

# Parrot

INVESTOR PRESENTATION  
ODD BHF FORUM (Q3 2017)



# IN THIS PRESENTATION

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① WHAT WE DO  
[products & markets]

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② KEY FINANCIALS  
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③ 2017 STRATEGY & OUTLOOK

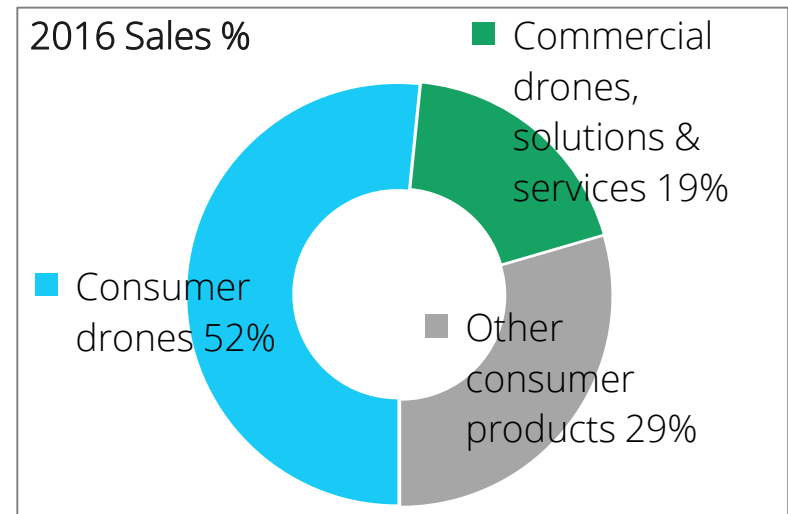
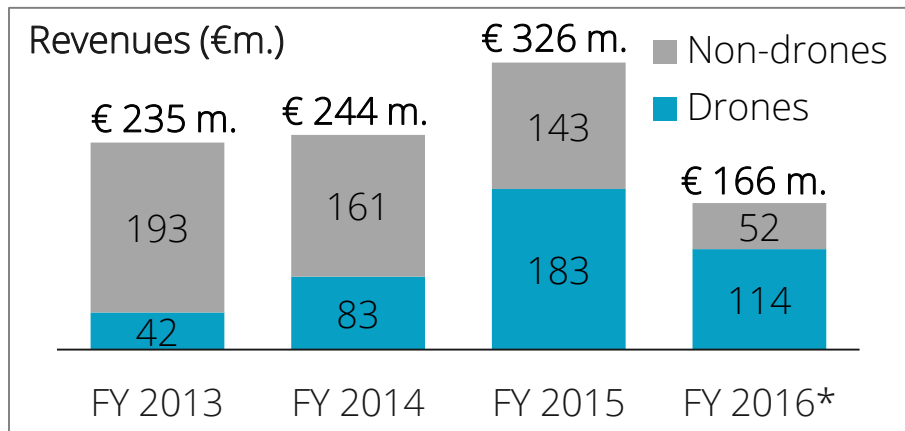
slide 35 > 40



PARROT | WHO WE ARE

# PARROT > PROFILE

- **Founded in 1994 by Henri Seydoux, CEO with 36.1% of ownership**
- A fabless French tech company with a Silicon Valley business model
- Leading in Automotive connectivity (OEM & Aftermarket) from 2000 to 2010
- **Pioneering in, and shaping, the UAV industry since 2010**
- 2016 revenues: €166.5 million - 2016 net cash: €228.0 million
- **Solid number 2 in the UAV industry (consumer and commercial)**
- 90% of sales outside of France, >20 subsidiaries
- 700 people, ≈50% in R&D



# Parrot

\* Excluding Parrot Automotive revenues (€68.8m.) which is accounted for as "Income from discontinued operations".

# PARROT > DNA & EVOLUTION

INNOVATION - MOBILE - CONNECTED - DSP - GPU - CONSUMER - PROFESSIONAL

From Automotive software to Flying software: creating and navigating disruption around the smartphone and wireless connectivity ecosystem

## BLUETOOTH CAR KITS



Handsfree devices  
Plug&Play & Aftermarket

## AUTOMOTIVE INFOTAINMENT



In-car Connectivity Solutions  
OEM & Aftermarket

## CONNECTED OBJECT



Sound, Image, Garden  
Smart Objects

## CONSUMER DRONES COMMERCIAL DRONES



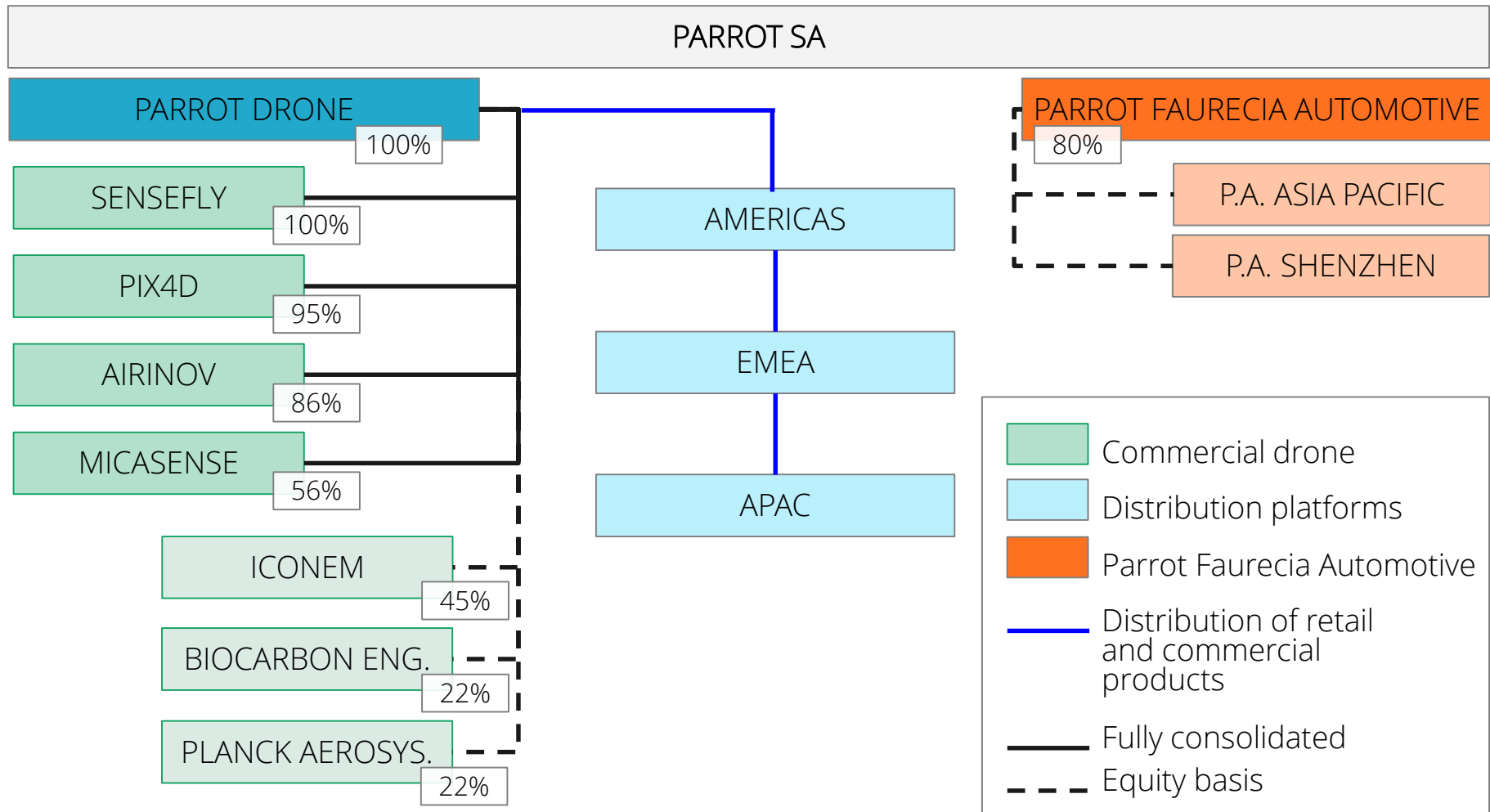
Equipment,  
Solutions & Services

# Parrot

*Some of Parrot's major products from 1998 to now*




1. Parrot Minikit – 2. Parrot MKi – 3. Parrot Asteroid – 4. Parrot Blue Box – 5. Parrot Grande Specchio  
6. Parrot Zik – 7. Parrot Flower Power – 8. Parrot Bebop 2 – 9. senseFly eBee – 10. Pix4D Mapper

# PARROT > ORGANIZATION



Parrot

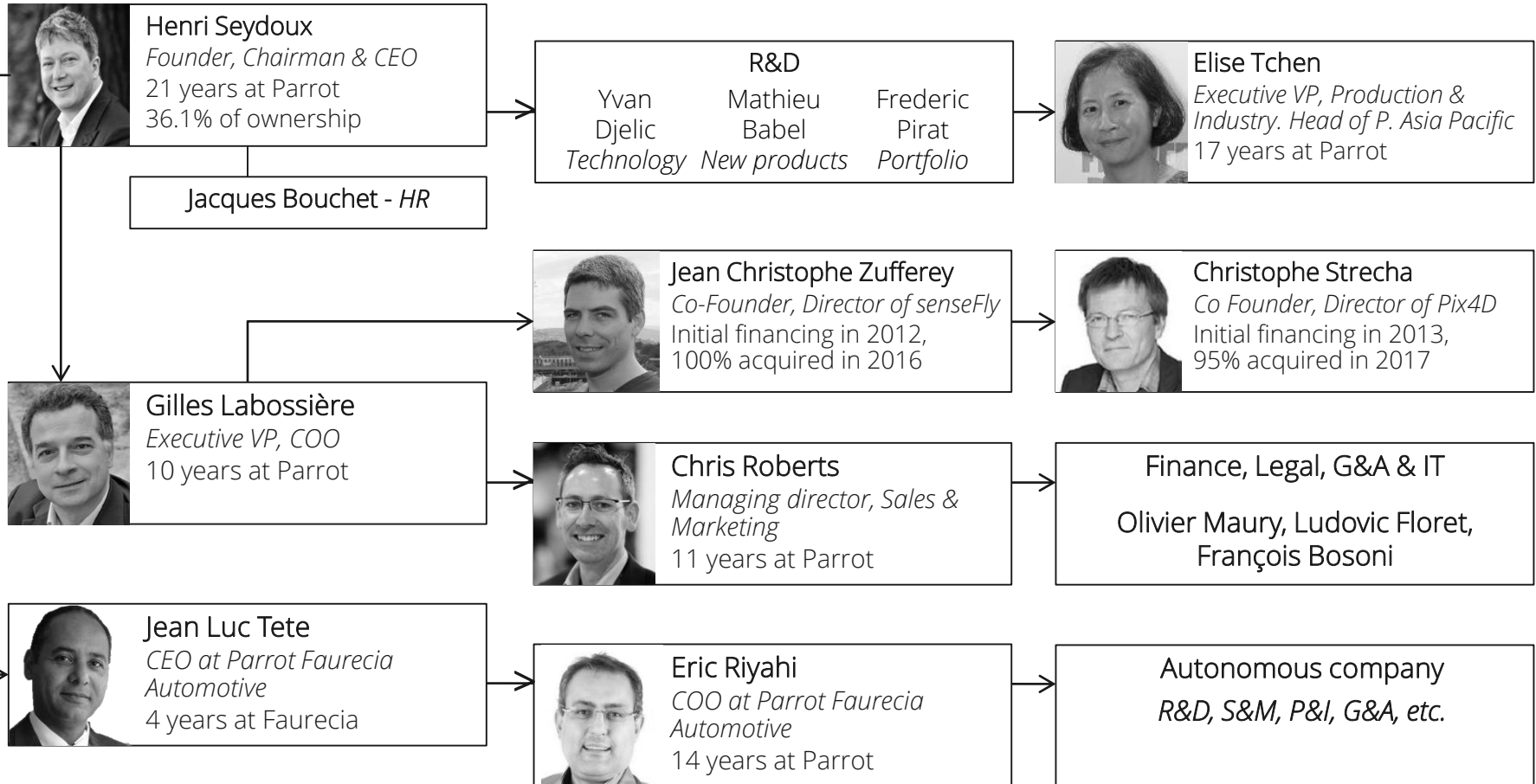
# DRONES/UAVs: WHY, WHAT, WHO?

	FOR CONSUMERS	FOR PROFESSIONALS	FOR COMPANIES & INSTITUTIONS
WHY	Play, Take pictures, Make movies, Pilot	Photography, Video, Survey, Map	Film, Inspect, Map, Survey, Watch, Analyze
WHAT	Social media, Outdoor Sports and Activities, Vacation, Family time, Race, Agility contest, etc.	Events, Weddings, Sports, Properties, Roofs, Natural habitat, etc.	Movies/TV, Sites, Infrastructures, Surface mines, Land, Environment/species, Disaster site, etc.
WHO	Kids, teenagers and adults alike	Photographers, Youtubers, Tourism, Architects, Real Estate agent, Roofers, ect.	Media & Entertainment, Farming, Geospatial, Oil & Mine, Construction, Inspection, NGOs, etc.
	 <p>①</p>	 <p>② ③</p>	 <p>④</p>

Parrot

1, 2, 3, 4 : Not Parrot products.  
 (1) DJI Phantom 3, (2) DJI Phantom 4,  
 (3) Yuneec Typhoon h, (5) DJI Inspire 2

# PARROT > KEY EXECUTIVES



# CURRENT KEY PRIORITIES

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- ① DEVELOP ON THE DRONE MARKET MANAGING **GROWTH AND CASH**
- ② CREATE VALUE FOR OUR CUSTOMERS AND SHAREHOLDERS
- ③ CREATE **HIGH QUALITY AND INNOVATIVE** PRODUCTS, SOLUTIONS & SERVICES
- ④ ADAPT TO TIME TO MARKET AS NEW DRONE INDUSTRY PROGRESSIVELY MATURES
- ⑤ MAINTAIN A **COMPETITIVE** AND AGILE ORGANIZATION
- ⑥ ATTRACT **TALENTS** TO ACHIEVE **SUCCESS** IN THE MOST EXCITING NEW HIGH-TECH INDUSTRY



PARROT | WHAT WE DO

# PARROT

## 2017 CONSUMER DRONES

A full range of affordable consumer drones -- from fun and educative to fully immersive piloting (FPV) and HD filming

*Parrot launched the first mass-market consumer drone in 2010*



### 2017 DRONE RANGE



Parrot Bebop 2 - \$449

Parrot Disco FPV - \$999

Bebop 2 FPV Packs - \$599

Parrot Bebop 2 Power - \$699

#### Typical features

- FPV / flypad / smartphone piloting
- Full HD digital stabilization video
- Extra apps: Follow me, Flight plan
- Up to 2x 30 min. flight time
- 35 mph / 2 km range
- 500 gr.

### 2017 MINIDRONE RANGE



Parrot Mambo - \$119

Parrot Swing - \$139

Parrot Flypad - \$39

Parrot Mambo FPV - \$179

#### Typical features

- Flypad / smartphone piloting
- FPV, flips, grabs, launches
- Up to 12 min. flight time
- 18 mph, 60 meter range
- 70 gr.
- Education / programming

### OTHER CONSUMER DRONES SOLD IN 2017



Parrot Airborne (range) - \$59



Parrot Jumping (range) - \$159



Parrot AR Drone 2 - \$299



Parrot Hydrofoil - \$69

# Parrot

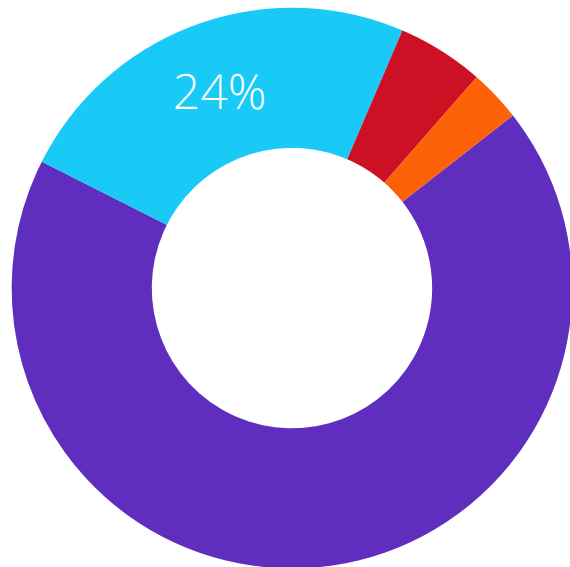
\* New updates launched in Q4 2017

# PARROT CONSUMER DRONES

## MARKET & OPPORTUNITIES

### 2016 market shares

Amount of \$400 to \$1200 drones sold worldwide  
NPD, GFK - Dec. 2016



■ DJI ■ Parrot ■ Yuneec ■ Many others

### Original positioning to navigate high competition market

- Mass-market: all in-one, affordable, easy to use and fun design
- Tech: lightweight (<500g), long range (<2km) auto / smart piloting, digital image stabilization, 25 m. fly time, 30 mph wind resistance
- Strong brand and retail expertise since 1998
- **60% market shares for drones < \$500 price**

### Building a market beyond consumer

- Large market feedback / usage
- Higher volumes (units, components)
- Brand awareness and education

### Key stake: Innovation to support...

- Overall market growth
- Sustainable growth margin

# Parrot

# PARROT CONSUMER DRONES

## NEW PRODUCTS 2017

In 2017, Parrot has optimized its product portfolio to reinforce its competitiveness through differentiated products. Parrot's key consumer drone assets are: light, all in one, fun, affordable and innovative drones

Parrot Mambo FPV  
High speed mini-drone  
HD camera  
FPV  
75 gr.  
\$179



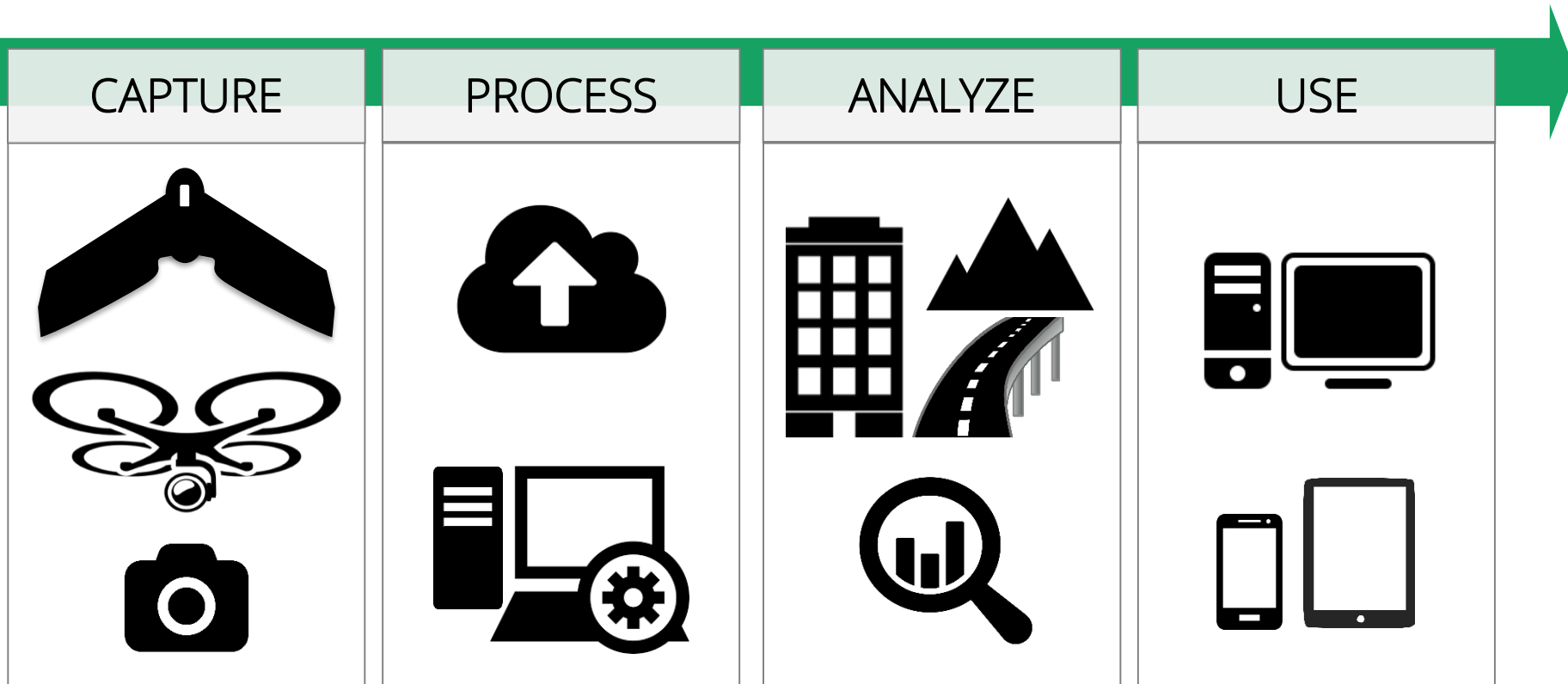
Parrot Bebop 2 Power  
All in one piloting & filming  
2 x 30 min. fly time  
HD camera  
FPV glasses  
Follow-me  
525 gr.  
\$699



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# COMMERCIAL DRONES

## IT'S ABOUT DATA

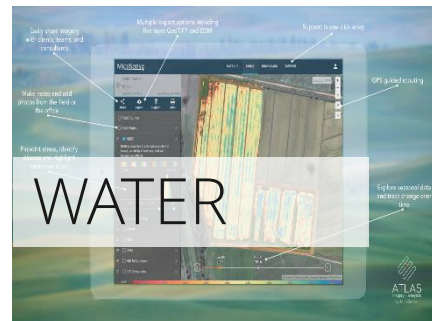
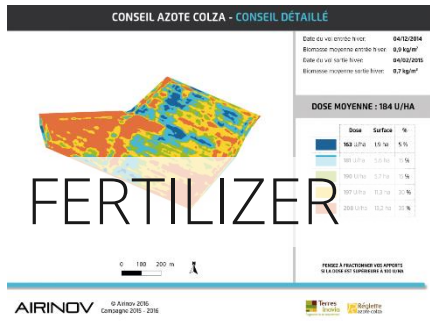


With UAVs, sensors and software carrying a new level of high precision data which can be plugged in existing industry work-flow, Parrot Business Solutions is changing the way numerous industries work and helping improve ROI, efficiency and productivity

# Parrot

# PARROT BUSINESS SOLUTIONS

## CURRENTLY ADDRESSED MARKETS



### INDUSTRIES WE ARE SERVING

MINING

CONSTRUCTION

BUILDING INSPECTION

AGRICULTURE

ENERGY

REAL ESTATE\*

INFRASTRUCTURE

PUBLIC SAFETY\*

# Parrot

\* Through Parrot Professional range and Parrot Consumer range

# PARROT BUSINESS SOLUTIONS

## HARDWARE & SOFTWARE

*Within the Parrot Group, the eBee fixed-wing drone and the Pix4D Mapper software are leading products in the commercial drone industry*

Equipment, solutions and services giving access to a new level of high-precision data for companies, industries and government institutions

### UAVs & SENSORS > fly & survey



eBee Plus \$20,000



eBee SQ \$25,000



Albris \$30,000



Sensors (\$3,000 / \$7,000): Mapping, GIS, Ag, Thermal

### SOFTWARE & SERVICES > process & analyze



3D modeling for Mapping, Precision AG, construction and inspection



Flight planning & Control software

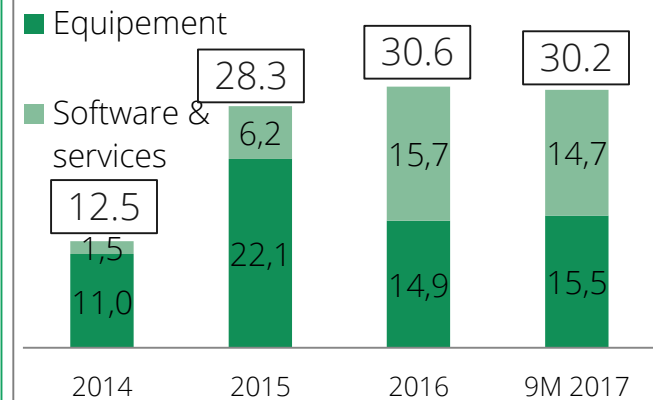


Crop assessment  
Nitrogen recommendation



UAV operators  
network

### Commercial drone - Revenues (€m.)



# PARROT BUSINESS SOLUTIONS

## DATA ANALYTICS & SERVICES

While big corps are already integrating UAVS solutions internally, small and medium industries are seeking turnkey services. Today Parrot has developed efficient and timesaving process to serve farmers, builders and architects

### PARROT AIRINOV > SERVICES FOR FARMERS



FARMER'S  
NEEDS



FLIGHT  
PANNING



AGRIDRONIST  
NETWORK



PROCESS  
& ANALYZE



DELIVER  
& ADVISE

### PARROT AIR SUPPORT > SERVICES FOR COMPANIES & INSTITUTIONS

Parrot<sup>®</sup>  
AIR SUPPORT



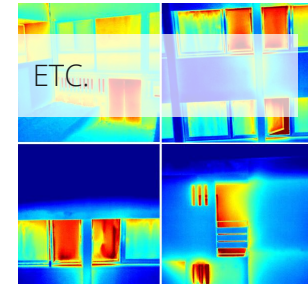
SURVEYING



INSPECTION



MAPPING



ETC.

# Parrot

# PARROT BUSINESS SOLUTIONS

## GROWING NEW PROFESSIONAL RANGE

By gathering its consumer and commercial technologies, Parrot is giving access to drone intelligence to small businesses and independents through a rapidly growing range

### ALL IN ONE UAVS, SENSORS & SOFTWARE



Disco Pro AG €5,399



Bebop-Pro  
3D Modeling - €1,320



Parrot Bluegrass  
€5,000



Parrot Bebop-Pro  
Thermal - €1,800



Sequoia €3,850

Parrot Professional “prosumer” range was launched in 2017. Key priorities include :

- Building awareness
- Building distribution network
- Launching turnkey entry level solutions



### ROUTE TO MARKET

- Dedicated online store
- Selective UAV resellers
- Professional resellers
- Specialized retailers

# Parrot

\* New updates launched in Q4 2017

# COMMERCIAL DRONES

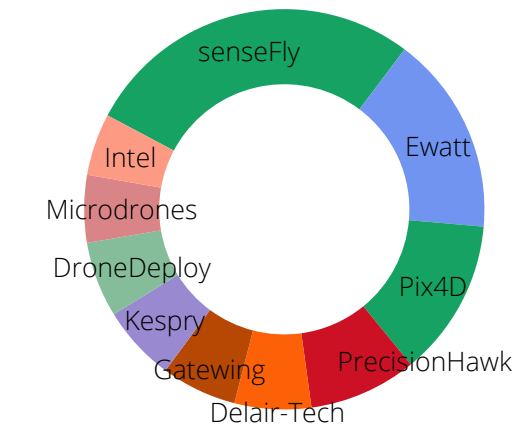
## PARROT NOW HOLDS LEADING POSITIONS

**senseFly** is one of the few vendors to manufacture and sell both rotary and fixed-wing UAVs. It is selling complete solutions (UAV, software, analytics) and individual UAVs to geospatial (surveying), mining, agricultural and inspection/engineering customers. **The company claims to be the fixed-wing market leader and Interact Analysis estimates it was the largest supplier in 2016.**

**Microdrones** was one of the first commercial manufacturers of UAVs and a pioneer of the technology. Initially a pure-play hardware provider, the company now focuses as total solution provider. In 2016 it merged with Avyon, a North American UAV integrator and distributor.

**DroneDeploy** provides a software platform for the processing and analysis of UAV imagery which can also be used for mission planning and control. The solution is cloud-based and also hosts an app platform to utilize 3rd party apps to perform further analytics.

**Kespry** supplies automated drone systems – hardware and software – primarily to the mining/aggregate, construction and insurance markets.



**Delair-Tech** (& Gatewing which it acquired in Oct. 2016) is mainly focused on fixed-wing UAVs, data processing software and services for long range UAV missions.

**Pix4D** produces photogrammetry software and solutions for the UAV industry, focusing on surveying, construction and agriculture. It offers a suite of products that are delivered on desktop, mobile devices and via a cloud.

**Intel** entered UAV hardware via its acquisition of Ascending Technologies in Jan. 2016 (previously combining AT's sense-and-avoid algorithms with its RealSense real-time depth-sensing). In Nov. 2016 it acquired fixed-wing UAV vendor MAVinci GmbH with its advanced flight planning software. Intel focus on commercial applications (inspection, surveying, mapping).

**Ewatt** is mainly a Chinese player servicing the state grid for several years for the inspection of power lines and pylons.

**PrecisionHawk** sells a package of UAVs, software and analytics tools and acts as a drone service provider. Rotary drones are third party products, it's fixed-wing UAV is manufactured in-house.

# Parrot

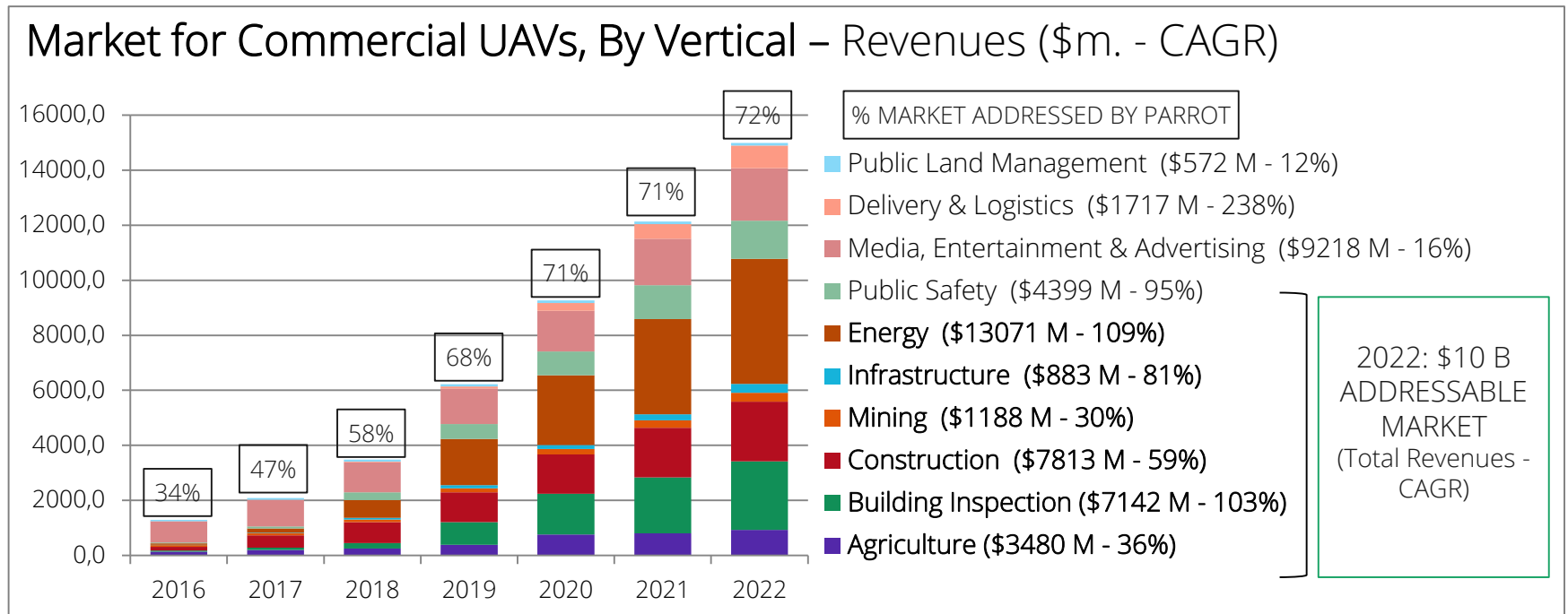
Main players in Commercial UAV industry – Graph for 2016 Estimated Revenues excluding

Prosumer and Media & Entertainment

Source & company description by Interact Analysis: "The Commercial UAV Market – Aug. 2017"

# COMMERCIAL DRONES

## ADRESSABLE & TARGETED MARKETS



Media, entertainment and advertising was the largest vertical in 2016, accounting for 60% of revenues. However much faster growth is forecasted for all other verticals over the next five years

Source: The Commercial UAV Market – Aug. 2017 - Interact Analysis

# COMMERCIAL DRONES

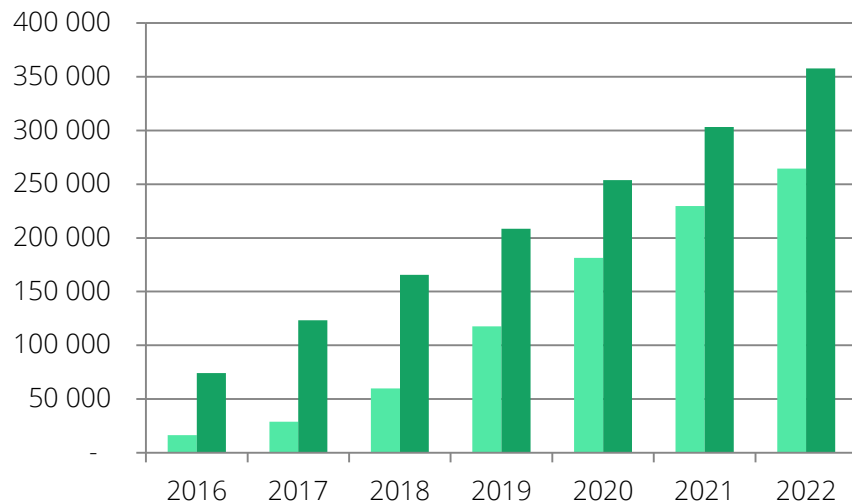
## DIFFERENTIATED MARKETS

Parrot has a dual segment approach (prosumer/Professional & industrial/Enterprise), avoids the highly competitive Media & Entertainment segment - today representing most of the Rotary and Prosumer market - and holds a leading position in the fixed-wing UAV

### By Industry

Revenues (\$)

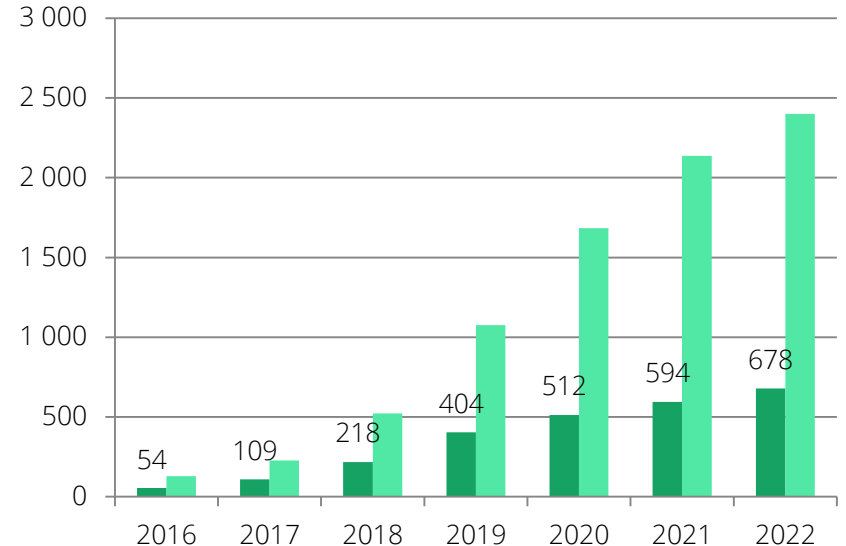
■ Industrial (= Parrot Enterprise)  
■ Prosumer (= Parrot Professional)



### By UAV type

Revenues (\$m.)

■ Fixed-Wing ■ Rotary



# Parrot

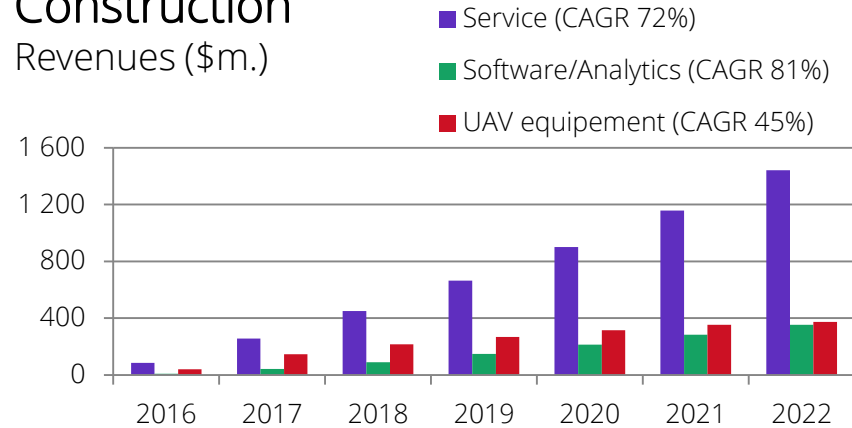
Source: The Commercial UAV Market – Aug. 2017 - Interact Analysis

# COMMERCIAL DRONES

## STRONG GROWTH ON TARGETED MARKETS

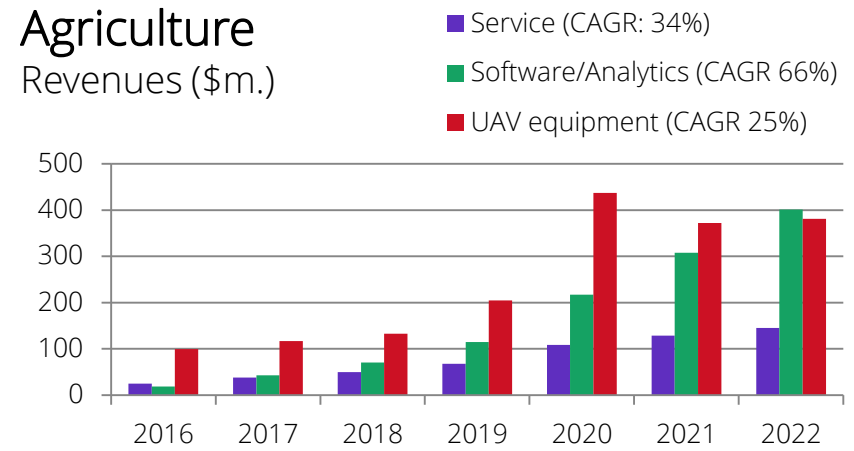
### Construction

Revenues (\$m.)



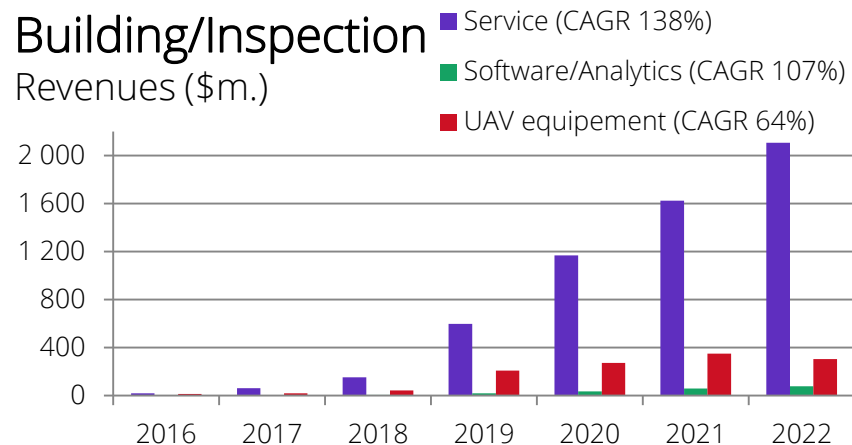
### Agriculture

Revenues (\$m.)



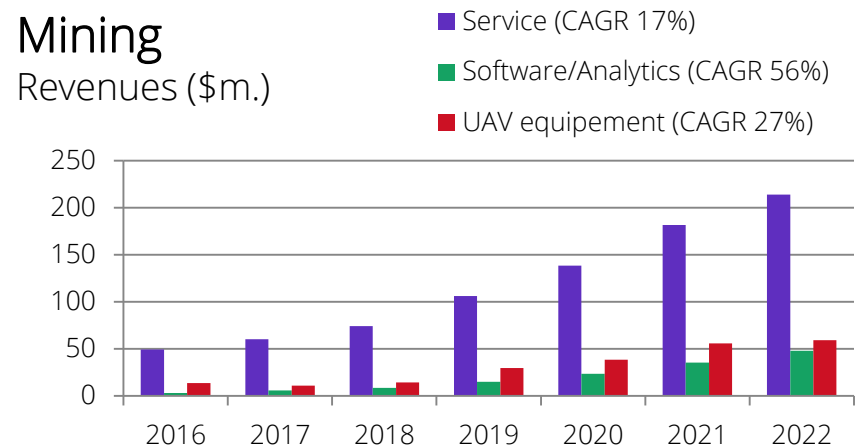
### Building/Inspection

Revenues (\$m.)



### Mining

Revenues (\$m.)



# UAV REGULATION

## VALIDATING THE BIRTH OF A NEW INDUSTRY

**Commercial flying:** regulation is being deployed world wide, UAV registration, height, weight, location and BVLOS, operator's insurance, training and certificate

**Recreational flying:** widely permitted within height (<150 m), weight (250 gr to 2 kg) and location restriction (no fly zone: close to airport, public places, roads)

[UK] Regulated since 2017, expecting EU legislation. Commercial UAV: annual operators license.

[Canada] relaxed regulation. UAV <35kg: no permit or registration required. New regulation expected in 2018: training, license and registration.

[USA] Regulated since 2016. UAV < 55lbs: Commercial operation within line of site and registered pilot and drone ("Part 107").

[Brazil] & [Argentina] Regulated since 2015, registration mandatory.

[AFRICA] Fragmented regulation with most advanced being South Africa, Kenya and Zimbabwe.

[Switzerland] one of the most notable countries for UAVs. Regulation is relatively relaxed and UAVs under 30kg do not need special permits other than liability insurance.

[France] Regulated since 2012 and setting examples. UAV < 2.5 kg: Commercial operation with trained and certified pilot and registered drone. BVLOS exemption.

[Germany] Regulated since 2014, expecting EU legislation. Commercial UAV 2kg < 25 kg: trained, insured and authorized operators.. Commercial UAV > 25kg: prohibited.

[Rest of EU] EASA's UAV regulations expected in 2018. Sweden, Denmark, Czech Republic, Lithuania have adopted basic legislation for simple UAV operations to avoid a case-by-case authorization process.

[Japan] Regulated and commonly used since 1999. Commercial UAV standard rules with some specific localized (prefectures) regulations.

[India] All UAV prohibited since 2014. Preparing regulation for late 2017 or 2018.

[China] Regulation tightening in urban areas looser in other region. UAVs > 250 g: registered

[Australia] Regulated by the Civil Aviation Safety Authority (CASA) and its Part 101 rules since September 2016. Commercial UAV > 2kg: registration and certification. Commercial UAV < 2kg: pre-flight registration



# Parrot

# OTHER CONSUMER PRODUCTS

## 2017 > GRADUAL PHASE OUT

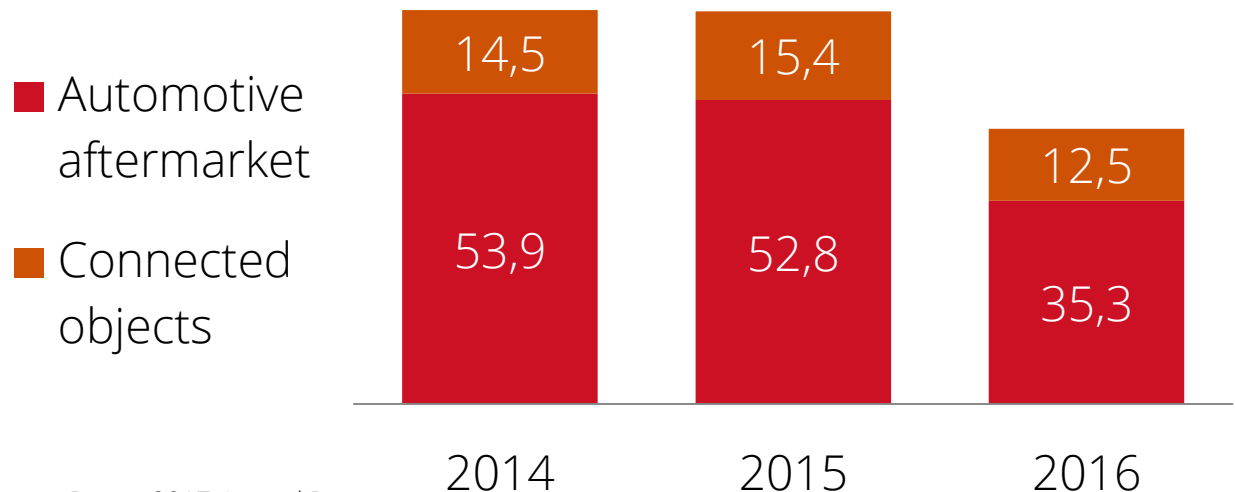
Sales of legacy products are targeting margins (vs. growth)

Resources are maintained at a minimum

Revenues are expected to decrease until 2019



Sales of Other Consumer Products – Revenues (€m.)



Source: Parrot 2017 Annual Report

# LEGACY BUSINESS

## PARROT AUTOMOTIVE

In March 2017, Faurecia took a 20% stake in Parrot Automotive, through a €27m. capital increase

The partnership established an entry value of €100m. for Parrot Automotive

Parrot has issued a €41m. Bond convertible in Parrot Automotive shares (starting in 2019) representing 30% of its diluted share capital

Partners have put and call options to sell/buy the remaining stakes:

- in 2019 based on the entry value
- in 2022 based on the entry value + earnout on 2021 growth margin target

Parrot Automotive 2017 revenues are recognized on an equity basis. In 2016, they were IFRS 5 "assets held for sell"

Partners aim to accelerate the development and sales of connectivity modules and infotainment solutions for the car industry



### Parrot Automotive 2016 (€m.)

Revenues	68.8
Gross margin	37.2
<i>in % of rev.</i>	55.7%
EBIT	6.2
<i>in % of rev.</i>	9.4%
Net results	5.2
<i>in % of rev.</i>	7.9%

Source: Parrot 2017 Annual Report

# Parrot



PARROT | KEY FINANCIALS

# 2017 FINANCIAL FOCUS (9 m. update)

Growth margin level: mix and consumer drones contribution

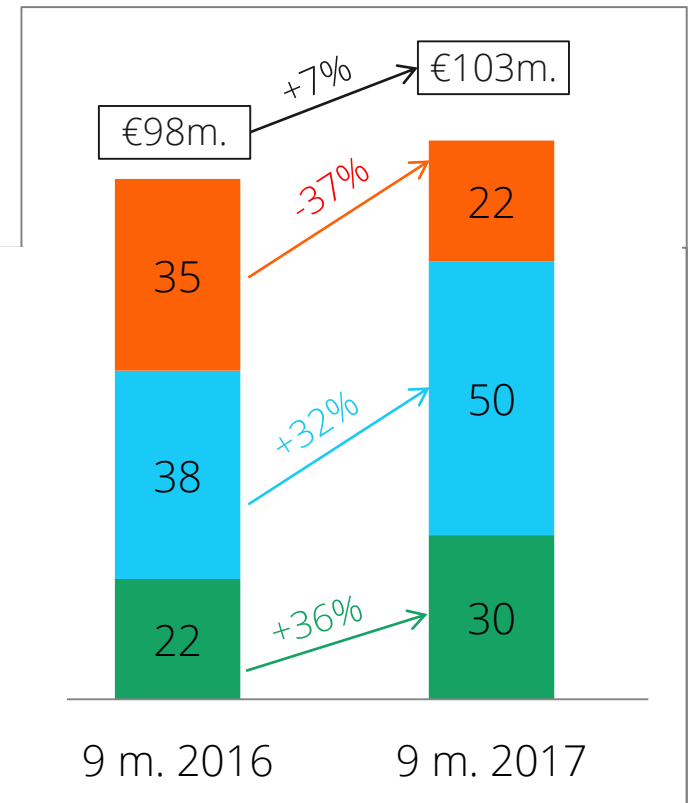
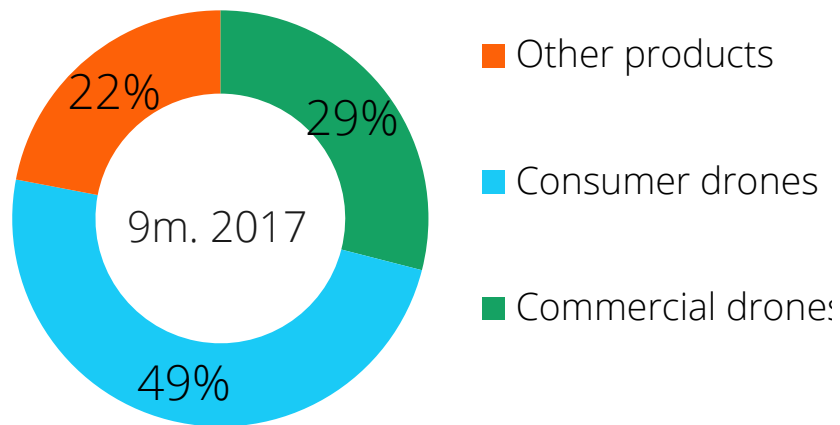
Commercial drones growth, resources and priorities

Reorganization efficiency and cash allocation

Capacity and pace of innovation

Preparing 2018

Revenue quick shot (% / €m.)

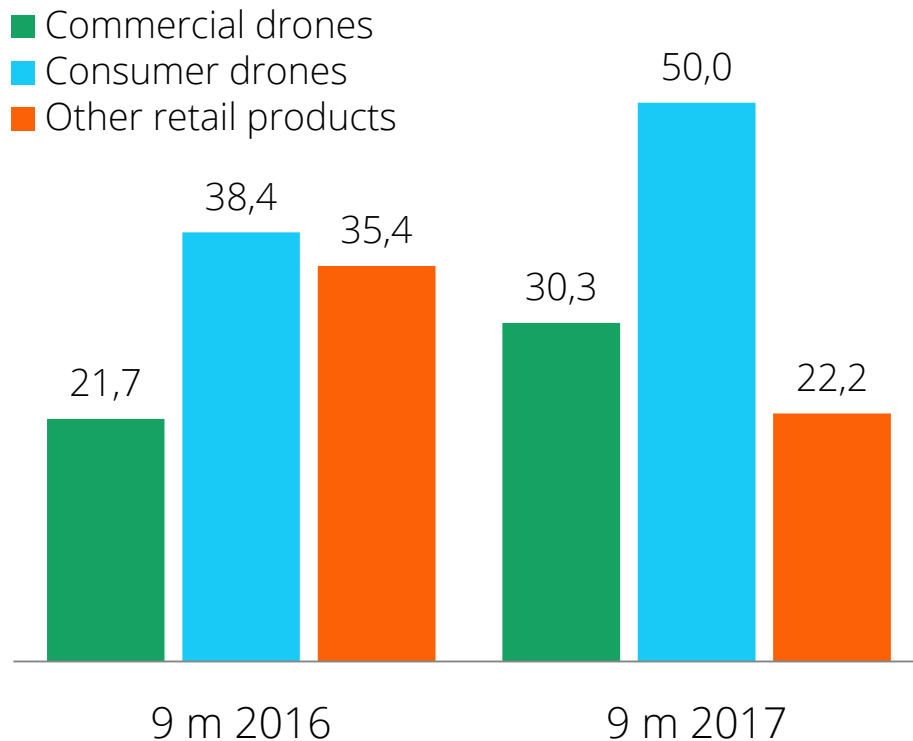


# Parrot

# REVENUES

## STRONG GROWTH ON PRIORITY SEGMENT

Change in Revenues by Products (€m.)  
(other revenues not reported: NS )



### Commercial drones: +30% yoy

- > Strong hardware sales
- > Continued growth in Softwares
- > Services increase but is slower to mature

### Consumer drones: +40% yoy

- > Low basis for comparison in H1 2016
- > High seasonality of end of the year sales

### Other retail products: -37% yoy

- > Managing decrease through margins

# GROWTH MARGIN

## MANAGING COMPETITION & MIX

Change in Consolidated Gross Margin  
(as % of sales)



- > Better product mix within consumer range due to improved pricing policy and product maturity
- > Commercial drone growth benefits global margins but has lower H2 seasonality
- > Parrot Professional range still low contribution

# EBIT & OPERATIONS

## ADJUSTING THE COST STRUCTURE

Consolidated operating exp. (€m.)	9 m. 2016 proforma	9 m. 2017	Change
Sales & Marketing	45,3	32,0	-29%
<i>% of revenues</i>	46%	31%	
R&D	39,4	27,3	-31%
<i>% of revenues</i>	40%	27%	
Production & Quality	11,5	8,3	-28%
<i>% of revenues</i>	12%	8%	
G&A	18,9	14,4	-24%
<i>% of revenues</i>	19%	14%	
Total OPEX	115,0	81,9	-29%
EBIT	-99,0	-41,3	+123%

> Reduced workforce by +250 worldwide

> Selective distribution strategy = less marketing cost and better efficiency

> Road map optimization

> Product portfolio optimization

> Strict spending control and structure adjustment

# NET RESULTS

## BENEFITS FROM PARROT FAURECIA

Consolidated expenses (€m.)	9 m. 2017
EBIT	-41,3
Non recurring expenses	-13,6
Financial income / loss	-2,8
Share of income in companies accounted for by the equity method	-2,5
Income from discontinued operations, net of tax	43,5
Taxes	-0,3
Net income / loss	-16,1

> Restructuring costs

> Foreign exchange

> Drone minority investments and Parrot Automotive subsidiaries

> Revaluation at fair-value of Parrot Faurecia Automotive

# CASH & BALANCE SHEET KEY DATA

	Dec. 31, 2016	June 30, 2017		Dec. 31, 2016	June 30, 2017
Fixed assets	61	166	Shareholders' equity	288	282
Working capital	54	39	Bond debt	0	41
Other assets	16	0	Acquisition debt	28	33
Net cash	185	174	Other liabilities	0	23

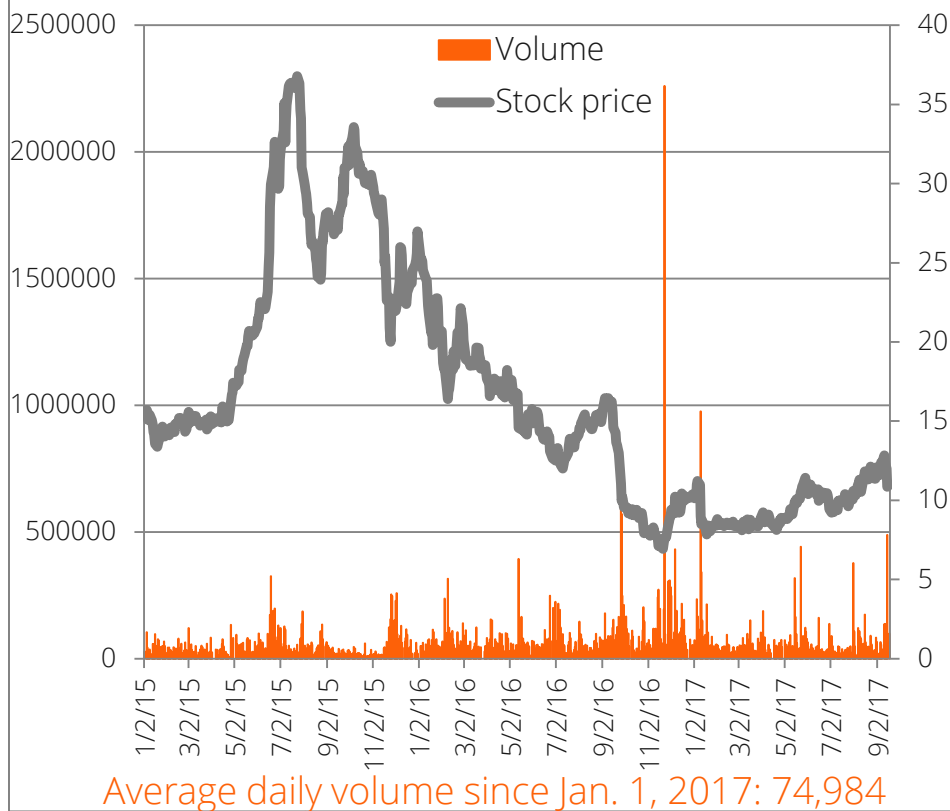
Source: Parrot summarized presentation, non IFRS

December 2016: Prior to Parrot Faurecia Automotive partnership  
June 2017: After Parrot Faurecia partnership

# STOCK INFORMATION

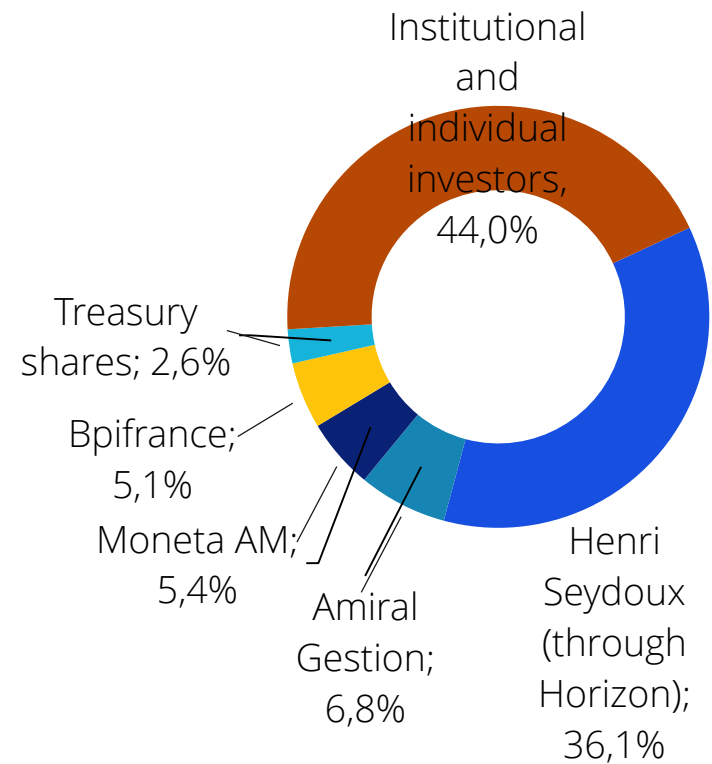
## Stock evolution

(Jan. 2015 to Sept 29, 2017)



## Ownership structure

(as of latest available public reporting)



# Parrot



PARROT | STRATEGY & OUTLOOK

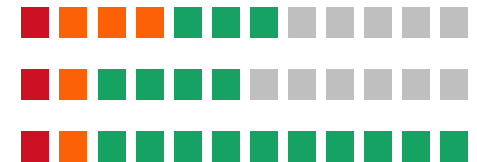
# PARROT CONSUMER DRONES

## 2017 > REORGANIZE & REDEPLOY

### Reduce cost structure

- Reduce workforce by 1/3 (approx. 250 people)
- Reorganize sales force on 3 main platforms (Europe, Asia, Americas)
- Moderate all spending and reinforce control

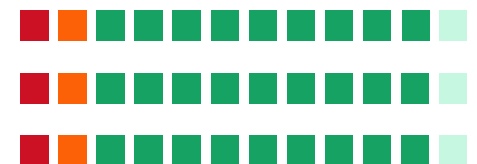
#### Monthly progress tracking



### Focus strategy on best market opportunities

- Realign R&D on breakthrough project
- Enhance current product portfolio
- Focus sales force on selected growth prospects (incl. online)

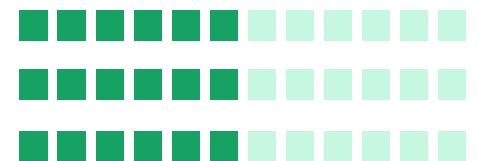
#### Monthly progress tracking



### Expected financial outcome

- Increase annual sales
- Reestablish growth margin
- Efficient and controlled cash allocation

#### Expectations



# PARROT BUSINESS SOLUTIONS

## 2017 > SUPPORT & ACCELERATE GROWTH

### Equipment (UAVs and sensors)

- Accelerate fixed-wing penetration building on most recent technologies (eBee +, eBee RTK) at lower prices
- Expand with payloads (photogrammetry, thermal, multispectral, etc.)
- Develop distribution, territories and partnerships



### Software and analytics

- Expand leadership in photogrammetry with core (Pix4Dmapper) and newest solutions (Ag, bim, model, capture)
- Develop workflow within industries' benchmark products
- Address multiple platforms and use-cases (mobile, cloud, desktop, enterprise, rental, trial, education, etc.)



### Services and usage

- Support precision AG market expansion in France and selectively abroad
- Build up scalable drone service platform (Parrot Air Support) through simple online processes, partnerships and prepare international expansion

AIR SUPPORT  
by Parrot



# Parrot

# PARROT BUSINESS SOLUTIONS

## 2017 > KEY ACHIEVEMENTS

### GROW PIX4D

- Grow **key accounts customers** (e.g. KKC Japan / Pix4D in nov. 2017)
- Establish **international organization** (Berlin and Shanghai office, San Francisco staffing)
- Increase **vertical products and solutions penetration** (Pix4D Ag, Pix4D BIM, etc.)
- Develop **partnerships** (e.g. Intel insight platform in sept. 2017)

### GROW SENSEFLY

- Increase **sales of eBee+ range** (Q3 2016 launch)
- Introduce new set of **complete vertical solution** (Survey 360, Mine & Quarry 360, Ag 360, Inspection 360)
- Strengthen **service in USA** ("Always on" launched in Oct.) and organization in Asia (Shanghai office)
- Enhance drone usage with **diversified sensor offer** (e.g. ThermoMap)

### LAUNCH OF PARROT PROFESSIONAL RANGE

- Introduce **new entry level business solutions** through combined Group expertise
  - Bebop Pro 3D Modeling (1320 €)
  - Bebop Pro Thermal (1 800 €)
  - Bluegrass (5000 €)
  - Disco Pro Ag (5400 €)

### STRUCTURE AIRINOV / MICASENSE

- Continue du **shift from an equipment provider to a data analysis service company**
- Mature organization **from Tech focus to Business dev focus**
- Select best opportunities for international development (e.g Africa)

### MINORITY PARTICIPATIONS

- Strengthen relationship with Biocarbon engineering and Planck Aerosystem

# 2018 > FIRST TAKE

## CONSUMER DRONES

Fully benefit from 2017 product portfolio and organization optimization

Maintain manageable cost structure

Achieve next level innovation

Increase professional range penetration

Keep focus on improving sales strategy through channel optimization and marketing capabilities

Accelerate market growth and Parrot brand recognition

No revenue guidance will be provided until product strategy is announced

## COMMERCIAL DRONES

Develop high value commercial drone solutions for small and large businesses

Maintain and enhance worldwide leadership in fixed wing drones and data analysis software

Prioritize resource allocation in line with time to market and best opportunities

Keep attracting experts business developers to foster mid/long term growth

Strengthen long term product platforms development to serve group's need

# STRATEGIC VISION

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Innovation in electronics commonly spreads through mass market before it can be customized to suit professional needs (ie. smarthphone, PC, etc.)

Time to market is key, Parrot has the mean and the will to become a large key player in the still emerging drone industry

Hardware is a mean to carry innovative, smart and powerful software

Drones will bring high level disruption, like GPS, or Internet, they started in the Military and totally changed the world

Drones are a new industry, like railway, aviation or digital: there will be many players serving intermediary and final needs

# APPENDIX

# BALANCE SHEET DETAILS at June 30

Consolidated balance sheet in €'000	June 30, 2017	Dec. 31, 2016
<b>Non current Assets</b>	165,9	61,2
Goodwill	42,5	43,7
Other intangible assets	2,9	3,9
Tangible assets	5,8	8,1
investments in entities accounted for under the equity method	109,1	1,2
Financial assets	5,3	3,7
Deferred tax assets	0,3	0,7
<b>Current assets</b>	269,3	362,6
Inventory	37,6	46,4
Trade receivables	30,0	59,8
Other receivables	27,0	28,4
Other current financial asset	28,0	28,0
Cash and cash equivalent	146,8	200,0
<b>Assets classified as held for sale</b>	-	82,8
<b>ASSETS</b>	<b>435,3</b>	<b>506,6</b>

Consolidated balance sheet in €'000	June 30, 2017	Dec. 31, 2016
<b>Shareholders Equity</b>		
Share capital	4,6	4,6
Issue premium and transfers	331,7	331,7
Reserves excl. earnings for the period	(59,4)	86,7
Retained earnings, Group share	(2,0)	(137,9)
Translation adjustments	6,8	5,2
<b>Equity attributable to equity holders of the parent company</b>	<b>281,7</b>	<b>290,3</b>
Non-controlling interests	0,0	(2,2)
<b>Non current liabilities</b>	<b>78,6</b>	<b>31,3</b>
Non-current financial debts	42,2	1,2
Provisions for pensions and other employee benefits	1,6	1,7
Differed tax liabilities	1,7	0,5
Other non-current provisions	0,3	0,0
Other non current liabilities	32,9	27,9
<b>Current liabilities</b>	<b>75,0</b>	<b>173,4</b>
Current financial debts	0,3	42,0
Current provisions	18,1	15,6
Trade payable	28,2	52,1
Current tax payable	2,3	2,5
Other current liabilities	29,1	61,2
<b>Liabilities classified as held for sale</b>	<b>-</b>	<b>13,7</b>
<b>Total Shareholders Equity &amp; Liabilities</b>	<b>435,3</b>	<b>506,6</b>

Parrot

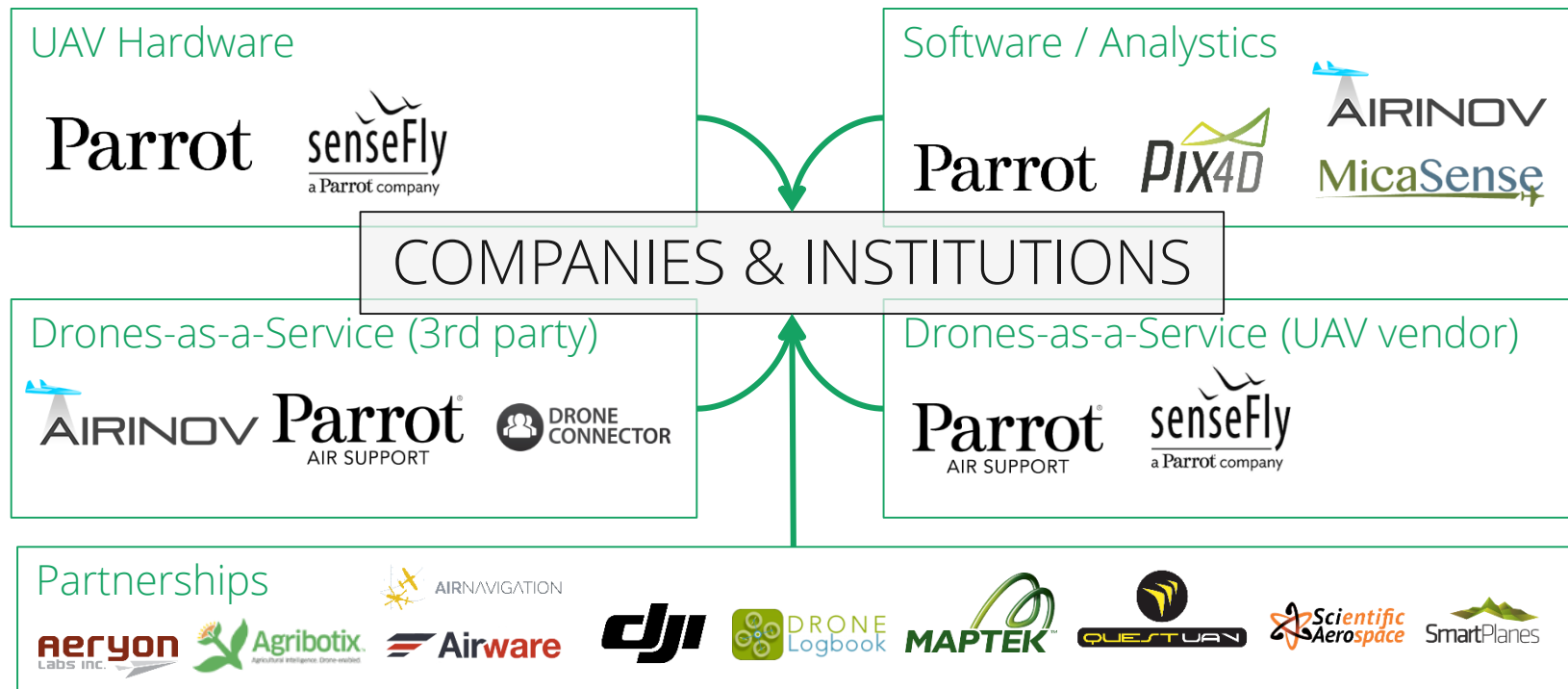
# CASH STATEMENT at June 30

	June 30, 2017	Dec. 31, 2016
Earnings for the period, from continuing operation	(2 271)	(146 617)
Share of profit from equity accounted investments	1 203	(62)
Amortization and depreciation	7 161	27 522
Disposal gains and losses	(45 020)	(10 843)
Income tax expense	720	8 144
Cost of share-based payments	1 015	5 557
Cost of net financial debt	76	604
<b>Cash flow from operating activities before cost of net financial debt and tax</b>	<b>(37 115)</b>	<b>(115 695)</b>
Change in working capital requirement	6 856	18 823
Tax paid	(1 393)	(1 404)
<b>Cash flow from operating activities (A)</b>	<b>(31 652)</b>	<b>(98 276)</b>
<b>Investment Flows</b>		
Acquisitions of property, plant and equipment and intangible assets	(1 229)	(13 345)
Acquisitions of subsidiaries, net of cash acquired (2)	(22 056)	(29 059)
Acquisitions of financial assets	(2 008)	(3 232)
Disposals of property, plant and equipment and intangible assets	85	9 891
Disposal of financial assets	129	3 502
<b>Cash used in investing activities (B)</b>	<b>(25 079)</b>	<b>(32 244)</b>
<b>Financing flows</b>		
Investments in equity (3)	-	551
Dividends paid	8 669	8 766
Receipts related to new borrowings	41 004	25 343
Cash placed at + 3 months	-	130 000
Cost of net financial debt	76	(604)
Repayment of short-term financial liabilities (net)	(42 033)	(3 322)
Sales / (Purchases) of treasury shares (4)	(161)	(5 757)
<b>Cash used in financing transactions (C)</b>	<b>7 556</b>	<b>154 977</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (D = A + B + C)</b>	<b>(49 174)</b>	<b>24 457</b>
Effect of changes in foreign exchange rates	(4 118)	712
<b>TREASURY AND CASH EQUIVALENTS AT THE OPENING OF THE PERIOD</b>	<b>200 043</b>	<b>174 874</b>
<b>TREASURY AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>146 750</b>	<b>200 043</b>

# PARROT BUSINESS SOLUTIONS

## STIMULATING VARIOUS ROUTE TO MARKET

To support the development of the drone market and maximize the exposition of its products range and dedicated analytics, Parrot is combining direct sales, 3<sup>rd</sup> party vendors and selective partnerships



# Parrot

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