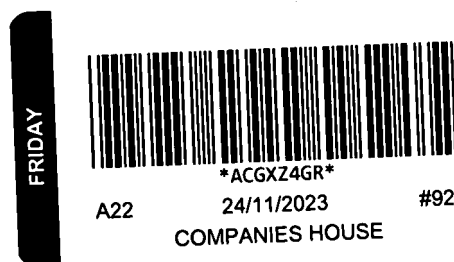


# Curve UK Limited

Registered number: 09523903

## Annual report and financial statements

For the year ended 31 December 2022



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## **Directors and advisers**

### **Directors**

Shachar Bialick

Paul Harrald (appointed 17 January 2023)

### **Registered Office**

1-10 Praed Mews

Tyburnia

London

W2 1QY

### **Registered Number**

09523903

### **Independent Auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

2 Glass Wharf, Avon Street

Bristol

BS2 0FR

## Introduction

During 2021 Curve OS Limited (now Curve UK Limited) was the parent of the Curve Group, preparing the consolidated financial statements.

Following the incorporation of a new parent Company, Curve OS Group Limited, which prepares consolidated financial statements for the Curve Group, the directors have deconsolidated the Curve UK Limited financial statements and present the Company results for the year ended 31 December 2022 and the comparative year 2021 in the Curve UK Limited financial statements.

The directors present their Strategic Report together with the audited financial statements for Curve UK Limited (the "Company") for the year ended 31 December 2022.

The "Curve Group" or "The Group" refers to Curve OS Holdings Limited and its subsidiaries.

## Curve's Mission

Curve (the "Company" or "Curve") is on a mission to empower its customers to reach financial freedom by continually raising the bar of the customer experience through Selection, Price and Convenience.

Curve was founded in 2015 to address two cyclical trends in personal financial services:

1. New fintech entrants and product fragmentation, especially in personal finance, created a proliferation of choice that has caused complexity and opacity, at worst overwhelming consumers and at best requiring a mechanism to discover and choose among an explosion of choice.
2. Consequently, consumers demand a single point of highly-personalised entry into this fragmented market – also known as the "Amazon effect".

Curve responded with a core product that empowers customers to manage all their financial needs through an elegant super-app. Customers can register multiple credit and debit cards, bank accounts, other wallets and loyalty accounts, and use them all through a single application and a single physical and digital Curve card. This empowers customers to control their financial lives, optimise borrowing, and earn more rewards - centralising their many financial products into a single personalised point of entry - an Operating System for Money.

Since its launch to the public in 2018, Curve has added several complementary products underpinned by our patented PayTech ("Payment Technologies") because Curve has real time insight into its customers' activities across multiple financial products, this allows us to launch an even wider range of powerful products. First, our renowned Go Back In Time® capability lets customers seamlessly switch historical payments from one underlying account to another, with a couple of taps. Leveraging on this technology, we begun to offer lending products to customers, to reduce their borrowing costs. With our Flex credit line, we've offered our customers the ability to switch past transactions into instalments. We also introduced a unique and novel way to eliminate our customers hidden currency exchange fees, while enabling them to use their favourite credit cards, and still earn rewards. Curve Fronted, enables our customers to pay their bills, such as tax payments and invoices, with a credit card, helping them manage their cashflow, and reduce their borrowing costs. Curve also provides customers a host of other financial products, such as insurance, double dip cashback with Curve cash, and 360 insights on their spend.

We also benefit from robust barriers to entry: Curve has proprietary PayTech capabilities that embed Curve in the end-to-end payment flow: it is this that gives Curve unique data and technological advantages. Curve's model itself is highly defensible and it continues to enjoy a distinct first-mover advantage with no direct competitors, despite several trying.

## **Our Board of Directors**

*Shachar Bialick – Chair, Founder and CEO* - Shachar is a serial entrepreneur who has built and led multiple companies across several verticals, including finance, e-commerce, healthcare, mobile telecommunications and more.

*Paul Harrauld - Group CFO* - Paul has been with Curve more than three years now. Paul has been setting up our lending businesses, Curve Flex. Paul has worked in banking and both hedge and private equity fund management, also at Google. He was also part of the founding team of Newday which was acquired in 2011 by Varde for \$740m. Paul became our CFO at the end of 2022.

## **Our Executive Team**

*Shachar Bialick*: Chief Executive Officer

*Gagan Bhatia*: General Manager Europe (Left July 2023)

*Sarah Cox*: VP of People

*Paul Harrauld*: Chief Financial Officer

*Eric Molitor*: Chief Technology Officer

*Norberto Alvarez Vitale*: Chief Operating Officer (appointed September 2022)

## Founder's Review

2022 has been another exciting year for Curve. We have made major strides as a business towards building the most radically customer-focused financial platform in the world, whilst also significantly growing revenues.

We introduced many new benefits to Curve, including smart rules, we re-designed our premium offering, and continued to add new customers through an efficient partnership-led acquisition strategy. The economic backdrop over the year has proved challenging, as it has for many other businesses. We took decisive action to deprioritise growth to refocus on profitability and become a stronger, more self-reliant business. In the end, we succeeded in significantly reducing our cash burn and greatly reducing the time it will take us to reach profitability. This forced us to make some tough decisions, including losing many valuable colleagues.

As such, in 2022 we focused on the following:

**Return to the high standard of customer service we're used to.** We know that our customer service and user experience did not meet the standard of delight we had achieved in past years. Our teams have been working relentlessly to improve our product offering and increase our service levels towards those we promised our customers. We would like to take this opportunity to thank our customers, many of whom are investors, who have been patient with our teams, and pay tribute to our teams who worked so hard to provide the best possible service they could.

**Build a strong leadership team of Builders.** Different Company stages require different leaders. With the market backdrop we had to bring leaders with zero-to-one experience, who can drive the standards, focus and intensity we needed to achieve our mission. We can now look back and share with you that we have achieved a remarkable outcome with new leaders joining the Company. To name a few:

- *Eric Molitor, CTO* - Eric is a zero-to-one builder. Eric joined us in late December 2021, and helped transforming not only our Engineering group, but the entire operations of the Company. His experience is a testament to that, being a founding team member of several startups in the early 2000s, then moved to be amongst the early employees of Amazon. While at Amazon, he led a small team of engineers to deliver Prime internationally. Prime has had a monumental impact on Amazon's business and he was only able to deliver it by taking small, measured steps without ever losing sight of the mission. He also led 6 teams comprising Amazon UK's platform engineering organisation, scaling the division from 100 to 300 employees. Prior to Curve, Eric spent 5+ years as VP of Engineering at Improbable.
- *Norberto Alvarez Vitale, COO* – Beto joined us in September 2023, and he brings with him over 30 years of experience building global businesses. He founded one of the largest media distribution companies in Latin America, servicing customers such as Disney, Fox, Turner, ESPN, Telefonica and many others in the media space. In 2012 his Company was acquired by the private equity firm Court Square with the intent of building it into the largest media distribution business in the world, Encompass Digital Media. Beto successfully led Encompass in North America until he retired in 2016. Luckily for Curve, Beto agreed to leave his cosy retirement in Miami and join Curve's mission, leading the day to day operations of the Company.
- *Paul Harrauld, Group CFO* - Paul has been with Curve more than three years now. Paul has been setting up our lending businesses, Curve Flex, and was our Group CIO. Paul has worked in banking and both hedge and private equity fund management, also at Google. He was also part of the founding team of Newday which was acquired in 2011 by Varde for \$740m. Paul became our CFO at the end of 2022.

**Focus on improving our Transaction Margin and profitability.** Curve enjoys economies of scale and scope. As we focused on growth, we accumulated significant transaction volumes. With those volumes, throughout 2022, we were able to slowly reduce our transaction expenses, moving us to a positive margin. This is no mean feat. Through high focus and intensity of work, we were also able to move our gross margin to positive in Q4 2022, and improve our Transaction Margins (relative to

volumes) by 36% over the year. And we still have a long way to go with several immediately deliverable improvements seeing us trend towards a strongly positive net Transaction Margin. Curve is now strongly contribution margin positive. So stay tuned, as pursuing these activities and several others will ensure Curve can reach an EBITDA positive position by early 2024.

**Streamlined our customer offering, through enhancing and optimising our premium paid tiers.**

Our customers love Curve once they get used to it. It solves real problems across Selection, Pricing and Convenience. At the same time, our premium offering hasn't changed much in recent years, and feedback from customers was that they look for a low-cost tier, that can provide them better offerings across Fx, Go-Back-In-Time, supported networks, and more. So we listened to our customers and introduced Curve X - a new premium tier. Its success was beyond anything we imagined. Curve was able to improve its premium uptake across all tiers from 6% back in May 2022 to 18% in December 2022. Our goal is to continue and offer our customers unique innovation and experiences, and we expect to maintain premium uptake percentage by the end of 2023.

**Summary**

A lot has changed over the last year but our mission and strategy remains the same: We empower our customers to reach financial freedom by continually raising the bar of the customer experience through selection, price and convenience.

Looking back, I could not be prouder of how our people have come together to support Curve's mission and continue improving our customers' lives. Leveraging our patented Paytech stack and proven business model we are uniquely positioned and ready to scale the business as we pave our way towards profitability, in what is proven to be a very bumpy road ahead. Combined with a rejuvenated product roadmap, a team of builders and a renewed focus on execution towards profitability we are excited about our prospects going forward.

Finally, I am blown away every day by the effort and love that our people put into making Curve a wonderful place to work. I feel very lucky to have such dedication as we continue to grow the business.

**Shachar Bialick**  
**Founder and CEO**

## Our Business Model and Strategy

### Our proposition?

Curve is building towards the inevitable outcome in the personal finance industry "rebundling." of financial products. Our mission is to shape the future of personal finance by unifying and simplifying it all into one single platform: an Operating System for Money ("OSFM").

Our strategy is first to develop a compelling business model and product suite that creates high engagement with our customers and offers us a unique read/write access to customers' financial products. Then as we expand the use of smart rules, we create an OSFM that is attractive to our customers and providers of retail financial services alike - a marketplace, but a marketplace with constant real-time engagement. This is how we rebundle - by providing a mechanism to access and optimise the fragmented fintech world.

In the short term - the result - a Super App - has several unique features:

- **Supercharged digital wallet:** Unlike digital wallets, Curve's proposition is fronted by the Curve card but underpinned by a super-app; the card is supported by xPay (Apple Pay, Google Pay and Samsung Pay) as well as wearables (e.g. Fitbit, Garmin, Sony Wena, Swatch), allowing for a greater choice of payments. The customer can pay using any funding source added to the wallet, thus transforming any of their legacy cards/banks to support any of the innovative xPays.
- **Go-back-in-time®:** With our trademarked and patented technology (registered in the US, patent-pending in the EU / UK), our customers can switch past payments from one card to another, 30-90 days (dependant on subscription model) after the payment was made, managing their finances more flexibly and with much greater control.
- **Zero Fx:** Thanks to Curve's unique Layer 3 (over-the-top) positioning, Curve customers are able to use their credit cards abroad as if they are at home, eliminating the Fx fees they would otherwise be charged by their banks. With Curve, customers don't need to choose between accessing their credit card's benefits and saving money on Fx using an alternative Fx card; Curve customers using the cards they love and trust, and never need to worry about currency conversion or fees, enabling our customers to keep earning their credit card's benefits such as rewards and credit lines, with Zero Fx.
- **Flex:** Customers are able to go-back-in-time up to a year ago and split past purchases into future instalments. While this product is similar to existing buy-now-pay-later products on the market, it will not be restricted to the online channel or a selection of brands and retailers but can be applied to any transaction made using Curve, at any merchant that accepts Mastercard, anywhere in the world.
- **Fronted:** Customers can pay their bills (rent, taxes, etc) with their credit cards thanks to the Curve card.
- **Double Dip Cashback:** With Curve, customers can earn cashback when shopping from selected retailers, and that is on top of any cashback they would otherwise get from their own bank / credit card.
- **Anti-Embarrassment:** Customers can enable Anti-Embarrassment Mode whereby they would never experience a decline. Curve, which has a view and access to all their finances, is able to stand in and approve transactions with another card, even if the card chosen to pay with is declined by the bank.
- **Smart Rules:** Customers can create spending rules that automatically apply to underlying funding



cards to maximise rewards, reduce borrowing costs and create simplified and unified spending without manual intervention.

While Curve aims to maintain a free product, it provides three premium tiers on a subscription basis. Each subscription tier has a different price point and benefits.

## How does Curve currently make money?

Curve generates revenue from the following three channels:

1. **Card Transactions:** Curve earns interchange income from each card transaction it executes as an issuer (at the purchase stage of a Curve transaction). Curve incurs interchange costs in its role as a merchant retrieving funds from underlying funding sources (typically payment cards). Subject to UK and EEA regulations on Interchange fees, interchange income varies per transaction, depending on where and how the Curve card is used. Additionally, there are payments we make to payment schemes, to our issuer processor and our merchant acquirers. Curve has been and continues to be very efficient in optimising this revenue and cost relationship. Curve earns fees from ATM withdrawals and purchasing in a foreign currency, although customers enjoy certain limits where these fees are waived. We also offer a Fronted service which some customers pay for, whereby they can pay bills with their Curve debit card funded by a credit card, when such transactions are not payable with a credit card directly.
2. **Premium Subscriptions Income:** Curve collects subscriptions on its paid plans on a monthly or annual basis. These successive premium tiers allow increasing fee-free use of our product, also greater availability of truly novel features such as Go-back-in-time® and smart rules. The year 2022 saw us dramatically increase the proportion of our customers availing themselves of the enhanced features of our premium tiers.
3. **Curve “Platform”:** Curve also generates revenues by virtue of operating its platform. This is the most nascent revenue opportunity for Curve: as a platform, Curve offers and looks to add products and services, generating additional revenue streams through better and more seamless customer experience. Examples include, but are not limited to, platform fees from partners such as merchants offering rewards, our lending activities and other revenue streams not related to interchange and subscriptions fees.

## The Strategy

The core payment capabilities we have developed allow us to embed our product and brand into our customers' lives. We are currently focused on scaling Curve's operating system through new experiences and functionality to help customers manage their end-to-end finances as well as cementing robust economics to ensure profitable growth. As we enhance our value proposition, we aim to grow customer engagement and attract new customers from new acquisition sources. We are on a journey to become the de facto “App Store for Money”, allowing customers to access a host of financial products and services with a tap, whilst enabling our partners to match, originate and onboard customers with great efficiency.

Our current strategic focus is to:

- Rapidly grow through a partnership driven acquisition strategy;
- Solidify and improve upon our unit economics; and
- Improve the overall quality of the customer experience, from user interface through to customer service.

## **Business Highlights**

### **Key Performance Indicators**

- We grew our customer base from 3.3m in 2021 to 4.3m in 2022, with a cost of customer acquisition of less than £7.00, which is far below our industry peers thanks to our “owned” acquisition strategy.
- The proportion of new customers who chose a paid subscription as their first Curve Card grew from 2.2% in January 2022 to 27.0% in December 2022.
- Our customers spent £3.2b via the Curve platform during 2022 which reflects year-on-year growth of 60%, despite a tough market.
- Our efforts to address customer service in Q4 2022 led to a more than 60% reduction in ticket backlog in 2023.

### **Premium uptake**

The free Curve card offer is important to our customers, and we’ve fought hard to keep it despite the market backdrop. However, and thanks to our customers’ feedback, we introduced a high-value, low-cost subscription tier named Curve X, which will maximise the core benefits of Curve, and would allow us to keep innovative for our customers.

### **Curve Smart Rules**

Curve Smart Rules are the next step in making sure Curve is the easiest and most convenient way to spend across all your accounts in one card. Customers can now define a set of rules based on the category of spending or amounts which drive which funding card a payment is taken from. Always choosing the right card either to reduce borrowing costs, increase rewards, or just not thinking about it anymore.

### **Partnerships**

Curve has integrated with Samsung Pay in the UK and Huawei Wallet in 31 markets across Europe, significantly increasing the number of customers who can benefit from contactless payments, even if their bank doesn’t support it. Additionally, Curve has developed partnerships with a number of wearable OEMs including the likes of Swatch, Xiaomi, Garmin, Pagopace and others that recognise the value Curve offers by enabling customers to add any card to their watch, ring, key chain and more.

### **United States Market**

Americans love their credit cards and rewards - and with Curve’s One Card to Rule then All and Double Dip Rewards, Curve is obviously highly attractive for the savvy US customer.

We have obtained all the necessary authorisations to deliver the Curve experience to the American customer.

We now have a live product in Beta, with a small customer base. We have a little more technology to build to fill out the full utility of our US product, but we are testing and learning. When we go to market, we want to get it right. We will ask our customers to help, in the meantime, we will fill out our teams and as soon as we are ready, we will launch.

## **Our plans for 2023**

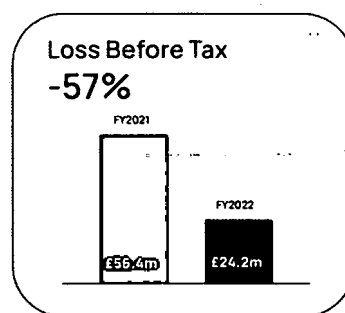
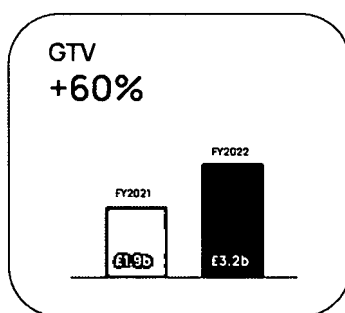
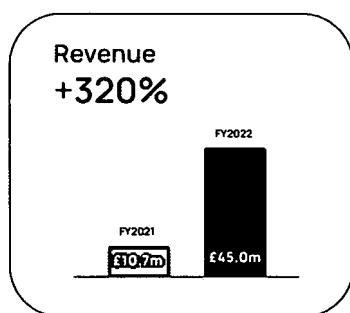
We have bold plans for 2023 and a lot of intensive work ahead of us. The road ahead is not without risks, but with our strong leadership team, the dedication of our people, and the remarkable support from our shareholders, we are confident in our future success, despite the challenging market environment. We plan to continue our growth trajectory with a number of truly transformational partnership opportunities in the pipeline.

Through focusing on our core competencies and differentiators we will increase our high margin revenues. We aim to scale our lending offerings meaningfully and deliver a feature rich product roadmap to drive uptake of our premium subscription. We will remain acutely focused on improving key fundamentals and operational metrics to ensure that we truly bring value to our customers and systematically reduce friction and negative experiences. Lastly, we will launch a truly groundbreaking partnership with Paypal giving customers the ability to add their PayPal account as a funding source into the Curve wallet thereby being able to use PayPal anywhere, supporting PayPal in their aspirations to reach the brick-and-mortar market.

## Financial Highlights

Our business recorded impressive growth in 2022 as we continued to scale, expand our product capabilities and enter new markets, and that is despite the market backdrop, and the change in focus towards profitability over growth. The total volume of payments processed by the Curve platform expanded by 60% in 2022, despite the market backdrop, driven by strong performance across our customer acquisition channels and improved customer life-cycle metrics. We grew revenue by 320% to £45m and recorded significant margin expansion through improved unit economics, something we continue to this day. Customers continue to recognise the value in our premium offering which reflected a third of our revenues.

## Our Year at a Glance



## **Our approach to Risk Management**

### **Who regulates us?**

Curve operates under an electronic money institution licence and its subsidiary Curve Credit Limited operates under a Consumer Lending licence, both issued by the FCA. In the EEA, Curve Europe UAB (Curve UK Subsidiary) has an electronic money institution licence issued by the Bank of Lithuania ("BoL") and that licence enables us to trade across the EEA. This includes offering credit to cover payment transactions across the EEA. Curve - US Inc. (a subsidiary of the Company) offers services through a partnership with Hatch, our Issuer Bank, who holds the relevant licences required to operate in each state where we do business.

### **Control as we grow at pace**

Curve understands that effective risk and compliance controls at Curve are fundamental for a regulated business. We recognise reliance on our systems, people and third party relationships, and the points of failure these can create and the critical need to build, assess, and iterate our controls infrastructure to manage this, consistent with regulatory expectations and norms. Operational resilience remains of top importance to Curve and our regulators.

### **Managing risk across multiple jurisdictions**

Throughout 2022, we have continued to develop the risk and compliance function under the senior leadership of experienced leaders from regulated financial services environments. Expertise exists across risk and compliance with experts in the UK, Lithuania and the US working to a single central framework. In particular we have implemented our Risk Appetite Statement with associated Key Risk Indicators and tolerances which act as early warning of changes in our risk environment such that we act preemptively rather than in reaction to unacceptable risks.

We believe in compliance by design and investing in the training of our staff. This is underpinned by a comprehensive policy suite and compliance monitoring programme to identify and correct any issues. Our experienced compliance teams work closely with the regulators in each of the jurisdictions in which we trade.

## Principal risks and control strategies in place

Principal risks	Mitigation Strategy
<b>Strategic Risk</b>	
<ul style="list-style-type: none"> <li>The risk that Curve's business model becomes uncompetitive and/or unattractive to investors and customers, leading to uncontrolled burn rate, volume decline or margin shrink relative to the cost base affecting the sustainability of the business and the ability to deliver the strategy due to macro-economic, geopolitical, industry, regulatory and other external events.</li> <li>Curve has developed a unique and innovative business model that relies on access to payment networks and is subject to their rules. Payment networks could adopt new operating rules, or reinterpret existing rules, which would hamper our business model.</li> <li>Strategic Execution and performance risks exist within the business that Curve does not achieve its strategic road map or does not hit growth or diversification commitments.</li> </ul>	<ul style="list-style-type: none"> <li>The Company has an experienced Board and leadership team to oversee strategic issues as they arise.</li> <li>Curve maintains a close and proactive relationship with payment networks and schemes and has appropriate business processes and controls to ensure compliance with payment card network rules.</li> <li>We have in place proactive monitoring of the regulatory and competitive landscape that may potentially affect a key income or cost line or ability to execute strategy.</li> <li>Curve has a clearly defined Board approved strategy which is agreed and updated every 6 months due to the pace of growth and changes in markets. Performance against that strategy is closely monitored as we set ambitious goals for ourselves, and all staff understand that delivering results is critical for our success.</li> <li>Change control and project management processes have been embedded which ensure that strategic plans are prioritised and resourced appropriately.</li> </ul>
<b>Financial Risk</b>	
<ul style="list-style-type: none"> <li>The risk that Curve has insufficient cash resources to meet its financial obligations and capital requirements as they fall due.</li> </ul>	<ul style="list-style-type: none"> <li>Liquidity positions are monitored intra-day, and daily. Key metrics are also regularly reviewed by the executive team and the Board.</li> <li>Funding and liquidity triggers and limits have been formally adopted by the Board and provided to FCA as part of industry-wide requirements for an orderly wind down.</li> <li>Customer funds are strictly safeguarded as per regulatory requirements.</li> </ul>

Conduct, Compliance and Product risks (including reputational risk)	
<ul style="list-style-type: none"> <li>• The risk of Curve's products, services, behaviours or operating landscape causing customer harm or otherwise not complying with the relevant regulatory requirements.</li> <li>• The risk of failure in processes, people or systems could lead to a service disruption or financial losses or poor outcomes for customers. Curve is growing quickly and diversifying its products and services. There is a corresponding need for the controls, governance infrastructure and expertise of senior staff to keep pace with the development. Failure to do so could lead to operational failures, additional stress on its employees, systems and /or create poor outcomes for customers.</li> <li>• There is risk that Curve's service is used for criminal activities or that we suffer losses due to fraud.</li> </ul>	<ul style="list-style-type: none"> <li>• Curve has clear policies and procedures covering governance, training, financial crime and customer servicing. These are tested through an annual Compliance Monitoring testing programme and end to end testing.</li> <li>• Business continuity and disaster recovery plans are in place and are continuously reassessed and updated particularly in respect to outsourcers.</li> <li>• Testing is in place to independently test and monitor the quality of customer outcomes and compliance with regulatory standards and internal SLAs.</li> <li>• Monitoring is in place for customer feedback such as application ratings and Trustpilot scores.</li> <li>• Financial crime policies and controls are in place and are regularly reviewed and tested for quality assurance which work as an additional layer to the underpinning funding card which will have its own checks. Our financial crime prevention techniques are continuously evolving in accordance with the threats we and the wider financial industry face.</li> <li>• Curve has several transaction and customer behaviour monitoring methodologies in place to identify and prevent financial crime, including fraud.</li> <li>• Curve employees undergo regular training in financial crime and fraud prevention</li> </ul>
Data and Systems Risk	
<ul style="list-style-type: none"> <li>• Information security breaches and system outages can pose significant risk to our business. We have a complex and interrelated set of systems on which we rely and we accept that occasional outages or data unavailability will be inevitable but that this needs to be a priority in terms of our risk management.</li> </ul>	<ul style="list-style-type: none"> <li>• Cyber and information security risk, as well as compliance with wider data privacy requirements, have been an area of focus. Specialist expertise exists in house with the Head of Information Security and who continues to enhance the standards and controls in place to keep pace with external threats.</li> <li>• We have enhanced our capabilities in terms of identification of vulnerabilities (through automated code scanning and penetration</li> </ul>

	<p>testing) such that we can respond more quickly to threat developments.</p> <ul style="list-style-type: none"> <li>• We have strengthened our access controls over the last year and we have passed both PCI audit and SOC2.</li> </ul>
Legal and Third-Party Risk	
<ul style="list-style-type: none"> <li>• We intend to act legally at all times and require vendors to adhere to our standards when they deliver services on our behalf and these requirements are specified in the contracts we have with them. We have a low tolerance of issues which could damage our key partnerships.</li> <li>• There is a risk of competitors copying our model and winning market share.</li> <li>• There is risk associated with third parties or ourselves being in breach of contract or associated Service Level Agreement ("SLA").</li> </ul>	<ul style="list-style-type: none"> <li>• Curve maintains a portfolio of its registered intellectual property rights, including trademarks over its brand name and key features, as well as patents over its Go Back In Time® technology. We monitor potential and actual breaches of our IP rights.</li> <li>• We maintain a list of all our vendors and partnerships and standards relating to our service providers are enforced where necessary.</li> <li>• We monitor our supplier relationships in both directions e.g. Curve acts as a supplier to both CCL and UAB. We ensure payment of invoices, compliance with service level agreements and key dependencies on suppliers and partnerships.</li> </ul>
People, Health and Safety Risks	
<ul style="list-style-type: none"> <li>• Risks that arise from but are not limited to: employment and contract law, reliance on key persons, attrition and availability of key skills, disgruntled employees or the failure to address employee misconduct or training needs.</li> <li>• Risks arising from negligence with regard to health and safety resulting in personal injury.</li> </ul>	<ul style="list-style-type: none"> <li>• Curve maintains a list of key personnel and has associated cross training and deputisation plans in place. We prioritise recruitment according to the availability of alternative capable resources in place.</li> <li>• We are aware that there is competition to attract and retain talented individuals with rare skillsets and we benchmark our remuneration and benefits to remain competitive.</li> <li>• We continuously monitor staff satisfaction on a number of dimensions and actively address situations where specific teams or the business in general is showing signs of discontent.</li> <li>• We have SLAs in place to address staff complaints as well as performance issues and training needs.</li> <li>• Health and safety assessments are in place for both home working and the office</li> </ul>



	environment.
Credit Risk	
<ul style="list-style-type: none"> <li>• Risk of default on consumer loans by borrowers.</li> </ul>	<ul style="list-style-type: none"> <li>• Curve Credit has highly experienced staff, and our creditworthiness processes use multiple data sources to onboard and manage its borrowers, and these data are refreshed at least monthly.</li> <li>• Regular monitoring against Board agreed Risk Appetite for the Credit business is in place and covers key risks to the credit business itself as well as credit risk within it.</li> </ul>

## Macroeconomic and Market Environment

While monitoring the macroeconomic environment is crucial, given the current volatility in the markets in which we operate, we understand the importance of exercising caution in our decision-making processes. Our commitment to prudence ensures that we are well-prepared to face economic and market uncertainties.

**Scenario Planning:** We engage in scenario planning exercises to assess the potential impact of various macroeconomic and investment-market scenarios on our business.

**Strategic Resilience:** Our company prioritises strategic resilience, which means we aim to build a resilient business model that can adapt to changing economic conditions.

**Capital Allocation:** Of course, we carefully allocate our resources, taking into account the macroeconomic environment. The same applies to the funding environment. This involves a balanced approach to investments, cost management, and growth strategies to ensure that we maintain financial stability.

**Customer Obsession:** We remain customer-centric in our approach, understanding that customer needs and preferences may change with economic fluctuations. We strive to provide value and adapt our offerings to meet evolving customer expectations.

By staying informed, adaptable, and prudent, we have positioned ourselves to survive and thrive in a dynamic economic and market landscape while maintaining the trust and confidence of our stakeholders.

## Engaging with Stakeholders

Curve understands that our long-term success as a business depends on building and maintaining successful relationships with our stakeholders. When making business decisions, the Board is mindful of its responsibilities under Section 172 (1) of the Companies Act 2006 to promote the long-term success of the Company having regard to its range of stakeholders, and especially our customers through its consumer duties.

**Our customers:** The customer is at the heart of everything that we do at Curve. We recognise that customers buy experiences, not features, and we work hard to impact our customers' lives, earn their trust, and create delight. Having a customer-led mission means that decisions are made with significant consideration to this stakeholder group. The decision to migrate to a new support system combined with the introduction of an outsourcing partner allowed for greater scalability and flexibility which contributed to an enhanced experience for our customers.

Throughout 2022, continuing to deliver experiences that truly increase value for our customers' experience remained Curve's primary focus. To this end we looked at the main reasons why customers contacted our CX ("Customer Experience," which includes all aspects of customer service) teams and identified areas for automation and self service within the app. By implementing these changes and reducing the number of inbound requests, the CX team has in turn been able to focus on resolving more complex customer requests.

From a product perspective, we improved the process for EEA users who needed to provide KYC ("Know Your Customer") documents after onboarding. We reduced customer confusion around declined payments by enhancing our messaging. We implemented Flex as a funding source to give customers more flexibility around repayments and created more savings for our customers through more reward partners across new categories such as restaurants. We gave the customers the ability to unblock their pin numbers through the app.

**Our people:** Curve is focused on attracting, retaining and developing Curvers and is committed to employee wellbeing for all our people.

Curve's organisational culture is underpinned by enabling continuous learning and development, to raise the bar at an individual, team and Company level. By prioritising internal mobility and succession planning, we enhance engagement, support employee growth, enhance morale and better harness knowledge to deliver diverse solutions and Company results, while minimising the cost and risks associated with attrition and over reliance on external hiring.

We help support our people in their professional development and growth, and we continue to offer each employee 10 days leave for training, conferences and professional courses. Leadership development continues to be a priority including managers training on a regular basis to support them through key management milestones and our annual performance and feedback cycle.

Curve also continued to utilise an employee assistance programme, YuLife, a resource that provides specific support around professional and personal challenges including working from home, wellbeing and stress management.

On a monthly basis, Curve holds a Company wide "All Hands" meeting to give an update on business performance and new developments. The All Hands is also used to recognise and celebrate employees who demonstrate our Leadership Principles, in addition to the use of day-to-day recognition on our Kudos Slack channel which fosters an environment of regular recognition and appreciation.

In 2022, we implemented Peakon which is an employee engagement platform which allows the executive team to consistently and transparently engage with our people and develop team-specific and Company-wide action plans in response to feedback from our people. In 2023, our People team has started running monthly meetings with the engineering and finance team leads to discuss Peakon results, performance cycles and hiring plans and given its success plans to roll it out to the rest of the team throughout 2023.

## Engaging with Stakeholders (continued)

In addition to Peakon, our People team carried out its second annual cycle of “stay” interviews in 2023 with a broad sample of our people to understand what they enjoy about working at Curve, expectations surrounding their role and what would make them leave the business.

**Our suppliers:** At Curve we work closely with leading players across the payments ecosystem and build our relationships on mutual trust and collaboration. Each vendor has an internal relationship manager who is responsible for the day-to-day management of the relationship and our most critical vendors meet regularly with senior leadership at Curve for engagement on strategic activities.

**Our regulators:** Curve values the opportunity to engage with governments and regulators and our primary goal is to ensure that we continue to operate responsibly in a stable and supportive regulatory environment. We are committed to building our reputation as a go-to voice in the payments industry and we prioritise our efforts across the UK, EEA and US markets to drive maximum impact for our customers. Curve continued to have direct liaison with the FCA throughout 2022. This has included liaising with the FCA's Financial Promotions team as part of our website being selected for review and satisfactorily concluding this liaison. We also had extensive engagement with the FCA on our crypto rewards and services following submission of a Principal 11 notification in H1 2022.

**Curve is committed to responsible business practice and considers the consequences of decisions in the long term.**

**Business conduct:** Curve operates in a regulated environment and embraces the rigour this brings to our business. Compliance with all relevant regulations is vital and we hold all Curvers accountable to high levels of integrity and ethical behaviours. Employees are required to complete appropriate mandatory training for their role on an annual basis and Curve introduced a new training platform in 2022 to drive success.

**Long term decision making:** Curve's Board of directors and its committees consider the long-term potential consequence of any decision on its stakeholder groups. Reporting is provided at board and committee level to allow directors to make informed decisions and consider the impact of those decisions against our key stakeholder groups.

## Governance at Curve

### Board of Directors

Our Board is composed of experts in the payment industry and in scaling companies, with wide-ranging connections to help Curve achieve our strategic goals. They have overall responsibility for good risk management and internal controls systems and set the strategy of our business while maintaining appropriate governance standards. The Board makes sure that together we understand, acknowledge, and meet the obligations to all our stakeholders.

The Board reviews and approves the Company's strategic business plans twice a year to ensure that Curve's focus is fit for purpose as we continue to operate in a rapidly changing environment. Once approved, at each Board meeting there is close monitoring against the agreed KPIs to ensure that the Board is able to make informed decisions considering the interests of its stakeholders, the long-term consequences of its decisions and the Company's reputation.

### Board Meetings

Our Board meets on a monthly basis to review performance, strategy, and risk and each meeting has a defined agenda developed jointly with the CEO, Co-Chair and Company Secretary. A typical agenda will focus on operating and financial performance and any risk, legal or governance issues that might be relevant. Time will also be dedicated to one or two areas of particular importance, such as new markets or product types.

CURVE UK LIMITED  
STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022

The Board aims to hold extended face-to-face meetings at least twice a year to allow for in-depth strategic discussion and deep-dive sessions, which are presented by Curve's leadership team. The Board were able to meet in person twice, once in London and once in New York.

During Board meetings, members of the Executive Team and Leadership Team are invited to present on topics covering all aspects of the business including financial performance, operations, products, people, compliance and technology. This is to ensure that directors have the relevant oversight and information to make informed decisions.

Key decisions our Board made in FY2022:

- Approval of our H1 and H2 2022 strategy;
- Extension to our series C fundraising in April and December;
- Changes to employee terms;
- The new delegation of authority policy; and
- Approval of 2023 budget.

In 2022, our Board held deep dives into our strategy and product launches including crypto rewards, and growth across our UK, EEA, and US markets.

Going forward, the Board will continue to drive the long-term success of Curve by supporting future fundraising activities, a path to profitability and driving continued operational resilience.

Our Board delegates some of its authority to the Audit Committee, Risk Committee and Remuneration Committee which are set out in their respective Committee's Terms of Reference. The day-to-day running of the business is delegated to the CEO, supported by the Executive Team.

Even though Curve is not required to follow the UK Corporate Governance Code 2018, nor the Wates Principles for Private Companies, governance is taken seriously. In 2021 a number of initiatives were undertaken to strengthen Curve's governance framework and reflect the complexity of our regulated environment. Throughout 2022, we continued to assess and improve the governance framework and subsidiary board structure globally to ensure continuity and cohesion across the Group.

This report was approved by the Board and signed on its behalf by:



**S Bialick**  
Director

**Date: 21 November 2023**

## Directors' Report

The directors present their annual report and the audited financial statements for Curve UK limited (the "Company") for the year ended 31 December 2022.

The results for the year ended 31 December 2022, together with the comparative figures for the year ended 31 December 2021, have been prepared under the United Kingdom Generally Accepted Accounting Practices (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). The loss for the year after taxation was £22,153k (2021: Loss of £52,251k).

The entity has chosen, in accordance with Section 414C (11) of the Companies Act 2006, to include information in relation to financial risk management within the Strategic Report, that would otherwise be required to be disclosed in the Directors' Report.

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under Company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Results and dividends

The loss for the year, after taxation, amounted to £22,153k (2021: Loss of £52,251k).

No dividends have been paid or proposed during the year (2021: £nil).

## Related party transactions

As per the development agreement, COHL (Curve OS Holding Limited) owns any new intellectual property ("IP") generated by the Group. Curve UK Limited continues to perform the research, brand and strategy development activities of the Group but is subcontracted by COHL to do so and remunerated for this activity. The newly developed IP is situated on the balance sheet of COHL. COHL owns any new IP, whereas Curve UK Limited continues to own the historically generated IP.

As per the agreement, Curve UK Limited received a remuneration to the amount of £30,363,549 (2021: £1,624,991) for the services provided as per the development agreement. No further transactions with related parties were undertaken by the Company (2021: £nil).

## Directors

The directors who served during the year and to the date of this report were:

Shachar Bialick (appointed 2 April 2015)

Paul Harrald (appointed 17 January 2023)

Nathalie Oestmann (appointed 16 December 2021, resigned 10 March 2022)

Scott Weller (appointed 16 December 2021, resigned 13 January 2023)

As a result of the reorganisation, there was no change to the ultimate controllers of Curve and no effect on the ultimate controllers' holdings, voting rights or control. Existing management remained responsible for the day-to-day operations of the Group's business and the directors of Curve UK Limited at 16th December 2021 were appointed to Curve OS Group Limited and subsequently resigned from their director position at Curve UK Limited.

## Research and development activities

The Company, with the support of its research and development tax advisers GrantTree Limited, subsequently filed a Company Tax Return for the year ended 31 December 2021 to include the research and development tax claim. This resulted in a payable R&D tax credit of £2,635,770 which was received in April 2023. We are grateful for this incentive scheme that continues allow us to develop increasingly beautiful innovative useful products for our customers.

## Employees

Curve is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion, sex or sexual orientation. Curve actively provides employees with information and updates on financial and economic factors that impact the performance of the Company, consulting them regularly through weekly "Be In The Know" meetings, monthly 'All Hands' sessions and bi-weekly Company-wide engagement surveys, so that their views and interests can be taken into account when making decisions that are likely to affect them.

The directors are committed to promoting the welfare of employees in line with the Equality Act 2010. As such, the directors are committed to encouraging and achieving a working environment where equality and diversity are recognised, encouraged and valued. Where existing employees become disabled, it is the Company's policy to provide continuing employment where practicable and in the same or an alternative position and to provide appropriate training to achieve this aim.

## Going Concern

Our going concern is dependent on maintaining sufficient capital and liquidity to fund the balance sheet and meet our regulatory requirements. The directors have assessed Curve's ability to continue as a going concern for the period of at least 12 months from the date that the financial statements are approved.

As part of the assessment, the directors considered a number of scenarios across our medium-term business plan, taking into consideration our ability to execute against our ambitious mission. The directors also considered the capital and liquidity positions under a base and stress scenario, with the introduction of possible management actions, if needed, to maintain a sufficient runway.

Management actions in the base and stress scenario, demonstrate a significant reduction in operating costs accompanied by an acceleration of profitability timelines. The availability of these management actions illustrate the level of control by which Curve exercises in weighing up the balance between funding growth and achieving profitability quicker. The directors also assessed changes in the business and the resulting impact on Curve's regulatory capital requirements.

As a result, the directors concluded it remains appropriate to continue preparing Curve's financial statements on a going concern basis.

While we have a path to profitability and revenue has increased at a steady pace over the year, we expect Curve to be loss making into the middle of 2024, as a result of our continued investment in growth objectives. However, our base and stress scenarios show that we will have enough capital to remain a going concern throughout the period of at least 12 months from the date the financial statements are approved, without raising any more capital or issuing debt, unless done so to promote further incremental growth.

The directors remain confident we can deliver on our business plans and the going concern basis is appropriate due to the following reasons:

**We have an attractive proposition for investors.** We have demonstrated our ability to attract investors, both retail and institutional throughout challenging times. We have successfully raised over £200m from new and existing investors, including from our recent series C extension fundraising round. Also, Curve continues to be in advanced discussions with prospective investors including institutional funds, strategic investors and commercial partners.

**We continue to grow and adapt.** Our revenue significantly increased throughout the 2022 year, which allowed us to reach a positive gross margin in Q4 2022. This was a remarkable achievement for Curve

and to our brand as this was accomplished with marginal marketing spend. We secured a number of key partnerships over the year, which have been instrumental in developing our proposition and scaling our business. This growth in partnerships has also continued in 2023, where we have added a major player in the industry, allowing us to scale at a low cost. We continue to be focused on our mission, obsess about our customers and partners, and deliver on our product development and market expansion.

**We remain resilient and agile as an organisation.** The economic backdrop over 2022 has proved challenging, as it has for many other businesses. This has led to some hard decisions as we took decisive action to refocus on profitability and become a stronger, self-reliant business. As part of that we had to go back to the drawing board and bring in leaders with the experience to take the organisation forward into this next phase of growth and development for Curve. We can now look back and share with you that we have achieved a remarkable outcome with a number of new leaders joining Curve, with a total of 8 exits between them. These new leaders bring the added experience and capabilities needed for Curve to succeed on its ambitious journey forward. As a testament to this journey, Curve succeeded in significantly decreasing its operating costs over the year and greatly reducing its time to reaching overall profitability. This demonstrates the control that Curve continues to have in balancing the decision of funding growth and achieving profitability quicker.

### **Qualifying third party indemnity provisions**

As permitted in the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in place during the year and at the date of approval of the financial statements. The Group also maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.



## Streamlined Energy and Carbon Reporting ("SECR") Statement

The below statement contains Curve's annual energy consumption, associated relevant greenhouse gas emissions, and additional related information as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Curve takes sustainability seriously and welcomes the opportunity to focus on environmental, social and governance initiatives.

	2022	2021
On-site combustion kWh	-	-
Purchased electricity kWh	214,365	167,386
Transport fuel kWh	-	-
<b>Total Energy kWh</b>	<b>214,365</b>	<b>167,386</b>
Scope 1 Emissions (tCO <sub>2</sub> e)	-	-
Scope 2 Emissions (tCO <sub>2</sub> e)	41.34	35.54
Scope 3 Emissions (tCO <sub>2</sub> e)	-	-
<b>Intensity ratios</b>		
tCO <sub>2</sub> e per £m revenue	1.80	2.44

### Methodology

The emissions and energy data noted above has been collated, calculated and presented using the methodology set out in WRI / WBSCD The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), March 2004, including separate guidance on Scope 2 and Scope 3 emissions.

### Energy efficiency actions taken

This is our second year of measuring and reporting our carbon footprint. We have reported on scope 2 indirect emissions for the electricity use in our UK-based offices (London and Bristol) and have spent time understanding and analysing our position and have started developing an ESG policy that is fit for purpose for our business and approach to working with our stakeholders. In future years, we will look to work with our key suppliers to disclose any upstream or downstream emissions on a voluntary basis.

As a Company, all of our buildings operate with lighting controls to switch off lighting in non-occupied areas and recycling points are available. We utilise electronic signatures as far as possible to minimise our printing and paper wastage to reduce the impact on the environment. In 2023, Curve also partnered with an electric car scheme to give its employees access to market-leading electric vehicles at a discount rate.

## **Matters covered in the Group Strategic Report**

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of financial instruments.

## **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

## **Post balance sheet events**

The key events that have occurred since the year end are as follows:

- We have launched an exciting partnership with PayPal whereby customers can link their PayPal wallets to Curve and use them as a funding source.
- R&D tax credits paid by HMRC totalling £2.6m.

The above events are treated as non-adjusting post balance sheet events. There have been no other material post balance sheet events.

### **Independent Auditors**

Pursuant to section 487(2) of the Companies Act 2006, the auditors of the Company and Group are deemed appointed for each financial year unless the Directors or the members of the Company and Group resolve to terminate their appointment. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and, as at the date of these financial statements, the Directors are not aware of any resolution to terminate the appointment of the auditors.

This report was approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'S Bialick', written over a horizontal line.

**S Bialick**  
**Director**

**Date: 21 November 2023**

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**CURVE UK LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Note	2022 £000	2021 £000
Turnover	4	44,955	10,729
Cost of sales		(17,169)	(10,889)
<b>Gross profit/(loss)</b>		<u>27,786</u>	<u>(160)</u>
Administrative expenses	5	(51,884)	(56,122)
<b>Operating loss</b>		<u>(24,098)</u>	<u>(56,282)</u>
Interest receivable and similar income	10	52	39
Interest payable and similar expenses	11	(141)	(146)
<b>Loss before tax</b>		<u>(24,187)</u>	<u>(56,389)</u>
Income tax credit	12	2,034	4,138
<b>Loss for the financial year</b>		<u>(22,153)</u>	<u>(52,251)</u>
Other comprehensive income		-	-
<b>Total comprehensive expense for the year</b>		<u>(22,153)</u>	<u>(52,251)</u>

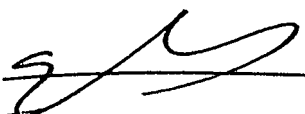
The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 31 to 52 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
<b>Non-current assets</b>			
Intangible assets	13	339	437
Property, plant and equipment	14	13	139
Investments	15	3,131	1,631
Debtors: Amounts falling due after more than one year	17	1,041	1,041
		<u>4,524</u>	<u>3,248</u>
<b>Current assets</b>			
Stocks	16	909	1,577
Debtors: Amounts falling due within one year	17	19,243	24,427
Cash and cash equivalents	18	17,400	24,813
		<u>37,552</u>	<u>50,817</u>
Creditors: Amounts falling due within one year	19	(26,912)	(27,577)
<b>Net current assets</b>		<u>10,640</u>	<u>23,240</u>
<b>Total assets less current liabilities</b>		<u>15,164</u>	<u>26,488</u>
Creditors: Amounts falling due after more than one year	20	(5,018)	(3,843)
<b>Net assets</b>		<u><u>10,146</u></u>	<u><u>22,645</u></u>
<b>Capital and reserves</b>			
Called up share capital		6	6
Share premium account	22	150,668	144,800
Options reserve	22	6,423	2,637
Warrants reserve	22	103	103
Accumulated losses	22	(147,054)	(124,901)
<b>Total equity</b>		<u><u>10,146</u></u>	<u><u>22,645</u></u>

The financial statements on pages 28 to 52 were approved by the Board of Directors on 20 November 2023 and signed on its' behalf by:



**S Bialick**  
**Director**

The notes on pages 31 to 52 form part of these financial statements.

**CURVE UK LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Share premium account £000	Options reserve £000	Warrants reserve £000	Accumulated losses £000	Total equity £000
<b>At 1 January 2021</b>	5	112,782	1,462	103	(72,650)	41,702
<b>Comprehensive expense for the year</b>						
Loss for the year	-	-	-	-	(52,251)	(52,251)
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-
<b>Total comprehensive expense for the year</b>	-	-	-	-	(52,251)	(52,251)
Shares issued during the year	1	32,018	-	-	-	32,019
Share based payments expense	-	-	1,175	-	-	1,175
<b>Total transactions with owners</b>	1	32,018	1,175	-	-	33,194
<b>At 31 December 2021</b>	6	144,800	2,637	103	(124,901)	22,645
<b>Comprehensive expense for the year</b>						
Loss for the year	-	-	-	-	(22,153)	(22,153)
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-
<b>Total comprehensive expense for the year</b>	-	-	-	-	(22,153)	(22,153)
Shares issued during the year	-	5,868	-	-	-	5,868
Share based payment expense	-	-	3,786	-	-	3,786
<b>Total transactions with owners</b>	-	5,868	3,786	-	-	9,654
<b>At 31 December 2022</b>	6	150,668	6,423	103	(147,054)	10,146

The notes on pages 31 to 52 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General information**

Curve UK Limited is a private company limited by shares and incorporated in England and Wales. The address of its registered office is 1-10 Praed Mews, Tyburnia, London, England, W2 1QY.

The principal activity of the Company during the year was the provision of payment and other financial services through the issuance of debit card and e-wallet linked mobile applications.

Following the incorporation of a new parent company, Curve OS Group Limited, which prepares consolidated financial statements for the Curve Group, the directors have deconsolidated the Curve UK Limited financial statements and present the Company results for the year ended 31 December 2022 and the comparative year in the Curve UK Limited financial statements.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

Curve UK Limited's functional currency is British Pounds. The audited financial statements have been presented in British Pounds which is the presentational currency of the Company as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest thousand pound as denoted by £'000 or £k.

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Curve OS Group Limited as at 31 December 2022 and these financial statements may be obtained from 1-10 Praed Mews, Tyburnia, London, England, W2 1QY.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.3 Exemption from preparing consolidated financial statements**

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

**2.4 Going concern**

The directors have assessed Curve's ability to continue as a going concern for the period of at least twelve months from the date that the financial statements are approved.

The Company is currently loss-making however under the base and stress scenarios reviewed as part of the going concern assessment, it does show that Curve will have enough capital to remain a going concern throughout the period of at least 12 months from the date the financial statements being approved, without raising any more capital or issuing debt, unless done so to promote further growth.

The directors remain confident in the Group's previous track record in obtaining funding and conclude, when viewed in conjunction with the numerous management actions available, including the significant level of discretionary investment in its cost structure, it remains appropriate to continue preparing the Group's and Company's financial statements on a going concern basis.

**2.5 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.6 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of consideration received or receivable, excluding discounts, value added tax and other sales taxes. Revenue for the Group consists of card and interchange, subscription fees, interest on customer loans and platform revenue.

*Card and interchange revenue*

Fees are recognised in the statement of profit and loss as services are provided to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured. This is typically on a settlement or completed transaction basis.

*Subscription revenue*

Fees are recognised in the statement of profit and loss as services are provided to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured. The Group recognises income based on the period to which it relates which is in line with the contractual terms giving rise to that revenue.

*Platform revenue*

Revenue is recognised in the statement of profit and loss to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured. The revenue is recognised over the life of the contract when performance obligations are satisfied.

*Interest income*

Interest income is recognised using the effective interest rate method.

*Development agreement from related party*

Fees from a development agreement signed between the Company and its immediate parent Curve Holdings UK Limited have been recognised based on the contractual terms signed for consideration of intellectual property

**2.7 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.8 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.9 Interest receivable and similar income**

Interest receivable and similar income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.10 Interest payable and similar expenses**

Interest payable and similar expenses are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**2.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.13 Share-based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

**2.14 Taxation**

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.15 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Website - indefinite - subject to yearly impairment review  
Card design - 3 years straight line

*(i) Internally generated intangible assets*

Costs relating to the development of software are capitalised as intangible assets only when the future economic benefits expected to arise are deemed probable and the costs can be reliably measured. Development costs not meeting these criteria are expensed in the statement of profit and loss as incurred. Capitalised development costs are amortised on a straight-line basis over the period gaining economic benefit from the expenditure once the related product is available for use. Research costs are charged to the statement of profit and loss as incurred.

*(ii) Separately acquired intangible assets*

Intangible assets purchased separately, such as software licences that do not form an integral part of related hardware, are capitalised as intangible assets at cost and amortised over their useful economic life. Costs associated with maintaining software are charged to the statement of profit and loss as incurred.

**2.16 Property, plant and equipment**

Property, plant and equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.16 Property, plant and equipment (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment - 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Depreciation is charged to 'administrative expenses' in the Statement of Comprehensive Income.

**2.17 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.18 Inventories**

Inventories are Curve cards held for distribution and are stated at the lower of cost adjusted for the loss of service potential and replacement cost. Inventories are recognised as an expense when the card is shipped to the customer. Where the customer has a contractual relationship with another entity the cost is recognised in the corresponding entity.

At each balance sheet date, inventories are assessed for impairment. If inventories are impaired any impairment is recognised immediately in the profit and loss.

**2.19 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.20 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.21 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.22 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.23 Share capital and reserves**

Share capital represents the value of the shares that have been issued.

Any premiums received on the issue of the share capital has been allocated to share premium under the equity section on the statement of financial position.

The options reserve represents share options issued to the company employees under the group scheme.

The warrants reserves represent issued warrants which give holders the right to buy shares in the future.

The accumulated losses reserve represents cumulative losses.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**3.1 Critical judgements in applying the Company's accounting policies**

The directors do not consider themselves to have made any significant judgements during the year.

**3.2 Key sources of estimation uncertainty**

*(i) Rewards liabilities*

Customers earn reward points as a result of past transactions which can be redeemed on future transactions. There is uncertainty when and if the reward points will be converted to currency. The Group makes an estimate of the pound sterling (£) value of reward points based on actual customer spending behaviour which is captured daily. Rewards liabilities are included in accruals and deferred income (note 19).

*(ii) Share based payments expense*

The calculation of the fair value of the options requires significant estimates to be made by management. The Group uses a Black-Scholes option valuation model. Estimates include volatility, risk free interest rate, fair value of ordinary shares at grant date and the probability of options reaching their vesting period. The estimations made are subject to variability that may alter the overall fair value determined. Refer to note 23.

*(iii) R&D tax relief*

The R&D tax relief is based on an analysis of estimated costs of R&D activities in line with HMRC eligibility criteria. The claims for the financial years ended 2020 and 2021 have been received subsequent to the current year end. It is expected that the 2022 R&D tax relief claim of £1,892,545 will be receivable and submitted in the 2023 financial year.

*(iv) Unrecognised deferred tax assets*

As disclosed in the current and deferred income tax accounting policy, the Group recognises deferred tax assets relating to temporary differences, capital losses or operating losses when it is probable that they will be utilised in future reporting years. Due to continuing operating losses, the Group has determined it is not appropriate to recognise deferred tax assets until a point where it is probable that future taxable income is going to be available to utilise the assets. Refer to note 12.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Card and interchange	8,199	5,463
Subscription	2,981	2,656
Platform	2,572	946
Other income	803	39
Development agreement (related party)	30,400	1,625
	<u>44,955</u>	<u>10,729</u>

Analysis of turnover by country of destination:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	44,955	10,695
Rest of World	-	34
	<u>44,955</u>	<u>10,729</u>

**5. Administrative expenses**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Employee benefit expense	23,575	24,954
Occupancy	1,355	1,230
Amortisation of intangible assets	101	128
Depreciation of tangible assets	129	131
Auditors' remuneration	354	235
Other expenses*	26,370	29,444
	<u>51,884</u>	<u>56,122</u>

\*Other expenses consist of marketing, IT, professional fees, etc.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**6. Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors and their associates:

	<b>2022 £000</b>	<b>2021 £000</b>
Fees payable to the Company's auditors for the audit of the Company's financial statements	354	235
	<u>          </u>	<u>          </u>

£67k of the auditors' remuneration relates to prior year audit fees and £287k relates to current year audit fees.

The Company did not pay any further fees to the auditor in respect of non-audit services.

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2022 £000</b>	<b>2021 £000</b>
Wages and salaries	20,790	21,964
Social security costs	2,425	2,563
Other pension costs	360	427
	<u>23,575</u>	<u>24,954</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2022 No.</b>	<b>2021 No.</b>
No. of staff	<u>279</u>	<u>381</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**8. Directors' remuneration**

	<b>2022 £000</b>	<b>2021 £000</b>
Directors' emoluments	491	75
Company contributions to defined contribution pension schemes	3	4
	<u>494</u>	<u>79</u>

Fees paid to non-executive directors were £nil (2021: £101k).

The highest paid director received remuneration of £221k (2021: £262k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2k (2021: £nil).

During the year the highest paid director received 25,000 shares with a total value of £75,000 under the long-term incentive schemes (2021: nil) in Curve UK.

The directors holding office during the year were remunerated by Curve UK Limited.

**9. Key management personnel**

The key management personnel emoluments were as follows:

	<b>2022 £000</b>	<b>2021 £000</b>
Salaries and wages	1,026	643
Company contributions to defined contribution pension schemes	6	2
	<u>1,032</u>	<u>645</u>

The above information relates to 3 key management personnel in the current year (2021: 3). The key management personnel remuneration in this note is included in administrative expenses.

There were 5 key management personnel in the Company's defined contribution pension scheme (2021: 3).

In 2022, nil (2021: 124,750) share options were exercised by key management personnel during the current year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. Interest receivable and similar income**

	<b>2022 £000</b>	<b>2021 £000</b>
Interest receivable from group companies	8	-
Other interest receivable	44	39
	<u>52</u>	<u>39</u>

**11. Interest payable and similar expenses**

	<b>2022 £000</b>	<b>2021 £000</b>
Other interest payable	141	146
	<u>141</u>	<u>146</u>

**12. Tax on loss**

	<b>2022 £000</b>	<b>2021 £000</b>
<b>Corporation tax</b>		
Current tax credit on losses for the year	(1,858)	(4,138)
Adjustments in respect of previous periods	(176)	-
	<u>(2,034)</u>	<u>(4,138)</u>
<b>Total current tax</b>	<u>(2,034)</u>	<u>(4,138)</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Tax credit on losses</b>	<u>(2,034)</u>	<u>(4,138)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**12. Tax on loss (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	<b>2022 £000</b>	<b>2021 £000</b>
Loss before tax	(24,186)	(56,389)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(4,595)	(10,714)
<b>Effects of:</b>		
Expenses non deductible for tax purposes	719	1,139
Surrender of prior year tax losses for R&D tax credit refund	-	2,167
Surrender of tax losses for R&D tax credit refund	2,435	3,255
Deferred tax asset not recognised	4,272	15
Remeasurement of deferred tax for changes in rates	(1,025)	-
R&D credits for the year	(1,858)	-
Adjustment to tax charge in respect of previous periods	(176)	-
Additional deduction for R&D expenditure	(1,376)	-
Other permanent differences	(430)	-
<b>Total tax credit for the year</b>	<b>(2,034)</b>	<b>-(4,138)</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**12. Tax on loss (continued)****Factors that may affect future tax charges**

The UK government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom would increase from 19% to 25%. However, on 23 September 2022, the Chancellor of the Exchequer announced that the planned tax rate change to 25% would no longer be implemented from 1 April 2023 and that the main rate would remain at 19%.

**Unrecognised deferred tax asset**

The Company has unrecognised deferred tax assets totalling £32,301k (2021: £21,887k) of which £31,916k (2021: £16,151k) relates to unutilised tax losses. Due to uncertainty as to when these assets will reverse, no recognition for these have been made in these financial statements.

**13. Intangible assets**

	<b>Card design £000</b>	<b>Website £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 January 2022	393	273	666
Additions	3	-	3
At 31 December 2022	<u>396</u>	<u>273</u>	<u>669</u>
<b>Accumulated amortisation</b>			
At 1 January 2022	229	-	229
Charge for the year	101	-	101
At 31 December 2022	<u>330</u>	<u>-</u>	<u>330</u>
<b>Net book value</b>			
At 31 December 2022	<u>66</u>	<u>273</u>	<u>339</u>
At 31 December 2021	<u>164</u>	<u>273</u>	<u>437</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**14. Property, plant and equipment**

	<b>Computer equipment £000</b>
<b>Cost</b>	
At 1 January 2022	557
Additions	3
At 31 December 2022	<u>560</u>
<b>Accumulated depreciation</b>	
At 1 January 2022	418
Charge for the year	129
At 31 December 2022	<u>547</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>13</u></u>
At 31 December 2021	<u><u>139</u></u>

The Company does not hold tangible fixed assets on finance leases.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Investments

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 January 2022	1,631
Additions	1,500
At 31 December 2022	<u>3,131</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Curve US Inc.	251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808	Ordinary	100%
Curve Credit Limited	15-19 Bloomsbury Way, London, England, WC1A 2TH	Ordinary	100%
Curve Europe UAB	Jogailos g. 9, Vilnius, Republic of Lithuania	Ordinary	100%

During the year the Company increased its investment in Curve Credit Limited by £1,500k.

16. Stocks

	2022 £000	2021 £000
Inventories	<u>909</u>	<u>1,577</u>

Inventory recognised in administrative expenses during the year as an expense was £1,512k (2021: £1,459k).

There is no significant difference between the replacement cost of the inventory and its carrying amount, thus no provisions for impairment have been made (2021: £nil).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**17. Debtors**

	<b>2022 £000</b>	<b>2021 £000</b>
<b>Due after more than one year</b>		
Other debtors	1,041	1,041
	<b>2022 £000</b>	<b>2021 £000</b>
<b>Due within one year</b>		
Trade debtors	454	546
Amounts owed by related parties	11,697	2,165
Amounts owed by group undertakings	-	3,774
Other debtors	929	11,091
Prepayments and accrued income	1,506	855
Tax recoverable	4,657	5,996
	<b>19,243</b>	<b>24,427</b>

Trade debtors are stated after provisions for impairment of £nil (2021: £nil).

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

Other debtors due within a year consist of Acquirer receivables of £nil (2021: £8,176k).

Tax recoverable includes an R&D tax credit of £4,507k (2021: £5,996k).

**18. Cash and cash equivalents**

	<b>2022 £000</b>	<b>2021 £000</b>
Cash at bank	17,400	24,813



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**19. Creditors: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	1,604	13,885
Amounts owed to group undertakings	4,804	3,908
Cash in transit	3,922	-
Taxation and social security	831	2,637
Other creditors	13,851	9
Contract liabilities	-	2,797
Accruals and deferred income	1,900	4,341
	<u>26,912</u>	<u>27,577</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

Other creditors due within a year consist of Acquirer payables of £8,876k (2021: £nil).

Other creditors due within a year include £2,661k relating to amounts due to Mastercard.

**20. Creditors: Amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Other creditors	4,555	-
Accruals and deferred income	463	3,843
	<u>5,018</u>	<u>3,843</u>

Other creditors due after a year consist of amounts due to Mastercard.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. Called up share capital**

	2022	2021
<b>Allotted, called up and fully paid</b>		
61,460,023 (2021: 17,456,445) Ordinary shares shares of £0.0001 each	6,146	1,746
Nil (2021: 2,572,896) A Ordinary shares shares of £0.0001 each	-	257
Nil (2021: 1,055,261) B Ordinary shares shares of £0.0001 each	-	106
Nil (2021: 2,913,428) A1 Preferred shares shares of £0.0001 each	-	291
Nil (2021: 7,823,251) A2 Preferred shares share of £0.0001	-	782
Nil (2021: 7,152,800) A3 Preferred shares share of £0.0001	-	715
Nil (2021: 7,616,414) B1 Preferred shares share of £0.0001	-	762
Nil (2021: 432,328) B2 Preferred shares share of £0.0001	-	43
Nil (2021: 857,449) B3 Preferred shares share of £0.0001	-	86
Nil (2021: 7,125,019) C1 Preferred shares share of £0.0001	-	713
Nil (2021: 3,994,351) C2 Preferred shares share of £0.0001	-	399
Nil (2021: 272,925) C3 Preferred shares share of £0.0001	-	27
Nil (2021: 1,595,886) C4 Preferred shares share of £0.0001	-	160
	<u>6,146</u>	<u>6,087</u>

Except as otherwise provided in the Company's articles of association, the A Preferred Shares, the B Preferred Shares, the C Preferred Shares, the Ordinary Shares, the Ordinary A Shares, the Ordinary B Shares and the Hurdle Shares rank pari passu in all respects but shall constitute separate classes of shares. All shares have full voting (except the Ordinary B Shares), dividend and capital distribution rights and do not confer any rights of redemption. C preference shares have first priority to full repayment of capital in any return of assets on liquidation, reduction of capital or otherwise.

On 13 April 2022 the various different share classes were consolidated down into a single class of ordinary share.

On 13 April 2022 the Company issued 300k shares at par value. Consideration of £3,000k in excess of par value was credited to share premium.

On 9 September 2022 the Company issued 92k shares at par value. Consideration of £916k in excess of par value was credited to share premium.

On 15 November 2022 the Company issued 200k shares at par value. Consideration of £2,000k in excess of par value was credited to share premium.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**22. Reserves**

**Share premium account**

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

**Options reserve**

This reserve represents share options issued to company employees under the group scheme.

**Warrants reserves**

Warrants reserves represent issued warrants which give holders the right to buy shares in the future.

**Accumulated losses**

This reserve represents the cumulative losses.

**23. Share-based payments**

The Group operates an equity-settled share-based remuneration scheme for employees of the subsidiary companies. The Company has a share option scheme for most employees (including directors).

The employee options are subject to continual employment with the Company. The options are exercisable between £0.0075 to £4.0815 per share.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Company before they vest.

The Black-Scholes option pricing model was used to value the equity-settled share-based payment awards as it was considered that this approach would provide an accurate estimate of the fair value of options granted.

**24. Capital commitments**

At the year end the Company had no capital commitments.

**25. Pension commitments**

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in funds under control of trustees. The total expense charged in the year ended 31 December 2022 was £469k (2021: £427k). Contributions outstanding at the year end were £20k (2021: £74k).

**NOTES TO THE FINANCIAL STATEMENTS  
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**26. Commitments under operating leases**

The Company does not have any operating leases that extend beyond 12 months from 31 December 2022 (year ended 31 December 2021: £nil).

**27. Related party transactions**

The Company is a wholly owned member of Curve OS Group Limited, and as such has taken advantage of the exemption permitted by section 33 Related party disclosure of the FRS 102 standard, not to provide disclosures of transactions entered into with other wholly owned members of the group.

**28. Post balance sheet events**

The key events that have occurred since the year end are as follows:

- We have launched an exciting partnership with PayPal whereby customers can link their PayPal wallets to Curve and use them as a funding source.
- R&D tax credits paid by HMRC totalling £2.6m.

The above events are treated as non-adjusting post balance sheet events. There have been no other material post balance sheet events.

**29. Controlling party**

The Company's immediate parent undertaking is Curve OS Holding Limited.

The Company's ultimate controlling party is Curve OS Group Limited, a company incorporated in England and Wales. The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up is Curve OS Group Limited. A copy of these financial statements can be obtained from Companies House.

# Independent auditors' report to the members of Curve UK Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Curve UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2022; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches in regulations such as, but not limited to, the relevant rules of the Financial Conduct Authority, UK tax legislation and UK employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Gaining an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates, and considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We held discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation that could give rise to a material misstatement in the group and company financial statements;
- Reading correspondence with regulatory authorities such as the Financial Conduct Authority in relation to compliance with financial services regulations;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Review of board minutes during the year and to the date of this audit opinion.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

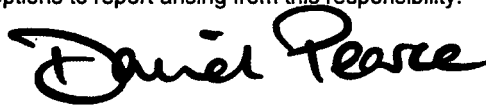
## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Daniel Pearce (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
21 November 2023