
Proposed early exit from Parrot Automotive

- **Memorandum of understanding signed with Faurecia for negotiations concerning Parrot's possible exit from Parrot Automotive**
- **The overall amount received by Parrot would represent 108.5 million euros**

Following the partnership agreement signed in the first quarter of 2017 between Parrot and Faurecia, the partners have decided together to arrange Parrot's exit from the subsidiary Parrot Automotive, which has been 20% owned by Faurecia since March 31, 2017.

For reference, under the partnership agreement based on an enterprise value of 100 million euros for Parrot Automotive, Faurecia subscribed for 41 million euros of bonds issued by Parrot SA, which were scheduled to be converted from January 1, 2019 enabling Faurecia to own 50.01% of the Company. The parties also previously agreed on the possibility, in 2022, to organize the transfer of the remaining interest in Parrot Automotive to Faurecia.

Parrot and Faurecia, under a memorandum of understanding for negotiations signed on July 4, 2018, have decided to open talks with a view to organizing Parrot's exit from their joint venture. These talks are guided by the partners' commitment to ensuring the best possible development for Parrot Automotive and more specifically to ensure the deployment of the specific investments and resources required for the automotive industry.

This proposal will be submitted to the Parrot Group's employee representatives for information and consultation. If it moves forward, it will be carried out in autumn 2018 subject to obtaining the necessary regulatory approvals. It would enable Parrot Automotive to benefit from being fully integrated within a world leader for automotive equipment and effectively capitalize on its advanced technological positioning for automotive connectivity and mobility.

For the sale of 49.9% of Parrot Automotive's shares, the price received by Parrot would represent 67.5 million euros. This would take the overall proceeds received by Parrot up to 108.5 million euros, factoring in 41 million euros from the conversion of the bonds issued in 2017 by Parrot SA for Faurecia, which would be carried out in connection with the sale. If the operation had been carried out based on the accounts at March 31, 2018, the corresponding capital gain in Parrot SA's accounts would have represented 9,7 million euros (before fees and taxes). In addition, Parrot Faurecia Automotive would continue to benefit from the "Parrot" brand license until the end of the agreed timeframe, in return for royalties based on Parrot Automotive's revenues.

Henri Seydoux, Parrot's Chairman, CEO and leading shareholder: *"We have just launched Anafi, a powerful lightweight drone, and we would like to focus fully on developing our consumer and commercial drone operations, while giving Faurecia all the latitude needed to deploy its strategy for connected cars and mobility. With this agreement, we will double our cash position, and will continue moving forward with confidence with our strategy, which aims more than ever to continue developing Europe's leading drone group"*.

Next financial dates

- 2018 second-quarter earnings: August 2, 2018

ABOUT PARROT

Founded in 1994 by Henri Seydoux, Parrot is today the leading European group in the fast-growing industry of drones. Visionary, at the forefront of innovation, Parrot is a real 'End to End' drone group from hardware and software to services.

- Parrot, the world's number 2 of the consumer drone market, designs drones known for their high performance and ease of use.
- Parrot is also offering business solutions, covering drones, software and services mainly focusing on 3 major verticals: (i) Agriculture, (ii) 3D Mapping, Surveying and Inspection and (iii) Public safety.

The Parrot Group designs and engineers its products in Europe, mainly in France and Switzerland. It currently employs 600 people worldwide and makes the majority of its sales outside of France. Parrot, headquartered in Paris, has been listed since 2006 on Euronext Paris (FR0004038263 - PARRO). For more information: www.parrot.com

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