PRESS RELEASE
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Thales enters into exclusive negotiations to acquire a controlling stake in Lumibird and lay the foundations of a European photonics platform

This potential acquisition would enable Thales to build a recognized European photonics platform, capitalizing on growing demand for advanced laser technologies across defense and civilian markets. By combining their complementary technological, industrial and commercial capabilities, Thales and Lumibird would lay the foundations of a key photonics platform in Europe, accelerate growth and enhance financial and operational performance, while complementing Thales' access to critical sovereign laser technologies.

Thales (Euronext Paris: HO) announces today that it has entered into exclusive negotiations to acquire the 51.6% stake in Lumibird (Euronext Paris: LBIRD) held by entities controlled by CEO and majority shareholder Marc Le Flohic[1]. The acquisition would follow Lumibird's planned disposal of its Medical division, expected to close by the end of 2026.

The proposed price values Lumibird at €30.10[2,3] per share, representing an attractive premium of +24.7%[4] over the 1-month volume-weighted average share price prior to the announcement (€24.15).

In addition, price supplements of up to €2.56 per share corresponding essentially to the Medical earn-out (only if the conditions of the Medical earn-out are met[5]) would be payable, bringing the total price per share up to €32.66 if the price supplements are paid in full. The details of the price supplements are set out in the Appendix.

The proposed price implies an enterprise value of c.€440 million for Lumibird's photonics division representing a multiple of approximately 23x 2027 consensus EBIT[6].

This acquisition would be followed by a mandatory simplified tender offer for the balance of Lumibird shares and a squeeze-out if the conditions are met, at the same price per share and with the same possible price supplements as those benefitting the Sellers.

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[1] Via ESIRA SAS and Clervie SAS.

[2] Per-share amounts based on 22,043,819 shares on a fully diluted basis (22,466,882 shares issued, less 423,063 treasury shares). The exceptional distribution per share is computed on this 22,043,819 shares.

[3] Before exceptional distribution of €11.34 per share related to the disposal of the Medical division (€250 million in total). Ex-dividend, the price would be €18.76 per share.

[4] Ex-dividend, the premium would be +46.5% (over an adjusted 1-month VWAP of €12.81)

[5] Under the Medical Transaction signed between Lumibird and IPG Photonics, an earn-out of up to an aggregate maximum of €50 million was agreed (on top of the enterprise value of €300 million), depending on the Medical Division's performance in 2026 and 2027. The earn-out is structured in two successive brackets: the first (2026) is based on revenue thresholds (from €119m to €132.5m) with an upward or downward adjustment tied to EBITDA; the second (2027) applies to the remaining balance based on separate revenue-only thresholds (from €134.125m to €141m).

[6] Based on the average of 2027 EBIT estimates from analysts covering Lumibird, as published in the analyst consensus dated October 27th, 2026 on Lumibird's website (https://www.lumibird.com/en/finance-analysts-consensus/), on the Photonics perimeter (i.e. excluding the Medical division). This consensus is provided by Lumibird for information purposes only.

Photonics, a market with significant growth potential

Photonics technologies are increasingly critical to technological sovereignty, industrial competitiveness and the development of next-generation systems across defense, space, industrial and scientific markets. By harnessing the unique properties of light, these technologies unlock a growing range of high-value applications, including for example target designation, inter-satellite communications, and counter-drone solutions.

The photonics market offers significant long-term growth potential, driven both by the increasing complementarity of photonics and radio-frequency (RF) technologies, as well as the broader integration of photonics into electronic systems made possible by advances in miniaturization.

Lumibird, a European specialist in laser technologies

Formed through the merger of Keopsys and Quantel in 2017 and building on more than 50 years of expertise, Lumibird is a recognized European specialist in photonics, with established capabilities in advanced laser technologies, across solid-state lasers, fibre lasers and laser diodes.

More specifically, Lumibird designs and manufactures high-performance lasers, sources, components, and systems for a broad range of demanding applications, including defense & space, LiDAR (*Light Detection And Ranging*), environmental sensing, industrial & scientific applications, and high value surgical technologies. In Defense specifically, Lumibird's technologies support critical functions such as laser range-finding, target designation, guidance and drone detection, while its diversified exposure to civilian markets provides additional growth opportunities on complementary and expanding end-markets. Defense and space-related activities are meant to represent more than 60% of sales in the medium term (compared to less than 50% currently).

Thanks to its differentiated intellectual property, engineering expertise and established industrial capabilities, and following several years of investment in its growth, Lumibird's photonics division is on a solid and long-term profitable growth trajectory. Between 2022 and 2025, the division's sales and EBIT grew at a CAGR of circa 6% and circa 10% respectively. During the first nine months of 2026, sales organic growth reached a solid 14.9% (13.5% in total). Looking forward, the company expects a record 4th quarter in 2026, with a growing order book providing increased visibility on future revenues and supporting its favorable long-term growth prospects.

A strongly synergistic transaction with clear value-creation pathways

Through this acquisition, Thales would complement its access to critical laser technologies and lay the foundations of a key photonics platform in Europe, starting by combining Lumibird's expertise in photonics with its existing capabilities in optronics (currently spanning land, airborne, space and scientific applications), while maintaining Lumibird's ability to serve all integrators and primes.

The combination of Thales and Lumibird would also unlock significant additional long-term benefits, both in terms of technological innovation and commercial growth. The pooling of their R&D capabilities is expected to accelerate innovation in photonics and quantum-sensing applications. On the

commercial front, Lumibird would benefit from Thales' global footprint and extensive customer base to accelerate its development.

Furthermore, by securing a sovereign access to a recognized upstream laser-component supplier, Thales would reduce third-party reliance across strategic programs, including optronics systems and laser designators equipping key defence platforms. The transaction would also position the Group as a recognized European player in laser-directed energy weapons (LDEW), a promising area for next-generation defence systems.

"This acquisition will further strengthen Europe's sovereignty in the fast-growing photonics technologies sector, serving both defence and civil markets. Lumibird's lasers are a critical building block of our optronics systems. Combining Lumibird's unique technological expertise with Thales systems' excellence and global footprint would enhance Thales' ability to serve our national and international clients with the latest technological innovations". **Hervé Dammann, Executive Vice-President, Land and Air Systems, Thales**

Marc Le Flohic, Chairman and Chief Executive Officer, Lumibird, declared: *"When we brought Keopsys and Quantel together, we had a clear ambition: to anticipate what our customers would need in five or ten years and build the technologies and industrial capabilities to meet those needs. I am proud of what our teams have built since then. I believe Thales is the right industrial partner for the next stage. Together, we could develop and manufacture new photonics technologies on a larger scale and bring them to more customers around the world."*

Additional information and next steps

The transaction reflects Thales' targeted approach to M&A, strengthening its defence capabilities and supporting sustainable long-term growth and value creation. This bolt-on acquisition is not expected to have a material impact on Thales' financial profile in the near term.

The price paid implies an enterprise value of c.€440 million Lumibird's photonics division (after payment of the exceptional dividend following the disposal of the Medical division) representing a multiple of approximately 23x 2027 consensus EBIT[7].

Signature of the definitive agreements with respect to the transaction is expected to take place after completion of the consultation of the employee representative bodies of Thales and Lumibird.

The closing of the acquisition of the Sellers' stake is anticipated by Q2 2027, subject to the disposal of Lumibird's Medical division and related exceptional distribution and to customary regulatory clearances.

[7] Based on the average of 2027 EBIT estimates from analysts covering Lumibird, as published in the analyst consensus dated October 27th, 2026 on Lumibird's website (https://www.lumibird.com/en/finance-analysts-consensus/), on the Photonics perimeter (i.e. excluding the Medical division). This consensus is provided by Lumibird for information purposes only

Following the closing of the acquisition of this stake, Thales will file a mandatory simplified tender offer with the AMF for all Lumibird shares not held by Thales, at the same price and with the same possible price supplements, with completion expected in the second half of 2027 at the latest, followed by a squeeze-out if the legal conditions are met.

Lumibird's Board of Directors has unanimously and favourably welcomed the contemplated transaction. The Board will issue its reasoned opinion ("avis motivé") upon review of the fairness opinion to be issued by the independent expert appointed (Finexsi); an ad hoc committee will monitor the independent expert's work.

About Thales

Thales (Euronext Paris: HO) is a global leader in advanced technologies for the Defence, Aerospace, and Cyber & Digital sectors. Its portfolio of innovative products and services helps address several major challenges: sovereignty, security, sustainability and inclusion.

The Group allocates €4.5 billion per year in Research & Development in key areas, particularly for critical environments, such as Artificial Intelligence, Cybersecurity, Quantum and Cloud technologies. Thales has more than 85,000 employees in 65 countries. In 2025, the Group generated sales of €22.1 billion.

About Lumibird

Lumibird (Euronext Paris: LBIRD) is one of the world's leading laser specialists. With over 50 years of experience and expertise in solid-state laser, laser diode and fibre laser technologies, the Group designs, manufactures and distributes high-performance laser solutions through two divisions: Photonics and Medical. The Photonics division designs and manufactures components, lasers and systems for the defence and space, environmental, surveying and security, industrial and scientific, and medtech markets. The Medical division designs and manufactures medical systems for ophthalmic diagnosis and treatment.

Formed through the merger of the Keopsys and Quantel groups in October 2017, Lumibird has over 1,000 employees, reported revenue of €225.6 million in 2025 and has a presence in Europe, the Americas and Asia.

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DISCLAIMER

This press release is disseminated for information purposes only and does not constitute an offer to purchase, or a solicitation of an offer to sell, any securities of Lumibird.

The documentation relating to the tender offer which, if filed, will state the terms and conditions of the tender offer, will be submitted to the review of the Autorité des Marchés Financiers (AMF). Investors and shareholders are strongly advised to read the documentation relating to the tender offer when it becomes available, if the tender offer is filed, as well as any amendments and supplements to those documents as they will contain important information about Thales, Lumibird and the transaction.

The transaction is notably subject to obtaining of antitrust and regulatory approvals. The tender offer would only be filed with the AMF after such conditions have been fulfilled (or waived).

This press release must not be published, broadcast or distributed, directly or indirectly, in any country in which the distribution of this information is subject to legal restrictions. The tender offer will not be open to the public in jurisdictions in which its launch is subject to legal restrictions. The publication, broadcasting or distribution of this press release in certain countries may be subject to legal or regulatory restrictions. Therefore, persons located in countries where this press release is published, broadcasted or distributed must inform themselves about and comply with such restrictions. Thales and Lumibird disclaim any responsibility for any violation of such restrictions.

FORWARD LOOKING STATEMENTS

This press release contains certain forward-looking statements. You can identify these forward-looking statements by the use of words such as “outlook,” “believe,” “think,” “expect,” “potential,” “continue,” “may,” “should,” “seek,” “approximately,” “predict,” “intend,” “will,” “plan,” “estimate,” “anticipate,” the negative version of these words, other comparable words or other statements that do not relate strictly to historical or factual matters. Forward-looking statements relate to expectations, estimates, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, including but not limited to the statements with respect to: the transaction; operation of the acquired business following the closing of the transaction; expansion and growth opportunities and other synergies resulting from the transaction; and expected timing of closing of the proposed transaction. The forward-looking statements are based on Thales’ and Lumibird’s beliefs, assumptions and expectations, taking into account all information currently available to it. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to Thales and Lumibird or are within their control. If a change occurs, Thales’ and the Lumibird’s business, financial condition, liquidity and results of operations may vary materially from those expressed in the forward-looking statements. The following factors, among others, could cause actual results to vary from the forward-looking statements: failure to realize the anticipated benefits within the expected timeframes from the transaction; unforeseen liabilities or integration and other costs of the proposed transaction and timing related thereto; availability and cost of financing for the proposed transaction; changes in Lumibird’s business; any delays or difficulties in receiving regulatory approvals; failure to complete the transaction; the acquired business’s ability to maintain business relationships following the transaction; failure to realize the benefits of or changes in the business strategies of Thales and Lumibird or the acquired business including the ability to realize the anticipated synergies from acquisitions, strategic partnerships or other transactions; availability, terms and deployment of capital; availability of qualified personnel and expense of recruiting and retaining such personnel; and increased competition.

All forward-looking statements speak only as of the date of this press release. Thales and Lumibird do not undertake any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date on which such statements were made except as required by law. Past performance is not indicative or a guarantee of future performance. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

Appendix: Price mechanism and Price Supplements

This appendix assumes an exceptional distribution of €250 million (€11.34 per share), to be paid by Lumibird out of the proceeds of the Medical disposal following its completion and prior to completion of the block acquisition. Any difference in the amount actually distributed would be reflected euro for euro in the price. Any other distribution or capital transaction occurring prior to settlement of the tender offer would likewise be reflected euro-for-euro in the price.

Initial price in cash at closing: €18.76 per share

Price supplements: up to €2.56 per share through two price supplements (the "**Price Supplements**"). Each Lumibird share transferred to Thales, whether in the block acquisition, the tender offer, or as part of the squeeze out, if any, will carry a personal and non-transferable right to the Price Supplements.

The first Price Supplement, of up to €1.10 per share, corresponds to the Medical earn-out for 2026 payable by IPG Photonics to Lumibird (net of taxes, bonuses and costs), adjusted for any difference between the final net proceeds of the Medical disposal and the estimated amount and reduced by the amounts of certain transaction costs, and the amounts due at the payment date of the first Price Supplement in respect of liabilities and costs relating to the Medical disposal and other specific warranties, and will be paid after the end of the mandatory offer (expected to take place no later than the end of 2027[8]).

The second Price Supplement, of up to €1.46 per share, corresponds to the Medical earn-out for 2027 payable by IPG Photonics (€1.10 per share, net of taxes, bonuses and costs) and to the release of a holdback of €8 million (€0.36 per share), reduced by the amounts of certain transaction costs and the amounts due at the payment date of the second Price Supplement in respect of liabilities relating to the Medical disposal and other specific warranties, and adjusted for any difference between the final net proceeds of the Medical disposal and the estimated amount (save to the extent taken into account as part of the first Price Supplement) and will be paid no later than the end of 2029. Thales will procure that Lumibird preserves and enforces in good faith its rights against IPG Photonics.

[8] The Medical earn-out for 2026 payable by IPG Photonics to Lumibird, net of taxes, bonuses and costs, adjusted for any difference between the final net proceeds of the Medical disposal and the estimated amount and for certain liabilities may be paid as part of the initial price, if the underlying amounts are paid to Lumibird before such Completion Date.