

2021 THIRD-QUARTER BUSINESS

For the third quarter of 2021, the Parrot group achieved consolidated revenue of €14.5m and €11.6m on the basis of the current consolidation scope, i.e. excluding the revenues of the subsidiaries sold in January and October 2021, respectively MicaSense (sensors) and senseFly (fixed-wing drones). These disposals generated cash for Parrot of approximately €37m, including €25m received to date, and approximately €12m to be received by the end of 2023 and a decrease in cash consumption: the operating expenses of the divested subsidiaries totalled €6.2m for the 2020 financial year. On the basis of this new scope, the Parrot Group achieved a turnover of €31.2m over 9 months 2021, up by 10%.

Parrot has thus completed its reorganisation in the commercial drone market segments that the Group considers most promising: advanced quadcopter drones and high-precision imaging software. These complementary technologies, together with the development of a global ecosystem of drone software providers, through the SDK partnership program, enable Parrot to offer comprehensive commercial solutions, with high standards of security and privacy, that meet their needs for operational efficiency.

Concerning the Group's activity (activities retained) for the third quarter of 2021:

The revenues for micro-drones at €5.8m is up +35.0% at current exchange rates. In anticipation of end-of-year commercial operations, Parrot has commenced the sale of all its consumer products still in stock, amounting to €5.0m. During this period, Parrot also finalised production of the orders for ANAFI USA, including the first order under the framework contract signed with the French Defence Procurement Agency (DGA) for 150 systems. These will nourish growth in the fourth quarter of 2021.

ANAFI Ai, presented at the end of June, is in the pre-production phase for launch in the first quarter of 2022. Production supplies have been secured and the "Early Access" programme was initiated in late September. It allows professionals in the inspection, construction, infrastructure, utilities, energy, public safety, surveying, agriculture and defence sectors to evaluate the new features and use cases offered by ANAFI Ai. These include, for example, urban building inspection missions with robust 4G connectivity, mapping long-distance power lines to 48 MP at 1fps. This enables 3D models of a building to be generated by simply clicking on its map location with the FreeFlight 7 application as well as accurate flight plans to be created in complex environments with a unique obstacle avoidance system, and benefits from Integrated Secure Element to protect sensitive data or develop flight missions with AirSDK and contributes to Parrot's open-source piloting application.

Pix4D's imaging and data analysis software generated revenues of €5.8m, up 1% year on year at current exchange rates. Pix4D has continued to expand its professional solutions, and is the first in the industry to offer LiDAR and photogrammetric data combined. Sales of these new solutions (Pix4Dreact, Pix4Dfields, Pix4Dsurvey, Pix4Dmatic) and scalable platforms (Pix4Dengine, Pix4Dcloud, etc.), which facilitate the integration of its technologies within companies and large groups, continued to accelerate in the third quarter.

In the field of data measurement and analysis, Pix4D continues to diversify its use cases and respond to increasingly varied operations such as: measuring asphalt stocks over a surface of 41,000 m² in Australia, the follow-up of a reforestation operation of 3 million trees planted in Malawi, the planning of the relocation of indigenous populations threatened by the rise of water on 150 ha in Panama, the mapping of 2 km of new bicycle routes in Italy, the follow-up to the construction of the largest solar farm in the world, covering 8 square kilometres in the United Arab Emirates and with more than 3.2 million panels, the monitoring of sunflower and maize harvests over 50 ha in Ukraine. In July 2021 Pix4D also signed an exclusive resale distribution partnership with Beijing Skymap Technology Co., Ltd. for mainland China.

GROUP PARROT REVENUE

In €M and % of Turnover	Q3 2020		Q3 2021		Var.	Eg. 2020	
Micro-drones (Parrot Drones)	4.3	30%	5.8	40%	+37%	18.7	33%
<i>of consumer products⁽¹⁾</i>	<i>1.1</i>	<i>8%</i>	<i>5.0</i>	<i>35%</i>	<i>+356%</i>	<i>7.3</i>	<i>13%</i>
Data Analysis Software (Pix4D)	5.8	40%	5.8	40%	+1%	23.3	41%
Parrot SA	0.1	0%	0.1	1%	NS	0.3	NS
Intercompany Disposals	-0.2	-	-0.2	-	NS	-1.1	NS
TOTAL PARROT GROUP COMPARABLE ⁽²⁾	10.0		11.5		+16%	52.0	-
MicaSense ⁽³⁾	1.2	9%	0	-	NS	5.3	9%
Fixed Wing Drones (senseFly) ⁽⁴⁾	3.1	22%	2.9	-5%	NS	10.8	19%
TOTAL PARROT GROUP PUBLISHED ⁽⁵⁾	14.3	100%	14.5	100%	+1%	57.3	100%

(1) Consumer products: consumer drones all ranges, historical automotive products (car kit, plug & play) and connected objects.

(2) Total Groupe Parrot Comparable excludes the turnover of MicaSense and senseFly, subsidiaries transferred in 2020 (cf. (3) and (4))

(3) Following the sale of Micasense on 27 January 2021, the related revenue is no longer consolidated as of Q1 2021.

(4) Following the sale of SenseFly on 19 October 2021, revenue is no longer consolidated as of Q4 2021.

(5) Total Published Parrot Group is the consolidated turnover for the period as published.

SenseFly sold on 19 October 2021

The sale of the subsidiary senseFly, comprising senseFly SA, based in Switzerland, and senseFly Inc. based in the United States, to AgEagle Aerial Systems Inc. (American NYSE: UAVS) was finalised on 19 October 2021.

A first payment of approximately US\$12.3m was received against this cash and stock transaction valued at US\$23m. A second cash payment of \$1.5m is expected within 90 days of closing and the equivalent of \$3m in AgEagle Systems shares, listed on the American NYSE. In accordance with the terms and conditions of the sale, an additional payment of \$2.5m is expected at the end of 2022 and the remaining \$2.5m at the end of 2023. The sale also includes an agreement to facilitate SenseFly's transition to technological independence.

Parrot will now focus its expertise and resources on growing its business in the field of professional quadcopter drones and aerial data analysis software. This transaction frees up additional cash and reduces operating expenses to support Parrot's growth and position in the drone industry. Thanks to the extensive capabilities of ANAFI professional drones and the Pix4D software suites, Parrot continues to target its main market segments: 3D mapping, geomatics and inspection, defence and security, and agriculture.

Co-optation of Amira Haberah as a director of Parrot

Following the resignation this summer of Marie Ekeland, Parrot's independent director, at its meeting on November 17, 2021, the Board of Directors approved the co-optation of Amira Haberah as a director of Parrot. Her appointment will be submitted to the General Assembly for decision on the 2021 accounts, likely in June 2022.

Amira Habera, 33 years old, joins the Parrot Board of Directors as an independent director. She has a degree in Entrepreneurship from HEC Paris and has helped develop the brand and sales of Withings, first as an E-commerce product manager and then as Head of Direct Sales and Digital Marketing. She has acquired her expertise in sales and marketing strategy, which she will be able to use for the benefit of Parrot. In 2017 she co-founded ZOOV where she is Chief Marketing and Sales officer in charge of the development, marketing, finance and operations of this fast-growing start-up in the field of urban mobility. She is faced with the daily challenges of developing new technologies from the point of view of business strategy, operational efficiency and the management of the business model; experience that will enrich the Parrot Board of Directors.

To date, the Parrot Board of Directors, of which Henri Seydoux is President, now has 9 members, including 6 independent members and 4 women, all independent directors.

Outlook 2021

The strategy applied by the Group since 2018, based on a technological value creation roadmap for commercial markets is delivering a range of benefits. As expected, the scope effects linked to the change in the product portfolio are expected to continue to become less marked in 2021. The Group, which has secured the vast majority of its purchases in 2021, is maintaining its vigilance concerning the tensions in the component market and developments with the health context. Parrot continues to capitalise on its capacity for innovation, its product quality and its constant focus on managing its operation and allocating its resources effectively. In line with the 2021 business development plan, including the product launches, production plans and order book, growth could accelerate over the second half of 2021, driven by deliveries in the Defence and Security sector in particular.

Recap on MicaSense's sale

On January 27, 2021, Parrot sold its entire capital interest in MicaSense Inc., representing ninety-nine percent, to AgEagle Aerial Systems Inc., based on an enterprise value of \$22.75m for 100% of the capital. The cash payment is based on several instalments: \$14.3m have been paid since January, then \$2.35m will be paid at end-March 2022 and \$2.5m at end-March 2023, subject to the standard guarantees granted to the buyer. This operation also includes a component paid in AgEagle Aerial Systems shares, listed on the American NYSE, for an equivalent of \$3m on the date when the shares were awarded. Within this framework, 535,124 new AgEagle Aerial Systems shares were awarded to Parrot on April 27, 2021. The Company sold these shares on the American NYSE market for a gross amount of €2.5m paid in July 2021. The transfer value including transaction costs and due debt discounting amounts to €15.75m.

Financial Agenda 2022

Annual results 2021: Thursday March 16, 2022

Activity for the first quarter of 2021: May 11, 2022

Results of the first half of 2022: July 28, 2022

Activity for the third quarter of 2022: November 17, 2022

ABOUT PARROT

Founded in 1994 by Henri Seydoux, Parrot is today the top European drone manufacturer in this rapidly expanding market. Parrot is a visionary at the forefront of innovation and operates throughout the value chain: from equipment to services to software. Its micro-drones, known for their performance and robustness, cater for both professional and consumer users. The Group also supplies state-of-the-art solutions (drones, sensors, software) for professionals, companies, large accounts and governments. Its offer is mainly centred on three vertical markets: (i) 3D mapping, Geomatics and Inspection, (ii) Defence and security, and Agriculture.

The Parrot Group designs and develops its products in Europe, mainly in Paris where its headquarters are located and in Switzerland. Today, it has more than 500 employees worldwide and carries out the vast majority of its sales internationally. Parrot has been listed on Euronext Paris since 2006 (FR0004038263 - PARRO). For more information: www.parrot.com, www.pix4d.com, www.sensefly.com

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