. Revolut's Group valuation in that period skyrocketed from £5.5bn to an extraordinary £33bn. James is confident that he will be able to drive similar growth (albeit from a lower baseline) with Quantum and is excited about formally joining the Group.

I can confirm that Quantum Group is soon to welcome a highly experienced Chairman of the Board (yet to be announced), who will lead the team focused on delivering the target value at float. Both new executives are highly successful specialists further reinforcing the trajectory and focus of the Group.

This allows **Graham Smith** to step up to COO of Quantum, which will significantly strengthen our operational executive.

Peter and I have further expanded the executive team at Quantum level, with specialist individuals supported by teams who are very experienced in the City of London and will be focused to maximise the value on the float. The timelines to the scheduled float are tight, but we had a professional team look at these timelines and key milestones and can confirm that we are still aiming for a Q3 2026 float. The plan will be to leave the existing operational team focused on ramping up the revenues, as they are currently doing through the existing pipeline, embracing the new opportunities like the easyGroup JV and expansion into the Middle East.

The addition of a specialist executive team – including an exceptionally skilled and high-profile Chairman to head the Group – will focus on preparing the ground for the float with the City and institutional investors, which will take us to the IPO on the main board of the London Stock Exchange.

www.quantumgroup.uk



James Radford, new Volopa CEO.
Formerly CEO, Revolut UK

TEAM OPERATIONAL UPDATES | Q4 2024

Prior to Christmas we held our annual Quantum Conference. This is an opportunity for the heads of our key subsidiaries, together with key members of their teams, to present to the wider Group with the aim of developing broader internal communication and understanding of the various commercial activities and cross-selling opportunities

between Group subsidiaries – which has been effective in the past but is gathering momentum as the Group continues to scale.

In addition to sharing two promotional videos from Volopa and Verve, I thought it might be useful (in confidence) to share their internal

updates by including links to these presentations by the companies, which contain recent details and data that underline the progress the Fintech Division is making. I would ask all shareholders to treat these internal presentations as confidential outside our existing shareholder base and be careful in terms of wider distribution.



VOLOPA PROMO VIDEO

https://www.youtube.com/watch?v=UpB0_S4sT2g

VOLOPA UPDATE

<https://www.powtoon.com/online-presentation/dhhsnjtQCcp>



VERVE PROMO VIDEO

<https://www.youtube.com/watch?v=NnIWlqp-xml>

VERVE UPDATE*

<https://www.powtoon.com/ws/grx34rSzrrm/1/m>

**Please note the Verve presentation makes mention of the fact that Quantum was not selected as one of the qualifying investments at the event in Bahrain. However, Quantum was not there to be "selected" as we are not a startup and were therefore not eligible. Our attendance at this high-profile fintech showcase event in Bahrain was at the request of our Omani partners, to raise awareness of Quantum and its key subsidiaries across the GCC, all of whom were represented and in attendance at the event. Evidence of the quality of the attendees was clear when we were approached at the event by the Bahrain Central Bank, who invited us to a meeting at the Central Bank that day, which has led to the FastTrack EMI application through the Bahrain Central Bank that James Radford is now progressing.*

As a further update on Verve, they have now gone live with Revolut through Open Banking, which means they can now directly market the 10m Revolut cardholders to entice them to register their Revolut card with Verve to continue to receive cashback on their cards, as Revolut pull out of cashback rewards in favour of their own Revolut Coin rewards scheme (which has been designed to emulate the Amex Air Miles programme). This strategic decision by Revolut has created a huge opportunity for Verve, who now have access to Revolut, Monzo and Starling cardholders (totalling more than 18m users), as well as providing the white label cashback for

AnnaMoney and Volopa – and will also power the new easyWallet JV outlined later in this document.

Valkyrie and Forensic Control also gave updates at the conference but, due to the nature of their work, these presentations are more sensitive in nature and, therefore, I cannot share in this update. However, both companies are progressing well and Quantum's Security Division is experiencing significant growth, with a 27% quarter-on-quarter increase in figures and a major sales and marketing campaign being launched now that will generate new clients for both Valkyrie and

Forensic Control. This will boost sales of the Forensic Control's Cyber Essentials product, which is a UK Government-backed initiative to strengthen the cyber resilience of the UK SME community. This security product will be aligned with the Volopa marketing effort and offered to Volopa's SME client base, showcasing the synergies that exist across the Group. This initiative will enable cross-marketing opportunities that aid further growth and strengthen the value proposition in Quantum to all its clients and shareholders alike as we approach the float, given the multiples involved, which continue to be evidenced at circa 50x.

COMMERCIAL PROGRESS IN THE MIDDLE EAST AND MULTIPLE EMI APPLICATIONS

As Volopa CEO and Group Head of Fintech and Banking, James Radford is taking point on the discussions with the Bahrain Central Bank to push forward our EMI application in Bahrain. This will give us access across the whole GCC, including the very lucrative markets of Saudi Arabia and the United Arab Emirates (including Dubai), which will significantly boost

reach and revenues through the whole of the Middle East.

Graham Smith is leading discussions with the Nigerian Central Bank about upgrading our existing IMTO licence in the region to an EMI equivalent that, through the passporting arrangements Nigeria has with other African countries (similar to the Middle Eastern GCC),

will open up the whole of Sub-Saharan Africa to our products and services.

The UK and European EMI licence applications are about to be submitted and Steven Newman, Group Head of Compliance, is taking point on both these applications, supported by James Radford.



"New Quantum initiatives will enable cross-marketing opportunities that aid further growth and strengthen the Group's value proposition to clients and shareholders alike."

UPDATE ON THE SOVEREIGN WEALTH FUND DEAL



James Radford and I are due to fly to Bahrain and Oman with our tech team early this year to progress discussions with their Sovereign Wealth entities. We are pushing for further meetings with the Saudi and Qatari offices and, through a member of the Bahrain royal family whom I know personally, we are pushing hard to get those deals done into the first quarter of this year.

Getting this deal over the line has been significantly hampered by the current geopolitical global uncertainty. The current conflicts in the Middle East and in Ukraine are of concern and, whatever one's political allegiance here in the UK, the worst possible outcome was President Trump being re-elected in the US coinciding with a Labour government here in the UK, as underlined by the recent X (formerly Twitter) posts from Elon Musk that heavily criticise our prime minister and members of his cabinet. Keir Starmer's team are largely untested, with many of them are having to take the step up from local politics to national politics, and onto a global stage with little or no experience (some having openly alienated Trump through ill-advised comments about him during President Biden's term), which has and will damage Anglo-American relations for the coming term of both governments. With the problems raging across the Middle East and in Europe (with Ukraine), the Saudis and Qataris,

in particular, have been holding back and waiting for the US election, and for Trump to get into office, to see how he will approach these conflicts as well as global trade with the kind of protectionist policies he has campaigned on, which have yet to be played out.

For these reasons, money that was readily available for investment in 2023 by these Sovereign Wealth Funds (and which is still ready to be invested), was held back. However, we can now see a slight softening of this approach and, with Trump about to take office and, hopefully, a clearer picture involving less uncertainty in these key global factors, we anticipate closing one of these funds through the existing dialogue we have maintained.

This fund will now have to be won on clear merit, which our proposal certainly holds given the speed and trajectory of growth, the strength of our value proposition and the management team boosted by the new arrivals in James and our new Chairman. This strengthened team will increase focus on Quantum's development into new markets, including the Middle East, where fintech and security – and cyber security in particular – continues to be the main focus for the region, as all their economies are now looking to pivot away from petrochemicals and into a more financial services-based economic

model, serving as the bridge between Europe, Africa and the Far East. This is why the Central Bank of Bahrain, in particular, is keen for us to establish our Middle Eastern headquarters there rather than in Oman as initially planned. Oman was the front runner prior to our recent trip Bahrain, where we found the region is keen to secure new, high-quality financial services partners to compete against the other key states in the region.

Despite the challenges, we feel confident that a deal will be done, as all the Sovereign Wealth Funds across the region have maintained a dialogue. They recognise Quantum's strength and value proposition, which puts us at the top of the queue for what will be a relatively modest investment in their eyes, to gain a strong strategic fintech partner with the added value in our unique fintech/security offering, which they see could mirror the success Revolut has achieved in the B2C space, while Volopa remains firmly focused on the B2B space – which is more profitable and better aligns with the Middle Eastern countries' 2030 and 2040 Visions for the transition and empowerment of their own SME communities, to drive economic growth and sustainability beyond the reduction of global demand for petrochemical-based products.

THE VOLOPA – EASYGROUP JV

– easyWallet

Late last year a new opportunity developed in the form of a JV between Volopa and easyGroup, driven by easyJet owner Sir Stelios Haji-Ioannou.

Several months ago, we approached easyGroup through an intermediary. We produced the one-page flyer (attached) for him to present to easyGroup. Having waited some months for feedback, it was clear that little or no traction had been achieved, so I engaged a personal contact who is close to Stelios to approach him directly. He directed us to his right-hand man Tony Anderson, Head of the easyGroup.

Our team presented to Tony in November last year and he was sufficiently impressed and wanted to move forward with us under the easyGroup banner. Following an internal meeting at easyGroup, Sir Stelios reached out to us personally as he wanted to take control of the project. He is interested in taking a shareholding in a new JV with Quantum, powered by both Volopa and Verve, to develop an easyCard as part of an easyWallet and

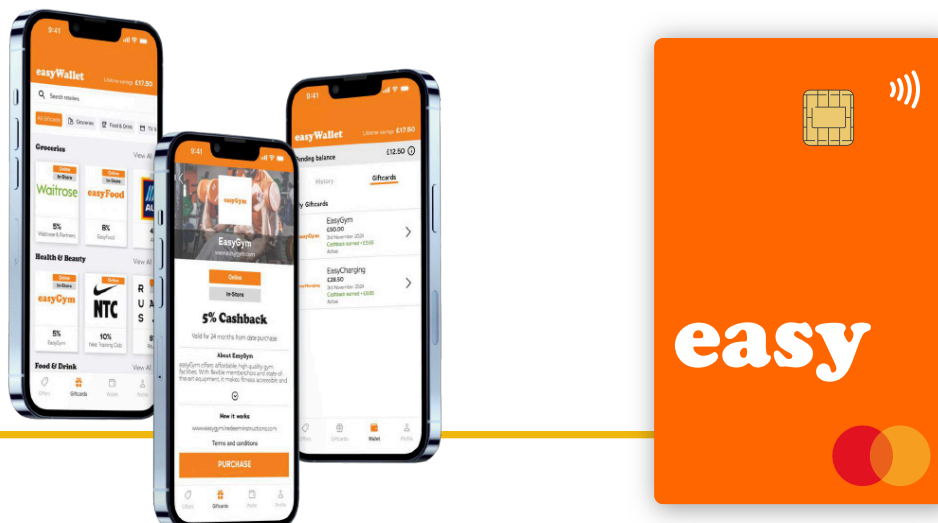
to deploy it under the easy brand to all easyGroup members, including easyJet. We had a meeting with Stelios in early December and a follow up in January to discuss and agree commercial terms. The new entity easyCard Limited was incorporated in January in an 80/20 split owned 80% by Quantum and 20% by easyGroup.

Although Volopa's focus is, and will remain, on the B2B platform it has launched (and is successfully scaling, currently adding nearly 70 new corporate sign ups per month), this deal with Stelios will enable us to launch a highly competitive B2C card which will go head-to-head with Revolut and Monzo but using the well-known and trusted easy brand. There is space in the market for a B2C easy-branded card and digital wallet, as it appeals to an alternative demographic to Revolut and Monzo and, of course, we have the advantage of a captive and loyal existing client base to market this product across all easyGroup companies, including easyJet, their cruise ship and car rental

companies – before expanding the marketing of the easyWallet in the UK and across Europe, as a stand-alone product, having gained critical mass, prior to a wider global roll out.

We have already developed this B2C platform and the tech for our own Valkyrie Ambassador programme, so will be able to strip out the back-end security element of the Ambassador programme with minimal development cost and time, with a view to roll out a B2C easyCard and digital wallet to launch by Q2 this year.

easyCard Limited now sits under Quantum, alongside Volopa and Verve in the Quantum Fintech Division. It will carry the easy branding as easyWallet with card branding as attached. Volopa will power the app, and Verve will white label the cashback and rewards functionality. This is a massive opportunity for the Group that we can now PR together with James's arrival as Volopa CEO and the new Chairman of the Quantum Board.



EXTENSIVE DUE DILIGENCE AND FCA APPROVED VALUATION REPORT

Quantum has commissioned a comprehensive market valuation report as we start to focus on the float and position the Group with institutional investors. This report should be available by the end of January 2025 and will give a clear, independent view of the current and the potential value of Quantum into the future. This report will be invaluable

for promoting the Group across Reuters and Bloomberg to raise awareness for the pre-IPO and IPO build up.

As this report will be undertaken by an independent, FCA approved research entity (subject to them confirming our current value of circa £330m – the price at which we are live in the

secondary market), we can include this in the PR campaign designed to promote Quantum in the financial and broadsheet press, this amplifying the profile of the Group, which is already attracting significant interest from institutional investors. This institutional interest might well trigger the Sovereign Wealth Funds into making their move.

ACTIVE PR CAMPAIGN Q1/2 2025

A comprehensive PR campaign will be launched featuring:

- The arrival of James Radford and the new Chairman to the Group
- The easyGroup JV with Stelios
- The multiple EMI licence applications (extending Quantum's geographical reach from the UK and Europe to the Middle East and on to Sub-Saharan Africa, from where we can branch east and west to the US, South America, the Far East and China)

The campaign will highlight the investment opportunity the Group

represents pre-IPO and is likely to generate further commercial opportunity as well as access to the best professional advisors in the City, all of whom are known to our incoming Chairman who has an established track record in bringing companies to market.

Quantum CFO Steven Strauss and his team have been working on the timings for the float, and received professional advice as to the timeline to the IPO itself and the key milestones we will need to put in place ahead of this but, subject to the teams continuing to hit their KPIs, we look set for a Q3 2026 float.

I hope this interim shareholder update gives a clear overview on the Group's progress into the New Year, as we move into what I am confident will be a very positive 2025 for Quantum and its shareholders.

Yours sincerely,

Floyd Woodrow

Floyd Woodrow MBE DCM LLB
Co Founder and CEO



OUR CORE PRINCIPLES

EXCELLENCE

TRANSPARENCY

TEAMWORK

INNOVATION

RESPECT

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