

# Tier Operations Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



## **Tier Operations Limited**

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## **Tier Operations Limited**

### **Company Information**

<b>Directors</b>	A J Gayer F G A Jones
<b>Registered office</b>	C/O Wework 1 Mark Square London England EC2A 4EG
<b>Auditors</b>	Rödl & Partner Limited 170 Edmund Street Birmingham B3 2HB

## **Tier Operations Limited**

### **Directors Report for the Year Ended 31 December 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

#### **Directors' of the company**

The director, who held office during the period, was as follows:

R R Hassan (appointed 2 June 2020 and resigned 27 April 2021)

The following directors were appointed after the period end:

A J Gayer (appointed 21 April 2021)

F G A Jones (appointed 5 August 2020)

#### **Principal activity**

The principal activity of the company is renting and leasing of cars, light motor vehicles and other engineering activities.

#### **Going concern**

The directors have a reasonable expectation that Tier Operations Limited will have access to sufficient resources to continue in operational existence for the foreseeable future. However, Tier Operations Limited's financial performance depends on both: (a) its operating income; and (b) anticipated financial and operational support from its parent, Tier Mobility SE. The continuation of such support from Tier Mobility SE is therefore an important factor as regards the directors' assumption of a going concern for Tier Operations Limited.

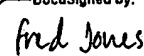
Historically Tier Mobility SE has always supported Tier Operations Limited. However, as is typical for many venture-backed technology companies, Tier Mobility SE is not break-even and needs to maintain its debt facilities and / or raise additional funding on a periodic basis through various means (including from shareholders and external debt providers) in order to fund its operations. There is therefore always an element of uncertainty as to whether such ongoing funding will continue to be provided, as well as the future of Tier Mobility SE's strategic direction.

In light of: (a) Tier Operations Limited's partial reliance on cash inflows from Tier Mobility SE; and (b) there being no certainty that Tier Mobility SE will continue to be able to secure ongoing funding or successfully pursue its strategic goals, an element of uncertainty exists which may cast doubt over Tier Operations Limited's ability to trade as a going concern. However, the director(s) of Tier Operations Limited have a reasonable degree of confidence that Tier Mobility SE will continue to be able to support Tier Operations Limited and therefore consider it appropriate to prepare the accounts for Tier Operations Limited on a going concern basis.

#### **Disclosure of information to the auditors**

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the board on 27.07.2023 and signed on its behalf by:

DocuSigned by:  
  
F G A Jones  
Director

## **Tier Operations Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Tier Operations Limited**

### **Independent Auditor's Report to the Members of Tier Operations Limited**

#### **Opinion**

We have audited the financial statements of Tier Operations Limited (the 'company') for the year ended 31 December 2021, which comprise Profit and Loss Account, Balance sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework and in accordance with the applicable accounting standards in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter**

We draw attention to the fact that the company has incurred a net loss of £6,110,390 during the year ended 31 December 2021 and, as of that date, the company's current liabilities exceeded its current assets by £6,264,418. These conditions, along with other matters set forth in Note 2, indicate the existence of uncertainty that may cast doubt about the company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The company has obtained a letter of financial support from its ultimate parent company, stating its continued intent to provide necessary financial support to the company for the next twelve months from the balance sheet date.

Our opinion is not modified in respect of this matter.

#### **Conclusions relating to going concern**

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.

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 original financial statements were authorised for issue.

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

## **Tier Operations Limited**

### **Independent Auditor's Report to the Members of Tier Operations Limited**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of directors**

As explained more fully in the [set out on page 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

#### **Auditor 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 auditor's 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.

## **Tier Operations Limited**

### **Independent Auditor's Report to the Members of Tier Operations Limited**

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## **Tier Operations Limited**

### **Independent Auditor's Report to the Members of Tier Operations Limited**

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Imran Farooq (Senior Statutory Auditor)  
For and on behalf of Rödl & Partner Limited

170 Edmund Street  
Birmingham  
B3 2HB

27th July, 2023  
Date:.....

# Tier Operations Limited

## Profit and Loss Account for the Year Ended 31 December 2021

	Note	31 December 2021 £	31 December 2020 £
Turnover	3	650,248	13,782
Cost of sales		<u>(1,177,379)</u>	<u>-</u>
Gross (loss)/profit		(527,131)	13,782
Administrative expenses		(5,878,622)	(455,946)
Other operating income	4	<u>297,596</u>	<u>494,535</u>
Operating (loss)/profit	5	(6,108,157)	52,371
Interest payable and similar expenses	6	<u>(11,749)</u>	<u>(2,337)</u>
(Loss)/profit before tax		(6,119,906)	50,034
Tax on (loss)/profit	10	<u>9,516</u>	<u>(9,516)</u>
(Loss)/profit for the year		<u><u>(6,110,390)</u></u>	<u><u>40,518</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

**Tier Operations Limited**  
**(Registration number: 12640257)**  
**Balance Sheet as at 31 December 2021**

	Note	31 December 2021 £	31 December 2020 £
<b>Fixed assets</b>			
Tangible assets	11	191,110	56,482
Right of use assets	12	<u>334,550</u>	<u>109,142</u>
		<u>525,660</u>	<u>165,624</u>
<b>Current assets</b>			
Stocks	13	427	-
Debtors	14	1,507,456	46,806
Cash at bank and in hand	15	<u>466,927</u>	<u>231,504</u>
		1,974,810	278,310
<b>Creditors: Amounts falling due within one year</b>		<u>(8,239,228)</u>	<u>(275,916)</u>
<b>Net current (liabilities)/assets</b>		<u>(6,264,418)</u>	<u>2,394</u>
<b>Total assets less current liabilities</b>		(5,738,758)	168,018
<b>Creditors: Amounts falling due after more than one year</b>	18	(330,194)	(117,983)
<b>Provisions for liabilities</b>	10	<u>-</u>	<u>(9,516)</u>
<b>Net (liabilities)/assets excluding pension asset/(liability)</b>		(6,068,952)	40,519
Net pension liability	20	<u>(919)</u>	<u>-</u>
<b>Net (liabilities)/assets</b>		<u>(6,069,871)</u>	<u>40,519</u>
<b>Capital and reserves</b>			
Called up share capital	19	1	1
Profit and loss account		<u>(6,069,872)</u>	<u>40,518</u>
<b>Shareholders' (deficit)/funds</b>		<u>(6,069,871)</u>	<u>40,519</u>

Approved by the board on 27.07.2023 and signed on its behalf by:

DocuSigned by:

*FG Jones*

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F G A Jones

Director

# Tier Operations Limited

## Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Retained earnings £	Total £
At 1 January 2021	1	40,518	40,519
Loss for the year	-	(6,110,390)	(6,110,390)
Total comprehensive income	-	(6,110,390)	(6,110,390)
At 31 December 2021	1	(6,069,872)	(6,069,871)

	Share capital £	Retained earnings £	Total £
Profit for the year	-	40,518	40,518
Total comprehensive income	-	40,518	40,518
New share capital subscribed	1	-	1
At 31 December 2020	1	40,518	40,519

## Tier Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 1 General information

The company is a private company limited by share capital, incorporated and domiciled in England.

The address of its registered office is:

C/O Wework  
1 Mark Square  
London  
England  
EC2A 4EG

#### 2 Accounting policies

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and in accordance with applicable accounting standards.

The financial statements are presented using the currency of the primary economic environment in which the Company operates (its functional currency), which is Sterling. These financial statements are rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

##### Summary of disclosure exemptions

In these financial statements, the company has taken advantage of the exemptions available under FRS 101 in respect of the following disclosures:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 - 'Share-based payments' (how the fair value of goods/services received or equity instruments granted was determined and details of the number and weighted average exercise prices of share options).
- Paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j)-(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66, B67 of IFRS 3 - 'Business combinations'.
- Paragraph 33(c) of IFRS 5 - 'Non-current Assets Held for Sale and Discontinued Operations' (disclosure of net cash flows attributable to operating, investing and financing activities of discontinued operations).
- IFRS 7 - 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13 - 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 - 'Revenue from Contracts with Customers' (disaggregation of revenue, significant changes in contract assets and liabilities, details on transaction price allocation, timing of the satisfaction of performance obligations and significant judgements made in the application of IFRS 15).
- The requirements of paragraph 52 [lessee], the second sentence of paragraph 89, and paragraphs 90, 91 and 93 [lessor] of IFRS 16 - 'Leases' (lessee disclosures and lessor disclosures in relation to finance leases and lease income on operating leases).

## **Tier Operations Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

- Paragraph 38 of IAS 1 - 'Presentation of financial statements' (comparative information requirements in respect of):
- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
- IAS 7 - 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).

#### **Going concern**

The directors have considered a number of factors that will impact the going concern of the business over the next 12 months from the date of approval of these financial statements.

The directors have a reasonable expectation that Tier Operations Limited will have access to sufficient resources to continue in operational existence for the foreseeable future. However, the company's financial performance depends on both: (a) its operating income; and (b) anticipated financial and operational support from its parent, Tier Mobility SE.

In respect of (a) and after taking account of a reasonable and possible downside scenario, macroeconomic factors and the company's ability to access working capital if required, the directors believe that the company will have sufficient funds to meet its liabilities as they fall due for that period.

Notwithstanding this assessment in respect of (b) the Directors highlight the continuation of support from Tier Mobility SE is an important factor as regards the assumption of a going concern for the company. Historically Tier Mobility SE has always supported Tier Operations Limited and has received a letter of support from Tier Mobility SE confirming its intention to continue to do so. However, as is typical for many venture-backed technology companies, Tier Mobility SE is not break-even and needs to maintain its debt facilities and / or raise additional funding on a periodic basis through various means (including from shareholders and external debt providers) in order to fund its operations. There is therefore always an element of uncertainty as to whether such ongoing funding will continue to be provided, as well as the future of Tier Mobility SE's strategic direction.

In light of: (a) the company's partial reliance on cash inflows from Tier Mobility SE; and (b) there being no certainty that Tier Mobility SE will continue to be able to secure ongoing funding or successfully pursue its strategic goals, an element of uncertainty exists which may cast doubt over Tier Operations Limited's ability to trade as a going concern.

Given both the director's initial assessment and the letter of support, the directors have a reasonable degree of confidence that the company will have sufficient funds to continue in operational existence for at least 12 months from the date of approval of these financial statements and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 January 2021 have had a material effect on the financial statements.

## Tier Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts. The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

#### Foreign currency transactions and balances

The company's financial statements are presented in sterling, which is also the company's functional currency.

#### Transactions and balances

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

#### Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### Tangible assets

Tangible assets is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of Tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

##### Asset class

Furniture, fittings and equipment  
Right of use assets - property  
Other property, plant and equipment  
Tools and equipment

##### Depreciation method and rate

Straight line - 24 months  
Straight line over its useful life  
Straight line - between 24 to 36 months  
No depreciation charge

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## Tier Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as Fixed assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the trade debtors.

#### Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the Stocks to their present location and condition. At each reporting date, Stocks are assessed for impairment. If Stocks is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### Leases

At the inception of a contract, the TIER Mobility Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, TIER Mobility Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

#### Leases as a lessee

At the commencement date of a lease, TIER Mobility Group recognizes a right-of-use-asset and a lease liability for all leases, except for short-term leases (i.e. leases with a term of 12 months or less) and leases for which the underlying asset is of low value. The practical expedient to recognize the lease payments associated with those leases as an expense on a straight-line basis over the lease term has been chosen.

The present value of the lease payments is calculated using the term and risk equivalent incremental borrowing rate, if the interest rate implicit in the lease cannot be readily determined. The incremental borrowing rate is the rate of interest that the TIER Mobility Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The lease term is based on the non-cancellable period of a lease. Periods covered by an option to extend (or terminate) the lease are included in the lease term if it is reasonably certain that such an option will be exercised (or will not be exercised in the case of a termination option).

Depreciation of right-of-use assets is presented within the functional area to which it relates. Interest expenses on lease liabilities are shown as interest and similar expenses. They are also included in the cash flow from operating activities, whereas cash payments for the principal portion of lease liabilities are presented as a separate line item within the cash flow from financing activities.

During 2020, TIER Mobility Group leased warehouses and office buildings and recognized right-of-use assets in a separate balance sheet position. The rental agreements for warehouses and office buildings not exempted from recognizing right-of-use assets have lease terms between 13 months and 5 years



## **Tier Operations Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **As a lessor:**

At inception or on modification of a contract that contains a lease component, TIER Mobility Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. When TIER Mobility Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, TIER Mobility Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, TIER Mobility Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset. To date, TIER Mobility Group has not classified any lease as finance lease as a lessor.

TIER Mobility Group's business model includes vehicle rentals of e-scooters and e-mopeds. Customers can either rent vehicles on a single ride or recurring basis via packages and subscriptions. This rental business generates revenues from lease contracts under IFRS 16 because the use of an identified asset (e-scooter or e-moped) can be controlled by the customer. Due to the short rental periods where a single e-scooter can be used for a maximum of 60 minutes, the leases are classified as operating leases. There are no long-term cash flows from lease contracts with customers: customers pay for the ride after each ride, packages are paid upfront, subscriptions renew every month but can be terminated by the client.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the Balance Sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

## Tier Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	31 December 2021	31 December 2020
	£	£
Rendering of services	<u>650,248</u>	<u>13,782</u>

The analysis of the company's turnover for the year by market is as follows:

	31 December 2021	31 December 2020
	£	£
Europe	<u>650,248</u>	<u>13,782</u>

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	31 December 2021	31 December 2020
	£	£
Intercompany income	<u>297,596</u>	<u>494,535</u>

#### 5 Operating (loss)/profit

Arrived at after charging/(crediting)

	31 December 2021	31 December 2020
	£	£
Depreciation expense	88,092	4,479
Depreciation on right of use assets - property	<u>108,349</u>	<u>11,014</u>

#### 6 Interest payable and similar expenses

	31 December 2021	31 December 2020
	£	£
Interest on obligations under finance leases and hire purchase contracts	8,539	1,346
Foreign exchange gains	<u>3,210</u>	<u>991</u>
	<u>11,749</u>	<u>2,337</u>

## Tier Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	31 December 2021 £	31 December 2020 £
Wages and salaries	803,777	157,425
Social security costs	31,599	14,331
Pension costs, defined contribution scheme	15,780	4,504
	<u>851,156</u>	<u>176,260</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	31 December 2021 No.	31 December 2020 No.
Administration and support	<u>17</u>	<u>5</u>

#### 8 Directors' remuneration

There was no directors' remuneration during the year.

#### 9 Auditors' remuneration

	31 December 2021 £	31 December 2020 £
Audit of the financial statements	<u>7,000</u>	<u>7,000</u>
Other fees to auditors		
Taxation compliance services	<u>2,500</u>	<u>2,500</u>

## Tier Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 10 Income tax

Tax charged/(credited) in the profit and loss account

	31 December 2021 £	31 December 2020 £
<b>Current taxation</b>		
UK corporation tax	(9,516)	-
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	<u>-</u>	<u>9,516</u>
Tax (receipt)/expense in the profit and loss account	<u>(9,516)</u>	<u>9,516</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	31 December 2021 £	31 December 2020 £
(Loss)/profit before tax	<u>(6,119,906)</u>	<u>50,034</u>
Corporation tax at standard rate	(1,162,782)	9,506
Decrease from effect of capital allowances depreciation	(4,292)	-
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	27,783	10
Increase arising from group relief tax reconciliation	106,785	-
Deferred tax expense from unrecognised temporary difference from a prior period	1,346,040	-
Deferred tax credit relating to changes in tax rates or laws	<u>(323,050)</u>	<u>-</u>
Total tax (credit)/charge	<u>(9,516)</u>	<u>9,516</u>

## Tier Operations Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

## 11 Tangible assets

	Asset under construction £	Furniture, fittings and equipment £	Motor vehicles £	Tools & equipments £	Other property, plant and equipment £
<b>Cost or valuation</b>					
At 1 January 2021	-	15,662	-	16,411	28,888
Additions	964	208,208	12,388	-	1,160
Transfers	-	-	16,720	-	(16,720)
At 31 December 2021	964	223,870	29,108	16,411	13,328
<b>Depreciation</b>					
At 1 January 2021	-	1,773	-	-	2,706
Charge for the year	-	76,679	7,019	-	4,394
Transfers	-	-	1,393	-	(1,393)
At 31 December 2021	-	78,452	8,412	-	5,707
<b>Carrying amount</b>					
At 31 December 2021	964	145,418	20,696	16,411	7,621
At 31 December 2020	-	13,889	-	16,411	26,182
					<b>Total £</b>
<b>Cost or valuation</b>					
At 1 January 2021					60,961
Additions					222,720
Transfers					-
At 31 December 2021					283,681
<b>Depreciation</b>					
At 1 January 2021					4,479
Charge for the year					88,092
Transfers					-
At 31 December 2021					92,571
<b>Carrying amount</b>					
At 31 December 2021					191,110
At 31 December 2020					56,482

## Tier Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 12 Right of use assets

	Property £	Total £
<b>Cost or valuation</b>		
At 1 January 2021	120,156	120,156
Additions	<u>333,757</u>	<u>333,757</u>
At 31 December 2021	<u>453,913</u>	<u>453,913</u>
<b>Depreciation</b>		
At 1 January 2021	11,014	11,014
Charge for the year	<u>108,349</u>	<u>108,349</u>
At 31 December 2021	<u>119,363</u>	<u>119,363</u>
<b>Carrying amount</b>		
At 31 December 2021	<u><u>334,550</u></u>	<u><u>334,550</u></u>

#### 13 Stocks

	31 December 2021 £	31 December 2020 £
Other Stocks	<u>427</u>	<u>-</u>

#### 14 Trade and other debtors

	31 December 2021 £	31 December 2020 £
Trade debtors	2,545	-
Amounts due from related parties	100,001	-
VAT repayable	910,127	46,806
Prepayments	213,884	-
Other debtors	<u>280,899</u>	<u>-</u>
	<u>1,504,911</u>	<u>46,806</u>
	<u><u>1,507,456</u></u>	<u><u>46,806</u></u>

#### 15 Cash at bank and in hand

	31 December 2021 £	31 December 2020 £
Cash on hand	-	13,677
Cash at bank	<u>466,927</u>	<u>217,827</u>
	<u><u>466,927</u></u>	<u><u>231,504</u></u>

## Tier Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 16 Creditors: amounts falling due within one year

	31 December 2021	31 December 2020
	£	£
Trade payables	21,702	56,178
Accrued expenses	301,069	-
Amounts due to related parties	7,905,659	173,979
Social security and other taxes	11,787	19,646
Other payables	(989)	26,113
	<u>8,239,228</u>	<u>275,916</u>

#### 17 Creditors: amounts falling due after more than one year

	31 December 2021	31 December 2020
	£	£
Loans and borrowings	<u>330,194</u>	<u>117,983</u>

#### 18 Loans and borrowings

	31 December 2021	31 December 2020
	£	£
Non-current loans and borrowings		
Lease liability (IFRS16)	<u>330,194</u>	<u>117,983</u>

#### 19 Share capital

##### Allotted, called up and fully paid shares

	31 December 2021		31 December 2020	
	No.	£	No.	£
Ordinary share of £1 each	1	1	1	1

##### New shares allotted

During the year - ordinary share having an aggregate nominal value of £1 were allotted for an aggregate consideration of £1.

#### 20 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £15,779 (2020 - £4,504).

## **Tier Operations Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **21 Parent and ultimate parent undertaking**

The company's immediate parent is Tier Mobility SE.

The most senior parent entity producing publicly available financial statements is Tier Mobility SE. These financial statements are available upon request from c/o WeWork Eichhornstrasse 3, 10785 Berlin, Germany

#### **Relationship between entity and parents**

The parent of the largest group in which these financial statements are consolidated is Tier Mobility SE, incorporated in Germany.

The address of Tier Mobility SE is:

c/o WeWork Eichhornstrasse 3, 10785 Berlin, Germany