



Parrot announces the success of its rights offering for an amount of approximately €300 million

The transaction was oversubscribed with a total demand of approximately €426 million, representing approximately 142 % of the amount of the offer.

Parrot (the “**Company**” or “**Parrot**”) announces today the success of its share capital increase with shareholders’ preferential subscription rights (the “**Rights**”) launched on November 19, 2015 (the “**Share Capital Increase**”) through the issuance of new shares (the “**New Shares**”), each with one tranche 1 stock warrant attached thereto (the “**Class 1 Warrants**”) and one tranche 2 stock warrant attached thereto (the “**Class 2 Warrants**”, and together with the Class 1 Warrants, the “**Warrants**”) (the “**Offered Securities**”).

The gross proceeds of the Share Capital Increase (excluding the potential exercise of the Warrants as from December 16, 2020), issue premium included, will amount to €298,779,726, corresponding to the issuance of 17,575,278 Offered Securities (with 17,575,278 Class 1 Warrants and 17,575,278 Class 2 Warrants attached thereto) at a unit price of €17. In the event of the exercise of all of the Warrants between December 16, 2020 and December 15, 2022, the gross proceeds resulting from such exercise would amount to €127,562,962.

Total subscription orders for the Share Capital Increase amounted to approximately €426 million, representing a subscription rate of approximately 142 %. 17,346,763 Offered Securities were subscribed on a non-reducible basis, representing 98.7 % of the Offered Securities to be issued. The subscription subject to reduction amounted to 7,696,542 Offered Securities. The subscription subject to reduction will therefore be satisfied only in part, *i.e.* for 228,515 Offered Securities (representing 1.3 % of the Offered Securities to be issued) which will be allocated among the subscribers on a reducible basis according to a ratio equal to 0.042507 calculated on the number of Rights presented to subscribe on a non-reducible basis, disregarding fractions and without any allocation that may be higher than the number of shares requested on a reducible basis.

This allotment has been made as follows:

Number of Rights	Number of shares allocated (rounding)
From 25 to 45	1
From 50 to 70	2
From 75 to 90	3
From 95 to 115	4
From 120 to 140	5

Following the Share Capital Increase (excluding the potential exercise of the Warrants), the share capital of Parrot will amount to €4,593,213 divided into 30,129,052 shares (with a par value of approximately €0.1524 each).

In a Civil Drones market (namely the Consumer and Commercial Drones) that is experiencing strong and rapid growth, the Share Capital Increase will mainly enable Parrot to accelerate its development and consolidate its leadership position in this market. The issuance of the Warrants will also offer to shareholders an instrument that allows them to share in the future development of the Company. The structure of the offering also enables Managers to participate in its future growth, in particular through the commitment of Horizon (company controlled by Mr. Henri Seydoux (“**Horizon**”)), to sell to Managers up to 20 % of the Warrants that it will hold upon completion of this transaction (*i.e.* at least approximately 4,495,075 Warrants to be transferred)¹.

¹ On the basis of the information available as of today for the Company, it being specified that (i) the final results of the sales, at the time of the settlement and delivery of the Share Capital Increase, of Warrants attached to New Shares subscribed on a reducible basis will be

Parrot

Mr. Henri Seydoux, CEO of Parrot, declared: *“We have successfully crossed a key milestone in our growth strategy in the global civil drone market. The ambition is great, so is the opportunity, and the efforts carried out by all of the employees of the Group will be equally. By supporting this share capital increase to provide Parrot with the resources to match its ambition, I personally confirmed my commitment to develop the Group. Furthermore, the high oversubscription rate demonstrates the confidence of the shareholders and the investors in the Group’s potential and the strategy that the Board of Directors and the management plan to carry out. Finally, I congratulate and thank all those who contributed to the success of this transaction.”*

Natixis and BNP Paribas were acting as Joint Global Coordinators and Joint Bookrunners and HSBC and J.P. Morgan were acting as Joint Bookrunners for the Share Capital Increase.

Rothschild & Cie was acting as financial advisor of the Company for the Share Capital Increase.

Pursuant to the commitments and the intentions to subscribe of the main shareholders of the Company and some investors in connection with the Share Capital increase:

- Horizon (which holds 40.69 % of the Company’s share capital and voting rights² before the completion of the Share Capital Increase) exercised on a non-reducible basis 3,918,315 Rights to subscribe for 5,485,641 Offered Securities³. Therefore, Horizon will hold, upon completion of the Share Capital Increase, 35.16 % of the Company’s share capital and voting rights.

Furthermore, during the subscription period of the Share Capital Increase, 5 752 048 Class 1 Warrants and 5 752 048 Class 2 Warrants, which result from the Offered Securities subscribed on non-reducible basis, were the subject of sale commitments by the subscribers of Offered Securities (including among others the commitments of HG Vora Capital and IDG Capital Partners, as described below, to sale their Warrants) for the benefit of Horizon, which committed to acquire such Warrants, at the price of €0.48 per Warrant. The final results of the sales at the time of the settlement and delivery of the Share Capital Increase of Warrants resulting from the Offered Securities subscribed on a reducible basis will be subsequently disclosed. These sales will occur upon the settlement and delivery of the Share Capital Increase which is expected to take place on December 15, 2015. As a result, Horizon will hold, after the settlement and delivery of the Share Capital Increase, at least 11,237,689 Class 1 Warrants and 11,237,689 Class 2 Warrants, *i.e.* a total of 22,475,378 Warrants, representing 63.94 % of the total number of Warrants to be issued⁴.

It should be noted that any holder of Warrant will be entitled to transfer to Horizon any unit of Warrants composed of an equal number of Class 1 Warrants and Class 2 Warrants (at a price of €0.48 per Warrant) during the period of 20 calendar days from December 16, 2015 to January 4, 2016 (inclusive). In this respect, Bpifrance has already committed to transfer to Horizon, during such period, half of the Class 1 Warrants and half of the Class 2 Warrants attached to the Offered Securities it has subscribed on a non-reducible basis, *i.e.* 753,224 Class 1 Warrants and 753,224 Class 2 Warrants.

The Company will publish, after the abovementioned liquidity period, the total number of Warrants transferred to Horizon during such period, as well as the total number of Warrants held by Horizon after (i) the settlement of the Share Capital Increase⁵, and (ii) the abovementioned liquidity period.

- HG Vora Capital (which holds 10.67 % of the Company’s share capital and voting rights before the completion of the Share Capital Increase) exercised on a non-reducible basis all of

subsequently available, and (ii) during the liquidity period from December 16, 2015 to January, 2016 (inclusive), as described below, some Warrants could be also transferred to Horizon by holders of Warrants.

² In this press release, unless otherwise noted, percentages of voting rights relate to the theoretical voting rights as calculated in accordance with Article 223-11, paragraph 2 of the General Regulation of the French *Autorité des marchés financiers*.

³ It should be noted that, in the context of the transaction, Horizon transferred 1,076,035 Rights to Bpifrance and 307,445 Rights to funds managed by IDG Capital Partners. Furthermore, during the subscription period, Horizon acquired on the market 193,687 additional Rights.

⁴ On the basis of the information available as of today for the Company, it being specified that (i) the final results of the sales, at the time of the settlement and delivery of the Share Capital Increase, of Warrants attached to New Shares subscribed on a reducible basis will be subsequently available, and (ii) during the liquidity period from December 16, 2015 to January, 2016 (inclusive), as described below, some Warrants could be also transferred to Horizon by holders of Warrants.

⁵ Including the final results of the sales of Warrants resulting from the subscription of Offered Securities on a reducible basis.

Parrot

its 1,350,000 Rights⁶ corresponding to the subscription of 1,890,000 Offered Securities. HG Vora Capital also placed an order on a reducible basis to subscribe 760,000 Offered Securities which will be served up to 57,384 Offered Securities, corresponding to the global subscription of 1,947,384 Offered Securities. As a result, HG Vora Capital will hold, upon completion of the Share Capital Increase, 10.91 % of the Company's share capital and voting rights.

Furthermore, HG Vora will transfer to Horizon on the date of settlement and delivery of the Share Capital Increase all of the Warrants attached to the Offered Securities it has subscribed (*i.e.* at least 1,890,000 Class 1 Warrants and 1,890,000 Class 2 Warrants which result from the Offered Securities subscribed on a non-reducible basis).

- Bpifrance Participations ("**Bpifrance**") exercised, on a non-reducible basis, 1,076,035 Rights acquired from Horizon corresponding to the subscription of 1,506,449 Offered Securities. Bpifrance also placed an order on a reducible basis to subscribe 117,647 Offered Securities which will be served up to 45,739 Offered Securities, corresponding to the aggregate subscription of 1,552,188 Offered Securities. As a result, Bpifrance will hold, upon completion of the Share Capital Increase, 5.15 % of the Company's share capital and voting rights.

Furthermore, Bpifrance will transfer to Horizon during the Warrants liquidity period (*i.e.* from December 16, 2015 to January 4, 2016 (inclusive)) half of the Class 1 Warrants and half of the Class 2 Warrants attached to the Offered Securities it has subscribed on a non-reducible basis, *i.e.* 753,224 Class 1 Warrants and 753,224 Class 2 Warrants. As a result, Bpifrance will hold, after this transfer, at least 798,964 Class 1 Warrants and 798,964 Class 2 Warrants, *i.e.* a total of 1,597,928 Warrants representing 4.54% of the total number of Warrants to be issued.

- Funds managed by IDG Capital Partners ("**IDG Capital Partners**") exercised, on a non-reducible basis, 307,445 Rights acquired from Horizon, corresponding to the subscription of 430,423 Offered Securities, and placed an order on a reducible basis to subscribe 623,431 Offered Securities which will be served up to 13,068 Offered Securities, corresponding to the aggregate subscription of 443,491 Offered Securities. As a result, IDG Capital Partners will hold, upon completion of the Share Capital Increase, 1.47 % of the Company's share capital and voting rights.

Furthermore, IDG Capital Partners will transfer to Horizon on the date of settlement and delivery of the Share Capital Increase all of the Warrants attached to the Offered Securities it has subscribed (*i.e.* at least 430,423 Class 1 Warrants and 430,423 Class 2 Warrants which result from the Offered Securities subscribed on a non-reducible basis).

After the settlement and delivery of the Share Capital Increase (which is expected to occur on December 15, 2015), the shareholding and the holding of Class 1 Warrants and Class 2 Warrants breakdown will be as follow (on the basis of the information available as of today for the Company):

- Company's shareholding after the settlement and delivery of the Share Capital Increase:

	Number of shares	% of share capital	Number of theoretical voting rights ⁽¹⁾	% of theoretical voting rights ⁽¹⁾	Number of exercisable rights	% of exercisable rights
Horizon	10,593,751	35.16 %	10,593,751	35.16 %	10,593,751	35.61 %
HG Vora Capital	3,287,384	10.91 %	3,287,384	10.91 %	3,287,384	11.05 %
Bpifrance	1,552,188	5.15 %	1,552,188	5.15 %	1,552,188	5.22 %
Covéa Finance ⁽²⁾	876,240	2.91%	876,240	2.91%	876,240	2.95 %

⁶ During the subscription period, HG Vora Capital acquired on the market 10,000 additional Rights (in addition to the 1,340,000 Rights it initially held).

IDG Capital Partners	443,491	1.47 %	443,491	1.47 %	443,491	1.49 %
Public	12,993,656	43.13 %	12,993,656	43.13 %	12,993,656	43.68 %
Treasury	382,342	1.27 %	382,342	1.27 %	0	0.00 %
TOTAL	30,129,052	100.00 %	30,129,052	100.00 %	29,746,710	100.00 %

- (1) Theoretical voting rights and percentages calculated in accordance with the provisions of article 223-11, paragraph 2 of the General Regulations of the *Autorité des marchés financiers*.
- (2) Covéa Finance informed the Company that it subscribed 511,133 New Shares on a non-reducible basis (and that it decided to transfer to Horizon, at the time of the settlement and delivery of the Share Capital Increase, all of the 1,022,266 Warrants attached to these New Shares).

- Breakdown of the Warrants after the settlement and delivery of the Share Capital Increase⁷:

	Number of Class 1 Warrants	% of Class 1 Warrants	Number of Class 2 Warrants	% of Class 2 Warrants	Total number of Warrants	% of total number of Warrants
Horizon ⁽¹⁾⁽²⁾	11,237,689	63.94 %	11,237,689	63.94 %	22,475,378	63.94 %
Bpifrance ⁽³⁾	1,506,449	8.57 %	1,506,449	8.57 %	3,012,898	8.57 %
Public	4,831,140	27.49 %	4,831,140	27.49 %	9,662,280	27.49 %
TOTAL	17,575,278	100.00 %	17,575,278	100.00 %	35,150,556	100 %

- (1) Taking into account a minimum of 2,831,556 Class 1 Warrants and of 2,831,556 Class 2 Warrants to be transferred to Horizon, at the time of the settlement of the Share Capital Increase, by HG Vora Capital, IDG Capital Partners and Covéa Finance.
- (2) Without taking into account the 753,224 Class 1 Warrants and the 753,224 Class 2 Warrants which Bpifrance has committed to transfer to Horizon during the liquidity period from December 16, 2015 to January 4, 2016 (inclusive), and without taking into account (i) the final results of the sales of Warrants attached to New Shares subscribed on a reducible basis which will be subsequently disclosed, and (ii) the Warrants which could, as the case may be, be transferred to Horizon by other holders of Warrants during the liquidity period from December 16, 2015 to January 4, 2016 (inclusive), at the price of €0.48 per Warrant. It should be noted that Horizon committed to sell to Managers up to 20 % of all the Warrants that it will hold upon completion of the transaction (taking into account the potential transfer of Warrants to Horizon by other holders of Warrants during the liquidity period from December 16, 2015 to January 4, 2016 (inclusive)).
- (3) Without taking into account the 753,224 Class 1 Warrants and the 753,224 Class 2 Warrants which Bpifrance has committed to transfer to Horizon during the liquidity period from December 16, 2015 to January 4, 2016 (inclusive).

The settlement and delivery as well as the admission to listing and trading on the regulated market of Euronext in Paris of the New Shares issued as a result of the Share Capital Increase, are expected to occur on December 15, 2015. The New Shares will be immediately fungible with the existing shares of the Company and will be traded on the same trading line as the existing shares of the Company under ISIN code FR0004038263.

The settlement and delivery of the Warrants is also expected to occur on December 15, 2015, as well as the transfers of the Warrants pursuant to the sale commitments undertaken by the subscribers of Offered Securities during the subscription period of the Share Capital Increase.

Lastly, regarding the Warrants, it should be noted that:

- The Warrants will be non-transferrable and therefore non-tradable for a five-year period from the day after the issue date, *i.e.* from December 16, 2015 to December 15, 2020 (inclusive), subject to the exceptions provided for in the Prospectus relating to the Share Capital Increase, including notably the right of any holder of Warrants to transfer (1) to Horizon any unit of Warrants composed of an equal number of Class 1 Warrants and Class 2 Warrants (at a price of €0.48 per Warrant) during the period of 20 calendar days from December 16, 2015 to January 4, 2016 (inclusive) and (2) part or all of its Class 1 Warrants and/or Class 2 Warrants to employees, officers or directors of the Company and/or of its current or future subsidiaries (the “**Managers**”) following the publication by the Company of a reference value of the Class 1 Warrants and of the Class 2 Warrants during the 10 calendar days after the

⁷ Calculated on the basis of the Warrants attached to the New Shares subscribed on a non-reducible basis.

Parrot

publication by the Company of its press release relating to its annual or half-year financial results, as the case may be; such sales must occur, under certain conditions, within 60 calendar days after the publication of these reference values, and in any event no later than December 15, 2020 (as the matter of fact, the Warrants become transferable and exercisable as from December 16, 2020).

- As from December 16, 2020 and until December 15, 2022 (inclusive): (1) the Warrants holders will be entitled to obtain new shares of the Company by exercising such Warrants; 24 Class 1 Warrants carry the right to subscribe for 2 new shares, at a price of €32.66 per share, and 28 Class 2 Warrants carry the right to subscribe for 3 new shares, at a price of €42.34 per share; Warrants not exercised during this period will become void and will lose all value; and (2) the Class 1 Warrants and the Class 2 Warrants will be listed separately from the Company's ordinary shares, namely on a separate trading line under the ISIN code FR0013054269 for the Class 1 Warrants and on another trading line under the ISIN code FR0013054335 for the Class 2 Warrants.
- The Company's shares resulting from the exercise of the Warrants will be ordinary shares of the same class as the existing shares of the Company. They will carry the same rights, including, with effect from their issue, to all distributions decided by the Company as from that date. These shares will be subject to periodical requests for admission to trading on the regulated market of Euronext in Paris on the same trading line as the existing shares of the Company and under the same ISIN code FR0004038263.

Information available to public

The prospectus relating to the Share Capital Increase filed with the *Autorité des marchés financiers* (the "AMF") under visa number 15-590 dated November 19, 2015 (the "Prospectus"), consists of (i) Parrot's reference document filed with the AMF on April 30, 2015 under number D.15-0468 (the "Registration Document"), (ii) Parrot's update of the Registration Document filed with the AMF on November 13, 2015 under number D.15-0468-A01 (the "Update"), (iii) a securities note (the "Securities Note") and, (iv) a summary of the Prospectus (included in the Securities Note).

Copies of the Prospectus may be obtained free of charge at the registered office of Parrot, 174-178 quai de Jemmapes – 75010 Paris, on the Company's corporate website (www.parrotcorp.com), on the AMF's website (www.amf-france.org) and from Natixis, 47 quai d'Austerlitz, 75013 Paris and BNP Paribas, 16, boulevard des Italiens, 75009 Paris.

Before making any investment decision, investors are invited to carefully review the risk factors described in Section IV (*Risk factors*) of the Reference Document, Section III (*Risk factors*) of the Update and Section II (*Risk factors*) of the securities note. The occurrence of any or all of these risks may have an adverse effect on the business, position or financial results of the Group or on its ability to meet its objectives, as well as on the value or market price of the Company's shares or other securities. In addition, other risks not yet identified, or not currently considered as material by the Group, could have the same adverse effect.

ABOUT PARROT

Founded in 1994 by Henri Seydoux, Parrot creates, develops and markets advanced technology wireless products for consumers and professionals. The company builds on a common technological expertise to innovate and develop in three primary markets:

- Civil drones: With leisure quadricopters and solutions for professional use.
- Automotive: With the most extensive range of hands-free communication and infotainment systems for vehicles on the markets.
- Connected objects: With a focus in audio and gardening.

Headquartered in Paris, Parrot currently employs more than 900 people worldwide and generates the majority of its sales overseas. Parrot has been listed on Euronext Paris since 2006. (FR0004038263 – PARRO). For more information, please visit www.parrot.com

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This press release and the information contained herein do not constitute either an offer to sell or purchase or the solicitation of an offer to sell or purchase the Company's Offered Securities, New Shares, Warrants or existing shares.

European Economic Area

The offer was opened to the public in France exclusively.

*With respect to each Member State of the European Economic Area other than France which has implemented the Prospectus Directive other than France (the "**Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of Offered Securities, New Shares or Warrants requiring a publication of a prospectus in any Member State. As a result, Offered Securities, New Shares or Warrants mentioned in the press release may only be offered in Member States:*

- to legal entities which are qualified investors, as defined by the Prospectus Directive; or*
- in any other circumstances falling within Article 3(2) of the Prospectus Directive.*

*For the purposes of this paragraph, (i) the expression an "**offer to the public of Offered Securities, New Shares or Warrants**" in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offered Securities, New Shares or Warrants to be offered so as to enable an investor to decide to purchase, or subscribe for any Offered Securities, New Shares or Warrants, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, (ii) the expression "**Prospectus Directive**" means Directive 2003/71/EC of 4 November 2003, to the extent implemented in the Member State, as amended, including by the Amending Prospectus Directive, and includes any relevant implementing measure in each Member State and (iii) the expression "**Amending Prospectus Directive**" means Directive 2010/73/EU of 24 November 2010.*

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United Kingdom

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United States of America

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