
Parrot wraps up its strategic and capital partnership between Faurecia and its subsidiary Parrot Automotive

Following the exclusive talks announced by Parrot on December 6, 2016 for a proposed partnership between its subsidiary Parrot Automotive SAS⁽¹⁾ and Faurecia, and after approval by the works council of the entity and approval from the regulators concerning the concentration of economic interests, the definitive documentation, setting out the conditions for Faurecia's investment and relations between the parties, was signed on March 24, 2017.

This partnership, built up around Parrot Automotive SAS (and its subsidiaries Parrot Automotive Asia Pacific and Parrot Automotive Shenzhen), will further strengthen the development potential of this longstanding business for Parrot. It will help drive the commercial deployment of connectivity and infotainment solutions for automotive applications worldwide by bringing together Parrot's expertise, software developments, technologies and patents with Faurecia's strong commercial positions, building on its foundation working alongside global auto manufacturers.

Under this partnership, Faurecia will initially acquire a 20% interest in Parrot Automotive SAS through a reserved capital increase for 27.3 million euros. The price for the new shares has been set based on an enterprise value of 100 million euros for Parrot Automotive. The funds from the capital increase will be deployed for Parrot Automotive's business, notably focusing on further strengthening its R&D and its commercial operations through joint strategic projects.

Alongside this, for a total of 41 million euros, Faurecia will subscribe to bonds to be converted into existing Parrot Automotive shares issued by Parrot SA. These bonds, accruing interest with a margin of 200 basis points over the 3-month Euribor rate, will mature on December 31, 2021 and will be convertible from January 1, 2019. The conversion of these bonds would result in Faurecia holding 50.01% of Parrot Automotive SAS' capital. The funds from the bond issue will be available for Parrot's general needs.

In addition, Faurecia and Parrot SA are covered by call and put options that may be exercised in 2022 allowing Faurecia to acquire or Parrot to sell the remaining Parrot Automotive SAS shares still held by Parrot SA. The exercise price for these options would be fixed based on an enterprise value set on the basis of parameters consistent with those used for this initial investment.

Parrot Automotive SAS' capital increase will be carried out and the bonds will be issued between now and March 31, 2017 after satisfying the companies' legal formalities. For the year ended December 31, 2016, the OEM Automotive business (Parrot Automotive SAS and its subsidiaries) is presented as held for sale (IFRS 5), and it will be consolidated on an equity basis once the partnership is fully concluded. The significant positive impact on the Group's 2016 net result is currently being quantified.

(1) The OEM Automotive business, which generated 68.1 million euros of revenues in 2016, representing 29% of the Group's revenues and a growth margin of 37.3 million euros. The Retail Automotive business (35.3 million euros of revenues in 2016) is not concerned by this partnership.

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 recreational drones 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 on audio and gardening.

Headquartered in Paris, Parrot currently employs more than 1.000 people worldwide and generates the majority of its sales overseas. Parrot has been listed on Euronext Paris since 2006. (FR0004038263 – PARRO)

For more information: www.parrot.com

CONTACTS

Investors, analysts, financial media

Marie Calleux - T.: +33(0) 1 48 03 60 60
parrot@calyptus.net

Tech and consumer media

Vanessa Loury - T.: +33(0) 1 48 03 60 60
vanessa.loury@parrot.com