

Metropolis

Association regulated by the law dated 1 July 1901

33 rue Barbey de Jouy

75007 PARIS

Special report by the statutory auditor on regulated agreements

Meeting of the deliberating entity concerning the approval of the accounts for the company year ending on 31 December 2018.

Deloitte

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To the members,

In our capacity as statutory auditor of your Association, we hereby submit our report on regulated agreements.

On the basis of the information provided to us, we must inform you about the nature and essential elements of the agreements of which we were informed or which we discovered within the framework of our remit, without giving our opinion as to the usefulness or justification of same and without searching for the existence of other agreements. As per the terms of article R. 612-6 of the French commercial code, it is you who must evaluate the interest residing in the conclusion of such agreements, in view of approving same.

In performing this mission, we have acted with the diligence that we considered necessary under the professional doctrine of the National association of statutory auditors (Compagnie nationale des commissaires aux comptes).

Plc with a share capital of 27,200,000 €
Statutory auditing company registered with the Order of Paris Ile-de-France
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AGREEMENTS SUBJECT TO APPROVAL BY THE DELIBERATING ENTITY

Agreements concluded during the past company year

We hereby inform you that we were not informed of any agreement concluded during the previous company year that needs to be subject to approval by the deliberating entity as per the provisions of article L. 612-5 of the Commercial code.

Paris-La Défense, on 6 May 2019

The statutory auditor

Signature

Deloitte Marque & Gendrot

Frédéric Neige

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Financial year ending on 31 December 2018.

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Special report by the statutory auditor on the annual accounts

Financial year ending on 31 December 2018.

To the general meeting of the METROPOLIS Association,

Opinion

In performing the mission entrusted to us by your general meeting, we audited the annual financial statements of the METROPOLIS Association concerning the financial year ending on 31 December 2018, as they are appended to the present report.

We certify that, with regard to French regulations and accounting principles, the annual financial statements accounts are correct and exact and give a true image of the result of the operations conducted over the past financial year, as of the financial and asset situation of the Association at the end of said company year.

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Basis of opinion

Audit benchmark

We have carried out our audit in accordance with governing professional standards in France. We believe that the information we have gathered is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the section "Responsibilities of the statutory auditor with respect to the audit of the annual accounts" of this report.

Independence

We have carried out our audit in accordance with the rules governing our independence, for the period from 1 January 2018 to the date of issue of our report, and in particular we have not provided services prohibited by the statutory auditors' code of ethics.

Justification of the assessments

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we hereby inform you that our most significant assessments, in accordance with our professional judgment, concerned the appropriateness of the accounting principles applied.

These assessments were made in the context of the audit of the financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on individual items in these financial statements.

Audit of the management report and other documents sent to the members of the Management Board

In accordance with French governing professional standards, we have also performed the specific verifications required by law.

We have no comments to make on the fairness and consistency with the financial statements of the information given in the Treasurer's management report and in the other documents addressed to the members of the Board of Directors on the financial position and the financial statements.

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Responsibilities of management and those charged with corporate governance with respect to the annual financial statements

It is the responsibility of management to prepare financial statements that present a true and fair view in accordance with French accounting rules and principles and to carry out the internal control procedures that it deems necessary for the preparation of financial statements that are free from significant material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is the responsibility of management to assess the association's ability to continue as a going concern and, where relevant, to present the necessary information in these financial statements concerning the continuity of operations and to apply going-concern accounting policy, unless it is intended to liquidate the association or cease its activity.

These financial statements have been approved by the Management Board.

Responsibilities of the auditor in relation to the audit of the annual financial statements

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatements. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with the standards of practice enables us to systematically detect any or all material misstatements. Misstatements may result from fraud or error and are considered material when it can reasonably be expected that they could, individually or in aggregate, influence the economic decisions that users of the accounts make based on them.

As specified by Article L. 823-10-1 of the French Commercial Code, our role in the certification of the accounts does not consist in guaranteeing the viability or quality of the management of your association.

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In the course of an audit conducted in accordance with French governing professional standards, the statutory auditor exercises his/her/its professional judgment throughout the audit. Moreover:

- He/she/it identifies and assesses the risks that the financial statements may contain material misstatement, whether due to fraud or error, defines and assesses the risks of material misstatement of the financial statements, and carries out audit procedures to address these risks and gathers information that he/she/it considers sufficient and appropriate to form an opinion. The risk of not detecting a material misstatement due to fraud is higher than that of a material misstatement due to error, as fraud may involve collusion, falsification, wilful omission, misrepresentation or circumvention of internal control;
- He/she/it reviews the internal control relevant to the audit in order to define audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- He/she/it assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information relating to same provided in the annual financial statements;
- He/she/it assesses the appropriateness of management's application of the going concern accounting policy and, depending on the information collected, whether or not there is a material uncertainty related to events or circumstances that could affect the association's ability to continue its operations. This assessment is based on the information collected up to the date of this report, it being recalled, however, that subsequent circumstances or events could jeopardise the continuity of the company's operations. If he/she/it concludes that a material uncertainty exists, he/she/it draws the attention of the readers of this report to the information provided in the annual accounts about that uncertainty or, if that information is not provided or is not relevant, he/she/it issues an opinion subject to reservations or a refusal to certify:

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- He/she/it assesses the overall presentation of the financial statements and assesses whether the financial statements reflect the underlying operations and events in such a way as to give a true and fair view.

Paris-La Défense, 6 May 2019

The statutory auditor

Deloitte Marque & Gendrot

Signature

Frédéric Neige

Asset Balance Sheet

Asset balance sheet	As at 31/12/2018			As at 31/12/2017
	Gross	Amort. Prov.	Net	Net
Fixed assets				
Intangible assets				
Start-up costs				
Development costs				
Concessions, patents and similar rights	4352	4231	121	1103
Business goodwill				
Others				
Assets in progress				
Advances				
Plant property & equipment				
Property				
Buildings				
Technical installations, industrial machinery and equipment				
Others	65863	56912	8951	13104
Assets in progress				
Advances and downpayments				
Financial fixed assets (1)				
Participations				
Fixed assets from portfolio activity				
Other long-term securities				
Loans				
Others				300
TOTAL (I)	70215	61143	9072	14507
Liaison accounts				
TOTAL (II)				
Current assets				
Inventories and in-progress				
Raw materials, other supplies				
In-production (goods and services)				
Intermediate and finished products				
Goods				
Advances and downpayments made on orders	726		726	2078
Receivables (2)				
Users and related accounts	10918		10918	24205
Other	325655	15000	310655	241773
Marketable securities	61555		61555	73880
Treasury Instruments				
Availabilities	176854		176854	70515
Prepaid expenses (2)				1279
TOTAL (III)	575709	15000	560709	413730
Borrowing issue costs to be spread over time (IV)				
Borrowing redemption premiums (V)				
Currency translation differences concerning assets (VI)				
GENERAL TOTAL ASSETS (I-VI)				
(1) Of which less than one year				
(2) Of which more than one year				
COMMITMENTS RECEIVED				
Net legacies to be made: Accepted by the competent statutory bodies				
Net legacies to be made: Authorised by the regulatory body				
Donations in kind still to be sold				

Liabilities Balance Sheet

Liabilities balance sheet	As at 31/12/2018	As at 31/12/2017
	Net	Net
Own equity		
Association funds without takeover rights		
Revaluation differences		
Reserves		
Carry over	264228	278688
Year's result (profit or loss)	44342	-14459
Other association funds		
Associative funds with takeover rights:		
- Contributions		
- Bequests and donations		
- Results under the control of third party funders		
Re-evaluation differences		
Investment subsidies on non-renewable assets		
Regulated provisions		
Owners' rights with respect to free loans		
	TOTAL (I)	264228
Liaison accounts		
	TOTAL (II)	
Provisions and dedicated monies		
Provisions for risks		
Provisions for expenses		
Dedicated funds concerning operating grants		
Dedicated funds concerning other resources		
	TOTAL (III)	
Borrowing and debts (1)		
Bond borrowings		
Loans and debts with credit institutions (2)	5094	4249
Other borrowing and financial debts		
Advances and down-payments on orders received		
Trade payables and related accounts	69773	81186
Tax and social security liabilities	34597	32287
Debts on fixed assets and related accounts		
Other liabilities	106381	38287
Treasury Instruments		
Deferred income (2)	42365	8000
	TOTAL (IV)	164008
Foreign exchange liabilities (V)	3000	
	GENERAL TOTAL ASSETS (I-V)	428237
(1) Of which less than one year		
(1) Of which more than one year		
(2) Including current bank loans and positive bank balance		
COMMITMENTS GIVEN		
Net legacies to be realised:		
- Accepted by the competent statutory bodies		
- Authorised by the regulatory body		
Donations in kind still to be sold		

Result Account

Result account	From 01/01/2018 to 31/12/2018	From 01/01/2017 to 31/12/2017
Operating income		
Sale of goods		
Sale of services	348942	361937
Operating income	348942	361937
Stored production		
Capitalised production		
Operating subsidies	604399	604399
Bequests and donations		
Income related to regulatory financing		
Other income		19238
Restatement on depreciation, impairment, provisions, charge transfers		
TOTAL (I) (1)	953341	1161269
Operating expenses		
Purchases of goods		
Variations in inventories of goods		
Purchases of raw materials and other supplies		
Variations in inventories of raw materials and other supplies		
Other purchases and external expenses	454691	776162
Taxes, duties and similar payments		
Wages and salaries	369052	284209
Social security contributions	115895	92421
Depreciation of fixed assets	7985	7890
Impairment of fixed assets		
Impairment of current assets		
Charges to provisions		15000
Other expenses	663	132
TOTAL (II) (3)	948227	1175813
OPERATING RESULT (I – II)	5054	-14544
Surplus or deficit transferred (III)		
Deficit or surplus transferred (IV)		
Share of income from joint operations (III – IV)		
Financial income		
Financial income from investments (4)		
Income from other securities and fixed asset receivables (4)		
Other interest and assimilated income (4)	1625	
Restatement of provisions and charge transfers		
Foreign exchange gains		85
Net proceeds from disposals of marketable securities	36675	
TOTAL (5)	39300	85
Financial expenses		
Amortisation and depreciation		
Interest and assimilated expenses		
Foreign exchange losses	12	
Net expenses from disposals of marketable securities		
TOTAL (V)	39300	85
FINANCIAL RESULT (V – VI)	39288	85
CURRENT RESULT BEFORE TAX (I – II + III – IV + V – VI)	44342	-14459

Result Account (continued)

Result account (continued)	From 01/01/2018 to 31/12/2018	From 01/01/2017 to 31/12/2017
Exceptional income		
On management operations		
On capital transactions		
Restatement for provisions, depreciation and charge transfers		
Stored production		
Capitalised production		
TOTAL (VII)		
Exceptional expenses		
On management operations		
On capital transactions		
Exceptional amortisation, depreciation and provisions		
TOTAL (VIII)		
EXCEPTIONAL RESULT (VII – VIII)		
Taxes on profits (IX)		
Employee profit sharing (XII)		
INTERIM BALANCE		
Carry-over of unused resources from previous financial years (X)		
Commitments to be implemented from allocated resources (XI)		
TOTAL INCOME (I + III + V + VII + X)	992641	1161353
TOTAL EXPENSES (II + IV + VI + VIII + IX + XI + XII)	948299	1175813
SURPLUS OR DEFICIT (total income – total expenses)	44342	-14459

Evaluation of voluntary contributions in kind

INCOME	From 01/01/2018 to 31/12/2018	From 01/01/2017 to 31/12/2017
Voluntary work		
Services in kind		
Gifts in kind		
TOTAL		
EXPENSES	From 01/01/2018 to 31/12/2018	From 01/01/2017 to 31/12/2017
Assistance in kind		
Free provision of goods and services		
Voluntary staff		
TOTAL		
(1) Including income relating to previous financial years		
(2) Including payments on leasing of equipment		
(2) Including payment on leasing of property		
(3) Including expenses relating to previous financial years		
(4) Including income concerning related organisms		
(5) Including interest concerning related organisms		

Accounting rules and methods

Name: METROPOLIS

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

Attachment to the balance sheet and result statement for the year ended 31/12/2018, with a balance sheet total before distribution of 569,781 euros, and to the result statement for the year, presented in the form of a list and showing a result of 44,342 euros.

The financial year has a duration of 12 months, covering the period from 01/01/2018 to 31/12/2018.

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

The annual financial statements have been prepared in accordance with the provisions of the French Commercial Code and the General Chart of Accounts (PCG).

General accounting policies have been applied in compliance with the principle of prudence and in accordance with the underlying assumptions:

- continuity of operations,
- consistency of accounting methods from one financial year to the next,
- independence of financial years,

and in accordance with the general rules for the preparation and presentation of annual financial statements.

Fixed assets

Business goodwill is valued at acquisition cost (including transfer taxes, fees, or commissions and deed costs related to the acquisition).

Tangible and intangible fixed assets are valued at their acquisition cost for assets acquired for consideration, at their production cost for assets produced by the company, at their market value for assets acquired free of charge and by exchange.

The cost of a fixed asset consists of its purchase price, including customs duties and non-recoverable taxes, after deducting discounts, rebates and discounts from all directly attributable costs incurred to put the asset in place and in working order for its intended use.

Transfer duties, fees or commissions and deed costs related to the acquisition are included in this acquisition cost.

All costs that are not part of the acquisition price of the asset and that cannot be directly related to the costs made necessary to set up and operate the asset in accordance with its intended use are recorded as an expense.

Depreciation and amortisation

These are computed, depending on the expected useful life, according to the linear or degressive method.

- Concessions, patents and licenses 3 years,
- Fixtures and fittings of buildings 5 years,
- Other 4 years.

For assets depreciated on a declining balance basis or subject to exceptional depreciation, the portion exceeding straight-line depreciation is recorded as a special depreciation on liabilities on the balance sheet.

Investments, other long-term securities, marketable securities

The gross value consists of the acquisition cost (including transfer taxes, fees, or commissions and deed costs related to the acquisition).

When the inventory value is lower than this value, an impairment loss is recognised for the amount of the difference.

At the end of the financial year, the Association had 6,591,399.37 Sabedell rendimiento fi base at the historical cost of 61,555.49 euros for a net asset value of 61,157.34 euros.

Receivables

Receivables are valued at their nominal value. An impairment is recorded when the inventory value is less than the book value

Fixed Asset Statement

Frame A	Gross value at beginning of financial year	Increases	
		Re-evaluation of financial year	Acquisitions, receivables, bank transfers
Intangible fixed assets			
Establishment and development costs	3140		1212
Other intangible fixed asset items			
TOTAL	3140		1212
Tangible fixed assets			
Land			
Constructions on own property			
Constructions on property of third party			
Installations, equipment and fixtures			
Technical installations, materials and industrial tools			
Misc. Installations, equipment and fixtures	1216		
Transport material			
Office and IT equipment, furniture	63009		178
Recoverable packaging and miscellaneous			1460
Tangible fixed assets in-progress			
Advance and down-payments			
TOTAL	64225		1638
Financial fixed assets			
Participations valued on an equity basis			
Other participations			
Other security holdings			
Loans and other financial fixed assets	300		
TOTAL	300		
GENERAL TOTAL	67665		2850

Frame B	Decreases		Gross value of fixed assets at end of company year	Statutory re-valuation or valuation on equity basis
	Transfer	Disposal		Original value of fixed assets at end of financial year
Establishment and development costs			4352	
Other intangible fixed asset items				
TOTAL			4352	
Tangible fixed assets				
Land				
Constructions on own property				
Constructions on property of third party				
Installations, equipment and fixtures				
Technical installations, materials and industrial tools				
Misc. Installations, equipment and fixtures			1216	
Transport material				
Office and IT equipment, furniture			63188	
Recoverable packaging and miscellaneous			1460	
Tangible fixed assets in-progress				
Advance and down-payments				
TOTAL			65863	
Financial fixed assets				
Participations valued on an equity basis				
Other participations				
Other security holdings				
Loans and other financial fixed assets			300	
TOTAL			300	
GENERAL TOTAL			70215	

Fixed Asset Statement

Situation and movements during company year	Amount at beginning of financial year	Increase	Decrease	Amount at end of financial year
Intangible fixed assets				
Establishment and development costs	2037	2194		4231
Other intangible fixed asset items				
	2037	2194		4231
Tangible fixed assets				
Land				
Constructions on own property				
Constructions on property of third party				
Installations, equipment and fixtures				
Technical installations, materials and industrial tools				
Misc. Installations, equipment and fixtures	1216			1216
Transport material				
Office and IT equipment, furniture	49905	5791		55696
Recoverable packaging and miscellaneous			1460	
	51121	5791		56912
GENERAL TOTAL	53158	7985		61143

	Breakdown of movements for exceptional provisions and depreciation						Net movement of reversals at end of financial year
	PROVISIONS			REVERSALS			
	Differential of duration	Degrassive mode	Exceptional tax depreciation	Differential of duration	Degrassive mode	Exceptional tax depreciation	
Intangible fixed assets							
Establishment and development costs (I)							
Other intangible fixed asset items (II)							
TOTAL							
Tangible fixed assets							
Land							
Constructions on own property							
Constructions on property of third party							
Installations, equipment and fixtures							
Technical installations, materials and industrial tools							
Misc. Installations, equipment and fixtures							
Transport material							
Office and IT equipment, furniture							
Recoverable packaging and miscellaneous							
TOTAL							
Cost of acquiring participations							
GENERAL TOTAL							
GENERAL TOTAL NOT BROKEN DOWN		GENERAL TOTAL NOT BROKEN DOWN		GENERAL TOTAL NOT BROKEN DOWN			

Movements during financial year affecting charges spread out over several financial years	Net amount at beginning of financial year	Increase	Provisions for depreciation	Amount at end of financial year
Costs for issuing loans to be spread out				
Premiums for redemption of bonds				

Provisions and Impairment Statement

NATURE OF PROVISIONS	Amount at beginning of financial year	Increase in provisions during financial year	Decreases reversed at end of financial year		Amount at end of financial year
			Used	Non used	
Regulated provisions Provisions for the reconstitution of mining and petroleum deposits Provisions for investments Provisions for price increases Exceptional depreciation Tax provisions for setting up abroad before 01/01/1992 Tax provisions for foreign locations after 01 /01 /1992 Provisions for installation loans Other regulated provisions					
TOTAL I					
Provisions for contingencies Provisions for disputes Provisions for guarantees given to users, members Provisions for losses on futures markets Provisions for fines and penalties Provisions for foreign exchange losses Provisions for pensions and similar obligations Provisions for taxes Provisions for the renewal of fixed assets Provisions for major repairs Provisions for social security contributions and taxes on paid holidays Other provisions for risks and charges					
TOTAL II					
Impairments On intangible assets On tangible fixed assets On equity affiliates On equity investments On other financial assets On stock and in progress On trade receivables Other impairment					
TOTAL III	15000				15000
GENERAL TOTAL (I + II + III)	15000				15000
- From operations Of which provisions and reversals: from financial - exceptional					
Securities accounted by equity method: Amount of impairment of financial year (Art. 39-1-5 of the French Tax Code (CGI))					

Receivables Statement

Receivables (a)	Gross amount	Liquidity of the asset	
		Maturity less than 1 year	Maturity more than 1 year
From fixed assets			
Receivables from equity interests			
Loans (1) (2)			
Other financial assets			
From current assets			
Doubtful or disputed customers			
Other trade receivables	10918	10918	
Receivables representing loaned securities			
Staff and related accounts	3	3	
Social security and other social security institutions			
Taxes on profits			
Value added tax			
Other taxes, duties and similar payments			
Miscellaneous	2004	2004	
Group and shareholders (2)			
Other debtors (including receivables from securities lending)	323648	323648	
Prepaid expenses			
TOTAL	336573	336573	
<i>(1) Amount of loans granted during the year</i>			
<i>(1) Amount of repayments received during the year</i>			
<i>(2) Loans and advances granted to individual shareholders</i>			

Comment

Debt Statement

Debts (a)	Gross amount	Maturity of debt		
		Maturity less than 1 year	Maturity 1-5 years	Maturity 5 years +
Convertible bonds (1)				
Other bonds (1)				
Borrowings and debts from credit institutions (1)				
- to 1 year max at beginning	5094	5094		
- to more than 1 year at beginning				
Other borrowings and financial debts (1) (2)				
Trade payables and related accounts	69773	69773		
Staff and related accounts				
Social security and other social security institutions	11124	11124		
Taxes on profits				
Value added tax				
Guaranteed bonds				
Other taxes, duties and similar	23473	23473		
Debts on fixed assets and related accounts				
Group and shareholders (2)				
Other debts (including debts arising from lending of securities)	106381	106381		
Debts representing borrowed securities				
Deferred income	42365	42365		
TOTAL	258210	258210		
<i>(1) Loans taken out during the year</i>				
<i>(1) Loans repaid during the year</i>				
<i>(2) Loans and debts taken out with individual shareholders</i>				

Average Headcount

Category of employee	Employee	Management
Executives		
Skilled workers and technicians		
Employees	10	
Workers		
Apprentices under contract		
TOTAL	10	

Voluntary contributions in kind

Barcelona City Council provides three people:

Project Officer	100%
Project Officer	100%
Project Officer	100%

The total cost of this provision is € 130,000

Barcelona City Council also provides the offices and covers costs for the seat of the General Secretariat, in Carrer Avinyo 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:

Secretary General (January - December)	100%
	€ 85,000

Berlin provides translations € 16,200

Brussels provides Regional Secretaries meeting €6,550

TOTAL 2018 € 282,214