



Transition

Limited liability corporation with a Board of Directors (*société anonyme à Conseil d'administration*)

49 bis avenue Franklin Roosevelt, 75008 Paris, France

RCS Paris 895 395 622

INTERIM FINANCIAL REPORT

AS OF AND FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

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I. DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I certify, to the best of my knowledge, that the interim financial statements of Transition for the six-month period ended June 30, 2023 have been drawn up in accordance with applicable accounting standards, and give a true and fair view of the assets and liabilities, financial position, and profits and losses of the Company, and that the interim activity report therein presents a true and fair view of the major events that took place in the six-month period ended June 30, 2023, their impact on the financial statements, the main related-party transactions and describes the main risks and uncertainties for the remaining six months of the year.

On July 27, 2023

Xavier Caïtucoli
Président-Directeur Général

II. INTERIM ACTIVITY REPORT

1. Activities of Transition – Significant Events

Over the period, the Company actively pursued the search and identification of business combination opportunities, in accordance with the objectives and procedures described in the Prospectus.

On June 15, 2023, Transition and Arverne Group announced the signing of a combination agreement to publicly list on Euronext Paris' professional segment the future French leader in geothermal and low-carbon lithium to drive the energy transition. Arverne Group is an industrial group with a wide array of expertise in the energy transition, specializing in harnessing subsurface resources, with a focus on geothermal energy via its subsidiary 2gré and lithium extraction via its subsidiary Lithium de France. The combined expertise and resources of Arverne Group and Transition will accelerate growth in harnessing subsurface resources to support the energy transition, with an initial goal of achieving revenues of between €200 million and €350 million by 2027, and between €800 million and €1.15 billion by 2030

The Initial Business Combination will be based on a fully diluted pre-money valuation of Arverne Group shares of €167 million and a value of Transition shares (issued or to be issued) of around €176 million, corresponding to a pro forma enterprise value of around €343 million.

The total amount of funding secured to date stands at circa €133 million, enabling the company to pursue its growth strategy through 2025, regardless of the costs related to the combination and Transition IPO. This amount includes the PIPE commitments and non-redemption undertakings received from investors (for €65 million and €54 million respectively).

Besides, the Company is expecting to finalize, at the latest before mid-September 2023, an additional commitment with a potential strategic investor for a maximum amount of €29 million.

2. Statement of income (loss) and financial position analysis

2.1 Statement of income analysis

As at June 30, 2023, no revenue has been generated by the Company.

The operating income is a loss equal to €2,611 thousand corresponding to external expenses mainly in connection with the completion of the business combination with Arverne Group. It includes payment of legal, financial and technical advisors, alongside other general and administrative expenses.

The fair value adjustment of market warrants has been recognized in operating expenses for €10,613 thousand.

The net income of the Company is a net loss equal to €11,482 thousand.

2.2 Statement of financial position analysis

As of June 30, 2023, the Company has cash and cash equivalents of €169 thousand and restricted cash of €209,049 thousand which mainly correspond to the 2021 proceeds from the issuance of the Market Units and the Over-allotment Option.

“Other current assets” of the Company amount to €424 thousand and correspond to deductible VAT. The prepaid expenses for €11 thousand relate to market listing fees invoiced in advance.

The shareholders' equity of the Company is negative and amounts to €12,807 thousand. The share capital of the Company is equal to €275.3 thousand and €5,749 thousand have been recorded as equity premium as a result of the subscription of Founder's Units.

Market warrants and founders warrants issued by the Company had a nil value at the date of the Initial Public Offering and for as long as no announcement had been made of a planned merger. As the Initial Business Combination has been announced on June 15, 2023, these warrants were measured at fair value through profit or loss in accordance with IFRS 9 as at June 30, 2023. As the price of a warrant was €0,5 each as at June 30, 2023, a €10,613 thousand impact was recognized in operating expenses with a corresponding adjustment to debt instruments.

As of June 30, 2023, the Company has €3,303 thousand of other current liabilities that correspond to debts due to suppliers.

3. Investments

No material investment has been completed during the first semester 2023.

4. Material events that occurred since the closing of the first semester

The amount of redemption demands of B shares received during the redemption period from June 21, 2023 to July 20, 2023 in the context of the business combination with Arverne Group amounts to 15,246,672 B shares, 73.8% of the total B shares issued.

On July 26, 2023, the Company announced the approval by the Special General Assembly of the Business Combination with Arverne Group.

The merger is expected to be closed before end of September 2023. The following indicative timetable describes the next steps to the completion of the merger:

- | | |
|-------------------------|--|
| - July 27, 2023 | Merger and PIPE Prospectus approved by the AMF |
| - July 28, 2023 | Signing of the Merger Agreement |
| - Early August 2023 | Convening notice for the combined general meeting of Transition shareholders published in the BALO |
| - Mid-September 2023 | Combined general meeting of Transition shareholders, Arverne shareholders' Meeting |
| - Mid-September 2023 | Settlement and delivery of shares issued as part of the PIPE, completion of the PIPE, Settlement and delivery of shares issued as part of the Merger, completion of the Merger |
| - End of September 2023 | Cancellation of repurchased Class B shares and payment by Transition of the redemption price to Dissenting Shareholders. |

5. Risk factors

The risks identified by the Company as having a significant adverse effect on the Company's business, financial condition, results of operations or prospects, and which are important for investment decision-making are set forth in the "*Risk factors*" section of the Prospectus. Shareholders' and investors' attention is drawn to the fact that the list of risks presented in the Prospectus is not exhaustive and that other risks, not identified as of the date hereof or not identified as likely to have a significant adverse effect on the Company's business, financial condition, results of operations or prospects, may exist or arise.

6. Related-party transactions

Material related party transactions are those set out in the "*Related party transactions*" section of the Prospectus and presented in Note 12 of the interim financial statements for the six-month period ended June 30, 2023.

7. Prospect and main uncertainties for the forthcoming six months

In the event the merger with Arverne Group is not completed by October 31, 2023, it is reminded that the Company has until December 21, 2023 to complete a new Initial Business Combination.

The Company will be dissolved in the event of non-completion of an Initial Business Combination before December 21, 2023. The Company's liquidation operations will then be carried out under the conditions provided for by its current articles of association, as detailed in the Prospectus.

**INTERIM FINANCIAL STATEMENTS AND NOTES
AS OF AND FOR THE SIX-MONTH-PERIOD
ENDED JUNE 30, 2023**

Unless stated otherwise, the amounts presented are in thousands of euros, rounded to the nearest thousand. In general, the amounts presented in the interim financial statements and related notes are rounded to the nearest unit. This may result in a non-material difference between the sum of the rounded amounts and the reported total. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts.

Income Statement

<i>(in thousands of euros)</i>	<i>Notes</i>	6 month period ended June 30, 2023	6 month period ended June 30, 2022
Revenue	5.1	-	-
Operational expenses	5.2	2 611	635
Fair value adjustment of warrants	8	10 613	
Operating income / (loss)		(13 223)	(635)
Other financial revenues	5.3	1 756	
Other financial expenses	5.3	15	190
Financial income / (loss)		1 741	(190)
		-	
Income tax			
Net income / (loss)		(11 482)	(825)
Attributable to owners of the company		(11 482)	(825)
Attributable to non-controlling interests			
Earnings per share (in euros)		(0,041704)	(0,02996)
- basic	6	(0,041704)	(0,02996)

Comprehensive Income Statement

<i>(in thousands of euros)</i>	<i>Notes</i>	6 month period ended June 30, 2023	6 month period ended June 30, 2022
Net income / (loss)		(11 482)	(825)
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Total comprehensive income / (loss) for the period		(11 482)	(825)
Attributable to owners of the company		(11 482)	(825)
Attributable to non-controlling interests		-	-

Balance sheet

<i>(in thousands of euros)</i>	Notes	6 month period ended June 30, 2023	12 month period ended Dec, 31, 2022
Total non-current assets		-	-
Other current assets	9	424	340
Restricted cash	10	209 049	207 293
Cash and cash equivalents		169	325
Prepaid expenses		11	15
Total current assets		209 652	207 973
Total assets		209 652	207 973
<i>(in thousands of euros)</i>	Notes	6 month period ended June 30, 2023	12 month period ended Dec, 31, 2022
Share capital		275	275
Share premium		5 749	5 749
Retained earnings and net income / (loss)		(18 902)	(7 420)
Non controlling interests			
Total equity	7	(12 878)	(1 396)
Non current financial debt			
Derivative instruments			
Other non current liabilities			
Total non-current liabilities			-
Current financial debt	11	208 544	208 544
Derivative instruments	8	10 684	71
Other current liabilities		3 303	754
Total current liabilities		222 531	209 369
Total equity and liabilities		209 652	207 973

Cash flows statement

<i>(in thousands of euros)</i>	6 month period ended June 30, 2023	6 month period ended June, 30, 2022
Net income / (loss)	(11 482)	(825)
Depreciation and amortisation		
Change in fair value of warrants	10 613	
Change in working capital	2 469	232
Net cash flow from operating activities	1 600	(593)
Acquisition of fixed assets		
Disposals of fixed assets		
Net cash flows from investing activities	-	-
Proceeds received from shareholders during capital increases		
Change in financial debts	-	190
Net cash flows used in financing activities	-	190
Net change in cash and cash equivalents and restricted cash	1 600	(403)
Cash and cash equivalents at beginning of period	325	472
Cash and cash equivalents at end of period	169	69
Restricted cash at beginning of period	207 293	206 578
Restricted cash at end of period	209 049	206 578

Change in equity

<i>(in euros)</i>	Number of shares	Share capital	Share premium	Retained earnings and net profit/loss for the period	Equity attributable to equity holders	Non controlling interests	Total equity
Equity at Dec 31 2022	27 533 332	275 333	5 748 845	(7 419 871)	(1 395 693)	-	(1 395 693)
<i>Changes for the six-month period</i>							
Increase in capital					-		-
Decrease in capital					-		-
Dividends paid					-		-
Net profit/loss				(11 482 461)	(11 482 461)		(11 482 461)
Other changes					-		-
Equity at June 30 2023	27 533 332	275 333	5 748 845	(18 902 332)	(12 878 153)	-	(12 878 153)

Notes to the interim financial statements

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NOTE 1. GENERAL INFORMATION

TRANSITION S.A. (hereafter “the Company”) was incorporated on March 19, 2021 as a limited liability corporation with a Board of Directors (*société anonyme à Conseil d'Administration*) governed by French law, and is registered with the Registry of Commerce and Companies of Paris under number R.C.S. 895 395 622. The registered office of the Company is located at 49 bis avenue Franklin Roosevelt 75008 Paris, FRANCE.

The Company is listed on Euronext Paris (*compartiment professionnel*) under the ticker symbol "TRAN".

The Company was formed by Messrs. Xavier Caïtucoli and Erik Maris, each acting through and on behalf of their controlled affiliated entities named respectively Crescendix (or any entity controlled by Crescendix) and Schuman Invest, and by Eiffel Essentiel SLP (together, the “Founders”).

The purpose of the Company, a SPAC (Special Purpose Acquisition Company) is to acquire one or more companies or operating businesses with principal operations in the energy transition sector (renewable energy production and energy efficiency) headquartered in Europe through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the “Initial Business Combination”).

The Company completed an Initial Public Offering of Market Units in June 2021. Starting from the Listing Date, the Company has twenty-four (24) months to complete the Initial Business Combination, plus an additional six (6) month period if it signs a legally binding agreement with the seller of a target and convenes a shareholders’ meeting to approve such proposed Initial Business Combination within those initial 24 months (the “Initial Business Combination Deadline”) (or any longer period as may be decided by the shareholders’ general meeting). If the Company fails to complete the Initial Business Combination within the above-mentioned timeline, it will be liquidated (unless its term is validly extended by the extraordinary shareholders’ meeting).

NOTE 2. SIGNIFICANT EVENTS IN THE CURRENT PERIOD

Over the period, the Company actively pursued the search and identification of business combination opportunities, in accordance with the objectives and procedures described in the Prospectus.

On June 15, 2023, Transition and Arverne Group announced the signing of a combination agreement to publicly list on Euronext Paris’ professional segment the future French leader in geothermal and low-carbon lithium to drive the energy transition. Arverne Group is an industrial group with a wide array of expertise in the energy transition, specializing in harnessing subsurface resources, with a focus on geothermal energy via its subsidiary 2gré and lithium extraction via its subsidiary Lithium de France. The combined expertise and resources of Arverne Group and Transition will accelerate growth in harnessing subsurface resources to support the energy transition, with an initial goal of achieving revenues of between €200 million and €350 million by 2027, and between €800 million and €1.15 billion by 2030

The Initial Business Combination will be based on a fully diluted pre-money valuation of Arverne Group shares of €167 million and a value of Transition shares (issued or to be issued) of around €176 million, corresponding to a pro forma enterprise value of around €343 million.

The total amount of funding secured to date stands at circa €133 million, enabling the company to pursue its growth strategy through 2025, regardless of the costs related to the combination and Transition IPO. This amount includes the PIPE commitments and non-redemption undertakings received from investors (for €65 million and €54 million respectively).

Besides, the Company is expecting to finalize, at the latest before mid-September 2023, an additional commitment with a potential strategic investor for a maximum amount of €29 million.

NOTE 3. BASIS OF PREPARATION

These Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards as published by the IASB and adopted by the European Union (“IFRS”). They have been prepared for the six-month period from January 1, 2023 to June 30, 2023. They were approved by the Company's Board of Directors on July 27, 2023.

These Interim Financial Statements for the six-month period ended June 30, 2023 have been prepared in accordance with the recognition and measurement requirements of IAS 34 “*Interim Financial Reporting*”. These Interim Financial Statements do not include all the information required for annual financial statements and shall be read in conjunction with the Company’s Annual financial statements and notes as of and for the twelve-month period ended December 31, 2022.

The Interim Financial Statements have been prepared on a going concern basis. In the event the merger with Arverne Group is not completed by October 31, 2023, it is reminded that the Company has until December 21, 2023 to complete a new Initial Business Combination. The Company will be dissolved in the event of non-completion of an Initial Business Combination before December 21, 2023. The Company's liquidation operations will then be carried out under the conditions provided for by its current articles of association, as detailed in the Prospectus

Accounting policies used to prepare these Interim Financial Statements are the same as those used to prepare the Financial Statements as of and for the twelve-month period ended December 31, 2022, except for the adoption of new amendments, standards and interpretation as of January 1, 2023 as detailed below.

New and Amended Accounting Standards and Interpretations Effective in 2023

The following amendments applied starting from 2023 have had no effect on the balance sheet or performance of the entity:

- IFRS 17 "Insurance Contracts" and related amendments
- Amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendment to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"
- Amendments to IFRS 17 "Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative information"

The entity has not opted for the early application of any standards, amendments or interpretations effective in future periods, regardless of whether they were approved by European Union.

NOTE 4. SEGMENT INFORMATION

As at the date hereof, Transition has not defined any reportable segments.

NOTE 5. INCOME AND EXPENSES

5.1 REVENUE

Transition did not generate any revenue during the six-month period ended June 30, 2023.

5.2 OPERATIONAL EXPENSES

During the six-month-period ended June 30, 2023, external charges primarily mainly corresponded to expense fees related to the hiring of legal, financial and technical advisors in connection with the completion of the Initial Business Combination for €2,611 thousand, out of which €211 thousand have already been paid.

5.3 OTHER FINANCIAL REVENUES/EXPENSES

During the six-month-period ended June 30, 2023, the financial income corresponds to the positive interests recognized on the escrow account, and the fair value adjustment of market warrants that have been recognized for a negative amount of €10,613 thousand.

NOTE 6. EARNING (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing profit (loss) for the period by the number of ordinary shares outstanding as of June 30, 2023. The Company has no ordinary shares outstanding as of June 30, 2023 and used the number of Market Shares and Founder's Shares, which was 27,533,332 as of June 30, 2023.

Diluted earnings (loss) per share is calculated by adjusting profit (loss) for the period and the number of shares at the end of the period by the impact of all potentially dilutive financial instruments.

NOTE 7. EQUITY

Share capital

As of June 30, 2023, the share capital of Transition is made up of 27,533,332 shares as follows:

Share equity	Number of shares	%
Founders	6,883,332	25%
Public	20,650,000	75%
TOTAL	27,533,332	100%

Each share has a nominal value of €0.01.

As of June 30, 2023, the shareholders holding more than 5% of the share capital or of total voting rights are:

	% of the Company's share capital	% of the Company's voting rights
Xavier Caïtucoli ¹	10.15%	4.94%
Erik Maris ²	8.33%	2.72%
Eiffel Essentiel SLP	11.97%	7.17%
Sycomore Asset Management	6.90%	8.45%
BlueCrest Capital Management Ltd	8.61%	10.54%
JP Morgan Chase & Co.	19.51%	23.89%

Founders' Shares (Class A Preference Shares)

As of June 30, 2023, the Company has 6,883,332 Founder's Shares outstanding. The Founders' shares split as follows:

- 575,460 shares equally issued to the three Founders at a price of 10€ per Founder Unit, with each Unit comprised of one Founder Share and one Founder Warrant,
- 6,307,872 shares issued at par value (0.01€) equally to the Founders.

Until their conversion into Ordinary Shares, the Founders' Shares will not be listed.

Market Shares (Class B preference Shares)

As of June 30, 2023, the Company has 20,650,000 Market Shares outstanding, all of which were issued at a price of €10.00 per Market Unit, with each Unit comprised of one Market Share and one Market Warrant. The Company determined that Market Warrants are derivative instruments within the scope of IFRS 9 and are fair valued, with change in value recognized through the income statement.

Market Shares have voting rights, including a right to approve the Initial Business Combination at a 2/3rd majority of the votes of the market shareholders present or represented (the "Required Majority") at a Market Shareholders' special meeting (the "Approval Shareholders' Meeting").

Subject to the approval of the Initial Business Combination by the special meeting of the Market Shareholders at the Required Majority, all Market Shareholders will be entitled to request the redemption of their Market Shares, irrespective of their participation and voting record at the Approval Shareholders' Meeting.

Market Shares are redeemable for cash, at €10.00 per share, at the option of the holder, in case an Initial BusinessCombination is completed by the SPAC. Unredeemed Market Shares will automatically convert into ordinary shares (at a ratio of one for one) upon completion of the Initial Business Combination. If no Initial Business Combination is completed within 24 months from Initial Public Offering, and no decision is taken to extend the life of the Company, the latter will liquidate. In case of liquidation, the Market Shares have preference over Founder Shares for distribution of liquidation proceeds for up to €10.00 per share.

¹ Xavier Caïtucoli holds his Founders' Shares, Founders' Warrants, Market Shares and Market Warrants through Crescendix (or any entity controlled by Crescendix). The shares of Crescendix are directly wholly owned by Xavier Caïtucoli.

² Erik Maris holds his Founders' Shares and Founders' Warrants through Schuman Invest. The shares of Schuman Invest are directly wholly owned by Erik Maris.

Ordinary shares

As of June 30, 2023, the Company has no ordinary shares outstanding.

NOTE 8. DERIVATIVE INSTRUMENTS

Derivative instruments

Market Warrants

As of June 30, 2023, the Company has 20,650,000 Market Warrants outstanding, all of which were issued during the period in connection with the issuance of Market Units. Three (3) Market Warrants will entitle their holder to subscribe for one (1) Ordinary Share with a nominal value of €0.01 (the “Exercise Ratio”), at an overall exercise price of €11.50 per new Ordinary Share.

The Market Warrants will become exercisable as from the Initial Business Combination Completion Date and will expire at the close of trading on Euronext Paris on the first business day after the fifth anniversary of the Initial Business Combination Completion Date or earlier upon (i) redemption or (ii) liquidation of the Company (the “Exercise Period”). If a holder of Market Warrants has not exercised its Market Warrants before the end of the Exercise Period, those Market Warrants will lapse without value.

During the Exercise Period of the Market Warrants, the Company may, at its sole discretion, elect to call the Market Warrants for redemption in whole at a price of €0.01 per Market Warrant and upon a minimum of 30 days’ prior written notice of redemption, if, and only if, the last trading price of the Ordinary Shares equals or exceeds €18.00 per Ordinary Share for any period of 20 trading days within a 30 consecutive trading day period ending three Business Days before the Company sends the notice of redemption. Market Warrants redeemed by the Company will be cancelled immediately after their redemption.

Founders’ Warrants

As of June 30, 2023, the Company has 575,460 Founders’ Warrants outstanding, all of which were issued in connection with the issuance of Founder Units.

The terms and conditions of the Founders’ Warrants shall be identical to the terms of the Market Warrants described above, except that:

- they shall not be redeemable by the Company for so long as they are held by the Founders or their permitted transferees; and
- they shall not be listed on the regulated market of Euronext Paris or on any other stock exchange.

Markets warrants and founders warrants issued by the Company had a nil value at the date of the Initial Public Offering and for as long as no announcement had been made of a planned merger.

As the Initial Business Combination has been announced on June 15, 2023, these warrants were measured at fair value through profit or loss in accordance with IFRS 9 as at June 30, 2023. As the price of a warrant was €0,5 each as at June 30, 2023, a €10,6 million impact was recognized in operating expenses with a corresponding adjustment to debt instruments.

Forward Purchase Warrants

The Company issued in 2021, in the context of an offer reserved to certain identified beneficiaries who committed to participate to the Offering and in compliance with Article L. 225-138 of the French Commercial Code (the “**Reserved Issuance**”), a number of 7,100,000 warrants, at a price of €0.01 per warrant, each giving its holder the right to subscribe, upon completion of the Initial Business Combination, for one (1) new ordinary share of the Company with one (1) Market Warrant attached, at an overall exercise price of €10.00 per warrant (subject to customary adjustments).

The Forward Purchase Warrants shall become exercisable before the anticipated Initial Business Combination Completion Date (as such terms are defined in the Prospectus (as defined below)) and for an amount to be determined in accordance with a specific notification procedure between the Company and the holders.

NOTE 9. OTHER CURRENT ASSETS

Trade and other receivables correspond to €424 thousand in deductible VAT recognized at the period-end. Listing fees invoiced in advance for €11 thousand are recorded as prepaid expenses.

Transition elected to be VAT registered at the time it was incorporated and it therefore has a VAT number, which means it can already deduct VAT from the costs it incurs. Transition considers that, in view of the projects to which it has already committed, it will either carry out a business activity directly or it will be the holding company of several subsidiaries. In either of these cases it will therefore exercise an economic activity that will be subject to VAT.

NOTE 10. RESTRICTED CASH

Out of the proceeds received by the Company from the Initial Public Offering, an amount of €206,577,579 million was placed in a secured deposit account opened with Caisse d'Épargne CEPAC (the "Escrow Account"). Funds deposited in the Escrow Account may only be used in connection with the completion of the Initial Business Combination and the potential redemption of the Market Shares validly submitted for redemption. If the Company does not complete an Initial Business Combination by the Initial Business Combination Deadline, the outstanding amounts in the Escrow Account (including the interests, if any, on such amounts) will, after satisfaction of creditors' claims and settlement of the Company's liabilities, be distributed to the holders of the Market Shares and to the Founders for their Founders' Shares.

The amount of €206,577,579 bears positive interest recorded in Other financial income on the period.

NOTE 11. CURRENT FINANCIAL DEBT

As of June 30, 2023, the Company recorded €208 544 thousand under current financial debt that mainly correspond to the restricted cash held in the Escrow Account, a bank credit facility amounting €1,200 thousand (due date September 28, 2023) and a financial advance from the Founders for €1,050 thousand.

NOTE 12. RELATED-PARTY TRANSACTIONS

No related party transactions over the six-month period ended June 30, 2023.

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments given

The bank fees linked to the Offering, if the Company successfully completes an Initial Business Combination are as follows:

- a fixed fee of maximum 5,240,000 euros after completion of the Initial Business Combination, and
- a success fee up to 1,500,000 euros.

The estimated expenses incurred with the Company's advisors (mainly legal, financial, technical) in connection with the preparation of an Initial Business Combination but not yet disbursed amount to circa 3,000,000 euros.

The Company is committed to refund the holders of Markets Shares and the Founders for their Founders' Shares (in accordance with the "Liquidation Waterfall" set forth in the Prospectus) if the Initial Business Combination is not completed.

Contingent liabilities

None

NOTE 14. EVENTS AFTER THE BALANCE SHEET DATE

The amount of redemption demands of B shares received during the redemption period from June 21, 2023 to July 20, 2023 in the context of the business combination with Arverne Group amounts to 15,246,672 B shares, 73.8% of the total B shares issued.

On July 26, 2023, the Company announced the approval by the Special General Assembly of the Business Combination with Arverne Group.

The merger is expected to be closed before end of September 2023. The following indicative timetable describes the next steps to the completion of the merger:

- July 27, 2023 Merger and PIPE Prospectus approved by the AMF
- July 28, 2023 Signing of the Merger Agreement
- Early August 2023 Convening notice for the combined general meeting of Transition shareholders published in the BALO
- Mid-September 2023 Combined general meeting of Transition shareholders, Arverne shareholders' Meeting
- Mid-September 2023 Settlement and delivery of shares issued as part of the PIPE, completion of the PIPE, Settlement and delivery of shares issued as part of the Merger, completion of the Merger
- End of September 2023 Cancellation of repurchased Class B shares and payment by Transition of the redemption price to Dissenting Shareholders.

TRANSITION

Société Anonyme
49 bis avenue Franklin D. Roosevelt
75008 Paris
France

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1, 2023 to June 30, 2023

TRANSITION

Société Anonyme
49 bis avenue Franklin D. Roosevelt
75008 Paris
France

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1, 2023 to June 30, 2023

To the Shareholders,

In compliance with the assignment entrusted to us by articles of incorporation and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("*code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying interim financial statements of Transition, for the period from January 1, 2023 to June 30, 2023,
- the verification of the information presented in the half-yearly management report.

These interim financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these interim financial statements based on our review.

1. Conclusion on the interim financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the interim financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the interim financial statements.

Paris-La Défense, France, July 27, 2023

The Statutory Auditor

DELOITTE & ASSOCIES

François BUZY