LUMIBIRD
A public limited company with a board of directors and a share capital of 22,466,882 euros
Registered office: 2 rue Paul Sabatier, 22300, Lannion
970 202 719 RCS Saint-Brieuc
(the "Company")

REPORT OF THE BOARD OF DIRECTORS

Ladies and gentlemen, the shareholders,

We have convened this Annual General Meeting in accordance with the relevant legal and statutory provisions, so that you may vote on the draft resolutions set out below:

1. Advisory opinion on the proposed sale of Lumibird's Medical Division to IPG Photonics Corporation, pursuant to Recommendation No. 2015-05 of the French Financial Markets Authority (Autorité des marchés financiers) concerning the disposal and acquisition of significant assets;
2. Special dividend, subject to the condition precedent of the completion of the disposal of the Medical Division;
3. Powers.

This report, the text of the draft resolutions and, more generally, all documents required by current legislation and regulations have been made available to you in accordance with the applicable legal and regulatory provisions, in particular at the Company's registered office and on the Company's website (www.lumibird.com), under the heading 'Finance / Regulated Information 2026 / Documents in preparation for the Annual General Meeting'.

1. Advisory opinion on the proposed sale of the Group's medical division to IPG Photonics Corporation (1st resolution)

In accordance with AMF Recommendation No. 2015-05 on the disposal and acquisition of significant assets dated 15 June 2015, the AMF recommends that any company whose shares are admitted to trading on a regulated market should consult the Annual General Meeting of Shareholders prior to the disposal of assets representing at least half of its total assets, on average, over the last two financial years.

This consultation is recommended where at least two of the following five ratios, calculated as an average over the two preceding financial years, reach or exceed 50 per cent:

(i) the turnover generated by the assets or activities being disposed of as a proportion of consolidated turnover,
(ii) the sale price as a proportion of the group's market capitalisation,
(iii) the net value of the assets disposed of as a proportion of the consolidated balance sheet total,

(iv) the current profit before tax generated by the assets or businesses disposed of as a proportion of the consolidated current profit before tax, and

(v) the number of employees in the divested business as a proportion of the Group's global workforce.

In accordance with these principles, your Board of Directors has decided to submit to your Annual General Meeting, for advisory purposes, the proposed disposal of all the shares in Lumibird Medical (Clermont-Ferrand Trade and Companies Register No. 880 048 251) (**the 'Medical** Division') to IPG Photonics Corporation or one of its affiliates (**the** 'Purchaser'), with at least two of the aforementioned ratios, based on the 2025 financial year, being close to or greater than 50 per cent, in particular with regard to the Medical Division's turnover and current profit before tax as a proportion of the Group as a whole.

1.1. Background to the disposal

The Lumibird Group is organised around two divisions: a photonics division, which comprises the Group's long-standing activities and designs, manufactures and markets lasers and laser systems for defence/space, environmental, surveying and security, industrial and scientific, and medtech applications (**the 'Photonics** Division'), and the Medical Division, launched in 1993, which designs, manufactures and markets medical systems and medical applications for healthcare professionals, particularly in ophthalmology and interventional imaging.

The Medical Division is organised around its parent company, Lumibird Medical S.A.S., a simplified joint-stock company wholly owned by the Company, with its registered office at 1 rue du Bois Joli, 63800 Cournon-d'Auvergne, registered with the Clermont-Ferrand Trade and Companies Register under number 880 048 251. In 2025, the Medical Division generated turnover of €112.2 million and employed approximately 480 staff.

This proposed disposal is based on strategic, industrial and financial considerations. Over the last decade, the Group has invested significantly in the industrial and technological capabilities of the Photonics Division and the Medical Division. Both divisions have now reached a critical mass and each has distinct strategic, industrial and technological needs.

The Group's strategy, approved by your Board of Directors and of which this proposed disposal forms part, is to refocus the Group's activities around the Photonics Division, which constitutes its historic core business and operates in particularly buoyant markets. The proposed disposal would provide the Group with greater strategic clarity and increased financial capacity, enabling it, in particular, to consolidate its technological lead in rapidly expanding markets where photonics is set to play a central role, such as defence and space, industry, science, telemetry and the environment.

Since September 2024, the disposal has been the subject of a lengthy and rigorous competitive process conducted with the assistance of the investment bank JP Morgan and in consultation with your Board of Directors – and in particular its independent directors – during which both industrial and financial players expressed interest and a number of non-binding offers were received.

It should be noted that the independent directors were fully involved throughout this competitive process and that the decision to enter into exclusive negotiations with IPG Photonics Corporation, as well as the signing of the contract for the sale of Lumibird Medical's shares, were approved unanimously by the directors, including the independent directors.

At the conclusion of this competitive process, the offer submitted by IPG Photonics Corporation was selected as it represented the most favourable bid, from both a financial and an industrial and social perspective. IPG Photonics Corporation emerged as the acquirer best placed to enable the continued development of the Medical Division and its expansion on a global scale. For the Medical Division, joining IPG Photonics Corporation would mean becoming part of one of the world's leading companies in the photonics sector, combining technological excellence, global industrial capabilities, an international commercial presence and the capacity for long-term investment. Following several months of discussions with IPG Photonics Corporation, your Board of Directors has become convinced that IPG Photonics Corporation is the ideal long-term partner to accelerate innovation, international expansion and the maintenance of the Medical Division's market leadership, whilst offering exceptional development opportunities to its employees.

1.2. Profile of the Acquirer

IPG Photonics Corporation is a company incorporated under the laws of the State of Delaware (United States of America), with its registered office at 377 Simarano Drive, Marlborough, Massachusetts 01752, and registered in the State of Delaware under number 2972875.

Founded in 1990, IPG Photonics is a world leader in the design, manufacture and marketing of fibre-optic lasers, fibre amplifiers, laser diodes and laser systems for industrial (materials processing), medical and defence applications. The company is listed on the Nasdaq under the symbol **'IPGP**'. The proposed sale forms part of IPG Photonics' growth strategy in the medical applications sector.

1.3. Terms of the transaction

The disposal would be carried out through the transfer of 100 per cent of the shares comprising the share capital of Lumibird Medical S.A.S. (the **'Shares to be** Transferred') to the Purchaser, pursuant to a share transfer agreement entered into between the Company, as seller, and the Purchaser, as buyer (the **'Share Transfer** Agreement') on 8 September 2026.

The Share Sale Agreement follows the signing, on 16 July 2026, of a letter of intent under which the Purchaser undertook to acquire the Transferred Shares in accordance with the terms and conditions of the Share Sale Agreement and the completion of the information and consultation process with the social and economic committee of the Lumibird economic and social unit.

The sale price of the Transferred Shares is three hundred million euros (300,000,000 euros), to which the net financial debt as at the completion date shall be added or deducted, subject to an adjustment in respect of working capital requirements as at that same date, this price being determined in accordance with a standard post-completion adjustment mechanism.

This price may be supplemented by an additional payment, capped at a maximum total amount of fifty million euros (50,000,000 euros), divided into two successive and independent instalments based on the financial performance of the Medical Division for the financial years 2026 and 2027. The first instalment, relating to the 2026 financial year, is determined by reference to turnover thresholds ranging from 119 million euros to 132.5 million euros, with an upward or downward adjustment depending on the EBITDA achieved. The second tranche, relating to the 2027 financial year, applies to the remaining balance and is determined solely by reference to a turnover threshold of between €134.125 million and €141 million.

Completion of the sale is subject to the fulfilment of the customary conditions precedent for this type of transaction, namely: the obtaining of the necessary authorisations under foreign investment controls in France and Sweden, as well as a decision from the French Financial Markets Authority (AMF) confirming that there is no obligation to launch a public buy-out offer pursuant to Article 236-6 of the AMF's General Regulations in favour of ESIRA, the Company's controlling shareholder.

Should the sale go ahead, Lumibird would use the net proceeds from the sale as follows:

- repayment of the Group's debt in the region of 37,000,000 euros;

- distributions to shareholders as follows: (i) an estimated amount of €152,683,728.72 in the form of a distribution of reserves and share premiums (covered by the second resolution) (to be distributed shortly after the completion date) and (ii) an amount of between €80,000,000 and €110,000,000 in the form of an interim dividend, the amount of which will depend in particular on the price on the completion date (to be distributed in the weeks following the completion of the disposal); and

- the balance would be allocated primarily to investments in the Photonics Division.

1.4. Indicative timetable

Subject to the fulfilment of the conditions precedent set out above, the completion of the disposal is envisaged during the final quarter of 2026, it being understood that the Disposal Agreement may be terminated by either party if the conditions precedent are not satisfied (or if they have not been waived) by 31 March 2027 at the latest.

You are therefore requested to give, in an advisory capacity and subject to the quorum and majority requirements applicable to ordinary general meetings, an opinion on the proposed disposal of the Medical Division to the Purchaser as set out above.

2. Special dividend subject to the condition precedent of the completion of the disposal of the Medical Division (2nd resolution)

As set out above, the proposed disposal of the Medical Division is accompanied by a proposal to allocate part of the proceeds of the disposal to a distribution to the Company's shareholders. This distribution, the principle of which is a direct consequence of the proposed disposal, may only take place subject to the condition precedent that the sale of the Medical Division is actually completed.

It is therefore proposed that you resolve, subject to the condition precedent that the Company completes the sale of the Medical Division to the Purchaser, to make, on an exceptional basis, a distribution of 6.92 euros per share (rounded to the nearest second decimal place), representing an estimated total amount of 152,683,728.72 euros (it being noted that this amount may vary depending on the number of shares entitling the holder to the distribution on the ex-dividend date), to be drawn:

- firstly, from the 'Other reserves' account until exhausted (subject to any treasury shares not covered) up to a maximum of €68,193,652.72;
- then from the 'Share premium' account until it is exhausted;
- and, for the remaining portion, from the 'Merger premium' account.

You are invited to grant full powers to the Board of Directors, with the right to sub-delegate in accordance with the conditions laid down by law and regulations, for the purpose, in particular, of confirming that the condition precedent has been fulfilled, determining the final amount of the distribution and charging it to the relevant reserve account(s), setting the ex-dividend and payment dates, and, more generally, to take all necessary measures to ensure the successful completion of the transaction.

It is specified, for tax purposes, that the portion of the distribution drawn from the 'Other reserves' item constitutes taxable distributed income subject to taxation under ordinary law. For beneficiaries who are individuals resident in France, the distribution is subject, at the time of payment, to social security contributions of 18.6 per cent and, in principle, to a non-final flat-rate levy of 12.8 per cent. These deductions are made at source and calculated on the gross amount of the dividend. With regard to its taxation under the 2026 tax yea , this dividend will be fully eligible for the 40 per cent allowance referred to in Article 158.3.2° of the General Tax Code, provided the taxpayer has made a comprehensive and irrevocable election to have their investment income taxed at the progressive income tax rates.

In the absence of such an option, the dividend will be taxed at a fixed rate of 12.8 per cent and will not be eligible for this 40 per cent allowance. In both cases, the 12.8 per cent withholding tax deducted at the time of dividend payment will be creditable against the tax due.

As regards the portion of the distribution drawn from the 'share premium' account, pursuant to the provisions of Article 112(1) of the General Tax Code, distributions drawn from share premiums are treated as a non-taxable repayment of capital contributions to shareholders, provided that all profits and reserves, other than the statutory reserve, have previously been distributed. Where profits or reserves exist, the taxation of sums repaid by deduction from share premium is limited to the portion of profits and reserves (other than the statutory reserve) that have not yet been distributed. The repayment of capital contributions must be deducted from the tax cost base of the share.

As regards the portion of the distribution drawn from the 'merger premium' item, pursuant to Article 112(1) of the General Tax Code, the following are not considered to be contributions, for the purposes of this provision: merger or demerger premiums arising from a merger, a demerger of companies or a partial contribution of assets giving rise to the allocation of securities to shareholders under the conditions set out in Article 115(1) of the CGI. It follows that the subsequent repayment of sums recorded under the heading 'merger premium' is, in principle, treated as a taxable distribution of investment income, and not as a tax-exempt repayment of a contribution, unless the assets contributed were themselves regarded as actual contributions to the absorbed company.

It should be noted, for information purposes, that subject to the completion of the proposed transaction, an additional distribution is planned in the form of an interim dividend, amounting to between €80 million and €110 million.

3. Powers (3rd resolution)

The third resolution is a standard resolution intended to grant full powers to the bearer of a copy, duplicate or extract of the minutes of this meeting to carry out all formalities required by law.

We believe that the information set out above, together with that contained in the draft resolutions and in the documents made available to you, will enable you to take the decisions which we consider to be in the best interests of the Company and its shareholders. We therefore ask you to vote in favour of the resolutions put before you.

The Board of Directors