

METROPOLIS

Association governed by the Law of 1 July 1901

33 rue Barbey de Jouy

75007 PARIS

Special auditor's report

on regulated agreements

Meeting of the deliberative body pertaining to the approval of accounts
for the fiscal year ending on 31 December 2017

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for the fiscal year ending on 31 December 2017

For the attention of the members,

In our capacity as auditor for your Association, we hereby present you with our report on regulated agreements.

It is our responsibility to provide you, based on the information we have received, with the essential characteristics and terms of the agreements we have been notified of or which we have been made aware of as part of our assignment, without having to provide an opinion on their usefulness nor their appropriateness, nor to look for the existence of other agreements. It is your responsibility, according to the terms of article R. 612-6 of the Commercial Code, to assess the importance of the conclusion of these agreements with the aim to approve them.

We have performed the procedures we have deemed necessary with regard to the professional doctrine of the national auditing body pertaining to this assignment.

Limited company with a capital of €27,200,000
Accounting Company registered on the roll of Chartered Accountants of Paris Île-de-France
Auditing Company member of the Versailles Regional Company
342 528 825 Nanterre Trade and Companies Register
VAT: FR 12 342 528 825

An entity of the Deloitte network

TERMS SUBJECT TO APPROVAL BY THE DELIBERATIVE BODY

Agreements made during the past fiscal year

We hereby inform that we have not been notified of any agreement concluded during the past fiscal year to be approved by the deliberative body in accordance with the provisions of article L. 612-5 of the Commercial Code.

Paris La Défense, 18 September 2018
The auditor
Deloitte Marque & Gendrot

Frédéric NEIGE

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**Auditor's report
on the annual accounts**

Fiscal year ending on 31 December 2017

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Auditor's report on the annual accounts

Fiscal year ending on 31 December 2017

At the general assembly of the Association METROPOLIS,

Opinion

Under the terms of the assignment entrusted to us by your general assembly, we have audited the annual accounts of association METROPOLIS with regard to the fiscal year ending on 31 December 2017, as appended to this report.

We certify that the annual accounts, according to French accounting rules and principles, are regular and accurate and truly reflect the result of the past fiscal year, as well as the financial situation and assets of the association at the end of this fiscal year.

Basis of the opinion

Audit reference matrix

Our audit was performed in accordance with the professional standards applicable in France. We assume that the information gathered is sufficient and provides a reasonable basis for our opinion.

The responsibilities incumbent upon us under these standards are given in section "Responsibilities of the auditor pertaining to the audit of annual accounts" of this report.

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Independence

We performed our auditing assignment in accordance with applicable independence rules, over the period of 1 January 2017 on the date of issuance of our report, and we particularly did not provide services forbidden by the auditing code of ethics.

Basis of the assessment

According to the provisions of articles L. 823-9 and R. 823-7 of the Commercial Code pertaining to the basis of our assessments, we inform you that the most important appreciations we made, in our professional judgement, pertained to the appropriate nature of the accounting principles applied.

The assessments thus made fall within the context of the annual account audit as a whole, and of our above-mentioned opinion. We do not express any opinion on individual items of these annual accounts.

Checking the management report and other documents issued to Board members

We also performed, in compliance with professional standards applicable in France, specific checks provided for by law.

We have no comment to make as to the fair presentation and consistency with the annual accounts of the information given in the management report provided by the Treasurer, nor in the other documents issued to the members of the Board with regard to the financial situation and annual accounts.

Responsibilities of management and the members of corporate governance with regard to annual accounts

Management has the responsibility to draw up annual accounts which are accurately representative, in compliance with French accounting rules and principles, as well as to implement internal control processes as deemed necessary for the drawing up of annual accounts which do not contain any material misstatement, whether resulting from fraud or errors.

During the drawing up of annual accounts, it is incumbent upon management to assess the association's ability to continue in operation, to include in its accounts, if applicable, the required information pertaining to business continuity and to apply the business continuation accounting policy, unless there are plans to liquidate the association or to cease operations.

The annual accounts have been drawn up by the Board of Directors.

Responsibility of the auditor with regard to the audit of annual accounts

We are in charge of drawing up an audit on the annual accounts. Our objective is to obtain reasonable assurance that the annual accounts, taken as a whole, do not contain any material misstatement. The said reasonable assurance includes a high level of assurance, without however guaranteeing that an audit performed in compliance with professional standards can systematically detect such a material misstatement. Such misstatements can result from frauds or errors, and are considered material when they can be reasonably expected, either individually or collectively, to influence economic decisions made by account users on their basis.

As specified in article L. 823-10-1 of the Commercial Code, our account certification assignment does not consist in guaranteeing the viability or quality of your association's management.

In the context of an audit performed in compliance with applicable French professional standards, the auditor uses professional judgement during the whole duration of the audit. Furthermore:

- It identifies and assesses the risk that annual accounts include material misstatements, that such misstatements result from frauds or errors, defines and implements audit processes with regard to these risks, and collects information which it deems sufficient and appropriate on which to base its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for those resulting from an error, because fraud may include collusion, falsification, concealment, false statements or circumvention of internal control;
- It reviews the internal control relevant to the audit in order to define appropriate audit processes in the circumstances, rather than with the aim to express an opinion on the efficiency of the internal control;
- It assesses the appropriateness of the chosen accounting methods and the reasonableness of the accounting assessments made by management, as well as the information about them included in annual accounts;
- It assesses the appropriateness of the application by management of the business continuity accounting convention and, according to the information gathered, the possible existence of a significant uncertainty related to events or circumstances likely to challenge the association's ability to pursue its operations. This assessment is based on information gathered until the date on which the report is drawn up, considering however that later circumstances or events could impede business continuity. If it concludes a significant uncertainty exists, it draws the readers' attention to the information provided in the annual accounts regarding such uncertainty or, if this information is not provided or relevant, it issues a certification with reservations or declines the certification;
- It assesses the overall presentation of annual accounts, as well as whether they reflect the underlying operations and events in order to accurately reflect them.

Paris La Défense, 18 September 2018

The auditor

Deloitte Marque & Gendrot

Frédéric NEIGE

Asset balance sheet

Asset balance sheet	On 31/12/2017			On 31/12/2016
	Gross	Deprec. Prov.	Net	Net
Fixed assets				
Intangible assets				
Start-up costs				
Development costs				
Concessions, patents and similar rights	3,140	2,037	1,103	
Goodwill				
Other				
Assets under construction				
Advance payments				
Tangible assets				
Land				
Constructions				
Tech. installations, industrial equipment and tooling				
Others	64,225	51,121	13,104	16,328
Assets under construction				
Advance payments and deposits				
Financial assets (1)				
Profit sharing				
Fixed securities for the portfolio activity				
Other fixed securities				
Loans				
Others	300		300	300
TOTAL (I)	67,665	53,158	14,507	16,628
Liaison accounts				
TOTAL (II)				
Current asset				
Inventory and works in progress				
Raw materials, other supplies				
Production in progress (goods and services)				
Intermediate and finished products				
Goods				
Advance payments and deposits to suppliers	2,078		2,078	
Debts (2)				
Users and accounts receivable	24,205		24,205	
Others	256,773	15,000	241,773	177,706
Investment securities	73,880		73,880	73,880
Treasury instruments				
Availabilities	70,515		70,515	450,066
Prepaid expenses (2)	1,279		1,279	4,448
TOTAL (III)	428,730	15,000	413,730	706,099
Loan issuance costs remaining to be amortised (IV)				
Loan redemption premium (V)				
Asset conversion adjustment (VI)				
GENERAL ASSET TOTAL (I to VI)	496,965	68,158	428,237	722,727
(1) Including up to one year				
(2) Including over one year				
COMMITMENTS RECEIVED				
Net bequests to be made:				
- Accepted by statutorily competent bodies				
- Authorised by the regulatory authority				
In-kind donations remaining to be paid				

Liability balance sheet

Liability balance sheet	On 31/12/2017	On 31/12/2016
	Net	Net
Equity		
Associative funds without repossession rights		
Revaluation difference		
Reserves		
Retained earnings	278,688	277,233
Fiscal year result (surplus or deficit)	(14,459)	1,455
Other associative funds		
Associative funds with repossession rights:		
- Deposits		
- Bequests and donations		
- Results under control of third party financiers		
Revaluation differences		
Investment subsidies for non-renewable goods		
Regulated provisions		
Owner right (loan for use)		
TOTAL (I)	264,228	278,688
Liaison accounts		
TOTAL (II)		
Dedicated provisions and funds		
Provisions for liabilities		
Provisions for charges		
Dedicated funds from operating subsidies		
Dedicated funds from other resources		
TOTAL (III)		
Loans and debts (1)		
Bond issues		
Loans and liabilities from credit institutions (2)	4,249	528
Various financial loans and liabilities		
Advance payments and deposits to suppliers		
Supplier and accounts receivable liabilities	81,186	117,252
Fiscal and social liabilities	32,287	16,165
Fixed asset and accounts receivable liabilities		
Other liabilities	38,287	55,684
Treasury instruments		
Deferred income	8,000	254,411
TOTAL (IV)	164,008	444,040
Currency translation adjustment (V)		
GENERAL LIABILITY TOTAL (I to V)	428,237	722,727
(1) Including up to one year		
(2) Including over one year		
(3) Including current bank financing and bank overdrafts		
COMMITMENTS RECEIVED		
Net bequests to be made:		
- Accepted by statutorily competent bodies		
- Authorised by the regulatory authority		
In-kind donations remaining to be paid		

Profit and loss statement

Profit and loss statement	From 01/01/2017 to 31/12/2017	From 01/01/2016 to 31/12/2016
Operating revenue		
Sales of goods		
Sold production of goods		
Sold production of services	361,937	343,488
Operating revenue	361,937	343,488
Stored production		
Capitalised production		
Operating subsidies	780,093	316,663
Donations		
Gifts		
Bequests and donations		
Products related to regulatory financing		
Other products	19,238	19,667
Amortis., depreciations, prov., cost transfers		
TOTAL (I)(1)	1,161,269	679,818
Operating costs		
Purchase of goods		
Goods stock variation		
Purchase of raw materials and other supplies		
Raw material stock variation and other supplies		
Other purchases and external costs (2)	776,162	378,587
Taxes and similar payments		150
Wages and salaries	284,209	199,643
Social security contributions	92,421	68,303
Amortisation charges on fixed assets	7,890	5,558
Depreciation charges on fixed assets		
Depreciation charges on current assets		
Allocation to provisions	15,000	
Other charges	132	
TOTAL (II)(3)	1,175,813	652,242
OPERATING PROFIT (I - II)	(14,544)	27,576
Transferred surplus or deficit (III)		
Transferred deficit or surplus (IV)		
Shares of income on common transactions (III - IV)		
Financial income		
Financial income from investments (4)		
Income from other securities and fixed asset receivables (4)		
Other interests and related income (4)		
Drawings on provision and cost transfers		
Positive exchange differences	85	4
Net income on investment security sales		
TOTAL (V)	85	4
Financial costs		
Funding of amortisations and depreciations		
Interests and similar costs (5)		
Foreign exchange losses		74
Net costs on investment securities		
TOTAL (VI)		74
FINANCIAL INCOME (V - VI)	85	(69)
CURRENT PROFIT BEFORE TAX (I - II + III - IV + V - VI)	(14,459)	27,507

Profit and loss statement (Followed)

Profit and loss statement (Followed)	From 01/01/2017 to 31/12/2017	From 01/01/2016 to 31/12/2016
Extraordinary income		
From management operations		
From capital operations		
Reversals of provisions, depreciations and expense transfers		
TOTAL (VII)		
Extraordinary expenses		
From management operations		26,051
From capital operations		
Exceptional amortisation, depreciation and provision allowances		
TOTAL (VIII)		26,051
EXTRAORDINARY INCOME (VII – VIII)		(26,051)
Income tax (IX)		
Employee profit sharing (XII)		
INTERMEDIATE BALANCE		
Carryover of resources not used during previous fiscal years (X)		
Commitments to be made on allocated resources (XI)		
INCOME TOTAL (I + III + V + VII + X)	1,161,353	679,822
EXPENSE TOTAL (II + IV + VI + VIII + IX + XI + XII)	1,175,813	678,367
SURPLUS OR DEFICIT (income total – expense total)	(14,459)	1,455

Assessment of voluntary contributions in kind

INCOME	From 01/01/2017 to 31/12/2017	From 01/01/2016 to 31/12/2016
Volunteering		
Benefits in kind		
Donations in kind		
TOTAL		
EXPENSES	From 01/01/2017 to 31/12/2017	From 01/01/2016 to 31/12/2016
Assistance in kind		
Free provision of goods and services		
Volunteer staff		
TOTAL		
<i>(1) Including income from previous fiscal years</i>		
<i>(2) Including taxes on leasing of movable property</i>		
<i>(3) Including taxes on leasing of immovable property</i>		
<i>(4) Including income of related organisations</i>		
<i>(5) Including interests of to related organisations</i>		

Accounting rules and methods

Name: METROPOLIS

(Articles R. 123-195 and R. 123-198 of the Commercial Code)

Appendix to the balance sheet and profit and loss statement of the fiscal year ending on 31/12/2017, the balance sheet total before allocation amounting to 428,237 Euros, and the profit and loss statement showing an income amounting to 14,459 Euros.

The fiscal year lasts 12 months and covers the period from 01/01/2017 to 31/12/2017.

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

The annual accounts have been drawn in compliance with the Commercial Code and general accounting plan (GAP, Regulation ANC 2015-06).

General accounting conventions have been applied in line with the principle of prudence, in accordance with the following basic assumptions:

- business continuity,
- consistency of accounting methods from one fiscal year to the next
- fiscal year independence

and in compliance with the general rules for drawing up and presenting annual accounts.

Intangible assets

The business assets are assessed based on their purchase cost (including transfer rights, fees or commissions and deed costs related to the purchase).

The business assets are assessed based on their purchase cost (excluding transfer rights, fees or commissions and deed costs related to the purchase).

The business assets are assessed based on their purchase cost.
They are not amortised in any way.

The business assets are assessed based on their purchase cost.
A depreciation occurs when the current value is lower than its net accounting value, amounting to the difference amount.

Tangible and intangible assets

Tangible and intangible assets are assessed based on their purchase cost for assets acquired subject to payment, on their production cost for assets produced by the company, on their market value for assets acquired for free and by way of exchange.

The cost of an asset includes its purchase cost, including customs duties and non-deductible taxes, after deducting discounts, commercial rebates and cash discounts for all costs directly attributable and incurred to place the operational asset, depending on the intended use.

Inheritance taxes, fees or commissions and deed costs pertaining to the acquisition are related to purchase cost.

All costs not included in the acquisition price of the asset and which are not directly related to costs required to place an operational asset as intended are accounted for as expenses.

Amortisations

Amortisations are computed according to the anticipated duration of use.

- Concessions, patents and licences 3 years
- Layout and construction of facilities 5 years
- Others 4 years

For goods amortised using the declining balance method or subject to exceptional amortisation, the share exceeding the linear amortisation is accounted for as excess tax depreciation on the liability side of the balance sheet.

Shares, other fixed securities, investment securities

The gross value includes the cost of purchase (including transfer rights, fees or commissions and deed costs related to the purchase).

When the inventory value is lower than this value, a depreciation is made for the difference amount.

At the end of the fiscal year, the association holds 11,954.84186 SABADELL RENDIMIENTO FI BASE at the historical cost of 73,880 euros for a net asset value of 111,471 euros.

Receivables

Receivables are recorded at their nominal value. A depreciation is made when the inventory value is lower than the book value.

Extraordinary income and expenses

Extraordinary expenses include an expense for billed telephone calls which are disputed and not paid at the end of the fiscal year.

Asset statement

Frame A	Gross value at the beginning of the fiscal year	Increases	
Intangible assets		Fiscal year reassessment	Acquisitions debts transfers
Start-up and development costs			
Other intangible asset items	12,369		3,140
TOTAL	12,369		3,140
Tangible assets			
Land			
Constructions on own land			
Construction on third-party land			
General inst., const. layout and fittings			
Tech. installations, ind. equipment and tooling			
Gen. inst., various layouts and fittings	1,216		
Transport equipment			
Office and IT equipment, furniture	60,380		
Recoverable packaging and other items			
Current tangible assets			
Advance payments and deposits			
TOTAL	61,596		2,629
Financial assets			
Investments valued using the equity method			
Other investments			
Other fixed securities			
Loans and other financial assets	300		
TOTAL	300		
GENERAL TOTAL	74,265		5,769

Frame B	Reductions		Raw value of fixed assets at the end of the fiscal year	Legal revaluation or evaluation using the equity method
	Transfer	Sale		Original value of fixed assets at the end of the fiscal year
Start-up and development costs				
Other intangible asset items		12,369	3,140	
TOTAL		12,369	3,140	
Tangible assets				
Land				
Constructions on own land				
Construction on third-party land				
General inst., const. layout and fittings				
Tech. installations, ind. equipment and tooling				
Gen. inst., various layouts and fittings			1,216	
Transport equipment				
Office and IT equipment, furniture			63,009	
Recoverable packaging and other items				
Current tangible assets				
Advance payments and deposits				
TOTAL			64,225	
Investments valued using the equity method				
Other investments				
Other fixed securities				
Loans and other financial assets			300	
TOTAL			300	
GENERAL TOTAL		12,369	67,665	

Amortisation statement

Situation and movements of the fiscal year	Amount at the start of the fiscal year	Increase	Reduction	Amount at the end of the fiscal year
Intangible assets				
Start-up and development costs				
Other intangible asset items	12,369	2,037	10,332	2,037
	12,369	2,037	10,332	2,037
Tangible assets				
Land				
Constructions on own land				
Construction on third-party land				
General inst., const. layout and fittings				
Tech. installations, ind. equipment and tooling				
Gen. inst., various layouts and fittings	1,216			1,216
Transport equipment				
Office and IT equipment, furniture	44,052	5,853		49,905
Recoverable packaging and other items				
TOTAL	45,268	5,853		51,121
GENERAL TOTAL	57,637	7,890	10,332	53,158

Amortisable assets	Breakdown movements derogatory provision amortisations						Net movement of amort. at the end of the fiscal year
	ALLOWANCES			REVERSALS			
	Duration difference	Declining balance method	Exceptional tax depreciation	Duration difference	Declining balance method	Exceptional tax depreciation	
Intangible assets							
Start-up and development costs (I)							
Other intangible asset items (II)							
TOTAL							
Tangible assets							
Land							
Constructions on own land							
Construction on third-party land							
General inst., const. layout and fittings							
Tech. installations, ind. equipment and tooling							
Gen. inst., various layouts and fittings							
Transport equipment							
Office and IT equipment, furniture							
Recoverable packaging and other items							
TOTAL							

Purchase costs of equity securities							
GENERAL TOTAL							
GENERAL TOTAL		GENERAL NON-BROKEN DOWN TOTAL			GENERAL NON-BROKEN DOWN TOTAL		

Movements of the fiscal year affecting expenses distributed over several fiscal years	Net amount at the beginning of the fiscal year	Increase	Amortisation charges	Net amount at the end of the fiscal year
Loan issuance costs to be amortised				
Bond redemption premiums				

Provision and depreciation statement

NATURE OF PROVISIONS	Amount at the start of the fiscal year	Allocation increases for the fiscal year	Decreases/reversals at the end of the fiscal year		Amount at the end of the fiscal year
			Used	Unused	
Regulated provisions Provisions for reconstitution of mining and fuel deposits Provisions for investments Provisions for price increases Derogatory amortisations Fiscal provisions for establishment abroad before 01/01/1992 Fiscal provisions for establishment abroad after 01/01/1992 Provisions for setting up loans Other regulated provisions					
TOTAL I					
Provisions for expense risks Provisions for disputes Provisions for guarantees offered to users, members Provisions for futures markets Provisions for fines and penalties Provisions for exchange losses Provisions for similar pensions and bonds Provisions for taxes Provisions for bond renewal Provisions for major repairs Provisions for social and tax charges on paid leaves Other provisions for risks and expenses					
TOTAL II					
Depreciations On intangible assets On tangible assets On investments in equity affiliates On equity interests On other financial assets On stocks and works in progress On client accounts Other depreciations		15,000			15,000
TOTAL III		15,000			15,000
GENERAL TOTAL (I + II + III)		15,000			15,000
- operating Including provisions and reversals - financial - exceptional		15,000			
<i>Equity affiliates: Depreciation amount for the fiscal year (Art. 39-1-5 of the General Tax Code)</i>					

Receivable statement

Liabilities (a)	Raw amount	Asset liquidity	
		Maturities of less than 1 year	Maturities of more than 1 year
Of the fixed asset Liabilities related to investments Loans (1) (2) Other financial assets	300		300
Of the current asset Bad or disputed clients Other client receivables Receivables on loaned securities Staff and accounts payable Social security and other social organisations	24,205	24,205	
Income tax Value-added tax Other taxes and similar expenses Miscellaneous			
Group and associates (2) Various debtors (including liabilities related to repo transactions) Prepaid expenses	256,773 1,279	256,773 1,279	
TOTAL	282,556	282,256	300
1) <i>Amount of loans granted during the fiscal year</i> 2) <i>Amount of repayments made during the fiscal year</i> 3) <i>Loans and advance payments granted to legal person associates</i>			

Comment

Debt statement

Debts (b)	Raw amount	Chargeability of assets		
		Maturities of less than 1 year	Maturities from 1 to 5 years	Maturities of more than 5 years
Convertible bond issues (1)				
Other bond issues (1)				
Loans and debts with credit institutions (1)				
- due after 1 year max.	4,249	4,249		
- due over 1 year max.				
Various loans and financial debts (1) (2)				
Suppliers and accounts payable	81,186	81,186		
Staff and accounts payable				
Social security and other social organisations	10,809	10,809		
Income tax				
Value-added tax				
Guaranteed bonds				
Other taxes and similar payments	21,478	21,478		
Liabilities on fixed assets and related accounts				
Group and associates (2)				
Other liabilities (including liabilities related to repo transactions)	38,287	38,287		
Debts for borrowed securities				
Prepaid expenses	8,000	8,000		
TOTAL	164,008	164,008		
1) <i>Loans taken out during the fiscal year</i>				
2) <i>Loans repaid during the fiscal year</i>				
3) <i>Loans and debts taken out with legal person associates</i>				

Comment

Average workforce

Employee categories	Employees	Time-based
Executives		
Supervisors and technicians		
Employees	9	
Labourers		
Apprentices with an employment contract		
TOTAL	9	

Voluntary contributions in kind

Barcelona City Council provides four people:

Secretary General (January - June)	50%
Project Officer	100%
Project Officer	100%
Project Officer	100%

The total cost of this provision is € 170,000

Barcelona City Council also provides the offices and covers costs for the seat of the Secretariat General, in carer 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	€ 2.660

Total € 44.464

Metropolitan Area of Barcelona provides one person:

Executive Director (January - June)	50%
Secretary General (July - December)	50%

€ 59.000

TOTAL 2017 € 273.464