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25 July 2024

The AMF Enforcement Committee fines an issuer and two of its former directors at the time of the facts for market manipulation by disseminating false or misleading information. It also fined one of the directors for insider trading breaches

In its decision of 19 July 2024, the Commission imposed a fine of €150,000 on Parrot for a breach due to market manipulation by disseminating false or misleading information. It found that this breach was attributable to Mr Henri Seydoux and Mr Gilles Labossière and imposed a fine of €60,000 on Mr Henri Seydoux and a fine of €210,000 on Mr Gilles Labossière, who was also sanctioned for insider trading breaches.

The AMF Board accused Parrot of late disclosure of inside information relating to the non-achievement of financial targets and of disseminating false or misleading information about its operating sectors and their financial performance, as well as about several financial indicators. Mr Labossière was also accused of using inside information relating to the filing by Mr Seydoux's holding company of a proposed takeover bid for Parrot's shares.

Firstly, the Enforcement Committee dismissed the complaint relating to the company's failure to disclose the insider information on "*non-achievement of the sales and gross margin targets for 2018, which was previously announced to the public on 15 March 2018*" as soon as possible. In this respect, the Commission reiterated that the company was bound by the legal classification proposed by the Board in the statement of objection and that it



could not reclassify the wording of the inside information. However, it considered that, in the absence of a sales target in the press release dated 15 March 2018, the precise nature of the information in question, as set out in the statement of objection, could not be adequately verified.

Secondly, the Committee also dismissed the breach of disseminating false or misleading information concerning Parrot's operating sectors. It found that, contrary to what asserted in the statement of objection, Parrot did not have two operating segments, "Consumer Drones" and "Professional Drones", and that it was therefore not required, in its 2018 financial communication, to separate its financial indicators between these two segments.

On the other hand, the Committee found that Parrot had disseminated false or misleading information in its 2018 half-yearly financial report concerning several financial indicators. It pointed out that the financial position of the Drones business was presented more favourably than the actual situation. It considered that this breach was attributable to Mr Seydoux and Mr Labossière, who were respectively the Chairman and Chief Executive Officer and Deputy Chief Executive Officer of Parrot when the events occurred.

Finally, thirdly, after considering that the information relating to the filing by Mr Seydoux's holding company of a proposed takeover bid for Parrot's shares became inside information from the morning of 23 November 2018 until 27 November 2018, the Committee found that Mr Labossière, a primary insider, had breached his obligation to refrain from using this inside information by placing orders to buy Parrot shares on 23 November 2018.

An appeal may be lodged against this decision.

Appeal lodged by M. Gilles Labossière before the Paris Court of appeal against the decision SAN-2024-07

M. Gilles Labossière has lodged an appeal before the Paris Court of appeal against the decision of the Enforcement committee of 19 July 2024.

About the Enforcement Committee

The Enforcement Committee, which is made up of judges and professionals, has total freedom to make decisions. It can impose sanctions on any person or company whose practices contravene laws and regulations that fall within the jurisdiction of the AMF. It ratifies settlement agreements signed by the Secretary General and respondents. And it

takes part in the AMF's educational efforts by clarifying financial regulations when explaining its decisions.

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SAN-2024-07: Décision de la Commission des sanctions du 19 juillet 2024 à l'égard de la société Parrot et de MM. Henri Seydoux et Gilles Labossière (In

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