

Parrot further expands its civil drone business

- Over 1.5 million retail drones¹ sold worldwide
- Airinov and EOS innovation will be joining the Parrot Group

Since the AR.Drone in 2010, the recreational drones developed by Parrot have continued to open up new possibilities and enjoy great success with consumers.

A true pioneer on this market, Parrot has always sought to design lightweight drones (under 500 gr) that are easy to pilot with a smartphone or tablet, are packed with technology, offer integrated sensors initially used on larger drones, and are affordable.

With the AR.Drone², which is still one of the brand's bestsellers, as well as the Minidrones, the new generation of connected toy robots released in 2014, and the all-new Bebop drone with digitally stabilized 3-axis full HD camera, **Parrot has sold over 1.5 million drones worldwide.**

For the past three years, Parrot has been moving forward with its external growth policy, acquiring interests in firms on the **commercial civil drone market**. Its acquisitions include senseFly, a Swiss company that designs ultralight, autonomous flying wings for mapping.

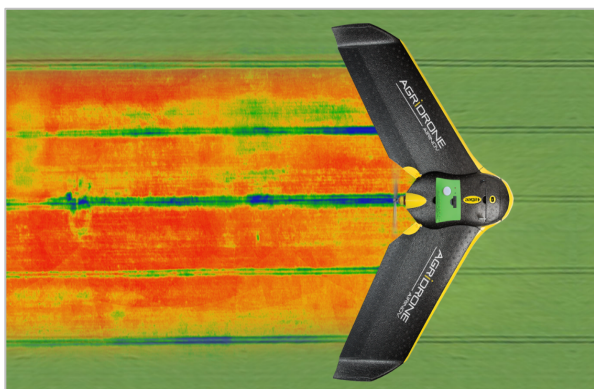
Parrot is continuing to roll out its strategy to identify outstanding opportunities in the commercial drone sector and is building up a range of advanced expertise, focused on meeting the needs of its three priority markets (precision farming, 3D mapping and surveillance).

This year, two innovative firms are joining the Parrot Group.

Airinov: precision farming drone pioneer and market leader



After acquiring an initial 21.1% stake at the end of 2013, the Parrot Group is ramping up its interest in Airinov to 53.1%³, reflecting the relevance of this cooperation.



Airinov, founded in 2010 by two engineers and a farmer's son, has rapidly developed its business with dedicated drones for precision farming, one of the three target markets for Parrot's commercial drone branch. The company has developed a sensor and a set of data processing algorithms enabling it to obtain groundbreaking agronomic indicators providing farmers with valuable data on their crops' needs and health, enabling them to improve their harvests' quality and yields. Since it launched, Airinov has met the needs of over 5,000 farmers.

Since 2014, the Airinov sensor has been incorporated into the eBee drone from senseFly, Parrot's other commercial drone subsidiary. Airinov has also built up a growing network of operators ("agri-droners") who, equipped with an eBee AG able to cover 3 ha per minute of flight time, are able to benefit upstream from Airinov's expertise to easily complete the

¹ AR.Drone, AR.Drone 2.0, Bebop, Minidrones

² AR.Drone and AR.Drone 2.0

³ LOI signed on May 29, 2015 with a view to finalizing the operation by July 31, 2015.

preliminary steps before making flights over farms (2,000 flights registered with the French civil aviation authority (DGAC) in December 2014) and downstream from its proprietary SaaS platform for analyzing the data collected. The Airinov sensor is also being integrated into all types of drones and in particular the company is looking to develop its expertise in terms of services for farmers and processing the data collected.

The “agridrone” makes it possible to observe a range of agronomic indicators for plots to the nearest centimeter without having to take destructive samples. The sensor records the light reflected by the plant cover in four different bands, defined with the EMMAH joint research unit, part of the Avignon branch of France’s national institute for agricultural research (INRA), making it possible to access groundbreaking agronomic data on wheat, barley, rapeseed and corn, such as biomass, leaf-area index (LAI) or chlorophyll rates (CAB). The data analysis makes it possible to accurately evaluate the levels of fertilization, flowering, humidity, weather damage, etc. The data sent to the farmers enables them to automatically and accurately adjust their fertilizer requirements in their fields during the different growth phases for their crops.

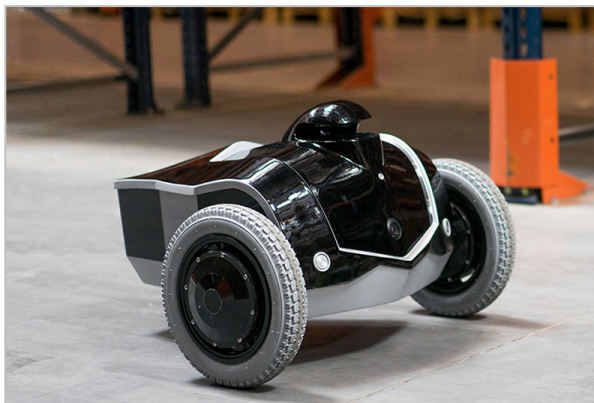
Airinov generated 1.4 million euros of revenues in 2014, completing flights over more than 20,000 hectares during the 2013-2014 season. Following the operation, Parrot will have a 53.13% stake in Airinov, investing 6.1 million euros as part of a capital increase to finance its development and 1.4 million euros to buy out its historical minority shareholders. The management team and founders will hold the remaining 46.87%. The agreement is combined with reciprocal put and call options that may be exercised in 2019 based on the revenues and earnings achieved by Airinov in 2017 and 2018. The company is based in Paris and also has a test farm in southwest France, where its future projects are assessed. The company is targeting strong international development, thanks to these additional funds.



EOS Innovation: mobile surveillance robotics

After acquiring an initial 33.4% stake at the end of 2013, Parrot plans to increase its interest by investing in a 2 million euro convertible bond issue. Parrot is also acquiring for an additional 290,000 all the shares held by Scientipôle, an investment fund financing innovative start-ups in the Paris area. Once the bonds have been converted into EOS Innovation shares in 2019, Parrot will hold 68% of EOS Innovation’s capital⁴. The agreement is combined with reciprocal put and call options that may be exercised in 2019 based on the revenues and earnings achieved by EOS Innovation in 2018.

Founded in 2010, EOS Innovation has developed “e-vigilante”, a mobile surveillance robot designed to carry out automated patrol rounds in warehouses and sensitive sites with a view to reducing security costs and risks, while optimizing surveillance.



e-vigilante moves about and positions itself within its environment independently.

Thanks to its multiple on-board sensors (*day/night camera, thermal camera, long-range detection sensor, LiDAR*), e-vigilante constantly analyzes its environment to provide instant reports on any incidents encountered, such as intrusions, hot spot detection or displaced objects.

The remote operator can dispel any doubts remotely, activate the alarm, communicate with the person on site, follow up on incidents and check the site’s critical points.

It was released in 2014, aimed in particular at major logistics and distribution firms.

EOS Innovation’s new resources will be focusing in priority on e-vigilante’s international distribution. The Parrot Group and EOS Innovation will also be working together to develop complete, ultra-modern surveillance solutions.

⁴ LOI signed on May 19, 2015 with a view to finalizing the operation by July 31, 2015.

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 market.
- 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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