



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

**ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR
ENDED DECEMBER 31, 2022**

This is a translation into English of the Annual Financial Report of the Company issued in French and which is available on the website of our company, www.spactransition.com.

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

I certify, to the best of my knowledge, that the annual financial statements of Transition 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 activity report therein presents a true and fair view of the major events that took place, and describes the main risks and uncertainties the Company is facing.

Paris, May 11, 2023

Xavier Caïtucoli
Chairman and Chief Executive Officer

II. ANNUAL ACTIVITY REPORT

1. Activities of Transition – Significant Events

1.1 Operations of the Company

During the year ended December 31, 2022, the Company actively pursued the search and identification of business combination opportunities, in accordance with the objectives and procedures described in the Prospectus.

1.2 Allocation of the share capital of Transition and declarations regarding crossing of thresholds

As of December 31, 2022, the share capital of the Company is composed of 27,533,332 shares and 22,485,556 voting rights.

As of December 31, 2022, 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	11.98%	14.68%
La Financière de l'Echiquier	4.54%	5.56%
JP Morgan Securities plc	10.97%	13.43%

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

The points discussed in this section are based on the Company's statutory accounts for the year ended December 31, 2022.

2.1 Statement of income analysis

As at December 31, 2022, no revenue has been achieved by the Company.

The operating income is a loss equal to €2,827 thousand mainly in connection with the identification of business combination opportunities. It includes payment of legal, financial and technical advisors, alongside other general and administrative expenses.

The net income of the Company is a net loss equal to €2,165 thousand.

2.2 Statement of financial position analysis

As of December 31, 2022, the Company has cash at bank of €207,618 thousand including restricted cash of €206,578 thousand which mainly corresponds to the 2021 proceeds from the issuance of the Market Units and the Over-allotment Option.

Other receivables of the Company amount to €340 thousand and mainly correspond to deductible VAT. The prepaid expenses for €15 thousand relate to the financial interests paid in advance for the bank credit facility due June 30, 2023.

Company's equity amounts to €204,969 thousand and split as follows: the share capital of the Company is equal to €275 thousand, €212,113 thousand have been recorded as equity premium, negative retained earnings for an amount of

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.

€5,255 thousand, and a net income of a net loss of €2,165 thousand.

Borrowing and other financial liabilities amount to €2,250 thousand. They correspond to a bank credit facility amounting €1,200 thousand and issued in December 2022 with a due date June 30,2023, and a financial advance from the Founders for €1,050 thousand.

Trade payables amount to €669 thousand as of December 31, 2022 and other liabilities total €85 thousand.

3. Investments

No material investment has been completed during the year 2022.

4. Material events that occurred since the closing date of the 2022 annual financial statements

No material event has occurred since the closing date of the 2022 annual financial statements.

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

The Company conclude no related party transactions during the year ended December 31, 2022.

7. Prospect and main uncertainties

The Company intends to actively pursue the search and identification of business combination opportunities, in accordance with the objectives and procedures described in the Prospectus. However, it is not certain that the Company will be able to identify, negotiate or select a business combination opportunity until then.

As a reminder, the Company has twenty-four (24) months from the Listing Date (June 22, 2021) 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 an Approval Shareholders' Meeting (as defined in the Prospectus) to approve such proposed Initial Business Combination within those initial 24 months.

In accordance with its current articles of association, and unless an extension is decided under the conditions provided for by the articles of association and the applicable laws and regulations, the Company will be dissolved in the event of non-completion of an Initial Business Combination. 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.

8 Information on the due date of receivables and payables

The Company received invoices at the balance sheet date that remain unpaid for an amount of €618 thousand which mainly correspond to legal advisor's fees. Other payables amount to €51 thousand and relate to provision on invoices not yet received.

Montant exprimé en k€

	Article D.411 I-1° : Factures <i>reçues</i> , non réglées à la date de clôture de l'exercice					Article D.411 I-2° : Factures <i>émises</i> , non réglées à la date de clôture de l'exercice						
	0 jour (indicatif)	1 à 30 jours	31 à 60 jours	61 à 90 jours	91 jours et plus	Total (1 jour et plus)	0 jour (indicatif)	1 à 30 jours	31 à 60 jours	61 à 90 jours	91 jours et plus	Total (1 jour et plus)
(A) Tranches de retard de paiement												
Nombre de factures concernées	1					1						
Montant total TTC des factures concernées	515											
Pourcentage du montant total des achats de l'exercice TTC	19,00%											
Pourcentage du chiffre d'affaires de l'exercice TTC												
(B) Factures exclues du (A) relatives à des dettes et créances litigieuses ou non comptabilisées												
Nombre de factures exclues												
Montant total TTC des factures exclues												
(C) Délais de paiement de référence utilisés (contractuel ou délai légal - article L. 441-6 ou article L.443-1 du code de commerce)												
Délais de paiement de référence utilisés pour le calcul des retards de paiement	<input checked="" type="checkbox"/> Délais contractuels <input checked="" type="checkbox"/> Délais légaux La condition de paiement appliquée le plus généralement par GRDF est de soixante jours à compter de la date d'émission de la facture (plus de 91,61% des dettes fournisseurs à fin 2022). Néanmoins, le délai de règlement à 45 jours des factures dites "périodiques" est également appliqué (interim, recouvrement de créances,...) ainsi que d'autres conditions de paiement plus favorables que les délais légaux.	<input checked="" type="checkbox"/> Délais contractuels <input checked="" type="checkbox"/> Délais légaux Les délais de règlement appliqués pour la facturation de l'acheminement (qui représente 91,39% des créances clients à fin 2022) sont soit à fin de mois ou soit au 15 du mois suivant la date d'émission de la facture. Les délais de paiement applicables pour les créances hors acheminement sont variables en fonction de la nature de l'opération et de la typologie du client.										

9 Results and others main elements of the Company for each ending period since the Company was founded

The following table presents the main financial results of the Company for the periods ended December 31, 2022 (twelve months), December 31, 2021 (nine months) and March 31, 2021 (13 days).

<i>In thousands of euros</i>	12.31.2022	12.31.2021	03.31.2021
	12 months	9 months	13 days
I. – Financial situation at the end of the period :			
a) Share capital	275	275	56
b) Number of shares issued		27,533,332	5,649,999
c) Number of convertible bonds in ordinary shares	-	-	-
II. – Global income of effective operations			
a) Gross turnover	-	-	-
b) Profit (loss) before tax, amortization and provisions	(2,164)	(5,245)	(10)
c) Income tax		-	-
d) Profit (loss) after tax, amortization and provisions	(2,164)	(5,245)	(10)
e) Profit distributed	-	-	-
III. Operation results per share	-	-	-
a) Profit (loss) after tax, before amortization and provisions	(2,164)	(5,245)	(10)
b) Profit (loss) after tax, amortization and provisions	(2,164)	(5,245)	(10)
c) Dividend per share	-	-	-
IV. - Employees :			
a) Number of employees.	-	-	-
b) Amount of the total payroll	-	-	-
c) Amount paid to employee benefits (social security, service projects, etc...)	-	-	-

III. CORPORATE GOVERNANCE REPORT

To the Shareholders,

In accordance with Articles L. 22-10-9 to L.22-10-11 and Article L.225-37, paragraph 6 of the French Commercial Code, the Board of Directors reports on:

- The composition of the Board of Directors, information relating to the offices held by its members, the conditions for the preparation and organization of its work;
- Valid financial delegations granted by the general shareholders' meeting with respect to capital increases;
- The composition and duties of Committees as decided by the Board of Directors;
- Compensation and benefits of any kind paid to corporate officers;
- Procedures applicable to prohibited, regulated and ordinary agreements;
- Specific procedures for shareholder participation in general meetings.

Composition of the Board of Directors and conditions for the preparation and organization of its work

The Company is a limited liability company with a Board of Directors (*société anonyme à Conseil d'administration*) incorporated under the laws of France. As of December 31, 2022, the Board of Directors of the Company comprises the following seven (7) members for whom the table below details the main directorships and positions they have held outside of the Company during the past five (5) years.

First and last Name	Age	Citizenship	Date of first appointment	Expiration date term of office	Principal position held in the Company	Offices and positions held as of 12/31/22 within the Company's group	Offices and positions held as of 12/31/22 outside the Company's group	Offices and positions held over the past five years
Xavier Caïtucoli	52	French	March 15, 2021	Ordinary general meeting called to approve the accounts for the financial year ending on 2023	Chairman of the Board of Directors	Chairman of the Board of Directors	Chief Executive Director of Crescendix	Chief Executive Officer of Direct Energie
						Chief Executive Officer	Director of Primeo Energie	Senior Vice-President Power & Gas Europe of Total
Schuman Invest, represented by Erik Maris	59	French	March 15, 2021	Ordinary general meeting called to approve the accounts for the financial year ending on 2023	Member of the Board of Directors	Member of the Board of Directors	Board Member of Peter Auto	Board Member of Messier Maris & Associés
							Board Member of Idemia	Board Member of Blade

First and last Name	Age	Citizenship	Date of first appointment	Expiration date term of office	Principal position held in the Company	Offices and positions held as of 12/31/22 within the Company's group	Offices and positions held as of 12/31/22 outside the Company's group	Offices and positions held over the past five years
Xavier Caïtucoli	52	French	March 15, 2021	Ordinary general meeting called to approve the accounts for the financial year ending on 2023	Chairman of the Board of Directors	Chairman of the Board of Directors Chief Executive Officer	Chief Executive Director of Crescendix Director of Primeo Energie	Chief Executive Officer of Direct Energie Senior Vice-President Power & Gas Europe of Total
Schuman Invest, represented by Erik Maris	59	French	March 15, 2021	Ordinary general meeting called to approve the accounts for the financial year ending on 2023	Member of the Board of Directors	Member of the Board of Directors	Board Member of Peter Auto Board Member of Idemia	Board Member of Messier Maris & Associés Board Member of Blade
Fabrice Dumonteil	49	French	March 15, 2021	Ordinary general meeting called to approve the accounts for the financial year ending on 2023	Member of the Board of Directors	Member of the Board of Directors	Chief Executive Officer of Eiffel Investment Group SAS Managing Director of Eiffel Investment Group BV Chief Executive Officer of Impala Managing Director of 324 Partners Holding BV Member of the Supervisory Board of Volta Investissements SAS Managing Director of Rocket Club GP SARL	Managing Director Eiffel Investment Group SARL Director of Eiffel eCapital Holding SA Director of LTIC SA Director of SALG Investment SA Director of Cameron France Holding SAS
Christine Kolb*	52	French	June 16, 2021	Ordinary general meeting called to approve the accounts for the financial year ending on 2023	Independent member of the Board of Directors	Independent member of the Board of Directors	Partner and Head of Business Development at Sycomore Asset Management	Board member of Sycomore Asset Management (in her capacity as representative of Komalix SAS)

							President and Supervisory Board member of Sycomore Factory	
							President and Board member of the Fondation d'entreprise Sycomore	
							President of Komalix SAS	
Cowin, represented by Colette Lewiner*	77	French	June 16, 2021	Ordinary general meeting called to approve the accounts for the financial year ending on 2023	Independent member of the Board of Directors	Independent member of the Board of Directors	Advisor to the Chairman of Capgemini on matters regarding energy and utilities	Director of Nexans
							Director of Colas (Bouygues Group)	Director of Ingenico
							Director of EDF	Director of Crompton Greaves Limited
							Director of CGG	
							Director of Getlink	
Monique Roosmale Nepveu*	82	French	June 16, 2021	Ordinary general meeting called to approve the accounts for the financial year ending on 2023	Independent member of the Board of Directors	Independent member of the Board of Directors	President of the Swiss company Celeste Management	Director of Direct Energie

First and last Name	Age	Citizenship	Date of first appointment	Expiration date term of office	Principal position held in the Company	Offices and positions held as of 12/31/22 within the Company's group	Offices and positions held as of 12/31/22 outside the Company's group	Offices and positions held over the past five years
Béatrice Dumurgier*	49	French	June 16, 2021	Ordinary general meeting called to approve the accounts for the financial year ending on 2023	Independent member of the Board of Directors	Independent member of the Board of Directors Senior Adviser at Blackfin Capital Partners	Director of Group Casino	Chief Operating Officer at BlaBlaCar, General Manager at BlablaBus Director of SNCF Mobilités Chief Executive Officer at BNP Paribas Personal Investors Chairman of the Board of Sharekhan Chief Operating Officer BNP Paribas Retail Banking Non exec Director of BNL Non exec Director of TEB Non exec Director of BNP Paribas Personal Finance Non exec Director of ESP

* Independent member within the meaning of the AFEP-MEDEF Code.

Corporate governance code

The Company intends to generally comply with the recommendations of the AFEP-MEDEF Code, with reference to the version revised and made public in December 2022, except for the following.

Notwithstanding the recommendations of the AFEP-MEDEF Code, the Company has decided not to require that members of its Board of Directors hold a minimum number of shares during their respective terms of office, it being specified that such position is based on the particular nature of the Company as a SPAC, according to which Mr. Xavier Caïtucoli, who serves as Chief Executive Officer, Mr. Erik Maris, who serves as permanent representative of Schuman Invest, member of the Board of Directors, and Eiffel Essentiel SLP, represented by Mr. Fabrice Dumonteil who serves as member of the Board of Directors, already hold a significant number of the shares issued by the Company that are subject to contractual transfer restrictions before and after the completion of the Initial Business Combination. The Company has decided to leave to each of the other members of the Board of Directors the freedom to decide whether they wish to invest, whether significantly or not, in Company's shares or warrants or not before the Initial Business Combination. After the completion of the Initial Business Combination, the Company may envisage changing its practice in this respect to comply with the recommendations of the AFEP-MEDEF Code relating to the holding of shares by the management.

The Board of Directors comprises an adequate number of non-executive members qualifying as independent pursuant to the criteria set forth by the AFEP-MEDEF Code.

The criteria set forth by the AFEP-MEDEF Code to assess independence are as follows:

1. not to be and not to have been within the previous five years:
 - an employee or executive officer of the Company;
 - an employee, executive officer or director of a company consolidated within the Company; or
 - an employee, executive officer or director of the company's parent company or a company consolidated within this parent company;
2. not to be an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office within the last five years) holds a directorship;
3. not to be a customer, supplier, commercial banker, investment banker or consultant:
 - that is significant to the Company or its group;
 - or for which the Company or its group represents a significant portion of its activities;
4. not to be related by close family ties to a company officer;
5. not to have been an auditor of the Company within the previous five years; and
6. not to have been a director of the Company for more than twelve years.

Based on the above, the Board of Directors of the Company believes that 4 of the 7 members of the Board of Directors are independent in character and judgment and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgment, representing more than half of the members of the Board of Directors. Such members are Ms. Christine Kolb, MS; Béatrice Dumurgier, Cowin (represented by Ms. Colette Lewiner) and Ms. Monique Roosmale Nepveu. In considering the independence of each director, the Board of Directors has taken into account the fact that Guisando B.V., the holding company of Ms. Monique Roosmale Nepveu, has participated in the initial public offering of Market Shares of the Company for an amount of €10,000,000 and has purchased 1,000,000 Forward Purchase Warrants, which has caused Guisando B.V. to hold 3.63% of the outstanding shares and voting rights of the Company. It is also specified that, even if Ms. Christine Kolb is an executive officer of Sycomore Asset Management, Ms. Christine Kolb is not a director representing Sycomore Asset Management. The Board of Directors has considered that the foregoing does not adversely affect the independence of Ms. Monique Roosmale Nepveu and Ms. Christine Kolb and that no relationship of any kind whatsoever with the Company or its management could

compromise the exercise of their freedom of judgment.

Role of the Board of Directors

The role of the Board of Directors is to manage the business of the Company and supervise the implementation thereof. Subject to the powers expressly attributed during general shareholders' meetings and within the limitations set out in the Company's Articles of Association and its corporate purpose, the Board of Directors shall deal with any issues concerning the correct management of the Company and the group, in accordance with the requirements of these rules of procedure.

As stated in Article 13.4 of the Company's Articles of Association, the Board of Directors shall approve in advance any proposed business combinations and, in the event of such approval, shall decide to convene a special meeting of holders of B Shares to approve the proposal.

Furthermore, within the framework of the Company's internal organization, the following transactions must be approved in advance by the Board of Directors before being initiated by the Chief Executive Officer:

- any acquisition(s), contribution(s), merger(s), equity investment(s) or any other transaction with an equivalent or similar effect, in particular within the framework of and/or constituting a business combination, and the signing of any agreement, binding or not, relating to such a transaction in an amount of more than two hundred thousand euros (€200,000);
- the issuing by the Company of any marketable securities;
- the signing, amendment or termination of any material contracts, particularly within the framework of a business combination;
- any purchase and cancellation of the Company's shares, with the exception of the buying of B Shares initiated by the Company in accordance with the terms and conditions of the Company's Articles of Association in the event of a business combination being approved in accordance with the terms set out in the Company's Articles of Association;
- the delisting of B Shares from the professional segment of the Euronext regulated market in Paris, the transfer of B Shares or any other marketable securities issued by the Company in the general segment of the Euronext regulated market in Paris or a request for their admission to trading on any other regulated or unregulated market;
- the premature winding up and liquidation of the Company in accordance with Article 26 of the Company's Articles of Association.

It is also specified that the Chief Executive Officer can only make decisions or delegate the authority to make decisions relating to a business combination and/or its realization if this has been validly agreed in advance by the Board of Directors and approved by the special meeting of holders of B Shares.

Membership structure of the Board of Directors

The Articles of Association in effect provide that the Board of Directors is composed of a number of members comprising between three (3) and eighteen (18), who can be individuals or legal entities and can be selected outside the shareholders. The members of the Board of Directors are appointed and dismissed by decision of the General Meeting of Shareholders, it being specified that the first Board of Directors was appointed by the Articles of Association.

The term of office of members of the Board of Directors is three (3) years which shall expire at the end of the ordinary general meeting of the Shareholders called to approve the accounts for the previous financial year and held the year their term of office expires. The members of the Board of Directors may be removed by the ordinary general meeting of the Shareholders.

The Board of Directors grants to one of its members the title of chairman of the Board of Directors for a term that may not exceed his/her term of office as member of the Board of Directors.

In accordance with Article L.225-51-1 of the French Code de commerce, the general management of the Company is carried out under the responsibility of either by the Chairman of the Board of Directors or by another individual appointed by the Board of Directors and who takes the title of Chief Executive Officer (the “Chief Executive Officer”).

The Board of Directors may choose between these two methods of exercising general management at any time and, at least, at each expiry of the term of office of the Chief Executive Officer or the term of office of the Chairman of the Board of Directors when the latter also assumes general management of the Company. It informs shareholders and third parties in accordance with regulatory requirements. The decision of the Board of Directors on the choice of the method of exercising general management is taken by a majority of the members present or represented.

At its meeting of March 15, 2021, the Board of Directors appointed Mr. Xavier Caïtucoli as Chairman of the Board of Directors and Chief Executive Officer of the Company for the duration of his term of office as director, i.e. until the end of the annual general meeting to approve the financial statements for the 2023 financial year.

Mr. Caïtucoli is a French entrepreneur who co-founded independent energy group Direct Energie in 2003. He ran the group as Chief Executive Officer until it was sold to leading French energy company Total in 2018 for an equity value close to €2 billion, and subsequently renamed Total Direct Energie. Mr. Caïtucoli went on to become Senior Vice-President Power & Gas Europe at Total until 2019, leading the successful integration. Under Mr. Caïtucoli’s leadership, Direct Energie went public on the Paris stock exchange and combined with its main independent domestic competitor Poweo to become the leading French alternative energy supplier. At the time of its integration within Total, the group supplied more than four million customers in France and Belgium, generated €2 billion in consolidated revenues and ca. €200 million in EBITDA, and operated 2 GW of installed generation capacities including notably renewables assets (solar, wind, hydraulic and biogas) and gas power plants (CCGTs). Previously, Mr. Caïtucoli had worked for French start-up Direct Médica and LVMH. Mr. Caïtucoli graduated from Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées.

Role of the Chairman of the Board of Directors

The Chairman of the Board of Directors represents the Board of Directors. He organizes and directs the work of the Board of Directors and reports thereon to the shareholders’ meeting. He ensures that the Company’s governing bodies function properly and, in particular, that the members of the Board of Directors are able to carry out their duties.

Role of the Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act on behalf of the Company in all circumstances. He exercises these powers within the limits of the corporate purpose, and subject to the powers expressly attributed by law to the shareholders’ meeting and the Board of Directors.

He represents the Company in its dealings with third parties. The Company is bound even by acts of the Chief Executive Officer that do not fall within the corporate purpose, unless it proves that the third party knew that the act in question exceeded that purpose or that it could not have been unaware of it in the circumstances, it being specified that publication of the Articles of Association alone is not sufficient to constitute such proof.

In accordance with the provisions of Articles L. 225-149 and L. 232-20 of the French Code de commerce, the Chief Executive Officer is authorized to update the Company’s Articles of Association, upon delegation by the Board of Directors, following a capital increase resulting from the issue of securities or the payment of a dividend in shares.

The Chief Executive Officer may be authorized by the Board of Directors, if the Board of Directors deems it appropriate, to give guarantees, endorsements and warranties, in aggregate and without limit of amount, to secure commitments made by companies under the exclusive control of the Company. The Board of Directors must report to the Chief Executive

Officer on the use of this authorization at least once a year.

The Chief Executive Officer may be dismissed at any time by the Board of Directors.

Board meetings

The Board meets as often as is necessary in the Company's interests, with meetings convened by the Chairman. However, Board members representing at least one third of members may convene a meeting of the Board of Directors, indicating the precise agenda for the meeting, if a meeting has not been held for more than two months.

The frequency and duration of meetings of the Board of Directors, like those of its committees, must enable the Board of Directors to fulfill its role and carry out its duties, and in particular conduct an in-depth review of any proposed business combinations presented to it or any other matters within its remit.

Each Board member has the freedom and responsibility to ask the Chairman of the Board of Directors to include in the agenda for a Board meeting any point(s) such member deems to fall within the Board of Directors' remit.

Decisions of the Board of Directors are only valid if at least half of Board members are present (or deemed to be present if videoconferencing is used).

The Board's decisions are made by the majority of members present (or deemed to be present if videoconferencing is used) or represented.

The vote of the Chairman, or that of the person chairing the meeting in the Chairman's absence, is not the casting vote.

Rules of procedure of the Board of Directors

The Board of Directors has its own rules of procedure intended to set out the Board's modes of operation, in addition to applicable legal and regulatory requirements and the Company's Articles of Association. The stipulations of the rules of procedure came into effect on June 22, 2021, the date that the Company's B Shares were admitted to trading on the Euronext Paris regulated market.

The Board of Directors' rules of procedure fall within the framework of market recommendations aiming to ensure observance of the fundamental principles of corporate governance, in particular those set out in the AFEP-MEDEF Code. These rules of procedure describe the operation, powers and responsibilities of the Board of Directors and specify the ethics rules applicable to its members. In particular, they set out the rules applicable to holding Board meetings, use of videoconferencing or telecommunications media, Board evaluation, the general obligations of Board members and their right to information.

The Company's Articles of Association and rules of procedure are available on its website (<https://spactransition.com/>).

Activities of the Board of Directors during the year ended December 31, 2022

The Board of Directors met five (5) times from January 1, 2022 to December 31, 2022 with a 100% attendance rate for all Board members.

1. *Meeting of January 27, 2022*: review and approval of the financial statements for the year ended December 31, 2021, proposed appropriation of income for the year ended December 31, 2021; review and approval of the financial statements prepared in accordance with IFRS for the year ended December 31, 2021; agreements

concerned by Article L. 225-38 of the French Commercial Code; update on ongoing discussions with a potential target and presentation of an indicative calendar to complete a Business Combination;

2. *Meeting of April 7, 2022*: financial presentation of potential targets;
3. *Meeting of May 18, 2022*: note of Marie Claire Daveu's resignation as independent member; nomination of Monique Roosemale Nepveu as member of the Appointments and Compensation Committee;
4. *Meeting of May 18, 2022*:
 - a. Determination of the compensation policy for corporate representatives for the fiscal year 2022, and validation of the addendum to the corporate governance report ;
 - b. Convening to the annual general meeting ;
 - c. Setting of the agenda, the proposed resolutions, and adoption of the Board of Directors' report ;
 - d. Delegation of power granted to the Chief Executive Office to answer the written questions submitted by the shareholders;
5. *Meeting of September 30, 2022*: approval of the half-year financial statements and report ended June 30, 2022, update on the process of finding targets;

Annual Board evaluation

The Board of Directors' rules of procedure set out the means by which the Board of Directors shall evaluate its ability to respond to shareholders' expectations by means of periodical analysis of its composition, organization and operation. To this end, once a year, the Board of Directors shall, on the basis of the Appointments and Compensation Committee's report, dedicate an item on its agenda to evaluating its modes of operation, checking that significant matters are suitably prepared and debated within the Board of Directors, and assessing each member's effective contribution to the work of the Board of Directors with regard to their duties and involvement in decisions. This assessment is based on answers to an individual, anonymous questionnaire sent to each Board member once a year.

Committees of the Board of Directors

Pursuant to the Articles of Association and its internal regulations, the Board of Directors decided to create three (3) specific permanent committees within itself, setting their composition and attributions. Such committees are in charge of studying questions submitted by the Board of Directors or the chairman of the Board of Directors for consideration and opinion on a consultative basis, and exercise their activity under the responsibility of the Board of Directors.

The three (3) committees created by the Board of Directors are:

- the Audit Committee (Comité d'Audit),
- the Strategy Committee (Comité Stratégique); and
- the Appointments and Compensation Committee (Comité des Nominations et des Rémunérations).

Audit Committee

The Audit Committee comprises three (3) members appointed from among the members of the Board of Directors of the Company, including two (2) independent members within the meaning of the AFEP- MEDEF Code. The independent members must represent at least two-thirds of such Committee's members. The Audit Committee is chaired by one of the above-mentioned independent members, it being specified that the appointment or renewal of the chairman of the Audit Committee, proposed by the Appointments and Compensation Committee, will be subject to a specific review by the Board of Directors. The term of office of the Audit Committee's members may not exceed that of their office as Board of Directors members.

In accordance with the applicable legal provisions, the members of the Audit Committee must possess finance or accounting expertise.

The Audit Committee is in charge of overseeing:

- the preparation process for the Company's financial information;
- the effectiveness of internal control, internal audit and risk management procedures;
- the statutory auditing of the annual and consolidated financial statements by the Statutory Auditor; and
- the compliance with independence rules for Statutory Auditor. As part of that responsibility, the Audit Committee issues recommendations concerning the Statutory Auditor proposed for appointment.

Meetings of the Audit Committee are called by its chairman or by at least two (2) of its members. Notices of the Audit Committee's meetings contain the relevant meetings' agenda and may be issued by any means, including orally, at least five (5) calendar days prior to the scheduled meeting date except in case of emergency.

Meetings are chaired by the chairman of the Audit Committee or, in case of absence of the latter, by a session chairman appointed by the other members. Members may attend meetings in person or by way of videoconference or conference call, subject to the same criteria as those applying to the meetings of the Board of Directors in respect thereof. A member who cannot attend a particular meeting may be represented at such meeting by another member of the Audit Committee.

The Audit Committee meets as often as required. In particular, it meets before any meeting of the Board of Directors called to review the Company's financial statements and before any publication by the Company of its annual and half-yearly financial statements.

In order to validly deliberate, at least half of the members of the Audit Committee have to be present or represented at its meetings. Each Committee member has one vote and decisions are taken by a simple majority vote. In case of a tie, the Committee's chairman, or the session chairman as applicable, has the casting vote.

At its meeting dated June 16, 2021, the Board of Directors of the Company appointed Ms. Béatrice Dumurgier, Ms. Monique Roosmale Nepveu and Mr. Fabrice Dumonteil as members of the Audit Committee and designated Ms. Béatrice Dumurgier as chairwoman of the Audit Committee. Its composition is unchanged during the year 2022.

The Audit Committee met on:

- January 27, 2022, to review the annual financial statements for the period from April 1, 2021 to December 31, 2021;
- September 30, 2022, to review the half-year financial statements for the period from January 1, 2022, to June 30, 2022;

Strategy Committee

The Strategy Committee comprises all the members of the Board of Directors of the Company, and is chaired by an independent member. The term of office of the Strategy Committee's members may not exceed that of their office as Board of Directors members. The Strategy Committee is in charge of advising the Board of Directors on the major strategic orientations of the Company and on the development strategy developed by the Company's management (strategic agreements, partnerships, financial and trade market strategies). In particular, the Strategy Committee reviews any proposed Initial Business Combination before the latter is submitted to the Board of Directors and will in this context issue any recommendation or opinion to the Board of Directors.

Meetings of the Strategy Committee are called its chairman or by at least two (2) of its members. Notices of the Strategy Committee's meetings contain the relevant meetings' agenda and may be issued by any means, including orally, at least five (5) calendar days prior to the scheduled meeting date except in case of emergency.

Meetings are chaired by the chairman of the Strategy Committee or, in case of absence of the latter, by a session chairman appointed by the other members. Members may attend meetings in person or by way of videoconference or conference

call, subject to the same criteria as those applying to the meetings of the Board of Directors in respect thereof. A member who cannot attend a particular meeting may be represented at such meeting by another member of the Strategy Committee.

The Strategy Committee meets as often as required, and at least once every quarter. In particular, it meets before any meeting of the Board of Directors called to review a proposed Initial Business Combination.

In order to validly deliberate, at least half of the members of the Strategy Committee have to be present or represented at its meetings. Each committee member has one vote and decisions are taken by a simple majority vote. In case of a tie, the committee's chairman, or the session chairman as applicable, has the casting vote. Finally, the Chief Executive Officer (and, if any, Chief Executive) attends all meetings of the Strategy Committee called to review a proposed Initial Business Combination.

At its meeting dated June 16, 2021, the Board of Directors of the Company decided to appoint Mr. Xavier Caïtucoli, Schuman Invest (represented by Mr. Erik Maris), Mr. Fabrice Dumonteil, Ms. Marie Claire Daveu, Ms. Béatrice Dumurgier, Ms. Christine Kolb, Cowin (represented by Ms. Colette Lewiner) and Ms. Monique Roosmale Nepveu as members of the Strategy Committee and designated Ms. Christine Kolb as chairwoman of the Strategy Committee. Apart from the resignation of MS. Marie Claire Daveu on February 17, 2022 as member of the Board of Directors, also including her membership from the Strategy Committee and the Appointments and Compensation Committee, its composition is unchanged for the year 2022.

Strategy Committee meetings held during the year ended December 31, 2022, concerned the following:

- meeting of June 17, 2022: update on the process of finding potential targets, discussions on the market conditions;
- meeting of September 30, 2022: identification of new potential targets;

Appointments and Compensation Committee

The Appointments and Compensation Committee comprises three (3) members appointed from among the members of the Board of Directors of the Company. Consistent with the recommendations of the AFEP-MEDEF Code, the majority of the members of the Appointments and Compensation Committee, i.e., two (2) members out of a total of three (3) members, are independent within the meaning of the AFEP-MEDEF Code. The Appointments and Compensation Committee is chaired by one of the above-mentioned independent members. The term of office of the Appointments and Compensation Committee's members may not exceed that of their office as Board of Directors members.

With respect to appointment matters, the Appointments and Compensation Committee of the Company:

- delivers an opinion to the Board of Directors on the proposed appointment or revocation of the members of the Board of Directors and its Chairman, it being specified that the Appointments and Compensation Committee may also submit candidates for appointment;
- submits proposals on the selection of the members of the Board of Directors and of its committees; and
- assesses the independence of the members of the Board of Directors and the candidates for appointment to the Board of Directors or one of its committees.

The Appointments and Compensation Committee is informed of the policy developed by the Board of Directors of the Company in terms of management of the senior executives of the Company.

In addition, the Appointments and Compensation Committee submits recommendations to the Board of Directors with respect to the compensation packages for the members of the Company's general management.

It gives its opinion to the Board of Directors with respect to all the elements of compensation, i.e. the fix part including benefit in kind, severance package, supplementary retirement plans, along with warrants allocation plans, warrant option plans or free share allocations.

These recommendations also include opinion on the balance of the different components in the global compensation package and their method of allocation, especially in terms of performance.

The Appointments and Compensation Committee also give its opinion to the Board of Directors on the variable part of the compensation proposed by the Company's general management to the top management of the Company regarding the allocation criteria in relation with the performance. It also gives its opinion on the allocation method of the annual compensation for the Board by the ordinary general meeting of the Shareholders.

Meetings of the Appointments and Compensation Committee are called its chairman or by at least two (2) of its members. Notices of the Appointments and Compensation Committee's meetings contain the relevant meetings' agenda and may be issued by any means, including orally, at least five (5) calendar days prior to the scheduled meeting date except in case of emergency.

Meetings are chaired by the chairman of the Appointments and Compensation Committee or, in case of absence of the latter, by a session chairman appointed by the other members. Members may attend meetings in person or by way of videoconference or conference call, subject to the same criteria as those applying to the meetings of the Board of Directors in respect thereof. A member who cannot attend a particular meeting may be represented at such meeting by another member of the Appointments and Compensation Committee.

The Appointments and Compensation Committee meet as often as required. In particular, it meets before any meeting of the Board of Directors called to review the terms and conditions of the compensation of a member of the Board of Directors.

In order to validly deliberate, at least half of the members of the have to be present or represented at its meetings. Each committee member has one vote and decisions are taken by a simple majority vote. In case of a tie, the committee's chairman, or the session chairman as applicable, has the casting vote.

At its meeting dated June 16, 2021, the Board of Directors of the Company decided to appoint Cowin (represented by Ms. Colette Lewiner), Ms. Marie-Claire Daveu and Schuman Invest (represented by Mr. Erik Maris) as members of the Appointments and Compensation Committee and designated Cowin (represented by Ms. Colette Lewiner) as chairwoman of the Appointments and Compensation Committee.

The meeting of the Board of Directors held the 18 May 2022 noted the resignation of Ms. Marie Claire Daveu, and appointed Ms. Monique Roosemale Nepveu as member of the Appointments and Compensation Committee

The Appointments and Compensation Committee met on May 18, 2022 to set the director's compensation policy and the Chief executive Officer's compensation for the financial year starting January 1, 2022.

Compensation and benefits of Board of Directors members for the year 2022

Pursuant to the provisions of Article L. 22-10-14 of the French Code de commerce, the general meeting of the Shareholders of the Company may allocate to the Board of Directors a fixed annual amount referred to as attendance fees to be allocated by the Board of Directors between its members as it sees fit, for their office and duties in their capacity as members of the Board of Directors. For such purpose, the Board of Directors shall take into account the effective participation of members to the meetings of the Board of Directors and of its committees.

In addition, under Article L. 22-10-15 of the French Code de commerce exceptional compensation may be allocated by the Board of Directors for missions or mandates entrusted to its members; in this case, these compensations are subject to the provisions provided for related party transactions (conventions réglementées).

Furthermore, pursuant to the provisions of Article L. 22-10-16 of the French Code de commerce the Chairman of the Board of Directors may receive compensation, the amount of which is set by the Board of Directors, and such compensation is subject to the legal and statutory provisions applying to related party transactions.

The shareholders' meeting (Assemblée générale ordinaire) held on June 28, 2022 decided that the members of the Board of Directors will receive attendance fees for their office and duties in such capacity of a total annual amount of €80,000, which shall be freely distributed by the Board of Directors among its members. The Board of Directors, in its meeting held on May 18, 2022, decided to distribute such amount equally among the independent directors and not to allocate any attendance fees to the non-independent directors. Therefore, each of the independent directors will receive attendance fees of a total annual amount of € 20,000 until a new decision of the shareholders' meeting deciding otherwise. The shareholders' meeting (Assemblée générale ordinaire) held on June 28, 2022 approved the policy compensation of the Board of Director's members for the actual year.

Pursuant to the Articles of Association of the Company, the Board of Directors set the mode and amount of the compensation of each of the members of the Board of Directors under the conditions set by the applicable French laws and regulations and those set by the Articles of Association. Pursuant to the internal regulations of the Board of Directors, the Appointments and Compensation Committee submits recommendations to the Board of Directors with respect to the compensation packages for the members of the Board of Directors.

On May 18, 2022, the Board of Directors decided that Mr. Xavier Caïtucoli would not be compensated for his duties as Chief Executive Officer. Nevertheless, Mr. Xavier Caïtucoli, upon provision of supporting documents, shall be entitled to the reimbursement of reasonable expenses incurred in performing his duties as Chief Executive Officer. As of December 31, 2022, Mr. Xavier Caïtucoli does not have an employment contract with the Company and it is not envisaged that such a contract will be entered into until the completion of the Initial Business Combination. The shareholders' meeting (Assemblée générale ordinaire) held on June 28, 2022 approved the policy compensation of the Chief Executive Officer for the actual financial year.

Exceptional compensation in connection with the completion of the Initial Business Combination

As of December 31, 2022, though no agreement has been entered into nor has any decision been made by the Company in this respect, the Board of Directors may decide to grant an exceptional compensation to the Chief Executive Officer in connection with the completion of the Initial Business Combination. Should the grant of such an exceptional compensation be eventually decided or contemplated before the completion of the Initial Business Combination, then the IBC Notice (i.e. the notice to be issued by the Company in connection with seeking Market Shareholders' approval of the proposed Initial Business Combination and providing for the opportunity for Market Shareholders to redeem their Market Shares) shall describe the amount and terms of any such exceptional compensation (that would be granted upon, and subject to, the completion of the Initial Business Combination).

Service contracts with members of the Board of Directors providing for benefits upon termination of employment

As of December 31, 2022, the Company has not entered into any services contract with any member of the Board of Directors providing for benefits upon termination of employment.

Pensions, retirement or similar benefits to the Board of Directors members

As of December 31, 2022, the Company has not contracted or implemented any pensions plan, retirement plan or similar benefits nor set aside any amounts to the benefit of the members of the Board of Directors of the Company.

Compensation policy for the Directors

The Board of Directors, during its meeting held on May 10, 2023, determined the compensation policy for the Directors of the Company for the financial year starting January 1, 2023.

In accordance with the corporate interest and in order to secure the strategy of the Company, the compensation policy for the fiscal year starting January 1, 2023, plans that the members of the Board of Directors shall be compensated for their mandate.

The objectives are to:

- attract and keep the necessary skills for the Company to search for a target with the goal to complete a Business Combination;
- compensate the specific skills of the Board members ;
- and to comply with market standards in a framework of a competitive environment for the appointment of new members.

This compensation policy sets:

- an annual total fix compensation of 80.000€ (the same amount for each independent member as the previous financial year);
- an equal split of this amount between the independent directors (20.000 € per year and independent member for a Board of 4 independent members);
- no compensation shall be granted to the non-independent directors.

It is specified that no other compensation is provided, and specifically for the mandate of the Chairman of the Board.

In addition, under Article L. 22-10-15 of the French Code de commerce exceptional compensation may be allocated by the Board of Directors for missions or mandates entrusted to its members; in this case, these compensations are subject to the provisions provided for related party transactions (conventions réglementées).

The compensation policy for the Chief Executive Officer for the financial year starting January 1,2023, is unchanged compared to the previous financial year.

On May 10, 2023, the Board of Directors decided that Mr. Xavier Caïtucoli would not be compensated for his duties as Chief Executive Officer. Nevertheless, Mr. Xavier Caïtucoli, upon provision of supporting documents, shall be entitled to the reimbursement of reasonable expenses incurred in performing his duties as Chief Executive Officer.

It is finally reminded that the Board of Directors may decide to grant an exceptional compensation to the Chief Executive Officer in connection with the completion of the Initial Business Combination. Should the grant of such an exceptional compensation be eventually decided or contemplated before the completion of the Initial Business Combination, then the IBC Notice (i.e. the notice to be issued by the Company in connection with seeking Market Shareholders' approval of the proposed Initial Business Combination and providing for the opportunity for Market Shareholders to redeem their Market Shares) shall describe the amount and terms of any such exceptional compensation (that would be granted upon, and subject to, the completion of the Initial Business Combination).

Procedures applicable to regulated and ordinary agreements

The purpose of this paragraph is to provide a summary of the procedure applied by Transition concerning the categorization of agreements entered into with persons mentioned in applicable legislation. This procedure was adopted by the Board of Directors at its meeting of January 27, 2022, and may, if applicable, be amended according to changes in legislative and regulatory requirements.

Summary of legal requirements:

Prohibited agreements

Pursuant to Article L. 225-43 of the French Commercial Code, directors of Transition other than legal personalities shall be prohibited from contracting loans from the company irrespective of their form, from arranging for it to grant them a loan account or other borrowing whatsoever, or to arrange for the company to stand surety for them or act as their guarantor in respect of their obligations to third parties.

Ordinary agreements

Agreements with the persons mentioned in Article L. 225-38 of the French Commercial Code may be freely entered into without being subject to prior approval of regulated agreements in the case of agreements concerning the company's ordinary course of business and entered into under normal conditions, assessed on the basis of a number of criteria as detailed below.

Regulated agreements

If an agreement is entered into by Transition with one of the interested parties mentioned in Article L. 225-38 of the French Commercial code, i.e.:

- (a) directly or through an intermediary, the Chief Executive Officer, one of its Board members, one of its shareholders holding a fraction of the voting rights greater than 10% or, in the case of a corporate shareholder, the company which controls it within the meaning of Article L. 233-3 of the French Commercial Code,
- (b) any contracting third party, if one of the persons mentioned above has an indirect interest in the agreement with Transition, or
- (c) any company with directors in common with Transition, it must be submitted to the Board of Directors for prior authorization.

In accordance with Article L. 225-38 of the French Commercial Code, a person is considered to have an indirect interest in an agreement to which they are not party if they benefit or may benefit from the agreement due to their connections with the parties and the powers they hold to influence their conduct.

Applicable procedure

The Board of Directors analyzes the agreement in question in the light of Articles L. 225-38 et seq. of the French Commercial Code in order to determine whether it is a prohibited, regulated or ordinary agreement. Three different cases must be distinguished:

1. The agreement is regarded as a prohibited agreement: each of the persons concerned is informed and the agreement is not entered into. The procedure ends at this stage.
2. The agreement is regarded as a regulated agreement: the Board of Directors is automatically informed of the agreement. The Board determines whether the agreement to be signed is in the Company's interest, taking account in particular of the associated financial terms, as well as its potential operational or accounting impact, and, if applicable, grants its express authorization. If the agreement is authorized, the main information about the agreement is published on the Company's website in accordance with regulatory requirements, and the Statutory Auditors are informed within one month of entering into the agreement so that it can be included in their special report on regulated agreements. Furthermore, the agreement is mentioned in the annual letter comprising a summary of the various agreements authorized and entered into during the financial year or during prior years that are still legally binding. In any case, agreements authorized and entered into are submitted to the shareholder vote at the next ordinary general meeting on the basis of the Statutory Auditors' special report. Any person with a direct or indirect interest in the agreement is not permitted to take part in the vote on the

resolution presented to the shareholders' meeting. Their shares are not taken into account when calculating the majority but are taken into account for calculating the quorum.

3. The agreement meets the criteria of Article L. 225-39 of the French Commercial Code and concerns Transition's usual or regular operations within the framework of its ordinary course of business. This assessment concerns in particular whether the agreement is common and ordinary in nature, the circumstances surrounding entering into the agreement, the nature and materiality of the agreement and its economic and legal consequences, the practices of companies in a similar situation, and the absence of an undue advantage obtained by the contracting party or the party with an interest in the agreement with the Company due to their links with the Company.

During a yearly meeting ahead of approving the full-year financial statements for the last financial year, the Board of Directors reviews regulated agreements entered into during prior years that are still legally binding, and also conducts an individual review of agreements previously considered to relate to the ordinary course of business and entered into under normal conditions, for which it checks that the criteria relating to Article L. 225-39 of the French Commercial Code have been correctly applied and maintained.

Following this review, the Board of Directors may decide to amend the categorization of a previously entered into agreement from regulated to ordinary or vice versa, if applicable after consulting with the Company's Statutory Auditors. In any case, the party with an interest in the agreement cannot take part in this review, deliberations or the vote. If the Board recategorizes an existing agreement as a regulated agreement, information about the agreement recategorized as a regulated agreement is published on the Company's website and sent to the Statutory Auditors for inclusion in their special report on regulated agreements, and the agreement is ratified at the next general meeting.

Procedures for shareholder participation in general meetings

Shareholder meetings are convened and deliberate in accordance with the conditions laid down in applicable legislation and regulations and the Company's Articles of Association.

Any shareholder holding A1 Shares or B Shares has the right to attend general meetings and vote in accordance with the terms and conditions set out in applicable legislation and regulations. However, A2 Shares, A3 Shares and A4 Shares do not give the right to vote at general meetings (although they do not exclude the right to attend general meetings).

Any shareholder holding A1 Shares, A2 Shares, A3 Shares, A4 Shares or B Shares has the right to attend special meetings of holders of shares in the category they own and to vote in accordance with the terms and conditions set out in applicable legislation and regulations.

All shareholders have the right to attend shareholders' meetings in person or by proxy, on providing evidence of their identity and ownership of their shares at 00:00 (Paris time) on the second working day before the shareholders' meeting, in the form of an entry in the Company's registered share accounts or, for holders of bearer shares, a certificate of holding issued by the authorized intermediary and establishing registration of the shares in bearer share accounts.

All shareholders may vote by post in accordance with the terms and conditions set out in applicable legislation and regulations.

Shareholders may, on the decision of the Board of Directors as stated in the meeting notice and/or convocation, attend and vote at a shareholders' meeting by videoconference or by telecommunications means permitting their identification in accordance with the conditions set out in legislation and regulations in force at the time of using these methods. Any shareholder taking part in a shareholders' meeting by one of the above means is deemed to be present for calculating the quorum and majority.

Factors that may have an impact in the event of a takeover bid or exchange offer

Not applicable due to the Company's status as a special purpose acquisition company (SPAC).

Summary table of valid financial delegations with respect to capital increases

The general shareholders' meeting held on June 16, 2021, adopted the following financial delegations, which were valid on the date of this report:

	Period of validity/Expiry	Maximum nominal amount
Delegation of authority granted to the Board of Directors in relation to the increase of the Company's share capital, by offsetting, by a maximum nominal amount of €1,250 through the issuance of Founders' Units, without preferential subscription rights, in favor of an entity of Mr. Xavier Caitucoli (29 th resolution)	18 months from June 16, 2021	€1,250
Delegation of authority granted to the Board of Directors in relation to the increase of the Company's share capital, by offsetting, by a maximum nominal amount of €1,250 through the issuance of Founders' Units, without preferential subscription rights, in favor of Eiffel Essentiel SLP (30 th resolution)	18 months from June 16, 2021	€1,250
Delegation of authority granted to the Board of Directors in relation to the increase of the Company's share capital, by offsetting, by a maximum nominal amount of €1,250 through the issuance of Founders' Units, without preferential subscription rights, in favor of an affiliated entity of Mr. Erik Maris (31 st resolution)	18 months from June 16, 2021	€1,250
Delegation of authority granted to the Board of Directors in relation to the increase of the Company's share capital through the issuance of shares and/or securities giving access to shares to be issued immediately or in the future by the Company or one of its subsidiaries with preferential subscription rights (32 nd resolution)	26 months following the approval of an Initial Business Combination by the Shareholders' Special Meeting	€163,333.33 for shares* €245,000,000 for securities giving access to shares**

	Period of validity/Expiry	Maximum nominal amount
Delegation of authority granted to the Board of Directors in relation to the increase of the Company's share capital through the issuance of shares and/or securities giving access to shares to be issued immediately or in the future by the Company of one or its subsidiaries without preferential subscription rights by way of a public offer referred to in Article L. 411-2 1° of the French <i>Code de commerce</i> (33 rd resolution)	26 months following the approval of an Initial Business Combination by the Shareholders' Special Meeting	€65,333.33 for shares €245,000,000 for securities giving access to shares**
Delegation of authority granted to the Board of Directors in relation to the increase of the Company's share capital through the issuance of shares and/or securities giving access to shares to be issued immediately or in the future by the Company, without preferential subscription rights, in consideration for contributions in-kind relating to equity securities or securities giving access to the capital of third-party companies other than in the event of a public exchange offer (34 th resolution)	26 months following the approval of an Initial Business Combination by the Shareholders' Special Meeting	€32,666.66 for shares €245,000,000 for securities giving access to shares**
Delegation of authority granted to the Board of Directors to increase the number of shares to be issued in relation to the increase of the Company's share capital with or without preferential subscription rights (35 th resolution)	26 months following the approval of an Initial Business Combination by the Shareholders' Special Meeting	(under the conditions provided for in Articles L. 225-135-1 and R. 225-118 of the French <i>Code de commerce</i>)***)

* This amount is a global cap for all issues carried out pursuant to the delegations of authority provided for in the 32nd, 33rd and 34th resolutions.

** This amount is construed as a common cap for securities giving access to shares for 32nd, 33rd and 34th resolutions.

*** At the date of this report: within thirty days of the closing of the subscription period, at the same price as that of the initial issue and within the limit of 15% of the initial issue.

**ANNUAL FINANCIAL STATEMENTS
AND NOTES AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

Unless stated otherwise, the amounts presented are in thousands of euros, rounded to the nearest thousand. In general, the amounts presented in the annual 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>	Notes	December 31, 2022 (12 months)	December 31, 2021 (9 months)
Revenue	6.1	-	-
External and operating charges (expenses)	6.2	(2 690)	(4 832)
Other operating charges		(96)	
Operating taxes		(41)	
Operating income / (loss)		(2 827)	(4 832)
Other financial expenses	6.3	(193)	(413)
Other financial revenues		856	
Financial income / (loss)		663	(413)
Income tax		-	-
Net income / (loss)		(2 165)	(5 245)
Attributable to owners of the company		(2 165)	(5 245)
Attributable to non-controlling interests			
Earnings per share (in euros)			
- basic	7	(0,07861)	(0,19051)

Comprehensive Income Statement

<i>(in thousands of euros)</i>	Notes	December 31, 2022 (12 months)	December 31, 2021 (9 months)
Net income / (loss)		(2 165)	(5 245)
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		(2 165)	(5 245)
Attributable to owners of the company		(2 165)	(5 245)
Attributable to non-controlling interests		-	-

Balance sheet

<i>(in thousands of euros)</i>	<i>Notes</i>	December 31, 2022	December 31, 2021
Total non-current assets			
Other current assets	10	340	18
Restricted cash	11	207 293	206 578
Cash and cash equivalents		325	472
Prepaid expenses		15	214
Total current assets		207 973	207 282
Total assets		207 973	207 282
<i>(in thousands of euros)</i>	<i>Notes</i>	December 31, 2022	December 31, 2021
Share capital		275	275
Share premium		5 749	5 749
Retained earnings and net income / (loss)		(7 420)	(5 255)
Non controlling interests			
Total equity	8	(1 396)	769
Non current financial debt	9		206 294
Debt instruments	9		71
Other non current liabilities			
Total non-current liabilities		-	206 365
Current financial debt	12	208 544	101
Debt instruments		71	
Other current liabilities		754	48
Total current liabilities		209 369	149
Total equity and liabilities		207 973	207 282

Cash flow statement

<i>(in thousands of euros)</i>	December 31, 2022 (12 months)	December 31, 2021 (9 months)
Net income / (loss)	(2 165)	(5 245)
Depreciation and amortisation		
Provisions and depreciations		
Change in working capital	583	(194)
Net cash flow from operating activities	(1 581)	(5 441)
Acquisition of fixed assets		
Disposals of fixed assets		
Net cash flows from investing activities	-	-
Proceeds received from shareholders during capital increases	-	5 968
Proceeds received from financial advance from the Founders	1 050	
Change in financial debts	1 099	206 468
Net cash flows used in financing activities	2 149	212 435
Net change in cash and cash equivalents and restricted cash	568	206 993
Cash and cash equivalents at beginning of period	472	56
Cash and cash equivalents at end of period	325	472
Restricted cash at beginning of period	206 578	
Restricted cash at end of period	207 293	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 December 31 2021	27 533 332	275 333	5 748 845	(5 255 300)	768 879	-	768 879
Issuance of Founder Units							
Issuance of Founder Shares							
net profit/loss				(2 164 520)	(2 164 520)		(2 164 520)
Equity at December 31 2022	27 533 331	275 333	5 748 845	(7 419 871)	(1 395 693)	-	(1 395 693)

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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 under the ticker symbol "TRAN" following the completion of a Initial Public Offering of Market Units in June 2021.

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 Company, a SPAC (Special Purpose Acquisition Company), intends to focus on the completion of an Initial Business Combination with one or several target businesses and/or companies with principal operations in the energy transition sector (renewable energy production and energy efficiency) with a business seat in Europe (the “Initial Business Combination”).

NOTE 2. SIGNIFICANT EVENTS IN THE CURRENT PERIOD

During the year ended December 31, 2022, the Company actively pursued the search and identification of business combination opportunities, in accordance with the objectives and procedures described in the Prospectus.

NOTE 3. BASIS OF PREPARATION

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards as published by the IASB and adopted by the European Union (“IFRS”) at the closing date. They relate to the twelve-month period ended December 31, 2022. They have been approved by the Company's Board of Directors on May 10, 2023.

3.1 Going concern

The financial statements of the Company have been prepared on the basis of the going concern assumption.

As a reminder, the Company has twenty-four (24) months from the Listing Date (June 22, 2021) 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 an Approval Shareholders’ Meeting (as defined in the Prospectus) to approve such proposed Initial Business Combination within those initial 24 months.

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). This possibility would have no material impact on the financial statements, the Company having secured adequate financial resources to face its obligations if this possibility was to occur.

3.2 IFRS standards

3.2.1 New and amended IFRS standards that are effective for the current year

The following new requirements took effect for accounting periods beginning on or after 1 January 2022. They have had no effect on the balance sheet or performance of the Company:

Amendments to:

- IFRS 3 *Reference to the Conceptual Framework*
- IAS 16 *Property, Plant and Equipment—Proceeds before Intended Use*
- IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle, which include include amendments to four standards:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*
- IFRS 9 *Financial Instruments*
- IFRS 16 *Leases*
- IAS 41 *Agriculture*

3.2.2 New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	<i>Insurance Contracts</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

The adoption of the Standards listed above is not expected to have a material impact on the financial statements of the Company in future periods.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING METHODS

4.1 Cash and cash equivalent and Restricted Cash

Cash and cash equivalents include balances with maturity less than three months from the balance sheet date, including cash and deposits with banks. Their carrying amounts represent their fair value.

Cash balances held in escrow accounts, and therefore not available for general use, are presented separately as Restricted Cash.

4.2 Operational costs

Operational costs associated with the issuance of equity instruments are accounted for as operational expenses. Operational costs include fees paid to legal, accounting and other professional advisers, and other regulatory fees.

4.3 Provisions

Provisions are recognized when:

- the Company has an obligation as a result of a past event,
- it is probable that settlement will be required in the future,
- a reliable estimate of the obligation can be made.

Provisions are valued at the amount corresponding to the best estimation that management of the Company can make at the date of the close of the expense need to settle the obligation. These amounts are discounted if the effect is considered significant.

4.4 Judgments and estimates

The preparation of Annual Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Annual Financial Statements are as follow:

- *Recognition of deferred tax asset:*

The Company did not recognize a tax benefit with respect to the Initial Public Offering transaction costs (recorded in expenses) and the loss incurred for period as there is no convincing evidence (to the level required by IAS 12) that the related tax losses will be utilized against future taxable profits.

- *Financial debt classification of Market Shares:*

The Market Shares are redeemable for cash at €10 per share, at the request of the holder, if an Initial Business Combination is approved by the Company's board of directors and shareholders and is eventually completed.

The Company has twenty-four (24) months from the Listing Date (June 22, 2021) 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 an Approval Shareholders' Meeting (as defined in the Prospectus) to approve such proposed Initial Business Combination within those initial 24 months.

In accordance with its current articles of association, and unless an extension is decided under the conditions provided for by the articles of association and the applicable laws and regulations, the Company will be dissolved in the event of non-completion of an Initial Business Combination

The Company determined that the Market Shares qualify as debt instruments and thus are classified in "Current Financial Debt".

The Market Warrants, Founders' Warrants and Forward Purchase Warrants are derivative instruments within the scope of IFRS 9 and are fair valued, with change in value recognized through the income statement.

NOTE 5. SEGMENT INFORMATION

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

NOTE 6. INCOME AND EXPENSES

6.1 REVENUE

Transition did not generate any revenue during the financial year ended December 31, 2022.

6.2 EXTERNAL CHARGES

During the financial year ended December 31, 2022, external charges primarily corresponded to expense fees related to the hiring of legal, financial and technical advisors.

6.3 FINANCIAL INCOME

During the year ended December 31, 2022, the financial income mainly corresponded to the positive interests recognized on the escrow account (Note 11).

NOTE 7. 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 December 31, 2022. The Company had no ordinary shares outstanding as of December 31, 2022 and used the number of Market Shares and Founder's Shares, which was 27.533.332 as of December 31, 2022.

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 8. EQUITY

Shares issued and outstanding

Founder's Shares (Class A Preference Shares)

As of December 31, 2022, the Company has 6,883,332 Founder's Shares outstanding, including:

- 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,

On the Listing Date, the Founders' Shares held directly and indirectly by each of the Founders, including the Ordinary Shares underlying the Founders' Units, were converted as follows:

- 1,911,111 Ordinary Shares were converted into 1,911,111 Class A1 Founders' Shares (as defined below);
- 1,911,111 Ordinary Shares were converted into 1,911,111 Class A2 Founders' Shares (as defined below);
- 1,911,111 Ordinary Shares were converted into 1,911,111 Class A3 Founders' Shares (as defined below);
- and
- 1,433,333 Ordinary Shares were converted into 1,433,333 Class A4 Founders' Shares (as defined below).

The over-allotment Units subscribed by Mr. Xavier Caitucoli and Eiffel Essentiel SLP for €15,000,000 (corresponding to the subscription of 1,500,000 Units at a price of €10.00 per unit) were immediately repurchased by the Company at the same price. The Company thereafter lent the 1,500,000 over-allotment Units to the Stabilization Manager for

delivery to investors in respect of over-allotments. At the end of the stabilization period, the over-allotment option was partially exercised. As such, the Company bought back 850,000 Units and cancelled those 850,000 over-allotment Units which were not purchased by the Stabilization Manager.

After the end of the stabilization period and the buy-back by the Company of Founders' Shares on July 30, 2021, the share capital of the Company has been composed of 6,883,332 Class A Founders' Shares, divided into:

- 1,835,556 Class A1 Founders' Shares,
- 1,835,553 Class A2 Founders' Shares,
- 1,835,556 Class A3 Founders' Shares, and
- 1,376,667 Class A4 Founders' Shares.

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

Each Class A1 Founders' Share shall entitle to one vote at the shareholders' meetings. The other classes of Founders' Shares are not entitled to vote at the general meetings of shareholders of the Company (but, for the avoidance of doubt, entitle to participate at general meetings).

Class A1 Founders' Shares grant their holder the right to propose to the ordinary shareholders' meeting the appointment to the Board of Directors of a number of members equal to half of the members of the Board of Directors. The other classes of Founders' Shares do not grant their holder such right.

Each "Class A1 Founders' Share" is a class A1 share of the Company with a nominal value of €0.01, convertible into one (1) Ordinary Share of the Company upon completion of the Initial Business Combination.

Each "Class A2 Founders' Share" is a class A2 share of the Company with a nominal value of €0.01, convertible into one (1) Ordinary Share of the Company if, from the date of completion of the Initial Business Combination until its tenth (10th) anniversary, the closing price of the Ordinary Shares for any 20 trading days out of a 30 consecutive trading-day period (whereby such 20 trading days do not have to be consecutive) equals or exceeds €12.00.

Each "Class A3 Founders' Share" is a class A3 share of the Company with a nominal value of €0.01, convertible into one (1) Ordinary Share of the Company if, from the date of completion of the Initial Business Combination until its tenth (10th) anniversary, the closing price of the Ordinary Shares for any 20 trading days out of a 30 consecutive trading-day period (whereby such 20 trading days do not have to be consecutive) equals or exceeds €14.00.

Each "Class A4 Founders' Share" is a class A4 share of the Company with a nominal value of €0.01, convertible into one (1) Ordinary Share of the Company if, from the date of completion of the Initial Business Combination until its tenth (10th) anniversary, the closing price of the Ordinary Shares for any 20 trading days out of a 30 consecutive trading-day period (whereby such 20 trading days do not have to be consecutive) equals or exceeds €20.00.

If the Company does not complete an Initial Business Combination by the Initial Business Combination Deadline (as such terms are defined in the Prospectus), 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.

In case of a liquidation, Founders' Shares will have rights to residual surplus, if any, after the liquidation preferences of the Market Shares has been satisfied.

Ordinary shares

The Company has no ordinary shares outstanding as of December 31, 2022.

NOTE 9. CURRENT FINANCIAL DEBT AND DEBT INSTRUMENTS

Market Shares (Class B preference Shares)

As of December 31, 2022, 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.

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 Business Combination 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.

Warrants and options

Market Warrants

As of December 31, 2022, the Company has 20,650,000 Market Warrants outstanding, in connection with the issuance of Market Units (see above). 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 December 31, 2022, 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.

Forward Purchase Warrants

The Company issued, 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.

Over-allotment option

The Company granted to Goldman Sachs, acting as stabilization manager on behalf of the Bookrunners, an option to purchase up to 1,500,000 Units at a price of €10.00 per Unit (the “Over-allotment Units”), in an aggregate amount of up to €15 million, exercisable for 30 days following the Listing Date (the “Stabilization Period”), solely for the purpose of covering over-allotments and facilitating stabilization activities, if any (the “Over-allotment Option”).

The Stabilization Period ended on July 22, 2021. The Stabilization Manager partially exercised the Over-allotment Option to purchase 650,000 additional Units from the Company, at the original offering price of €10.00 per Unit, corresponding to a total amount of €6.5 million. As a result, the total number of Units offered in the private placement amounted to 20,650,000 Units, thereby increasing the total offering size to €206.5 million.

Current liabilities

As of December 31, 2022, the Company recorded €2,250 thousand in current financial debt comprising a bank credit facility amounting €1,200 thousand maturing June 30, 2023, and a financial advance from the Founders totaling €1,050 thousand.

NOTE 10. OTHER CURRENT ASSETS

Trade and other receivables amount to €340 thousand and mainly correspond to deductible VAT recognized at the period-end. The financial interest paid in advance for the bank credit facility are recorded as prepaid expenses and amount to €15 thousand.

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. However, if Transition does not complete the Initial Business Combination, it will have to write off its VAT deductions and to book a loss.

NOTE 11. 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’Epargne 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.

NOTE 12. RELATED-PARTY TRANSACTIONS

As of December 31, 2022, the Company had no related party transactions other than those described in Note 8 (Equity) and Note 9 (Financial debt and debt instruments) of the annual financial statements for the year period ended December 31, 2022.

NOTE 13. CONTINGENT LIABILITIES

None

NOTE 14. FINANCIAL LIABILITIES

Financial commitments

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

- a fix fee of maximum 9 000 000 euros after completion of the Initial Business Combination, and
- a success fee up to 1 500 000 euros.

Financial liabilities received

The Founders of the Company will provide the required financial resources to ensure the continuation of the Company's activity over the next twelve coming months.

NOTE 15. EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date.



TRANSITION

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

Statutory auditor's report on the IFRS Financial Statements for the year period ended December 31, 2022

To the Chairman and Chief Executive Officer of TRANSITION,

As statutory auditor of TRANSITION (the "Company") and at your request, we have audited the accompanying financial statements of TRANSITION prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union as of and for the year ended December 31, 2022 (hereafter the "IFRS Financial Statements").

These IFRS Financial Statements have been prepared under the responsibility of the Board of Directors. Our role is to express an opinion on these IFRS Financial Statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*) relating to such engagement. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the IFRS Financial Statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the IFRS Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and significant accounting estimates made, as well as evaluating the overall presentation of the IFRS Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the IFRS Financial Statements present fairly, in all material respects, the assets and liabilities and of the financial position of the Company as of December 31, 2022 and of the results of its operations

for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Without qualifying our opinion, we draw attention to note 3.1 *Going concern* to the IFRS Financial Statements which indicates the context in which the IFRS Financial Statements have been prepared based on the going concern principle and the consequences if the Company does not complete the Initial Business Combination prior to the required deadlines.

This report is governed by, and construed in accordance with, French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this report.

Paris-La Défense, May 10, 2023

The Statutory Auditor

DELOITTE & ASSOCIES

French original signed by

François BUZY

This is a translation into English of the statutory auditor's report on the IFRS financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.

VI. STATUTORY ACCOUNTS AND NOTES FOR THE TWELVE-MONTH PERIOD ENDED
DECEMBER 31, 2022

Income Statement

in thousands of euros	12/31/2022 (12 months)	12/31/21 (9 months)
REVENUE		
Net turnover	-	-
Total revenue (I)	-	-
OPERATING COSTS		
External and operating charges (expenses)	(2 690)	4,832
Other operating charges (expenses)	(96)	
Other taxes	(41)	-
Total operating costs (II)	(2,827)	4,832
OPERATING RESULT (I-II)	(2,827)	(4,832)
FINANCIAL EXPENSES		
Financial expenses	(193)	413
Financial revenues	856	
FINANCIAL RESULT	663	(413)
Profit / (loss)	(2,165)	(5,245)

Balance sheet

in thousands of euros	12/31/2022	12/31/2021
FIXED ASSETS		
Intangible assets	-	-
Tangible assets	-	-
Financial assets	-	-
Total (I)	-	-
CURRENT ASSETS		
Other receivables	340	18
Cash at bank	207,618	207,049
Prepaid expenses	15	215
Total (II)	207,973	207,282
TOTAL ASSETS (I+II)	207,973	207,282

in thousands of euros	12/31/2022	12/31/2021
EQUITY		
Share capital	275	275
Share premium	212,113	212,113
Retained earnings	(5,255)	(10)
Profit (loss)	(2,165)	(5,245)
Total (I)	204,969	207,133
TOTAL LIABILITIES		
Bank overdrafts		4
Borrowings and other financial liabilities	2 250	97
Trade payables	669	48
Other liabilities	85	
Total (II)	3,004	149
TOTAL EQUITY AND LIABILITIES (I+II)	207,973	207,282

NOTES ON THE STATUTORY ACCOUNTS FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2022

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The financial year was a twelve-month period, from January 1, 2022 to December 31, 2022.

The comparability of the periods is not possible as the previous financial year ended December 31, 2021 is a nine-month-days period and the financial year ended December 31, 2022 is a twelve-month period.

The following notes and tables are part of the statutory annual accounts.

NOTE 1. SIGNIFICANT EVENTS IN THE CURRENT PERIOD

During the year ended December 31, 2022, the Company actively pursued the search and identification of business combination opportunities, in accordance with the objectives and procedures described in the Prospectus.

NOTE 2. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No significant event after the end of the period.

NOTE 3. BASIS OF PREPARATION

3.1 General complementary information

TRANSITION S.A. (hereafter “the Company”) was registered 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.

As of December 31, 2022, the share capital amounts to €275,333.32 and is made up of 27,533,332 shares with a nominal value of €0.01 each.

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”).

3.2 General accounting conventions

The annual statutory accounts have been prepared in accordance with the accounting rules in respect of the articles 121-1 to 121-5 and following of the French Plan Comptable Général.

The annual financial statements have been prepared and presented in compliance with the general rules applicable for the preparation and presentation of annual financial statements as defined by Autorité des Normes Comptables (“ANC” – France’s national accounting standards body), regulation ANC 2014-03 and ANC 2018-07; and generally accepted accounting principles in France.

Generally accounting conventions were applied in conformity with the principles of prudence and consistency of accounting methods, continuity of operations and cut-off principle.

As a reminder, the Company has twenty-four (24) months from the Listing Date (June 22, 2021) 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 an Approval Shareholders' Meeting (as defined in the Prospectus) to approve such proposed Initial Business Combination within those initial 24 months.

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). This possibility would have no material impact on the financial statements, the Company having secured adequate financial resources to face its obligations if this possibility was to occur.

The measurement of items booked in the accounts was carried out based on the historical cost method.

NOTE 4. COMPLEMENTARY INFORMATION ON THE BALANCE SHEET

Maturity dates for receivables and debts

Schedule of receivables (thousands of euros)	Gross amount	Under 1 year	Over 1 year
Other receivables	340	340	
Prepaid expenses	15	15	
TOTAL	355	355	

Schedule of debts (thousands of euros)	Gross amount	Under 1 year	From 1 to 5 years	Over 5 years
Borrowings and other financial liabilities	2 250	2 250		
Trade payables	669	669		
Other liabilities	85	85		
TOTAL	3 004	3 004	0	0

Valuation of receivables and debts

Receivables and debts were assessed at their par value.

Cash at bank

As of December 31, cash amounted €207,618 thousand, including €206,578 thousand held on a secured deposit account opened with CEPAC Caisse d'Epargne. The restricted cash amounting €206,578 thousand in a secured deposit account opened with Caisse d'Epargne CEPAC (the "Escrow Account") can only be used in connection with the completion of the Initial Business Combination and the potential redemption of the Market Shares. If the Company fails to complete the Initial Business Combination within the timeline, the restricted cash, including interests if any, will be distributed to the Market Shareholders and the Founders in relation to their Founder's Shares.

The secured deposit account generated negative interests amounting €193 thousand, recorded in financial expenses, that were paid, and then generated positive interests for an amount of €856 thousand as of 31 December recorded in financial revenue on the period.

Equity

Share capital

As of December 31, 2022, the Company has 6,883,332 Founder's Shares outstanding, and 20,650,000 Market Shares outstanding, all of which were issued in 2021, at a price of €10.00 per Market Unit, with each Unit comprised of one Market Share and one Market Warrant.

The Founder's 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 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 Business Combination 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 (June 22, 2021), 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.

Ordinary shares

As of December 31, 2022, the Company has no ordinary shares outstanding.

Share premium

Founders' Warrants

As of December 31, 2022, the Company has 575,460 Founders' Warrants outstanding, all of which were issued in 2021 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.

Market Warrants

As of December 31, 2022, the Company has 20,650,000 Market Warrants outstanding, all of which were issued in 2021 in connection with the issuance of Market Units (see above). 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.

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.

Accrued liabilities

Amount of accrued liabilities in the balance sheet (thousands of euros)	Amount
Borrowings and other financial liabilities	2 250
Trade payables	669
Other liabilities	85
Total	3 004

As of December 31, 2023, borrowings and other financial liabilities correspond to:

- a bank credit facility amounting €1,200, issued in December 2022 and maturing June 30, 2023;
- a financial advance by the Founders made in September 2022 for €1,050;

The trade payables total €669 thousand, of which a provision of €54 thousand for invoices not yet received.

Prepaid expenses and deferred income

	Amount
Prepaid expenses(thousands of euros)	15
Operational charges(thousands of euros)	340
Total(thousands of euros)	355

NOTE 5. COMPLEMENTARY INFORMATION ON THE INCOME STATEMENT

Other purchases and external charges

During the twelve-month period ended December 31, 2022, other purchases and external charges primarily corresponded to expense fees related to the hiring of legal, financial and technical advisors.

Interests and related expenses

During the twelve-month period ended December 31, 2022, the financial income mainly corresponded to the positive accrued interests recognized on the escrow account.

NOTE 6. OFF-BALANCE SHEET COMMITMENTS AND OTHER INFORMATION

Financial commitments

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

- a fix fee of maximum 9 000 000 euros after completion of the Initial Business Combination, and
- a success fee up to 1 500 000 euros.

Financial liabilities received

The Founders of the Company will provide the required financial resources to ensure the continuation of the Company's activity.

Statutory auditor's fees

The global fees paid to the statutory auditor over the period and that are recorded in the income statement amount to €59 thousand euros. They split as follows:

- fees invoiced for carrying out the statutory audit of the accounts: €59 thousand
- fees invoiced regarding advices and services that fall in the diligences linked to the statutory audit assignments as defined by the professional standards mentioned in II of Article 822-11: none.

Ownership of share capital

As at December 31, 2022, the share capital of Transition was as follows:

Share equity	Number of shares	%
Founders	6,888,332	25%
Public	27,533,332	75%
TOTAL	27,533,332	100%

Change in equity

<i>(in euros)</i>	Share capital	Share premium	Retained earnings	Net profit/(loss) for the period	Total Equity
Closing balance at December 31, 2021 (9 months)	275 333	212 113 345	(10 000)	(5 245 351)	207 133 328
Increase in capital					
Decrease in capital					
Dividends paid					
Net profit/loss				(2 164 520)	(2 164 520)
Closing balance at December 31, 2022 (12 months)	275 333	212 113 345	(10 000)	(7 409 871)	204 968 808

Related-party transactions

As of December 31, 2022, the Company had no related-party transactions except for those mentioned in the above sections *Significant events for the current period* and *Equity*.

TRANSITION

Société anonyme
49bis, avenue Franklin Delano Roosevelt
75008 Paris

Statutory auditor's report on the financial statements

For the year ended December 31, 2022

This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditor's report includes information required by French law, such as information about the appointment of the statutory auditor or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

TRANSITION

Société anonyme

49bis, avenue Franklin Delano Roosevelt
75008 Paris

Statutory auditor's report on the financial statements

For the year ended December 31, 2022

To the Annual General Meeting of TRANSITION,

Opinion

In compliance with the engagement entrusted to us by the Company's by-laws, we have audited the accompanying financial statements of TRANSITION (the "Company") for the year ended December 31, 2022. In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company, as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our responsibilities under those standards are further described in the "Statutory Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.



Emphasis of matter

Without qualifying our opinion, we draw attention to note 3. *Basis of preparation* to the financial statements which indicates the context in which the financial statements have been prepared based on the going concern principle and the consequences if the Company does not complete the Initial Business Combination prior to the required deadlines.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current year, as well as how we addressed those risks.

We have determined that there are no key audit matters to communicate in our report.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

Report on Corporate Governance

We attest that the Board of Directors' report on corporate governance, sets out the information required by Article L. 225-37-4, L.22-10-9 and L. 22-10-10 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.



Other Legal and Regulatory Verifications or Information.

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditor

We were appointed as statutory auditor of TRANSITION by the Company's by-laws on March 15, 2021.

As at December 31, 2022, Deloitte & Associés was in the 3rd period of total uninterrupted engagement, which is the 2nd period since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.



Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.



Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current year and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, May 10, 2023
The Statutory Auditor
Deloitte & Associés
French original signed by

François BUZY