

*English version for information purposes only. In case of discrepancies, the French version shall prevail.*

*This release does not constitute an offer to purchase or a solicitation of any kind in the United States of America or in any other country. The Offer described hereafter, the draft response document and the draft offer document remain subject to approval by the French financial markets authority (Autorité des marchés financiers, AMF).*

**PRESS RELEASE RELATING TO THE FILING OF THE DRAFT OFFER DOCUMENT  
IN RESPONSE TO THE CASH TENDER OFFER CONCERNING THE COMPANY'S  
SHARES AND WARRANTS**

# Parrot®

**INITIATED BY THE COMPANY**

## HORIZON



This press release has been prepared and distributed by Parrot in accordance with the terms of Article 231-26 of the general regulations of the French financial markets authority (“AMF”).

**THE PROPOSED OFFER, THE DRAFT OFFER DOCUMENT AND THE DRAFT  
RESPONSE DOCUMENT REMAIN SUBJECT TO APPROVAL BY THE AMF**

The draft response offer document is available on the websites of Parrot ([www.corporate.parrot.com](http://www.corporate.parrot.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)), and is available to the public at no cost from Parrot’s registered office:

**Parrot**  
174-178, quai de Jemmapes  
75010 Paris, France

In accordance with Article 231-28 of the AMF’s general regulations, the information relating notably to Parrot’s legal, financial and accounting characteristics will be filed with the AMF and made available to the public by the latest on the day before the opening of the cash tender offer.

A press release will be published by the latest on the day before the public tender offer opens to inform the public of the conditions for access to these documents.

## 1. REMINDER OF THE OFFER'S MAIN TERMS AND CONDITIONS

### 1.1 Presentation of the Offer

In accordance with Title III of Book II, and more specifically Articles 232-1 *et seq* of the AMF's general regulations, Horizon, a simplified joint-stock company (SAS) with a capital of 298,362,800 euros, with its registered office at 65, avenue Marceau, 75116 Paris, France, registered in the Paris trade and companies register under number 794 168 179 ("**Horizon**" or the "**Offeror**") has made an irrevocable offer to the shareholders of Parrot, a limited company (*société anonyme*) with a board of directors, with a capital of 4,599,257.54 euros, with its registered office at 174-178, quai de Jemmapes, 75010 Paris, France, registered in the Paris trade and companies register under number 394 149 496 ("**Parrot**" or the "**Company**") to acquire in cash, under the conditions presented hereafter (the "**Offer**") and in the Offeror's draft offer document filed by the Offeror with the AMF on January 29, 2019 (the "**Draft Offer Document**"), subject to the Company not paying any dividends until the settlement-delivery of the Offer (inclusive) or the Reopened Offer (inclusive):

- all of their Parrot shares (the "**Shares**") at a price of 3.20 euros per share;
- all of their Class 1 warrants (the "**Class 1 Warrants**") at a price of 0.01 euros per Class 1 Warrant<sup>1</sup>; and
- all of their Class 2 warrants (the "**Class 2 Warrants**" and, with the Class 1 Warrants, the "**Warrants**"), at a price of 0.01 euros per Class 2 Warrant<sup>2</sup>.

The Shares and the Warrants are hereafter referred to collectively as the "**Securities**".

The Shares are admitted for trading on Euronext Paris ("**Euronext**") with the ISIN FR0004038263 (ticker: PARRO). The Company will submit a request for the Class 1 Warrants and Class 2 Warrants to be admitted for trading on Euronext with ISIN FR0013054269 and ISIN FR0013054335 respectively.

The Offer concerns:

(a) all of the Shares:

- (i) which are already issued on the date of the draft response document filed by the Company on January 29, 2019 (the "**Draft Response Document**"), not yet held by the Offeror, directly or indirectly through companies that it controls, alone or in concert (excluding the 612,179 treasury Shares held by the Company that will not be tendered for the Offer)<sup>3</sup>, representing, to the best of the Company's knowledge, a maximum total of 15,775,447 Shares, representing 52.28% of the Company's share capital and 52.28% of its theoretical voting rights based on a total number of 30,174,671 Shares and 30,174,671 theoretical voting rights at December 31, 2018;

---

<sup>1</sup> The Class 1 Warrants have been valued at 0.00258 euros per Class 1 Warrant. As it is not technically possible to make a payment for less than 0.01 euros, the unit price for the Warrants has been rounded up to 0.01 euros.

<sup>2</sup> The Class 2 Warrants have been valued at 0.00258 euros per Class 2 Warrant. As it is not technically possible to make a payment for less than 0.01 euros, the unit price for the Warrants has been rounded up to 0.01 euros.

<sup>3</sup> The Offer does not concern the 612,179 treasury Shares held by the Company, which, in accordance with the decision taken by the Company's Board of Directors on January 28, 2019, will not be tendered for the Offer by the Company.

- (ii) which may be issued before the closing of the Offer or the Reopened Offer, as a result of the exercising of the Warrants issued by the Company, representing, to the best of the Company's knowledge on the date of the Draft Response Document, a maximum of 749,969 Shares; and
  - (iii) which may be issued before the closing of the Offer or the Reopened Offer, as a result of the exercising of the stock options (the "**Options**") awarded by the Company, provided that they can be exercised before the closing of the Offer or, if applicable, the Reopened Offer, representing, to the best of the Company's knowledge on the date of the Draft Response Document, a maximum of 205,105 Shares.
- (b) all the outstanding Warrants that are not held by the Offeror, directly or indirectly through companies that it controls, alone or in concert, representing 7,874,670 Warrants on the date of the Draft Response Document.

The Offer does not concern the Company free shares (*actions gratuites*) awarded between May 12, 2016 and January 28, 2019 for which the vesting period has not ended before the closing of the Offer or, if applicable, the Reopened Offer, subject to the cases for early exercising applicable under the legislation or regulations in force, representing, to the best of the Company's knowledge on the date of the Draft Response Document, 726,850 Company shares (the "**Free Shares**").

The situation of the Warrant, Option and Free Share holders is described in sections 1.2.7, 1.2.8 and 1.2.9 hereafter.

The Offer will be carried out based on the standard procedure, in accordance with the terms of Articles 232-1 *et seq* of the AMF's general regulations, and will be open for twenty-five (25) trading days.

The Offer is subject to the minimum acceptance threshold set by Article 231-9 I of the AMF's general regulations, as presented in section 1.2.4 hereafter.

In accordance with Article 231-13 of the AMF's general regulations, Rothschild Martin Maurel, acting as the presenting bank for the Offer, registered the Offeror's Offer and the Draft Offer Document with the AMF on January 29, 2019. Rothschild Martin Maurel guarantees the substance and irrevocable nature of the commitments made by the Offeror under the Offer.

The Offer's terms and conditions are presented in more detail in the Draft Offer Document, which has been published online on the AMF website ([www.amf-france.org](http://www.amf-france.org)) and is available at no cost from the registered offices of the Offeror and Rothschild Martin Maurel.

## **1.2 Offer context and key terms**

### **1.2.1 Offer context**

The Offer follows the Offeror's acquisition, on November 29, 2018, of a block of shares representing 9.59% of the Company's capital and voting rights (i.e. 2,893,294 Shares) at a price of 3.20 euros per Share from funds managed by Amiral Gestion (the "**Block Purchase**"). As a result of this acquisition, the Offeror's interest was increased to 45.69% of the Company's capital and voting rights.

Since the Offeror, which held between 30% and 50% of the Company's capital and voting rights before the Block Purchase, has increased its interest by at least 1% of the Company's capital and voting rights in a period of twelve consecutive months as a result of the Block Purchase, the Offer is mandatory

under the terms of Article L.433-3, I of the French monetary and financial code (Code monétaire et financier) and Article 234-5 of the AMF's general regulations.

On the date of the Draft Response Document, and following the Block Purchase, the Offeror holds 13,787,045 Shares representing 45.69% of the Company's capital and voting rights<sup>4</sup>, as well as 13,637,943 Class 1 Warrants and 13,637,943 Class 2 Warrants. To the best of the Company's knowledge, there are 7,874,670 Warrants not held by the Offeror and not exercised, while noting that:

- 24 Class 1 Warrants entitle holders who decide to exercise them to subscribe for two new Company Shares, subject to payment of an exercise price of 32.66 euros per Class 1 Warrant (representing a total exercise price of 65.32 euros to subscribe for two new Shares);
- 28 Class 2 Warrants entitle holders who decide to exercise them to subscribe for three new Company Shares, subject to payment of an exercise price of 42.34 euros per Class 2 Warrant (representing a total exercise price of 127.02 euros to subscribe for three new Shares).

### **1.2.2 Regulatory authorizations**

The Offer is not subject to any regulatory authorizations being obtained.

### **1.2.3 Reasons for the Offer**

The Offer is the result of the Block Purchase. Since the Offeror, which held between 30% and 50% of the Company's capital and voting rights before the Block Purchase, has increased its interest by at least 1% of the Company's capital and voting rights in less than twelve consecutive months as a result of the Block Purchase, it is required to submit the present Offer, which is compulsory in accordance with Article L. 433-3, I of the French monetary and financial code and Article 234-5 of the AMF's general regulations.

The Offer is in line with the continued commitment of the Company's founder, through the Offeror, in which he is the majority shareholder, and his commitment to ensuring the Parrot group's strong presence in France, independence and sustainability.

With regard to its intentions for the coming twelve months, the Offeror notably indicated in its Draft Offer Document:

- that it already has control of the Company, it does not intend to modify, as a result of the Offer, the industrial and financial policy or the main strategies implemented by the Company, outside the ordinary course of business;
- that it intends to continue with the drone business and maintain the scope for the group's consolidated companies;
- that the Offer was based on a rationale to continue with the Company's activity and long-term development, and that no specific impacts are expected as a result of the Offer concerning the policy applied by the Company in terms of its workforce, compensation policy and human resources management;
- that it does not intend to modify, as a result of the Offer, the composition of the Company's Board of Directors or management team outside the ordinary course of business;

---

<sup>4</sup> Based on a capital comprising 30,174,671 Shares and the same number of theoretical voting rights (as published at December 31, 2018).

- that it does not anticipate, as a result of the Offer, any significant cost or revenue synergies whose implementation could be identified or quantified on the date of the Draft Offer Document;
- that it does not intend to carry out a merger between the Company and the Offeror;
- that it does not expect the Company to be in a position to pay out dividends in the short or medium term; and
- that it does not intend to ask the AMF, in connection with the Offer, to implement a squeeze-out for the Company's Securities or to ask Euronext to delist the Company's Securities from Euronext.

#### **1.2.4 Minimum acceptance threshold for the Offer**

In accordance with Article 231-9, I of the AMF's general regulations, the Offer will lapse if, on its closing date, the Offeror does not hold a number of Shares representing more than 50% of the Company's capital or voting rights, calculated under the terms of Article 231-1 of the AMF's general regulations (the **"Minimum Acceptance Threshold"**).

Taking into account the Shares acquired by the Offeror with the Block Purchase, the Offeror will require 688,112 Shares, representing approximately 2.28% of the Company's share capital, to be tendered into the Offer to reach the Minimum Acceptance Threshold.

The Offeror and the Company's shareholders will not know whether the Minimum Acceptance Threshold has been reached before the AMF publishes the initial Offer's provisional results, which will take place after the Offer has closed.

If the Minimum Acceptance Threshold is not reached, the Offer will not proceed and the Company Shares or Warrants tendered into the Offer will be returned to their holders, in principle within two (2) trading days of the results being published indicating that the Offer has lapsed, without any interest, compensation or other payments of any kind being due to said holders.

In this case, in accordance with Article L.433-1-2 II of the French monetary and financial code, for any general meeting that takes place until the Offeror holds a number of Shares corresponding to the Minimum Acceptance Threshold, the Offeror will not be entitled to the voting rights associated with the Shares exceeding the threshold for annual increases by one percent (1%) in accordance with Article L.433-1-2 II of the monetary and financial code. The Offeror will not be able to increase its interest in the capital or voting rights unless it notifies the AMF and submits a cash tender offer with a view to acquiring a given quantity of the Company's Securities.

#### **1.2.5 Possibility to withdraw from the Offer**

In accordance with Article 232-11 of the AMF's general regulations, the Offeror has indicated in its Draft Offer Document that it reserves the right to withdraw its Offer if the Offer was no longer applicable or if the Company, as a result of measures that it has taken, saw a change in its substance during the Offer, or if the measures taken by the Company resulted in an increase in the price of the Offer for the Offeror.

The Offeror can only exercise this withdrawal right subject to prior approval from the AMF, which makes its decision in accordance with the principles defined by Article 231-3 of the AMF's general regulations.

In the event of withdrawal in the cases mentioned above, the Securities tendered into the Offer will be returned to their holders without any interest, compensation or other payments of any kind being due to said holders.

### **1.2.6 Reopening of the Offer**

As provided for under Article 232-4 of the AMF's general regulations, the Offer will be reopened automatically (the “**Reopened Offer**”) within ten (10) trading days of the Offer results being published if the Minimum Acceptance Threshold is reached. In this case, the AMF will publish a schedule for the reopening of the Offer, which will, in principle, last at least ten (10) trading days.

The terms of the Reopened Offer, the procedure for tendering Securities into the Reopened Offer and the centralization of the Reopened Offer, as described in the Draft Offer Document, will be identical to those for the initial Offer, while noting however that the orders for tenders into the Reopened Offer will be irrevocable.

### **1.2.7 Positions of the Warrant holders**

In connection with its capital increase carried out in December 2015, the Company notably issued Warrants intended to award the shareholders an incentive instrument for sharing in the Company's future development, while also engaging the Managers in its future development.

The Warrants are non-transferable and therefore non-tradable until December 15, 2020 (inclusive), subject to certain exceptions indicated in the prospectus approved by the AMF on November 19, 2015 under number 15-590, which include the right for any Warrant holder to sell and exercise all or part of their Warrants if the Company's Shares are subject to a public offer (notably tender, exchange or mixed) by a third party, resulting in the AMF publishing, before December 16, 2020, an offer submission notice.

The Warrants will be able to be exercised immediately once the AMF has published the submission notice and until they mature. Furthermore, the non-transferability period for the Warrants will end early on the day when the AMF publishes the aforementioned notice. The exercising of the Warrants by holders entitles them to receive new Shares that may be tendered for the Offer. The Warrant holders have the option to tender their Warrants or the Shares resulting from the exercising of their Warrants for the Offer. The Warrant holders are invited to refer to the aforementioned prospectus for further details regarding the Warrants, including the conditions for exercising them.

On the date of the Draft Response Document, the Offeror holds 27,275,886 Warrants and the Offer therefore concerns 7,874,670 Warrants.

A request will be made for the Warrants to be admitted for trading on Euronext, in accordance with the terms of the aforementioned prospectus. This admission will be effective before the Offer opens and will allow the Warrant holders to tender their Warrants for the Offer in connection with the centralization of the Offer put in place by Euronext.

### 1.2.8 Positions of the Free Shares holders

On the date of the Draft Response Document, the Company had several free shares plans in place covering certain employees and corporate officers, as notably described in section 17.2.2 of the Company's reference document filed with the AMF on April 30, 2018 under number D.18-0450 (the "**Reference Document**")<sup>5</sup>.

The Free Shares awarded by the Board of Directors will only be vested and available, subject to the presence and performance conditions, from May 12, 2019 at the earliest and, as such, cannot be tendered into the Offer, subject to the early release cases under Articles L.225-197-1 *et seq* of the French commercial code (due to the tenderer's death or disability).

If the Offer proceeds, the Offeror will make an offer to the Free Shares holders to sign a liquidity agreement intended to ensure the cash liquidity of the Free Shares that will not have been able to be tendered into the Offer and whose main terms are described below (the "**Liquidity Agreement**"). The benefits of the Liquidity Agreement will be extended to include the Free Shares that will be awarded by the Company in 2019.

Under the terms of the Liquidity Agreement, Horizon will make a binding commitment to acquire the Free Shares after the end of the legal and fiscal lock-in period for Free Shares if the liquidity of the Shares is weak. This Liquidity Agreement will also include a provisional sales agreement granted by the Free Share beneficiaries to the Offeror.

The purchase price for the provisional sales or purchase agreement under the Liquidity Agreement will be determined based on the price of 3.20 euros per Share proposed with the Offer, as adjusted based on changes in the Company's performance following the Offer.

### 1.2.9 Positions of the Option holders

On the date of the Draft Response Document, the Company had several stock option plans in place covering certain employees and corporate officers, as notably described in section 17.2.1 of the Reference Document.

To the best of the Company's knowledge, the total number of new Shares that may be issued if the Options are exercised and likely to be tendered for the Offer is 205,105 Shares.

The Offer therefore concerns all the new Shares that may be issued as a result of these Options being exercised, representing a maximum of 205,105 Shares.

The beneficiaries of Options wishing to tender the Shares that these Options entitle them to into the Offer will need to have exercised them sufficiently in advance for the Shares resulting from the exercising of these Options to be able to be tendered into the Offer by the last day of the Offer at the latest or, for the Reopened Offer, by the day of the Reopened Offer at the latest, if applicable.

---

<sup>5</sup> On January 28, 2019, as proposed by the Appointments and Compensation Committee, the Company's Board of Directors decided on the principle for awarding 235,000 free shares to eligible corporate officers and certain employees of the Company and/or its subsidiaries. The Shares will only be definitively awarded at the end of a period ending March 31, 2021, subject to beneficiary presence and performance conditions.

## 2. REASONED OPINION OF THE COMPANY'S BOARD OF DIRECTORS

In accordance with Article 231-19 of the AMF's general regulations, the members of the Company'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 the Company, its shareholders and its employees.

All the members of the Company's Board of Directors, with the exception of Mrs Natalie Rastoin, attended in person or with a conference call, namely Mr Henri Seydoux, BPIFRANCE PARTICIPATIONS, represented by Mr Paul-François Fournier, Mrs Agnès Bureau-Mirat, Mrs Marie Ekeland, Mr Stéphane Marie, Mr Jean-Marie Painvin, Mr Geoffroy Roux de Bézieux and Mrs Anne Samak de la Cerda.

The members of the Board of Directors were reminded of the terms of the Offer, as presented in the Draft Offer Document submitted by the Offeror, and then reviewed the Draft Response Document.

The Board of Directors also acknowledged that the Company's works council, consulted regarding the proposed Offer in connection with the procedure for informing and consulting the Company's employee representative bodies, issued a favorable opinion on December 20, 2018.

The Board of Directors' deliberations concerning the reasoned opinion are presented below:

*"The Chairman reminds participants that, in accordance with Article 231-19-4 of the AMF's general regulations, the Board of Directors must issue a reasoned opinion concerning the Offer's interest and consequences for the Company, its shareholders and its employees.*

*Prior to the meeting, the members of the Board of Directors were provided with:*

- *the report dated January 28, 2019 prepared by the Independent Expert in accordance with its mission;*
- *the recommendation issued by the ad hoc Committee;*
- *the draft offer document prepared by the Offeror, which notably contains the Offer's reasons and objectives, the intentions of Horizon for the next twelve months, and the summary of the elements for assessing the Offer price determined by Rothschild Martin Maurel, the Offer's presenting bank;*
- *the draft response document prepared by the Company;*
- *the draft "Other information" documents notably relating to the legal, financial and accounting characteristics of the Company and the Offeror;*
- *the works council's favorable opinion dated December 20, 2018, consulted in connection with the procedure for informing and consulting the Company's employee representative bodies in relation to the Offer;*
- *the standardized draft press releases relating to the proposed Offer.*

*The Chairman gives the floor to the Independent Expert, represented by Mr Olivier PÉRONNET, to present its finalized work and its report to the Board of Directors. This work found that (i) the price of 3.20 euros per Parrot share and the price of 0.01 euros per Class I warrant and 0.01 euros per Class 2 warrant proposed by the Offeror in connection with the Offer are fair, from a financial perspective, for Parrot's shareholders and warrant holders, and (ii) there is no breach of equality concerning the Offer's financial conditions between the shareholders on the one hand and the warrant holders on the other hand, and there are no related agreements or operations that might call into question the fair nature of the Offer price.*



*The Chairman thanks Mr Olivier PÉRONNET for his presentation.*

*The Chairman reminds participants that the ad hoc Committee supervised the Independent Expert's work. He gives the floor to Mr Stéphane Marie so that he can present, on behalf of the ad hoc Committee, its observations.*

*He indicates that, in view of the independent expert's report and notably after having noted that the Offer is expected to be in line with the plans to maintain the group's industrial development policy over the long term, while focusing on its independence and sustainability, the ad hoc Committee unanimously found that the Offer was in line with the interests of the Company, its shareholders and its employees, and accordingly recommended that the Board of Directors issue a favorable opinion on the proposed Offer.*

*The Chairman thanks Mr Stéphane Marie.*

*This is followed by a discussion of the proposed Offer between the members of the Board of Directors.*

*After deliberating this, the Board of Directors unanimously, based on its members who are present or represented, while noting that Mr Henri Seydoux and Mr Jean-Marie Painvin do not take part in the vote, acknowledges notably:*

- that the proposed Offer is in line with the continued commitment of the Company's founder, through the Offeror, in which he is the majority shareholder, and his commitment to ensuring the Parrot group's strong presence in France, independence and sustainability;*
- that the Offeror, which already has control of the Company, does not intend to modify, as a result of the Offer, the industrial and financial policy or the main strategies implemented by the Company, outside the ordinary course of business; it intends to continue with the drone business and maintain the scope for the group's consolidated companies;*
- that the Offer is based on a rationale to continue with the Company's activity and long-term development, and the Offeror does not expect any specific impacts as a result of the Offer concerning the policy applied by the Company in terms of its workforce, compensation policy and human resources management, outside the ordinary course of business;*
- that the Offer price is 3.20 euros per Parrot share, offering a premium of 82.9% based on the Company's closing share price from November 27, 2018, 95.4% based on the average for the three trading days following the publication of the Company's profit warning (issued on November 23, 2018 before start of trading) and 27.8% based on the volume-weighted average share price over a period of 60 days before the Offer's announcement;*
- that the Offer price is 0.01 euros per Class I warrant and 0.01 euros per Class 2 warrant;*
- that the Offer is compulsory and is being carried out based on the standard procedure in accordance with Articles 232-1 et seq of the AMF's general regulations;*
- that the Offer is subject to the legal minimum acceptance threshold, representing 50% of the Company's shares or voting rights;*
- that the Independent Expert has concluded that the price of 3.20 euros per Parrot share and the price of 0.01 euros per Class I warrant and 0.01 euros per Class 2 warrant proposed by the Offeror in connection with the Offer are fair, from a financial perspective, for Parrot's shareholders and warrant holders;*
- that the Independent Expert also notes that there is no breach of fairness concerning the Offer's financial conditions between the shareholders on the one hand and the warrant holders on the other hand, and that there are no related agreements or operations that might call into question the fair nature of the Offer price;*

- *the favorable opinion issued by the Company's works council in connection with the information-consultation procedure concerning the proposed Offer on December 20, 2018;*
- *that the Offer provides liquidity under fair conditions for the shareholders and warrant holders that would like to exit considering the Company's risk profile and the volatility of its activity, while noting that those who wish to support the group's strategy with the prospect of a turnaround are in a position to remain invested in a stabilized capital context;*
- *the recommendation of the ad hoc Committee, which unanimously found that the Offer was in line with the interests of the Company, its shareholders and its employees, and accordingly recommended that the Board of Directors issue a favorable opinion on the proposed Offer;*
- *that, if the Offer proceeds, the Offeror will make an offer to the free share holders to sign a liquidity agreement intended to ensure the cash liquidity of said free shares that will not have been able to be tendered for the Offer (the "**Liquidity Agreement**") and that the benefits of the Liquidity Agreement may be extended to include the free shares that will be awarded by the Company in 2019; and*
- *that the company Horizon, as the Offer's initiator, does not intend to ask the AMF, in connection with the Offer, to apply a squeeze-out for the Company's shares and warrants, or to ask Euronext Paris to delist the Company's shares and warrants from the regulated market Euronext Paris.*

*In view of the elements set out above, and after deliberating them, the Board of Directors unanimously, based on its members who are present or represented, while noting that Mr Henri Seydoux and Mr Jean-Marie Painvin do not take part in the vote:*

- *considers that the proposed Offer is in line with the interests of the Company, its shareholders and its employees;*
- *decides 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, recommends that the shareholders and warrant holders tender their securities into the Offer;*
- *approves the Company's draft response document, the draft "Other Information" document notably relating to the Company's legal, financial and accounting characteristics, and the standardized draft press release relating to the proposed Offer, and gives full powers to the Chairman and Chief Executive Officer and the Executive Vice President, each able to act independently, with the option to delegate, to finalize them and register them with the AMF;*
- *decides to not tender the Parrot treasury shares held by the Company for the Offer, i.e. 612,179 shares, representing 2.03% of the Company's capital and 2.03% of its voting rights at January 28, 2019;*
- *decides to give full powers to the Chairman and Chief Executive Officer and the Executive Vice President, each able to act independently, with the option to delegate, (i) to sign any document relating to the draft response document and to prepare and file with the AMF the document entitled "Other information notably relating to the Company's legal, financial and accounting characteristics", (ii) to sign any certificates required in connection with the proposed Offer, and (iii) more generally, to do whatever is necessary for the Offer to be carried out effectively.*

*Lastly, the Chairman asks the members of the Board of Directors whether or not they intend to tender the Parrot securities that they hold (shares and/or warrants)".*

### 3. INTENTIONS OF THE MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS

At the Board of Directors meeting on January 28, 2019, during which the Board of Directors issued its reasoned opinion, presented in Section 0, the directors holding one Share (Mr Stéphane Marie and Mrs Anne Semak de la Cerda) announced their wish not to tender into the Offer in accordance with the Company's Articles of Association.

Mr Geoffroy Roux de Bézieux indicated that he would tender the Shares all but one of his Shares into the Offer.

The other directors have indicated that they will decide at a later date.

### 4. COMPANY'S INTENTIONS RELATING TO TREASURY SHARES

During its meeting on January 28, 2019, the Company's Board of Directors decided to not tender the Parrot treasury Shares held by the Company into the Offer.

On the date of the Draft Response Document, the Company holds 612,179 of its own Shares.

### 5. OPINION OF PARROT'S WORKS COUNCIL

The Company initiated the procedures to inform and consult with the works council immediately after the signing of the Acquisition Agreement was announced. The works council issued a positive opinion on the Offer on December 20, 2018.

The opinion of Parrot's works council from December 20, 2018 is reproduced in Appendix 1 to the Draft Response Document.

### 6. INDEPENDENT EXPERT'S REPORT IN ACCORDANCE WITH ARTICLE 261-1 OF THE AMF'S GENERAL REGULATIONS

The work carried out by Finexsi, represented by Mr Olivier Péronnet, appointed as the independent expert by the Company in accordance with Article 261-1, I 1 and 5 of the AMF's general regulations 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 directors, in accordance with AMF recommendation no.2006-15 relating to independent appraisals for financial transactions.

The Independent Expert's findings are as follows:

*"With regard to Parrot's shareholders*

*Following the acquisition of a block representing 9.59% of the share capital from Amiral Gestion, carried out on November 27, 2018, the Offeror was found to lodge a compulsory tender offer.*

*It is offered to minority shareholders at a price of €3.20 per Parrot share, strictly identical to the block's prior acquisition price.*

*This Offering price calls for several remarks:*

*Based on the stock market price, the Offering price allows shareholders to obtain immediate liquidity for their shares at a price 83% higher than the closing price on the last trading day prior to the day on which the Offer was announced, and 39% higher than the average market price for the 60 days prior to that date, in a context where the stock market prices prior to the announcement are significant in terms of the volume of trading.*

*The Offering price falls within the range of the intrinsic values expressed by our valuation by the sum of the parts, between €2.5 and €4.7 per share.*

*These valuations do not factor in any positive effects of a substantial market turnaround or new opportunities arising from Parrot's technology that could generate revenues for the Company, as such potentialities are neither proven nor modelable, even if their impact on the share value could be very significant in the long term.*

*They are based on a business continuity scenario of the subsidiaries and holdings in their current configuration, in accordance with the management strategy, and also incorporate different levels of development of the Parrot Drones subsidiary in view of its current sales situation.*

*In this context and on these bases, we note that the offering price of €3.20 corresponds to a median scenario between, on the one hand, the achievement of voluntary objectives and, on the other hand, the taking into account of the confirmed deterioration corresponding to the situation the Group is facing at the end of 2018, which the launch of the Anafi UAV did not allow to restore.*

*If the Offering price does not give the Company's full potential value, in summary, we note that this Offer allows the shareholder who so wishes to access liquidity on all of its shares to do so at a price significantly higher than the market price before the Announcement and on the same terms as a shareholder holding a significant interest, in a context of (i) high uncertainty regarding the Company's financial performance and, in the longer term, its sustainability, and (ii) high volatility of its shares.*

*Consequently, in the current context, and on the basis of these elements of assessment, we consider that access to liquidity at the Offering price is fair to Parrot's shareholders from a financial point of view.*

*With regard to the holders of Class 1 Warrants and Class 2 Warrants*

*The Offeror offers €0.01 per Class 1 Warrant and €0.01 per Class 2 Warrant, the lowest price that can be processed (1 euro cent).*

*The Class 1 Warrants and Class 2 Warrants have an intrinsic value of zero by reference to each of the valuation criteria examined to assess the value of the underlying Parrot share.*

*The usual optional approaches of the Black & Scholes or binomial type, which also include a time value, reveal almost zero unit values, and in any case significantly lower than the offer price of €0.01 for each of the two categories of warrants.*

*In this context and on these bases, we are of the opinion that the Offering price of €0.01 per Class 1 Warrant and €0.01 per Class 2 Warrant are fair from a financial point of view to their holders.*

*Moreover, these prices do not create a breach of equal treatment with the shareholders in a context where the value of the Warrants being virtually nil, the price has been set at the minimum amount that may be processed, and since the Warrants held by the Offeror are not covered by the Offer.*

*With regard to related agreements*

*The review of (i) the Share Purchase Agreement to acquire the shares held by Amiral Gestion and (ii) the terms and conditions contemplated for the Liquidity Agreement to be offered to holders of free shares did not reveal any financial provision that would question the fairness of the Offer from a financial point of view."*

The Independent Expert's report is reproduced in Appendix 2 to the Draft Response Document.

**Disclaimer**

This press release has been prepared solely for information purposes. It does not constitute a public offer and is not intended for distribution in any countries other than France. 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.