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ACHIEVEMENT OF NEW MAJOR STEPS IN THE BUSINESS COMBINATION PROCESS BETWEEN TRANSITION S.A. AND ARVERNE GROUP S.A.S

- EXECUTION OF THE DRAFT MERGER AGREEMENT BETWEEN TRANSITION S.A. AND ARVERNE GROUP S.A.S
- APPROVAL OF THE MERGER PROSPECTUS BY THE AMF
- APPROVAL OF THE "PIPE" LISTING PROSPECTUS BY THE AMF

Paris, 28 July 2023 – Transition S.A. (Euronext Paris: TRAN) (the "**Company**" or "**Transition**") announces the achievement of new major steps in the completion process of the business combination (the "**Business Combination**") with Arverne Group S.A.S. ("**Arverne Group**").

- **Execution of the draft Merger Agreement**

Transition announces that it has signed a draft merger agreement (the "**Merger Agreement**") with Arverne Group, setting out the terms and conditions of the merger and absorption of Arverne Group with and by Transition (the "**Merger**"), following which the Company will acquire all of the assets and liabilities of Arverne Group. Following the completion of the Business Combination, the name of the Company will be changed to "Arverne Group" and the registered office of the Company will be transferred to 2 avenue du Président Pierre Angot, 64000 Pau, France (the "**Combined Entity**").

- **Purpose of the Merger**

The purpose of the Merger is to create a major actor on the French and European markets in the field of energy transition, specialized in geothermal heat production and geothermal lithium extraction, fully integrated along the entire subsurface value chain and that will have the resources to accelerate its growth in France and Europe, while supporting the energy transition and regional prosperity.

- **Terms and conditions of the Merger**

The terms and conditions of the Merger are detailed in the summary of the Merger Prospectus.

- **Approval of the Merger Prospectus and the "PIPE" Listing Prospectus by the AMF**

Transition announces that the French financial market authority (*Autorité des Marchés Financiers*, the "**AMF**") approved:

- under approval number 23-331, the prospectus prepared by Transition in connection with the contemplated Merger for the purpose of listing and admission to trading on the professional segment (*compartiment professionnelle*) of the regulated market of Euronext Paris of 18,239,589

new ordinary shares to be issued as a result of the completion of the Merger (the “**Merger Prospectus**”); and

- under approval number 23-332, the prospectus prepared by Transition for the purpose of admission to trading on the professional segment (*compartiment professionnel*) of the regulated market of Euronext Paris of (i) up to 9,292,528 new ordinary shares to be issued at a subscription price of €10.00 each (issuance premium included) in the context of two share capital increases without preferential subscription rights to the benefit of certain identified persons (the “**Initial Capital Increases**”), and, as the case may be, (ii) up to 6,887,850 new ordinary shares to be issued at a subscription price of €10.00 each (issuance premium included) in the context of a share capital increase without preferential subscription rights to the benefit of additional investors in a category of persons meeting specific characteristics (the “**Additional Capital Increase**”, and with the Initial Capital Increases, the “**“PIPE” Capital Increase**”) (the “**“PIPE” Listing Prospectus**” or the “**PIPE**”), it being specified that the “PIPE” Capital Increase will be limited to a maximum amount of €133 million (issuance premium included), corresponding to a maximum of 13,300,000 shares.

For information purposes, the gross proceeds of the “PIPE” Capital Increase consisting solely of the Initial Capital Increases would amount approximately to € 92,925,280.00 and the maximum gross proceeds of the “PIPE” Capital Increase consisting of the Initial Capital Increases and the Additional Capital Increase would, if applicable, amount approximately to € 133,000,000.00.

The subscription of new ordinary shares to be issued in the context of the Initial Capital Increases will be completed, in accordance with the provisions of Article L. 225-138 of the French Commercial Code, without preferential subscription rights to the benefit of the following designated beneficiaries (the “**Identified Investors**”):

Investors	Type of investor	Number of new ordinary shares to be subscribed	Amount of the subscription (in €)
ADEME Investissement SAS	New Investor	3,000,000	30,000,000
Renault ^(see below)	New Investor	2,580,378	25,803,780
Crédit Mutuel Equity SCR	New Investor	1,500,000	15,000,000
Union Chimique	New Investor	1,000,000	10,000,000
Goldman Sachs Bank Europe SE	New Investor	367,150	3,671,500
Herrenknecht AG	New Investor	200,000	2,000,000
Groupe Idec Invest Innovation S.A.S	New Investor	100,000	1,000,000
SICAV Marignan	New Investor	100,000	1,000,000
SEB Alliance	New Investor	100,000	1,000,000
ESTIMO S.A.	New Investor	25,000	250,000
Société Civile de l’Ermitage Saint-Joseph	New Investor	20,000	200,000
Xavier Caïtucoli ⁽¹⁾⁽³⁾	Current shareholder	100,000	1,000,000
Erik Maris ⁽²⁾⁽³⁾	Current shareholder	100,000	1,000,000

Eiffel Essentiel SLP ⁽³⁾	Current shareholder	100,000	1,000,000
TOTAL		9,292,528	92,925,280

(1) Or via Crescendix (or an entity controlled by Crescendix), a French *société par actions simplifiée*, held directly at 100% by Mr. Xavier Caïtuoli.

(2) Or via Schuman Invest, a French *société par actions simplifiée*, held directly at 100% by Mr. Erik Maris.

(3) The investment of the Founders in the PIPE would result from the net proceeds of the sale of the Class A1, A2, A3 and A4 Shares to Renault, and thus remains subject to the investment of Renault in the PIPE, itself subject to the signing of (i) a subscription agreement with the Company and (ii) the Lithium Agreement (as defined below).

Renault confirmed to the Company its intention to participate in the PIPE, for an amount of €25.8 million, at a price of €10.00 per new ordinary share. The equity investment by Renault would be part of a strategic partnership between Renault and the Company, with the signing of a supply agreement for battery-grade lithium extracted from the geothermal activities carried out by the Arverne group and its subsidiaries (the "**Lithium Agreement**"). The investment of Renault in the PIPE remains subject to the signing of (i) a subscription agreement with the Company and (ii) the Lithium Agreement mentioned above.

Copies of the Merger Prospectus and of the "PIPE" Listing Prospectus are available free of charge at the Company's registered office located at 49 bis, avenue Franklin Delano Roosevelt, 75008 Paris, France, and on the Company's website (www.spactransition.com) and the AMF website (www.amf-france.org).

The Merger Prospectus and the "PIPE" Listing Prospectus provide for a detailed description of Transition, including a section describing certain risk factors related to the Combined Entity, the Merger and the "PIPE" Capital Increase.

The approval by the AMF of the Merger Prospectus and of the "PIPE" Listing Prospectus were conditions to the completion of the Business Combination.

- **Conditions precedent to the Business Combination.**

Completion of the Merger remains subject in particular to the satisfaction of the following conditions:

- approval by the combined general meeting of the Company's shareholders of (i) the Merger, (ii) the capital increase of the Company through the issuance of ordinary shares in consideration for the Merger, and (iii) the "PIPE" Capital Increase;
- approval of all the provisions of the Merger Agreement relating to the Merger, including those relating to the evaluation of the contributed assets and their remuneration, by the general meeting of the shareholders of Arverne Group convened in the context of the Merger;
- absence of any law, rule, regulation, judgment, decree, injunction or judicial or administrative decision having the effect of making the Merger or the "PIPE" Capital Increase illegal or otherwise prohibiting their consummation in any manner whatsoever;
- available Available Cash amounting to at least €133 million held by the Company on completion of the Merger, where "Available Cash" refers to the sum of (i) the principal amount and accrued interest not received from funds immediately available in the escrow account opened by the Company with Caisse d'Épargne CEPAC under the business current account agreement entered into on September 27, 2021 between the acquiring entity and Caisse d'Épargne CEPAC, net of expenses of any redemption

requests for Class B preferred shares of the Company known as "Market Shares"; (ii) any other funds held by the Company that are available, excluding the funds held in escrow mentioned in (i); (iii) the proceeds from the "PIPE" Capital Increase and (iv) the nominal amount of the convertible bonds issued by Arverne Group on March 10, 2023;

- approval by the AMF, still in force and not subject to any appeal, of (i) the Merger Prospectus and (ii) the "PIPE" Listing Prospectus;
- absence, within thirty (30) days following the publication of the notice inserted, by each of the companies participating in the Merger, in the *Bulletin Officiel des Annonces Civiles et Commerciales* (BODACC) (or on the Company's or Arverne Group's website) in accordance with article R. 236-2 of the French Commercial Code, of any objection having the purpose or the effect of the reimbursement by Arverne Group of a debt in an amount exceeding €2 million or the constitution by Arverne Group of a guarantee in an amount exceeding €2 million;
- completion of the "PIPE" Capital Increase;
- completion of the contribution in kind of 418,352 ordinary shares of Lithium de France by some of its minority shareholders in exchange for 214,544 ordinary shares of Arverne Group.

- **Contemplated timetable**

The contemplated timetable for the completion of the Business Combination is as follows:

Dates	Key steps
27 July 2023	Signing of the Merger Agreement
27 July 2023	Approval by the AMF of the Merger Prospectus and the “PIPE” Listing Prospectus
28 July 2023	Press release on (i) the approval of the Merger Prospectus by the AMF, (ii) the key terms and conditions of the Merger, and (iii) the approval of the “PIPE” Listing Prospectus by the AMF Filing of the Merger Agreement and the reports of the merger auditors with the court registries (<i>greffes des tribunaux</i>) of Paris and Pau courts
2 August 2023	Official notice of the combined general meeting of Transition announced in the <i>Bulletin des Annonces Légales Obligatoires</i> (BALO)
14 September 2023	Combined general meeting of Transition
14 September 2023	General meeting of Arverne Group
19 September 2023	Settlement and delivery of shares issued as part of the “PIPE” capital increase - Completion of the “PIPE” capital increase Settlement and delivery of shares issued as part of the Merger - Completion of the Merger Conversion of Class A1 preferred shares into ordinary shares and of Class B preferred shares whose redemption has not been requested into ordinary shares of the Company
19 October 2023	Deadline for completion of the redemption of Class B preferred shares, their cancellation and payment of the redemption price to the holders of Class B preferred shares who requested the redemption

- **Shareholding of the Combined Entity**

The table below sets out the shareholding of the Company following the completion of the Business Combination and taking into account the completion of the "PIPE" Capital Increase (for an amount of €92,925,280.00 consisting solely of the Initial Capital Increases) and the cancellation of 15,246,672 Market Shares for which a redemption request had been made, on a non-diluted basis and on a fully diluted basis.

Shareholders	On a non-diluted basis ⁽¹⁾				On a diluted basis ⁽⁸⁾		
	Ordinary Shares ⁽⁶⁾	Class A Shares	% of share capital	% of voting rights ⁽⁷⁾	Ordinary Shares	% of share capital	% of voting rights
Arosco ⁽²⁾	8,545,293	-	21.46%	24.58%	8,745,298	18.32%	18.32%
Stokka ⁽³⁾	628,947	-	1.58%	1.81%	778,950	1.63%	1.63%
Other shareholders of Arverne Group	7,526,003	-	18.90%	21.64%	7,586,004	15.89%	15.89%
Total shareholders of Arverne Group	16,700,243	-	41.94%	48.03%	17,110,252	35.84%	35.84%
Xavier Caitucoli ⁽⁴⁾⁽¹⁰⁾	1,482,062	1,455,901	7.38%	4.26%	3,168,568	6.64%	6.64%
Erik Maris ⁽⁵⁾⁽¹⁰⁾	468,947	1,455,901	4.83%	1.35%	1,988,787	4.17%	4.17%
Eiffel Essentiel SLP ⁽¹⁰⁾	2,495,178	1,455,901	9.92%	7.18%	4,348,351	9.11%	9.11%
Total Founders (including conversion of convertible bonds)	4,446,186	4,367,702	22.14%	12.79%	9,505,706	19.91%	19.91%
Other Market Shareholders	3,903,328	-	9.80%	11.23%	10,286,661	21.55%	21.55%
ADEME Investissement	3,364,358	340,037	9.30%	9.68%	3,704,395	7.76%	7.76%
Renault ⁽⁹⁾	2,944,736	340,037	8.25%	8.47%	3,284,773	6.88%	6.88%
Other Investors "PIPE"	3,412,150	-	8.57%	9.81%	3,412,150	7.15%	7.15%
Total Investors "PIPE"	9,721,244	680,074	26.12%	27.96%	10,401,318	21.79%	21.79%
Free shares plan			0.00%	0.00%	431,045	0.90%	0.90%
Total	34,771,001	5,047,776	100.00%	100.00%	47,734,983	100.00%	100.00%

(1) Assuming (i) no conversions of the Class A2, A3 and A4 Shares (it being reminded that the Class A1 Shares are automatically converted into ordinary shares upon completion of the Business Combination), and (ii) no exercise of Founder's Warrants and Market Warrants.

(2) Held via Arosco, Pierre Brossollet's holding company. Mr Pierre Brossollet is the direct beneficiary of free shares allocated by Arverne Group.

(3) Held via Sébastien Renaud's holding company. Mr. Sébastien Renaud is the direct beneficiary of free shares allocated by Arverne Group.

(4) Held via Crescendix (or an entity controlled by Crescendix), a French *société par actions simplifiée*, held directly at 100% by Mr. Xavier Caitucoli.

(5) Held via Schuman Invest, a French *société par actions simplifiée*, held directly at 100% by Mr. Erik Maris.

(6) Taking into account (i) the settlement and delivery of the PIPE for an amount of €92,925,280, (ii) the repurchase of 15,246,672 Market Shares whose redemption has been requested in accordance with the by-laws of the Company, (iii) the contribution in kind of 418,352 ordinary shares of Lithium de France by some of its minority shareholders in exchange for 214,544 ordinary shares of Arverne Group and (iv) the issuance immediately prior to the Merger of (a) 73,425 ordinary shares of Arverne Group upon conversion of the 500,000 convertible bonds issued by Arverne Group on March 10, 2023 and subscribed indirectly by Mr. Xavier Caitucoli and (b) 146,850 ordinary shares of Arverne Group upon conversion of the 1,000,000 convertible bonds issued by Arverne Group on March 10, 2023 and subscribed by Eiffel Essentiel SLP. Please note that as no Forward Purchase Warrant holder has notified the exercise of its Forward Purchase Warrants within the required timeframe, the Forward Purchase Warrants have lapsed.

(7) Excluding Class A2, A3, and A4 Shares which do not give any voting rights.

(8) Assuming the conversion of all the Class A2, A3 and A4 Shares (it being recalled that the Class A1 Shares are automatically converted into ordinary shares upon completion of the Business Combination), and the exercise of all Founder's Warrants and Market Warrants, in each case in accordance with the terms and conditions applicable to such securities. It also takes into account the issuance of a maximum number of 841,054 ordinary shares of the Combined Entity to which the definitive acquisition of the 120,353 free shares allocated by the absorbed company on July 27, 2023 could give entitlement.

(9) The investment of Renault in the PIPE remains subject to the signing of (i) a subscription agreement with the Company and (ii) the Lithium Agreement.

(10) The investment of the Founders in the PIPE would result from the net proceeds of the sale of the Class A1, A2, A3 and A4 Shares to Renault, and thus remains subject to the investment of Renault in the PIPE, itself subject to the signing of (i) a subscription agreement with the Company and (ii) the Lithium Agreement.

- **Governance**

As a result of the Business Combination, the Board of Directors of the Combined Entity will comprise 8 members, as follows:

- Pierre Brossollet, Chairman and Chief Executive Officer,
- Xavier Caïtucoli, director,
- Karine Mèreère, ADEME Investissement representative, director,
- Tiphaine Auzière, independant director,
- Colette Lewiner, Cowin representative, independant director,
- Françoise Malrieu, independant director,
- Karine Charbonnier, independant director,
- Frédéric Houssay, Arosco representative, director.

Mr Pierre Brossollet, who is currently Chairman of Arverne Group, will be appointed Chairman and Chief Executive Officer upon completion of the Business Combination. Mr. Sébastien Renaud, a non-executive director of Arverne Group, will be appointed Deputy CEO upon completion of the Business Combination.

It has also been agreed between Renault and Transition that, following the Business Combination, Renault will be appointed as member of the Board of Directors of the Combined Entity, represented by a permanent representative, or will have the right to appoint one member of the Board of Directors, following confirmation of its participation in the PIPE.

- **Pro Forma Consolidated Financial Information**

The Merger Prospectus and the Listing Prospectus "PIPE" include unaudited pro forma consolidated financial information prepared by the Company consisting of (i) an unaudited pro forma consolidated income statement for the financial year ended December 31, 2022 and (ii) an unaudited pro forma consolidated balance sheet for the financial year ended December 31, 2022 (the "**Pro Forma Consolidated Financial Information**"). The Pro Forma Consolidated Financial Information aims to illustrate the significant effects that the Business Combination, the "PIPE" Capital Increase and the acquisition, disposal and financing transactions carried out by Arverne Group (together with the Business Combination and the "PIPE" Capital Increase, the "**Transactions**") would have had on the Company (i) on the fiscal year ended December 31, 2022, if the Transactions had taken place on January 1, 2022, for the purpose of the unaudited pro forma consolidated income statement, and (ii) as at December 31, 2022, if the Transactions had taken place on December 31, 2022, for the purpose of the unaudited pro forma consolidated balance sheet.

The Pro Forma Consolidated Financial Information is provided for information purposes only and is not necessarily indicative of the financial position and results that would have been achieved if the Transactions had been completed on the dates indicated above. Furthermore, the Pro Forma Consolidated Financial Information may not be relevant for predicting the future financial position and results of the new entity after the Business Combination and the "PIPE" Capital Increase.

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European Economic Area - France

This press release is not a prospectus, but an advertisement provided for information purposes only. It does not constitute and should not be deemed to constitute an offer to the public of securities by Transition, nor a solicitation of the public relating to an offer of any kind whatsoever in any country, including France.

Copies of the Merger Prospectus and a copy of the "PIPE" Listing Prospectus, approved by the AMF on July 27, 2023, respectively under number 23-331 and 23-332, are available free of charge at the Company's registered office located at 49 bis, avenue Franklin Delano Roosevelt, 75008 Paris, France, and on the Company's website (www.spactransition.com) and the AMF website (www.amf-france.org). The Merger Prospectus and the "PIPE" Listing Prospectus provide a detailed description of Transition, including a section describing certain risk factors related to the Combined Entity, the Merger and the "PIPE" Capital Increase. The approval of the Merger Prospectus and the "PIPE" Listing Prospectus by the AMF should not be considered as a favorable opinion on the Transition securities covered by these prospectuses.

Investors should not subscribe for or purchase any securities referred to in this press release except on the basis of the information contained in the Merger Prospectus and the "PIPE" Listing Prospectus, as applicable.

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The securities of Transition admitting for trading on the professional segment (compartiment professionnel) of the regulated market of Euronext Paris are addressed solely to Qualified Investors, as defined in the regulation (EU) 2017/1129 of 14 June 2017 and in accordance with the provisions of Article L. 411-2, 1° of the French Code monétaire et financier.

United Kingdom

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United States of America

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Public information

Potential investors in Transition should consult the Merger Prospectus and the "PIPE" Listing Prospectus before making an investment decision in order to fully understand the potential risks and benefits associated with the decision to invest in Transition securities. In particular, potential investors should review the risk factors described in the Merger Prospectus and the "PIPE" Listing Prospectus that have been approved by the AMF on July 27, 2023. Copies of the Merger Prospectus and a copy of the "PIPE" Listing Prospectus, approved by the AMF on July 27, 2023, respectively under number 23-331 and 23-332, are available free of charge at the Company's registered office located at 49 bis, avenue Franklin Delano Roosevelt, 75008 Paris, France, and on the Company's website (www.spactransition.com) and the AMF website (www.amf-france.org).