

METROPOLIS

Company regulated by the French Law of 1 July 1901

33 rue Barbey de Jouy
75007 PARIS

Special report by the statutory auditor on regulated agreements

Meeting of the legislative body concerning the approval
of the accounts for the financial year ending on 31
December 2016

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on 31 December 2016

To the members of the board,

In our capacity as Auditors for your association, we hereby present our report on regulated agreements.

It is our duty to inform you, on the basis of the information provided to us, of the characteristics and key aspects of the agreements that we have encountered while carrying out our work, without commenting on their usefulness or relevance, or ascertaining the existence of any other agreements. It is your responsibility, pursuant to Article R. 612-6 of the French Code of Commerce, to assess the conclusions drawn from these agreements prior to their approval.

We have implemented procedures that we consider necessary, in accordance with the professional standards of the National Society of Auditors, to carry out this task.

AGREEMENTS SUBJECT TO APPROVAL FROM THE LEGISLATIVE BODY

Agreements approved over the past financial year

We inform you that we have not been notified of any agreement made during the past financial year that needed to be submitted for the approval from the decision-making body pursuant to the provisions of Article L. 612-5 of the French Code of Commerce.

Neuilly-sur-Seine, 22 June 2017

The statutory auditor
Deloitte Marque & Gendrot

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Frédéric NÉIGE

METROPOLIS

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1901

33 rue Barbey de Jouy
75007 PARIS

**Report by the statutory auditor on the
annual accounts**

Financial year ending 31 December, 2016

METROPOLIS

Company regulated by the French Law of 1 July 1901

33 rue Barbey de Jouy
75007 PARIS

Report by the statutory auditor on the annual accounts

Financial year ending 31 December, 2016

In accordance with the task entrusted to us at your company's General Meeting, we hereby submit to you our report for the financial year ending on 31 December 2016, with regard to:

- an audit of the annual accounts for the association METROPOLIS, as attached to this report;
- the supporting evidence for our comments;
- the specific justifications and information required by the law.

The annual accounts have been approved by the Board of Directors. It is our task, on the basis of our audit, to express an opinion as to these annual accounts.

I. Opinion on the annual accounts

We have carried out our audit in accordance with the professional standards applicable in France; such standards require the application of a review that allows us to be reasonably assured that the annual accounts do not involve any significant anomalies. An audit consists of verifying, by means of sampling or by other methods of selection, the documents used to justify the figures and information shown on the annual accounts. It also consists of evaluating the accounting principles followed, as well as any significant estimates made in drawing up the accounts, and the accounts submitted as a whole. In our opinion, the documents we have gathered are sufficient and appropriate for us to reach a conclusion.

METROPOLIS

We certify that the annual accounts are correct and in line with French accounting rules and principles, and offer a fair view of the financial results of the operations over the financial year that has just ended, and of the financial situation and assets owned by the association at the end of this financial year.

Without calling into question the conclusion reached above, we would like to draw your attention to the "miscellaneous information" in the appendix, which shows the consequences for the 2016 financial year of insufficient expenses and surplus grants in 2015, points which were commented on in our report on the accounts for the 2015 financial year.

II. Supporting evidence for our evaluation

In application of the provisions of Article L. 823-9 of the French Code of Commerce with regard to providing supporting evidence for our evaluation, we would like to bring the following points to your attention:

The evaluations thus carried out fall within the scope of our audit procedure for the annual accounts as a whole, and have therefore contributed to our opinion as expressed in the first part of this report.

III. Specific verification and information

We have also proceeded, in compliance with the professional standards applicable in France, to carry out the specific verifications required by law.

We have no comments to make as to the fairness and coherence between the annual accounts and the information given in the report by the Board of Directors and in the documents addressed to the shareholders in terms of the financial situation and the annual accounts.

Neuilly-sur-Seine, 22 June 2017

The statutory auditor

Deloitte Marque & Gendrot

[Signature illegible]

Frédéric NEIGE

Balance Sheet Assets

Balance Sheet Assets	Up to 31/12/2016			Up to 31/12/2015
	Gross	Depreciations Provisi	Net	Net
Uncalled capital commitments				
Fixed assets				
Intangible assets				
Set up expenses				
Development expenses				
Copyright, patents and similar licenses	12.369	12.369		
Commercial funds				
Other intangible assets				
Receipts in advance for intangible assets				
Tangible assets				
Land				
Buildings				
Machinery, tools and industrial equipment				
Other tangible assets	61.596	45.268	16.328	12.574
Current assets				
Receipt in advance				
Long-term investment				
Equity investments valued by the equity method				
Other equity investments				
Receivables related to equity investments				
Fixed assets in portfolio				
Other financial assets				
Loans				
Other long-term investments	300		300	300
TOTAL (I)	74.265	57.637	16.628	12.874
Current assets				
Stock and ongoing				
Raw materials, other supplies				
Goods currently under production				
Services currently being rendered				
Intermediary and finished products				
Goods				
Receipts in advance against orders				
Receivables				
Clients and accounts receivables				210.214
Other	177.706		177.706	6.465
Called capital commitments, unpaid				
Value of investment properties				
Own shares				
Other equity assets	73.880		73.880	73.880
Cash instruments				
Cash	450.066		450.066	238.918
Prepaid expenses	4.448		4.448	770
TOTAL (II)	706.099		706.099	530.246
Amortised debt issuance costs (III)				
Bond redemption premiums (IV)				
Foreign exchange gains (V)				
TOTAL GENERAL ASSETS (I to IV)	780.365	57.637	722.727	543.121

Balance Sheet Liabilities

Balance Sheet Liabilities	Up to 31/12/2016		Up to 31/12/2015
	Gross	depreciations Provisi	Net
Shareholders' Equity			
Paid-in social or individual capital:			
Issue premium, merger premium, acquisition premium			
Revaluation variance			
Equity accounting reserve			
Reserves:			
- Legal reserve			
- Statutory or contractual reserves			
- Regulated reserves			
- Other reserves			
Brought forward		277.233	289.724
Financial result for the year (profit or loss)		1.455	(12,491)
Investment subsidies			
Regulated provisions			
TOTAL (I)		278.688	277.233
Other equity			
From the issue of participation certificates			
Conditional advances			
Other			
TOTAL (I bis)			
Provisions for contingencies and losses			
Provisions for contingencies			
Provisions for losses			
TOTAL (II)			
Loans and debt			
Convertible debts			
Other convertible debts			
Loans and debts from credit institutions		528	206
Other loans and financial debts			
Receipts in advance against current orders			10.917
Trade payables and accounts receivables		117.252	78.247
Tax and employee-related payables		16.165	31.801
Fixed asset liabilities and accounts receivables			
Other debts		55.684	114.717
Treasury instruments			
Deferred income		254.411	
TOTAL (III)		444.040	265.888
Unrealised foreign exchange gains (IV)			
TOTAL GENERAL LIABILITIES (I to IV)		722.727	543.121

Income statement

Income statement	From 01/01/2016 to 31/12/2016			From 01/01/2015
	France	Exports	Total	Up to 31/12/2015
Operating revenues (1)				
Sales of goods				
Goods sold				
Services rendered	343.488		343.488	315.890
Net Sales Revenue	343.488		343.488	315.890
Inventoried products				
Capitalised production				
Operating subsidies received			316.663	571.763
Reversals of amortisations, depreciations and provisions, and transfers				
Other income			19.667	
TOTAL (I)			679.818	887.653
Operating costs (2)				
Purchases of goods (including customs duty)				
Change in inventory (goods)				
Purchases of raw materials and other supplies				
Change in inventory (raw materials and other supplies)				
Other supplies and external expenses*			378.587	466.535
Taxes, duties and other levies			150	315
Wages and salaries			199.643	302.188
Employee-related payables			68.303	133.926
Amortisation allowance on fixed assets			5.558	4.546
Depreciation allowance on fixed assets				
Depreciation allowance on current assets				
Provision allowance for contingencies and losses				
Other costs				
TOTAL (II)			652.242	907.511
*Including:				
- Leasing-purchase agreement payments for equipment				
- Leasing-purchase agreement payments for property				
OPERATING INCOME (I-II)			27.576	(19,858)
Profit allocated or loss transferred (III)				
Loss borne or profit transferred (IV)				
Financial income				
Financial income from investments (3)				
Income from marketable securities and fixed asset receivables (3)				
Other interest and related income (3)				
Reversal of provisions, depreciations and transfers				
Foreign exchange gains			4	26
Net income on the disposal of marketable securities				8.880
TOTAL (V)			4	8.906
Financial costs				
Financial allocations for amortisations, depreciations and provisions				
Interest payable and similar expenses (4)				1.536
Foreign exchange losses			74	3
Net expenses on the disposal of marketable securities				
TOTAL (VI)			74	1.539
FINANCIAL RESULT (V-VI)			(69)	7.367
OPERATING RESULT BEFORE TAX (I-II+III-IV-V-VI)			27.507	(12,491)

Income statement (continued)

Income statement (continued)	From 01/01/2016 Up to 31/12/2016	From 01/01/2015 Up to 31/12/2015
Extraordinary income		
For management operations		
For capital transactions		
Reversal of provisions, depreciations and transfers		
TOTAL (VII)		
Extraordinary expenses		
For management operations	26.051	
For capital transactions		
Exceptional allocations for amortisations, depreciations and provisions		
TOTAL (VIII)	26.051	
EXTRAORDINARY RESULT (VII-VIII)	(26,051)	
Employee shareholdings (IX)		
Income tax liability (X)		
TOTAL INCOME (I+III+V+VII)	679.822	896.559
TOTAL EXPENSES (II+IV+VI+VIII+IX+X)	678.367	909.050
PROFIT OR LOSS (total income - total expenses)	1.455	(12,491)
(1) Of which the income relates to previous financial years		
(2) Of which the expenses relate to previous financial years		
(3) Of which the income is from related entities		
(4) Of which the interest is from related entities		

APPENDIX

Accounting rules and methods

Company name: METROPOLIS

Appendix to the balance sheet and income statement for the financial year ended 31/12/2016, for which the total before allocation is €722,727, and with the income statement for the year, shown as a list with a financial result of €1,455.

The financial year has a duration of 12 months, covering the period from 01/01/2016 to 31/12/2016.

The notes or tables below form an integral part of the annual accounts.

The annual accounts were prepared in accordance with the provisions of the French Code of Commerce and the regulations CRC 99-01.

General accounting conventions have been applied, respecting the principles of prudence, and in accordance with the following basic assumptions:

- the continued operation of the company,
- the continued use of these accounting methods from one year to the next,
- the independent nature of the financial years,

and in accordance with the general rules for preparing and presenting annual accounts.

Tangible and intangible assets

Tangible and intangible assets are valued at the cost of acquisition for assets acquired subject to payment, at the cost of production for assets produced by the company, and at their market value for assets acquired free of charge or through exchange.

The cost of a tangible asset is its purchase price, including non-recoverable customs duties and taxes, after deducting any rebates, commercial or cash discounts for all the directly attributable costs incurred to put the asset in place and running according to its intended use.

Any transfer duties, fees or commissions related to the acquisition are included as part of the purchase price.

Any costs that are not included as part of the purchase price for the fixed asset and that cannot be directly related to the costs required to get the asset up and running in accordance with its intended use are categorised as expenses.

Amortisation

Amortisation is calculated according to the expected duration of use, and following a linear or declining balance method.

- Copyright, patents and licenses 3 years,
- Fixtures and fittings 5 years,
- Other 4 years

For assets that amortise according to the declining balance method, or that are subject to exceptional depreciation, the proportionate share that exceeds straight-line amortisation is recognised as an exceptional depreciation on the liabilities side of the balance sheet.

Value of marketable securities

The gross value is made up of the acquisition cost (including transfer taxes, fees, or commissions and transaction costs related to the acquisition).

While the inventory value is lower than this value, the corresponding depreciation made up the difference.

At the end of the financial year, the association has 11,954,841.86 SABADELL RENDIMIENTO FI BASE at a historical cost of 73,880 euros for a net asset value of 111,581 euros.

Receivables

Receivables are valued at their nominal value. Depreciation is applied when the asset value is lower than the carrying amount.

Extraordinary income and expenses

Extraordinary expenses are those related to telephone bills that have been invoiced for but are disputed and not settled at the end of the financial year.

Miscellaneous information

The insufficient expenses and grant surplus that were not accounted for at the end of the 2015 financial year (€21,024.78) were adjusted for at the end of the 2016 financial year.

Fixed asset statement

Framework A	Gross value at the start of the financial year	Increases	
		Revaluation for the financial year	Acquisitions, receivables, transfers
Intangible assets			
Set up and development expenses			
Other intangible assets	12.369		
TOTAL	12.369		
Tangible assets			
Land			
Buildings on own land			
Buildings on third-party land			
General facilities, layout and misc. construction			
Technical facilities, materials and industrial equipment			
General facilities, layout and misc. planning	1.216		
Transport equipment			
Office equipment and furniture	51.069		9.311
Recoverable packaging and other items			
Tangible assets under development			
Receipt in advance			
TOTAL	52.285		9.311
Financial assets			
Equity investments valued by the equity method			
Other equity investments			
Other financial assets			
Loans and other long-term investments	300		
TOTAL	300		
GENERAL TOTAL	64.954		9.311

Framework B	Decreases		Gross asset value at the close of the financial year	Legal revaluation or equivalent evaluation
	Transfer	Disposal		Original asset value at the close of the financial year
Set up and development expenses				
Other intangible assets			12.369	
TOTAL			12.369	
Land				
Buildings on own land				
Buildings on third-party land				
General facilities, layout and misc. construction				
Technical facilities, materials and industrial equipment				
General facilities, layout and misc. planning			1.216	
Transport equipment				
Office equipment and furniture			60.380	
Recoverable packaging and other items				
Tangible assets under development				
Receipt in advance				
TOTAL			61.596	
Equity investments valued by the equity method				
Other equity investments				
Other financial assets				
Loans and other long-term investments			300	
TOTAL			300	
GENERAL TOTAL			74.265	

Fixed asset statement

Framework A				
POSITIONS AND MOVEMENTS DURING THE FINANCIAL YEAR				
DEPRECIABLE ASSETS	Amount at the start of the financial year	Increase	Decrease	Amount at the end of the financial year
Intangible assets				
Set up and development expenses				
Other intangible assets	12.369			12.369
TOTAL	12.369			12.369
Tangible assets				
Land				
Buildings on own land				
Buildings on third-party land				
General facilities, layout and misc. construction				
Technical facilities, materials and industrial equipment				
General facilities, layout and misc. planning	1.216			1.216
Transport equipment				
Office and IT equipment and furniture	38.495	5.558		44.052
Recoverable packaging and other items				
TOTAL	39.710	5.558		45.268
GENERAL TOTAL	52.079	5.558		57.637

Framework B							
Breakdown, movements provisions for tax depreciation							
DEPRECIABLE ASSETS	ALLOWANCES			REVERSALS			Net movement of amortisations At the end of the financial year
	Column 1 Difference in duration	Column 2 Declining balance method	Column 3 Exceptional tax amortisation	Column 4 Difference in duration	Column 5 Declining balance method	Column 6 Amortisation Exceptional tax	
Intangible assets							
Set up and development expenses (I)							
Other intangible assets (II)							
TOTAL							
Tangible assets							
Land							
Buildings on own land							
Buildings on third-party land							
General facilities, layout and misc. construction							
Technical facilities, materials and industrial equipment							
General facilities, layout and misc. planning							
Transport equipment							
Office and IT equipment and furniture							
Recoverable packaging and other items							
TOTAL							
Acquisition fees for equity investments							
GENERAL TOTAL							
GENERAL TOTAL WITHOUT BREAKDOWN							

Framework C				
Movements for the financial year with an impact on expenses over several years				
Amortised debt issuance costs				
Bond redemption premiums				

Depreciation and provision statement

TYPE OF PROVISIONS	Amount at the start of the financial year	Increases in allowances for the financial year	Reversals at the end of the financial year		Amount at the end of the financial year
			Used	Unused	
Regulated					
Provisions for reconstituting reserves					
Provisions for investments					
Provisions for price increases					
Special depreciation allowances					
Tax Prov. To implement abroad before 01/01/1992					
Tax Prov. To implement abroad after 01/01/1993					
Provisions for start-up loans					
Other regulatory provisions					
TOTAL I					
Contingencies and losses					
Provisions for litigation					
Provisions for warranties					
Provisions for losses on futures					
Provisions for fines and penalties					
Provisions for exchange losses					
Provisions for pensions & obligations					
Provisions for tax					
Provisions for the renewal of fixed assets					
Provisions for major maintenance and overhauls					
Provisions for company and tax charges Holiday pay accrual					
Other provisions for contingencies and losses					
TOTAL II					

TYPE OF DEPRECIATIONS	Amount at the start of the financial year	Increases in allowances for the financial year	Reversals at the end of the financial year		Amount at the end of the financial year
			Used	Unused	
Depreciations					
Intangible assets					
Tangible assets					
Investments accounted for by the equity method					
Equity securities					
Financial assets					
In stocks and ongoing					
In trade receivables					
Other provisions for depreciation					
TOTAL III					
GENERAL TOTAL (I+II+III)					
<i>Type of allowances and reversals: - operational</i>					
<i>Type of allowances and reversals: - financial</i>					
<i>Type of allowances and reversals: - exceptional</i>					
<i>Investments accounted for by the equity method: Total depreciation</i>					

Receivables statement

Receivables (a)	Gross amount	Asset liquidity	
		Deadlines in less than 1 year	Deadlines in over 1 year
Fixed assets			
Receivables related to equity investments			
Loans (1) (2)			
Other long-term investments	300		300
Current assets			
Doubtful or bad debts			
Other client receivables			
Debts representing borrowed securities			
Staff and accounts receivables			
Social security and other similar organisations			
Income tax			
Value added tax			
Other taxes, duties and similar levies			
Misc.			
Group and associated companies (2)			
Other debtors (with receivables related to repurchase transactions)	177.706	177.706	
Prepaid expenses	4.448	4.448	
TOTAL	182.453	182.153	300
<i>(1) Amount for loans granted during the financial year</i>			
<i>(1) Amount for reimbursements obtained during the financial year</i>			
<i>(2) Loans and advances conceded to individual shareholders</i>			

Debt statement

Debts (b)	Gross amount	Maturity status for the liability		
		Deadlines in less than 1 year	Deadlines from 1 to 5 years	Deadlines in over 5 years
Convertible debts (1)				
Other convertible debts (1)				
Loans and debts from credit institutions (1)				
- up to 1 year from the start	528	528		
- over 1 year from the start				
Other loans and financial debts (1) (2)				
Suppliers and accounts receivables	117.252	117.252		
Staff and accounts receivables	205	205		
Social security and other similar organisations	5.335	5.335		
Income tax				
Value added tax				
Guaranteed bonds				
Other taxes, duties and similar	10.625	10.625		
Fixed asset liabilities and accounts receivables				
Group and associated companies (2)				
Other debts (with debts related to repurchase transactions)	55.684	55.684		
Debts representing borrowed securities-				
Deferred income	254.411	254.411		
TOTAL	444.040	444.040		
<i>(1) Loans taken out during the financial year</i>				
<i>(1) Loans repaid during the financial year</i>				
<i>(2) Loans and debts taken out by individual shareholders</i>				

2016

CONTRIBUTIONS IN KIND TO METROPOLIS

Barcelona City Council provides five people:

Secretary General	100%
Project Officer	100%
Project Officer	100%
Project Officer	100%
Project Officer	70%

The total cost of this provision is €240,000

Barcelona City Council also provides the offices and covers costs for the seat of the Secretariat General, in carrer Avinyó 15, 08002 Barcelona, which occupy a 200m2 surface. These include:

Rent	approx. market rate	€	35,374
Water		€	130
Maintenance and cleaning		€	6,300
Telephone line		€	2,660
	Total	€	44,464

Metropolitan Area of Barcelona provides one person:

Executive Director	100%
	€ 59,000

TOTAL 2016 € 343,464