

# Parrot<sup>®</sup>

PRESS RELEASE  
Paris, January 29, 2019, 8am CET

---

## **Horizon's proposed public tender offer for Parrot securities: Board of Directors' reasoned opinion Estimated revenues and earnings for 2018**

---

- **Board of Directors' reasoned opinion concerning Horizon's proposed public tender offer for Parrot securities**
- **Estimated revenues and earnings for 2018**

### **Board of Directors' reasoned opinion concerning Horizon's proposed public tender offer for Parrot securities**

Following the signing of an agreement for the acquisition of Parrot shares by Horizon ("**Horizon**" or the "**Offeror**"), a company controlled by Henri Seydoux, the founder, Chairman and Chief Executive Officer of Parrot ("**Parrot**"), concerning a block representing 9.59% of the Company's capital at a price per share of 3.20 euros, Horizon announced, on November 27, 2018, its intention to register, as quickly as possible, a proposed public tender offer with the French financial markets authority (the "**AMF**") for Parrot's shares at the same price of 3.20 euros per share, as well as an offer for the warrants issued by the Company (the "**Warrants**") at a price that is representative of the price offered for the shares (the "**Offer**").

The members of Parrot's Board of Directors met on January 28, 2019 to review the proposed Offer and issue a reasoned opinion on the Offer's interest for Parrot, its shareholders and its employees, in accordance with Article 231-19 of the AMF's general regulations.

The work carried out by Finexsi, represented by Mr Olivier Péronnet, appointed as an independent expert by Parrot to prepare a report on the Offer's financial conditions (the "**Independent Expert**"), was supervised by an ad hoc Committee comprising Mr Stéphane Marie (Chairman), Mrs Marie Ekeland, Mrs Agnès Bureau-Mirat and Mr Geoffroy Roux de Bézieux, all independent members of Parrot's Board of Directors.

Parrot's works council issued a positive opinion on the Offer on December 20, 2018.

Based notably on the ad hoc Committee's recommendation, the Independent Expert's findings and the opinion of Parrot's works council, Parrot's Board of Directors considered that the proposed Offer is in line with the interests of Parrot, its shareholders and its employees, and decided to issue a favorable opinion concerning the proposed Offer. Taking into account the opportunity that it represents and the fair nature of the Offer's proposed prices (i.e. 3.20 euros per Parrot share, 0.01 euros per Class 1 warrant and 0.01 euros per Class 2 warrant), the Board of Directors recommended that the shareholders and warrant holders tender their securities for the Offer.

Rothschild Martin Maurel, in its capacity as the Offer's presenting bank, will, in accordance with Article 231-13 of the AMF's general regulations, register the Offeror's Offer and the draft offer document with the AMF on January 29, 2019.

*Not for distribution in the United States, Canada, Japan, Australia, South Africa or Italy.  
This press release does not constitute an offer to acquire securities.*

The Offer's terms and conditions will be presented in detail in the Offeror's draft offer document, which will be published online on the internet sites of Parrot ([www.parrot.com](http://www.parrot.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)), and which will be available at no cost from the Offeror (65, avenue Marceau, 75116 Paris, France) and Rothschild Martin Maurel (29 avenue de Messine, 75008 Paris, France).

Parrot's draft response document, which will include the Independent Expert's report, the Board of Directors' deliberations for the reasoned opinion concerning the Offer, and the opinion of Parrot's works council from December 20, 2018, will also be filed with the AMF on January 29, 2019, in accordance with Article 231-26 of the AMF's general regulations.

The draft response document will be available on the internet sites of Parrot (<http://corporate.parrot.com>) and the AMF (<http://www.amf-france.org>), and will be available at no cost from Parrot (174-178, quai de Jemmapes 75010 Paris, France).

### **Estimated consolidated revenues and earnings for 2018 (definitive earnings on March 15, 2019)**

**The financial data presented below have been prepared in connection with the Offer, represent the Group's best estimates to date and have not been reviewed or audited by Parrot's statutory auditors.**

**The full-year earnings for 2018 that have been audited and approved by Parrot's Board of Directors will be published on March 15, 2019 before the markets open.**

Parrot's estimated revenues for the fourth quarter of 2018 represent 31 million euros, compared with a target of 35 million euros, against a backdrop of a marked contraction on the consumer drone market.

This would give full-year revenues of 109 million euros, down 28% from 2017. Revenues from consumer drones are down by around 32% to 53 million euros. Revenues from commercial equipment, software and services represent around 44 million euros, up 5% from 2017.

The gross margin for 2018 is approximately 33%, compared with 34% for 2017, below the stability target; it takes into account the consumer market's current weakness and masks the good margins achieved by the commercial activities and subsidiaries.

Current operating expenditure for the year represents around

*Not for distribution in the United States, Canada, Japan, Australia, South Africa or Italy.  
This press release does not constitute an offer to acquire securities.*

## Outlook

The restructuring of Parrot Drone, announced on November 23, 2018, is continuing to move forward, and around 15 million euros, including around 10 million euros recorded in the 2018 accounts, are expected to be required in order to optimize operations around an offering with increased gateways between consumer and commercial uses, with substantial savings achieved from 2019. Alongside this, the Company is moving forward with its development in the Defense and Security sector and looking into potential partnerships in this area.

In 2019, the strategy aims to make it possible to:

- Adapt Parrot Drone's resources to a contraction in business, in a consumer market that is expected to be flat, with commercial uses, which are still being held back by the regulatory environment, to slowly ramp up. The actions that are expected to lead to a significant contraction in revenues are however expected to reduce the annual loss to a sustainable level to continue responding to the drone market's long-term potential.
- Further strengthen growth for the commercial drone companies, consolidated by their solid offers in a still buoyant market, within which the development of drone technologies for business clients and key accounts is being restricted less by the regulatory framework. Most of them are expected to be close to breaking even by the end of the year.

Based on these elements, Parrot is expected to have around 100 million euros of cash and an outstanding portfolio of companies and interests at the end of 2019.

## Disclaimer:

*This press release does not constitute an offer to acquire securities. The Offer will be carried out exclusively in accordance with the offer documentation, which will contain the Offer's full terms and conditions. The Offer documentation will be submitted for review by the AMF and the Offer will only be opened after the AMF's compliance decision. All decisions relating to the Offer must be based exclusively on the information contained in the Offer documentation.*

*This press release has been prepared solely for information purposes. The distribution of this press release, the Offer and its acceptance may be subject to specific regulations or restrictions in certain countries. The Offer is not intended for any persons subject to such restrictions, either directly or indirectly, and is not likely to be accepted from any country where the Offer may be subject to such restrictions. As such, the persons in possession of this press release must seek advice concerning any local restrictions that may apply and comply with them.*

*Parrot accepts no responsibility for any breach of these restrictions by any person whatsoever.*

## 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 the only group to be positioned across the entire value chain, from equipment to services and software.

- Parrot, the world's number 2 of the consumer drone market, designs drones known for their high performance and ease of use.
- Parrot has a portfolio of outstanding companies and interests in commercial drones, covering equipment, software and services. Its expert capabilities are focused primarily on three vertical markets: (i) Agriculture, (ii) 3D Mapping, Surveying and Inspection, and (iii) Defense and Security.

The Parrot Group designs and engineers its products in Europe, mainly in France and Switzerland. It currently employs over 500 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](http://www.parrot.com)

## CONTACTS

---

**Investors, analysts, financial media**  
Marie Calleux - T. : +33(0) 1 48 03 60 60  
[parrot@calyptus.net](mailto:parrot@calyptus.net)

**Consumer and tech media**  
Fabien Laxague - T. : +33(0) 1 48 03 60 60  
[fabien.laxague@parrot.com](mailto:fabien.laxague@parrot.com)