2021 HALF-YEAR FINANCIAL *Report*

CONTENTS

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE 6-MONTH PERIOD ENDED JUNE 30, 2021

1.1 KEY FIGURES

(in million euros)			H1 2021 vs. H1 2020				
	H1 2020	H1 2021	As reported	FX impact [(a)] *(in pts)*	Change in Perimeter [(b)] *(in pts)*	Argentina impact [(c)] *(in pts)*	Comparative basis
Group							
Net Sales	**775.8**	**916.7**	**+18.2%**	**(7.2)**	**3.0**	**(0.1)**	**+22.5%**
Gross Profit	371.2	473.9	-	-	-	-	-
Adjusted Earnings Before Interest and Taxes (EBIT)	**92.9**	**166.1**	-	-	-	-	-
Adjusted EBIT Margin	***12.0%***	***18.1%***	-	-	-	-	-
EBIT	*24.0*	*332.6*	-	-	-	-	-
EBIT Margin	*3.1%*	*36.3%*	-	-	-	-	-
Net Income Group Share	**22.1**	**230.2**	-	-	-	-	-
Earnings Per Share Group Share *(in euros)*	**0.49**	**5.12**	-	-	-	-	-
Adjusted Net Income Group Share	84.0	112.7	-	-	-	-	-
Adjusted Earnings Per Share Group Share *(in euros)*	1.87	2.51	-	-	-	-	-
Human expression (Stationery)							
Net Sales	**293.9**	**333.3**	**+13.4%**	**(4.9)**	**6.5**	**(0.3)**	**+12.1%**
Adjusted EBIT	19.0	27.6	-	-	-	-	-
Adjusted EBIT Margin	***6.5%***	***8.3%***	-	-	-	-	-
EBIT	(34.9)	29.1	-	-	-	-	-
EBIT Margin	*-11.9%*	*8.7%*	-	-	-	-	-
Flame for life (Lighters)							
Net Sales	**268.2**	**367.4**	**+37.0%**	**(9.9)**	**1.9**	**0.3**	**+44.7%**
Adjusted EBIT	87.3	145.7	-	-	-	-	-
Adjusted EBIT Margin	***32.5%***	***39.6%***	-	-	-	-	-
EBIT	84.0	143.8	-	-	-	-	-
EBIT Margin	*31.3%*	*39.2%*	-	-	-	-	-
Blade excellence (Shavers)							
Net Sales	**200.7**	**200.4**	**(0.1)%**	**(7.7)**	**(0.4)**	-	**+8.0%**
Adjusted EBIT	21.9	32.4	-	-	-	-	-
Adjusted EBIT Margin	***10.9%***	***16.2%***	-	-	-	-	-
EBIT	17.3	32.3	-	-	-	-	-
EBIT Margin	*8.6%*	*16.1%*	-	-	-	-	-
Other products							
Net Sales	**13.1**	**15.7**	**+19.7%**	**0.2**	-	-	**+19.5%**
Adjusted EBIT	**(1.1)**	**(3.0)**	-	-	-	-	-
EBIT	(3.5)	(3.0)	-	-	-	-	-
Unallocated costs			-	-	-	-	-
Adjusted EBIT	**(34.2)**	**(36.5)**	-	-	-	-	-
EBIT	(38.9)	130.3	-	-	-	-	-

(a) Forex impact excluding Argentinian Peso (ARS).
(b) Mainly acquisitions of Djeep and Rocketbook.
(c) See Glossary.

1.2 H1 2021 HIGHLIGHTS

RESULTS

Solid results, driven by Net Sales growth in all divisions:

- **Flame for Life** performance boosted by an exceptional start to the year in US Pocket and Utility Lighters, which we don't expect to repeat in the second half, as well as robust growth in Latin America and the successful integration of Djeep in Europe;
- **Human Expression** result driven by Digital Writing, while Core Writing Instruments markets remained challenging in Latin America and India;
- **Blade Excellence** fueled by the success of BIC 5-blade and Hybrid shavers despite a challenging competitive environment.

Strong growth in e-commerce in all regions, including Developing Markets.

Continued manufacturing efficiencies and further savings from the Invent the Future transformation plan.

Sustained Free Cash Flow generation driven by strong Cash From Operations.

(in million euros)	H1 2020	H1 2021
Group Net Sales	**775.8**	**916.7**
Change as reported	*-19.2%*	*+18.2%*
Change on a comparative basis	*-18.2%*	*+22.5%*
Change on a constant currency basis	***-17.7%***	***+26.2%***
EBIT	*24.0*	*332.6*
EBIT Margin	***3.1%***	***36.3%***
Adjusted EBIT	*92.9*	*166.1*
Adjusted EBIT Margin	***12.0%***	***18.1%***
EPS *(in euros)*	0.49	5.12
Adjusted EPS *(in euros)*	**1.87**	**2.51**
Free Cash Flow before acquisitions and disposals	**42.3**	**103.7**
Net Cash Position	41.5	366.7

NET SALES BY DIVISION

- **Human Expression (Stationery):** 333.3 million euros (+12.1% on a comparative basis and +19.1% at constant currency).
- **Flame for Life (Lighters):** 367.4 million euros (+44.7% on a comparative basis and +47.7% at constant currency).
- **Blade Excellence (Shavers):** 200.4 million euros (+8.0% on a comparative basis and +8.4% at constant currency).

1.3 H1 2021 GROUP OPERATIONAL TRENDS

H1 2021 HIGHLIGHTS

First Half 2021 Net Sales increased 26.2% at constant currencies. The unfavorable impact of currency fluctuations (–7.2 points) was mainly due to the decrease of the US Dollar and Brazilian Real against the Euro (1). Excluding the impact of acquisitions and divestitures, growth on a comparative basis was 22.5%.

- Growth was fueled by the **Flame for Life** division, with a robust performance in Europe, North America, and Latin America. Boosted by a strong start-to-the-year, performance in the US contributed approximately 10 points to H1 Group Net Sales growth on a comparative basis. This was driven by improved market trends in value (total US Lighter market grew 6.2% YTD June (2)) combined with customers' order calibration during the first four months of the year, in response to unforeseen consumer demand. BIC outperformed the US market in both volume and value, propelled by distribution gains, favorable mix, and increased pricing.
- In **Human Expression,** Rocketbook continue to show outstanding results, with Net Sales up more than 90% in H1. All online channels contributed to growth, with sales to Amazon driven by the success of June's Prime day. BIC's H1 Core Writing Instruments performance was driven by Europe, where total Back-to-School sell-in is expected to grow mid-single digit in 2021. In North America, the lack of product availability resulting from supply chain challenges negatively affected shipments to customers and are expected to impact Back-to-School sell-in.
- The **Blade Excellence** division performance was fueled by the success of our 3-blade products in Latin America. While the US in-store distribution remained increasingly competitive, particularly in the female 3-blade segment, we continued to grow our 5-blade business in both male and female and outpaced the fast-growing online market.
- **E-commerce** (excluding Rocketbook) delivered a solid +26% growth compared to the same period last year, fueled by Pure Players channels (+21%) and Omniretailers (+30%). Growth in Latin America, Middle East and Africa, and India was driven by increased distribution and efficient promotional campaigns.
- Consistent with our **Sustainable Development** journey, we launched several innovative products with environmental benefits in H1, including the BIC® Cristal™ Re'New, our first rechargeable metallic Cristal Ball Pen, and the BIC® BAMBOO, our first CO2 neutral labeled shaver with a responsibly sourced bamboo handle. We also started to rollout our new sustainable "SD Hybrid" shaver range in Europe.
- **We achieved more than 15.0 million euros incremental benefit from our Invent the Future plan** in H1, of which approximately 4.0 million euros in direct and indirect procurement. BIC's raw materials market prices soared 10% in Q2 compared to Q1 2021, the rebound in global consumption prompted a disruption in supply chains worldwide, resulting in a surge in sea freight costs, coupled with increased port to port lead-times. As previously communicated, we expect the current market conditions to weigh on Full Year 2021 margins.
- **H1 2021 Free Cash Flow before acquisitions and disposals** totaled 103.7 million euros, including 30.3 million euros of CAPEX. Net Cash Position was 366.7 million euros, positively impacted by 173.9 million euros of proceeds from our headquarters' sale.

(1) This excludes the Argentinian Peso.
(2) IRI data lighters 27JUN2021 (Pocket and Utility lighters).

EARNINGS BEFORE INTEREST AND TAXES (EBIT) AND ADJUSTED EBIT

(in million euros)	H1 2020	H1 2021
Net Sales	775.8	916.7
Gross Profit	371.2	473.9
Gross Profit margin	47.8%	51.7%
EBITDA	115.6	382.1
EBIT	24.0	332.6
EBIT margin	*3.1%*	*36.3%*
Non-recurring items	68.9	(166.5)
Adjusted EBIT	92.9	166.1
Adjusted EBIT margin	*12.0%*	*18.1%*

H1 Gross Profit margin increased by 3.9 points to 51.7% compared to 47.8% in H1 2020. Excluding 2020 under-absorption of fixed costs due to the Covid-19 pandemic, the Gross Profit margin increased by 1.7 points. The improvement was driven by the strong increase in North America Lighter sales, a decrease in Brand Support above Net Sales, and manufacturing and raw material procurement efficiencies. This was partly offset by adverse Forex from Latin American currencies against the US Dollar.

H1 Adjusted EBIT was favorably impacted by operating leverage from Net Sales growth. Freight and Distribution costs were higher as a result of the increase in customer demand.

KEY COMPONENTS OF THE CHANGE IN ADJUSTED EBIT MARGIN

(in points)	Q1 2021 *vs.* Q1 2020	Q2 2021 *vs.* Q2 2020	H1 2021 *vs.* H1 2020
• Change in Gross Profit [(a)]	+0.5	+2.6	+1.7
• Brand Support	+1.2	(0.5)	+0.3
• OPEX and other expenses [(a)]	+5.9	+2.7	+4.1
TOTAL CHANGE IN ADJUSTED EBIT MARGIN	**+7.6**	**+4.8**	**+6.1**

(a) Excluding in 2020 under absorption of fixed costs due to Covid-19 pandemic for the Gross Profit and excluding restructuring costs, Cello impairment and non-recurring items mostly commercial force underactivity for the OPEX and other expenses.

ADJUSTED EBIT RECONCILIATION

(in million euros)	Q1 2020	Q1 2021	Q2 2020	Q2 2021	H1 2020	H1 2021
EBIT	**23.0**	**227.3**	**1.0**	**105.2**	**24.0**	**332.6**
Restructuring costs (Transformation plan) and Ecuador factory closure in H1 2020	2.3	3.9	5.5	0.3	7.9	4.2
Cello impairment	-	-	41.7	-	41.7	-
Some Expenses related to the Covid-19 epidemic mainly under absorption of fixed costs	-	-	19.3	-	19.3	-
Clichy Headquarters sales capital gain	-	(167.7)	-	-	-	(167.7)
PIMACO divestiture capital gain	-	(3.0)	-	-	-	(3.0)
Adjusted EBIT	**25.3**	**60.5**	**67.5**	**105.6**	**92.9**	**166.1**

H1 2021 non-recurring items included:

- 167.7 million euros from Clichy Headquarters sale gain in Q1 2021;
- 3.0 million euros from PIMACO divestiture gain in Q1 2021;
- 4.2 million euros of restructuring costs related to the transformation plan.

NET INCOME AND EPS

(in million euros)	H1 2020	H1 2021
EBIT	24.0	332.6
Finance revenue/costs	9.9	(4.0)
Income before Tax	33.9	328.5
Net Income Group share	22.1	230.2
Adjusted Net Income Group Share [(a)]	84.0	112.7
Adjusted EPS Group Share *(in euros)*	1.87	2.51
EPS Group Share *(in euros)*	0.49	5.12

(a) Excluding 2021 Clichy Headquarters net capital gain, 2021 PIMACO divestiture, restructuring costs & Argentina hyperinflationary accounting for 2021 and 2020.

CHANGE IN NET CASH POSITION

(in million euros)	2020	2021
NET CASH POSITION (BEGINNING OF PERIOD – DECEMBER)	**146.9**	**183.9**
Net cash from operating activities	+86.1	**+134.0**
• *Of which operating cash flow*	*+136.6*	***+230.3***
• *Of which change in working capital and others*	*(50.5)*	***(96.3)***
CAPEX [(a)]	(43.8)	**(30.3)**
Dividend payment	(110.2)	**(80.9)**
Share buyback program	(7.4)	**(15.7)**
Net cash from the liquidity contract	-	**+1.2**
Proceed from the sale of Clichy Headquarters	-	**+173.9**
Proceed from PIMACO divestiture	-	**+3.4**
Acquisitions [(b)]	(2.7)	**(7.2)**
Other items	(27.4)	**+4.4**
NET CASH POSITION (END OF PERIOD – JUNE)	**41.5**	**366.7**

(a) Including -12.6 million euros in H1 2020 and +0.8 million euros in H1 2021 related to assets payable change.
(b) Haco Industries Ltd. in 2020 & 2021, Rocketbook and Djeep in 2021.

At the end of June, the Group's Net Cash position was 366.7 million euros, positively impacted by the sale of Clichy Headquarters and PIMACO. The tax related to the HQ sale (46 million euros) will be paid later in the year. Net cash from operating activities was impacted by an unfavorable change in working capital due to increased accounts receivables following strong H1 Net Sales.

SHAREHOLDERS' REMUNERATION

- **Ordinary dividend of 1.80 euros** per share paid in June 2021.
- **15.7 million euros in share buy-backs** by SOCIÉTÉ BIC at the end of June 2021. 277,834 shares were purchased at an average price of 56.58 euros through the ESG Impact Share buyback program launched in March in partnership with Exane BNP Paribas.

1.4 H1 2021 OPERATIONAL TRENDS BY DIVISION

HUMAN EXPRESSION (STATIONERY)

(in million euros)	H1 2020	H1 2021
Volumes sold *(in million units)*	2,457.9	2,742.7
Change vs. prior year	*-29.6%*	*+11.6%*
Net Sales	293.9	333.3
Change as reported vs. prior year	*-26.7%*	*+13.4%*
Change on a comparative basis vs. prior year	*-26.5%*	*+12.1%*
Change at constant currency vs. prior year	*-25.6%*	*+19.1%*
Adjusted EBIT	19.0	27.6
Adjusted EBIT Margin	*6.5%*	*8.3%*
EBIT	(34.9)	29.1
EBIT Margin	*-11.9%*	*8.7%*

Growth in **Human Expression** was notably driven by robust performance in Digital Writing with the success of Rocketbook, helped by a favorable comparable basis versus H1 2020 where the first wave of Covid-19 lockdowns drastically affected our key markets.

In Europe, sell-in performance was driven by a rebound in the traditional channel with higher demand from Office Suppliers and growth in Modern Mass Channel in France, Italy and in the UK. Second Quarter Net Sales were impacted by a positive phasing impact in Back-to-school shipments from Q3 to Q2 compared to last year driven by customer demand.

In North America, the US Stationery market rebounded +11.5% in value [(1)] *vs* 2020 hit by lockdowns and driven mostly by Gel segment which increased +30% in value. BIC lost 0.8 points market share in value, outperforming in Ball Pen and Correction and underperforming in the growing Gel and Permanent Marker segments. In line with our Horizon strategy, we performed strongly in Digital Writing as Rocketbook sales grew over 90% versus last year. Overall sell-in performance was negatively impacted by product shortage due to supply chain challenges affecting Back-to-School shipments.

While markets continued to be tough, declining double-digit in **Brazil and Mexico**, BIC outperformed in both markets driven by Coloring and Pens segments. **In South Africa**, BIC gained 1.4 points [(2)] in value driven by improved performance in Coloring, Correction and Marking. Our recent acquisition of Lucky Stationery in Nigeria continues to perform well with H1 21 Net Sales more than doubling, underpinning BIC's efficient route-to-market strategy in the region. **In India**, Cello Net Sales grew double-digit, with strong performance in the first quarter, driven by improved domestic market conditions and a solid performance in e-commerce. However, the market environment in India, having returned to lockdowns in April, remains extremely challenging with ongoing mobility disruptions and office/retail closures.

H1 2021 Human Expression division adjusted EBIT margin was 8.3% compared to 6.5% in 2020. This increase was driven by higher Net Sales (including Rocketbook) and manufacturing and raw material procurement efficiencies, partly offset by unfavorable Forex (from Latin American currencies versus US Dollar) and higher freight and distribution costs.

(1) Nielsen YTD June (03-JUL-21).
(2) IRI YTD May 2021.

FLAME FOR LIFE (LIGHTERS)

(in million euros)	H1 2020	H1 2021
Volumes sold *(in million units)*	592.2	799.3
Change vs. prior year	*-16.4%*	*+35.0%*
Net Sales	268.2	367.4
Change as reported vs. prior year	*-16.1%*	*+37.0%*
Change on a comparative basis vs. prior year	*-14.7%*	*+44.7%*
Change at constant currency vs. prior year	*-14.6%*	*+47.7%*
Adjusted EBIT	87.3	145.7
Adjusted EBIT Margin	*32.5%*	*39.6%*
EBIT	84.0	143.8
EBIT Margin	*31.3%*	*39.2%*

The Flame for Life division was the top performer of the first half with growth boosted by improved market conditions in US Pocket and Utility Lighters, strong growth in Latin America, and the integration of Djeep in Europe.

In Europe, sell-in performance was driven by a rebound in both traditional channel and Modern Mass Market in France, a good performance in both Pocket and Utility lighters in Italy combined with strong growth in Tobacco retailers, and successful new listings in Russia. Djeep lighters performed well with the successful launch in several European countries during the second quarter.

In the US, the pocket lighters market declined 2.9% in volume and grew 5.5 % in value [(1)] boosted by positive market trends and customers realigning their orders reflecting the start to the year's unexpected consumer demand. BIC gained share in both volume (+2.4 points) and value (+1.2 points), fueled by growth in the convenience channel, the success of EZ Reach contributing to additional listings and to favorable mix, and increased pricing. The Utility lighter market grew 10% in value, with BIC slightly underperforming year-to-date due to lack of product availability resulting from sea freight challenges, and longer lead times. BIC remains the leader in this segment, with 53% market share in value, up 6.8 points compared to June 2020. BIC overall sell-in performance was fueled by strong market growth (approximately 33 points), distribution gains (approximately 8 points), efficiency in our pricing strategy, including Revenue Growth Management (approximately 7 points), and positive impact from customers prebuying following the May 2021 announced price increase (approximately 7 points).

In Latin America, sell-in performance was fueled by Brazil following a low level of customers' inventory at the end of 2020 and higher demand for both smoking and non-smoking usages, combined with lower importations of lighters triggered by adverse currency fluctuations (devaluation of the Brazilian Real). In Mexico sell-out performance contributed to strong sell-in with distribution gains in all regions.

H1 2021 Flame For Life division adjusted EBIT margin was 39.6% compared to 32.5% in 2020, driven by the strong increase in Net Sales and the favorable impact of price adjustments in US Lighters. This was partially offset by higher Brand Support investments compared to the same period last year and higher Freight and Distribution costs.

(1) IRI Data YTD JUN 2021.

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BLADE EXCELLENCE (SHAVERS)

(in million euros)	H1 2020	H1 2021
Volumes sold *(in million units)*	1,077.9	1,193.0
Change vs. prior year	*-13.7%*	*+10.7%*
Net Sales	200.7	200.4
Change as reported vs. prior year	*-10.6%*	*-0.1%*
Change on a comparative basis vs. prior year	*-8.8%*	*+8.0%*
Change at constant currency vs. prior year	*-8.1%*	*+8.4%*
Adjusted EBIT	21.9	32.4
Adjusted EBIT Margin	*10.9%*	*16.2%*
EBIT	17.3	32.3
EBIT Margin	*8.6%*	*16.1%*

The Blade Excellence division's overall performance was driven by the success of our added-value products such as 5 blade shavers and hybrid ranges, despite challenging competitive environment in key geographies.

In Europe, sell-in performance was negatively impacted by challenging markets trends, notably in France, the UK and Italy and product availability issues in several countries, partially offset by successful new listings in Eastern Europe.

In the U.S., the in-store Disposable market declined 3.1% in value [(1)] with continued softness in the category driven by aggressive promotional activity and numerous new products launched by competition in H1 2021, including value positioning items. BIC lost 2.2 points market share, 3.5 points in the female segment mostly in 3 blade and 1.2 points in the male segment. Despite these headwinds, and in line with the Horizon strategy, we continued to focus on premium segments and successfully gained +0.7 points in value in both men's and women's 4 and 5 blade segments. We outpaced the online market, gaining +0.9 points.

In Latin America, our trade-up strategy towards the triple-blade offering continued to pay off and drove overall performance in both Brazil and Mexico.

H1 2021 Blade Excellence division adjusted EBIT margin was 16.2% compared to 10.9% in 2020, impacted positively by operating leverage from Net Sales growth, and manufacturing and raw material procurement efficiencies.

OTHER PRODUCTS

(in million euros)	H1 2020	H1 2021
Net Sales	13.1	15.7
Change as reported	*-14.1%*	*+19.7%*
Change on a comparative basis	*-13.4%*	*+19.5%*
Change at constant currency	*-13.5%*	*+19.5%*
Adjusted EBIT	(1.1)	(3.0)
EBIT	(3.5)	(3.0)

UNALLOCATED COSTS

(in million euros)	H1 2020	H1 2021
Adjusted EBIT	(34.2)	(36.5)
EBIT	(38.9)	130.3

H1 2021 unallocated costs are mainly related to Corporate headquarters costs, and Clichy Headquarters sales capital gain amounting 167.7 million euros. **The decrease in Adjusted EBIT** is due to the costs of the implementation of the transformation plan.

(1) IRI YTD June 2021.

1.5 GROUP NET SALES BY GEOGRAPHY

(in million euros)	H1 2020	H1 2021	% as reported	% at constant currencies	% on a comparative basis
Group	**775.8**	**916.7**	**+18.2%**	**+26.2%**	**+22.5%**
Europe	257.7	292.0	+13.3%	+15.2%	+12.7%
North America	343.2	406.4	+18.4%	+28.7%	+22.5%
Latin America	94.0	125.9	+33.9%	+55.1%	+54.3%
Middle East and Africa	39.0	51.1	+31.2%	+37.7%	+37.7%
Asia and Oceania (including India)	41.9	41.3	-1.6%	-1.5%	+4.6%

1.6 SECOND HALF 2021 TRENDS AND 2021 OUTLOOK

UPDATE OF OUR 2021 OUTLOOK (BASED ON CURRENT MARKET ASSUMPTIONS)

Given H1 performance and current market assumptions and without any substantial market deterioration during the second half, **we upgrade our Net Sales outlook and now expect to deliver +9% to +11% total Net Sales growth at constant currencies.**

The balance of the year will be affected by input cost inflation and the current disruption of supply chains worldwide, leading to higher than initially expected raw materials and freight & distribution costs. We anticipate an increase in working capital notably driven by the building of strategic inventories to protect supply and delivery for 2022.

Full-Year 2021 Free Cash Flow target remains above 200 million euros.

2021 OUTLOOK ASSUMPTIONS

Our 2021 outlook is based on **the following market assumptions** [(1)]**.**

Market Trends (in value):

- **Europe:** flat to slight increase in Stationery, slight increase in Lighters, high-single digit decrease in Shavers;
- **North America:**
  - mid-single digit increase in U.S. Stationery market,
  - low-single digit increase for total U.S. pocket lighter market,
  - low to mid-single-digit decrease in total U.S. one-piece Shavers market;
- **Latin America:** high-single to double digit decrease in Stationery, mid-single digit increase in Lighters and low to mid-single digit increase in Shavers;
- **India:** high-single digit increase in Stationery.

(1) Euromonitor and BIC estimates.

EBIT and Free Cash Flow drivers:

- flat Gross Profit Margin with increased volumes and positive price impact offset by higher Raw Materials costs, and adverse FX;
- increase in Freight and Distribution;
- increase in Brand Support, R&D and Innovation to support Net Sales growth;
- lower OPEX as % of Net Sales;
- approximately 100 million euros in CAPEX.

Currency: 2021 USD-Euro hedging rate: 1.13.

1.7 IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES (EXCLUDES ARS)

(in %)	H1 2020	H1 2021
Perimeter	**-0.1**	**3.0**
Currencies	**-1.0**	**-7.2**
Of which USD	*+0.8*	*-4.8*
Of which BRL	*-1.1*	*-1.4*
Of which MXN	*-0.3*	*-0.1*
Of which AUD	*-0.1*	*+0.2*
Of which ZAR	*-0.1*	*-*
Of which INR	*-*	*-0.2*
Of which RUB and UAH	*-0.1*	*-0.4*

1.8 RECONCILIATION WITH ALTERNATIVE PERFORMANCE MEASURES

ADJUSTED EBIT RECONCILIATION

(in million euros)	Q2 2020	Q2 2021	H1 2020	H1 2021
EBIT	**1.0**	**105.2**	**24.0**	**332.6**
Restructuring costs (Transformation plan) and Ecuador factory closure in H1 2020	5.5	0.3	7.9	4.2
Cello impairment	41.7	-	41.7	-
Some Expenses related to the Covid-19 epidemic mainly under absorption of fixed costs	19.3	-	19.3	-
Clichy Headquarters sales capital gain	-	-	-	(167.7)
PIMACO divestiture capital gain	-	-	-	(3.0)
Adjusted EBIT	**67.5**	**105.6**	**92.9**	**166.1**

ADJUSTED EPS RECONCILATION

(in million euros)	Q2 2020	Q2 2021	H1 2020	H1 2021
EPS	**(0.07)**	**1.53**	**0.49**	**5.12**
Restructuring costs (Transformation plan and Ecuador factory closure in H1 2020)	+0.09	+0.01	+0.12	+0.07
Cello impairment	+0.93	-	+0.93	-
Some Expenses related to the Covid-19 epidemic mainly under absorption of fixed costs	+0.31	-	+0.31	-
Argentina hyperinflationary accounting (IAS 29)	+0.01	+0.01	+0.02	+0.03
Clichy Headquarters sales capital gain	-	-	-	(2.67)
PIMACO divestiture capital gain	-	-	-	(0.04)
Adjusted EPS	**1.27**	**1.55**	**1.87**	**2.51**

NET CASH RECONCILIATION

(in million euros – rounded figures)	December 31, 2020	June 30, 2021
Cash and cash equivalents (1)	+265.7	+450.0
Other current financial assets (2) [(a)]	-	-
Current borrowings (3) [(b)]	(77.2)	(78.4)
Non-current borrowings (4)	(4.7)	(4.9)
NET CASH POSITION (1) + (2) - (3) - (4)	**183.9**	**366.7**

(a) In the balance sheet at December 31, 2020 and June 30, 2021, the "Other current financial assets and derivative instruments" line also includes respectively 26.1 million euros and 14.1 million euros worth of derivative instruments.

(b) Excluding financial liabilities following IFRS 16 implementation.

FREE CASH FLOW RECONCILIATION

(in million euros – rounded figures)	December 31, 2020	June 30, 2021
Net cash from operating activities (1)	+357.6	+134.0
Capital expenditure (2)	(83.1)	(30.3)
FREE CASH FLOW BEFORE ACQUISITION AND DISPOSALS (1) - (2)	**274.5**	**103.7**

1.9 SHARE REPURCHASE PROGRAM – CANCELLED SHARES

During the first half of 2021:

- SOCIÉTÉ BIC repurchased 277,834 shares under the share repurchase programs authorized by the Annual Shareholders' Meeting held on May 20, 2020, excluding shares acquired under the liquidity agreement;
- SOCIÉTÉ BIC repurchased, under the liquidity agreement Natixis – ODDO BHF, 276,046 shares for a total value of 14.62 million euros and sold 298,246 shares for a total value of 15.81 million euros.

SOCIÉTÉ BIC – SHARE BUYBACK PROGRAM

	Number of shares acquired	Average weighted price *(in euros)*	Amount *(in million euros)*
March 2021	62,600	50.46	3.2
April 2021	77,005	53.35	4.1
May 2021	65,770	62.93	4.1
June 2021	72,459	59.57	4.3
TOTAL	**277,834**	**56.58**	**15.7**

The number of free, performance-based shares transferred by SOCIÉTÉ BIC to beneficiaries is 136,203 during the first half 2021. The number of free, non-performance-based shares transferred to beneficiaries by SOCIÉTÉ BIC was 18,400. Moreover, SOCIÉTÉ BIC proceeded to 238,899 free, performance-based share grants and 133,847 free, non-performance-based share grants.

1.10 RELATED-PARTY TRANSACTIONS

This paragraph is aimed at ensuring transparency in the relationship between the Group and its Shareholders (and their representatives), as well as in the links between the Group and related companies that the Group does not exclusively control (*i.e.* joint ventures or investments in associates).

Significant related-party transactions are described in the Note 25 – *Related parties* on page 262 of BIC's 2020 Universal Registration Document filed with the *Autorité des Marchés Financiers* (AMF) on April 1, 2021. During the first half of 2021, BIC has not identified any significant related-party transactions.

1.11 CAPITAL EVOLUTION

As of June 30, 2021, the total number of issued shares of SOCIÉTÉ BIC was 45,395,857 shares, representing:

- 66,774,710 voting rights;
- 66,255,030 voting rights excluding shares without voting rights.

Total number of treasury shares held at the end of June 2021: 519,680.

1.12 MATERIAL EVENTS THAT OCCURRED IN H1 2021

N/A

1.13 MATERIAL EVENTS THAT OCCURRED AFTER JUNE 30, 2021

N/A

1.14 DESCRIPTION OF THE PRINCIPAL RISKS AND UNCERTAINTIES FOR THE SECOND HALF 2021

BIC pursues an active and dynamic approach to risk management. The objective of this approach is to enhance the Group's capacity in identifying, managing, preventing, mitigating, and monitoring key risks that could affect:

- the Group's employees, customers, Shareholders, assets, environment or reputation;
- the Group's ability to achieve its objectives, abide and defend its Values, ethics, or laws and regulations.

This approach is based on the identification and analysis of the main risks to which the Group is exposed.

A description of the main risks identified by the BIC Group is available in the section entitled *Risk Management* of the 2020 Universal Registration Document (URD) (Chapter 2) filed with the *Autorité des Marchés Financiers* (AMF) on April 1, 2021 and which is available online, following this link: https://us.bic.com/en_us/investors-press-releases-presentations-publications.

Main risks and risk assessment as disclosed in BIC's 2020 URD	Medium	High
Risks related to Plastic and Climate change		X
Risks related to Consumer Demand and Growth in our three business categories		X
Risks related to Retail Disruption and Consolidation		X
Risks related to BIC's Supply Chain and Production		X
Risks related to BIC's Net Sales Regional Concentration	X	
Risk related to the execution of BIC's transformation program "BIC 2022 – Invent the Future"	X	
Risk related to M&A execution in the context of BIC's Horizon strategic plan	X	
Risks related to Product Safety	X	
Risks related to counterfeiting, parallel imports, and non-compliant products from competition	X	
Risks related to increased Regulations	X	
Risks related to the non-respect of Human Rights and Unfair Practices	X	
Risks related to IT Security	X	

RISK ASSOCIATED TO THE COVID-19 CRISIS

Worldwide disruption in freight and distribution following the Covid-19 crisis could increase the risks related to BIC's Supply Chain and Production (see below 2020 Universal Registration Document).

Risks related to BIC's Supply Chain and Production

As a consumer products manufacturing, distribution and sales-oriented organization, BIC is exposed to the risk of production interruptions and internal and external supply chains issues related to potential raw materials shortages, operational interruptions at suppliers (repetition), particularly during critical seasonal purchasing periods such as "back-to-school" in Stationery.

BIC operates several manufacturing and warehousing sites throughout the world; however, certain products may be concentrated within specific geographic, which may be impacted in the event of a catastrophic event.

BIC is exposed to specific risks linked to the storage and use of hazardous substances. Among these are:

- gas for lighters;
- solvents for permanent markers and dry-wipe markers;
- solvents for industrial cleaning processes.

Level of risks: medium

Potential impact on BIC:

Reliance on outside vendor's supply chain could lead to a shortage of raw materials if the vendor suffers a catastrophic event.

A lengthy supplier qualification timeframe of 1-2 years may impact the availability of potential suppliers.

Risks of losing supply of key input materials, if a supplier changes a formulation.

A significant supply chain disruption could lead to BIC's inability to meet consumer demand and/or commitments.

Certain plastics used within BIC products may be subject to material competition from other sectors, which may diminish the availability of raw materials and eventual stock.

Reliance on specific raw materials and a significant cut in plastic from suppliers due to environmental regulations may impact product development.

Interdependencies between BIC facilities could be impaired in the event a peril causes an inability to ship product from a manufacturing site to distribution, which would impair the ability to supply goods to consumers, particularly during critical seasonal periods such as "back to school", etc.

The Covid-19 crisis impacted BIC's Global Supply Chain with higher absenteeism, some temporary factory closures and supply chain disruptions due notably to border closures, as well as the discontinuation of the activity of some of our suppliers and subcontractors.

Examples of Risk Mitigation:

BIC has formed a Procurement group to focus on supplier acquisition, supplier qualification, and onboarding, as well as alternative sourcing and materials.

Mitigating controls are in place to look for multi-supplier sourcing. Working with R&D to qualify additional suppliers.

Utilization of an enhanced communication platform (Control Tower) between sales and production teams to "right-size" product quantities and locations.

In all BIC factories:

- constant attention is paid to the implementation and monitoring of preventive measures and safety systems for gas and solvent storage areas. Suitable control devices and equipment are in place to minimize physical and chemical risks posed by hazardous substances. Priority is given to the use of appropriate fire prevention systems and appropriate fire detection and control equipment;
- hazard and risk assessments are conducted; procedures are established to identify, assess, and prevent incidents and accidents;
- the workforce is trained to recognize potential hazards, as well as to take preventive and corrective actions;
- compliance with local regulatory requirements is an integral part of the daily management of the sites;
- strategic inventories defined in all factories to cover key materials and components;
- training programs in place in all factories to back up the critical processes and secure the flexibility to cover market needs;
- maintenance programs in place in all factories to protect key equipment and technical processes.

In particular, certain Group factories are subject to the European Union SEVESO Directive, which identifies industrial sites that could pose significant accident risks and requires the manufacturers to carry out risk studies to identify possible accident scenarios, evaluate their potential consequences and implement preventive measures.

The SEVESO plants have emergency procedure protocols (*plan d'opération interne* and *plan particulier d'intervention*) and a major hazard prevention policy. For the two SEVESO plants, BIC has also implemented a safety management system. Outside of France, some plants have equivalent Emergency Plans that address Risks with potential off-site consequences.

1.15 GLOSSARY

- **Constant currency basis:** constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.
- **Organic change or Comparative basis:** at constant currencies and constant perimeter. Figures at constant perimeter exclude the impact of acquisitions and/or disposals that occurred during the current year and/or during the previous year, until their anniversary date. All Net Sales category comments are made on a comparative basis. Organic change excludes Argentina Net Sales for both 2019 and 2020.
- **EBITDA:** EBIT before Depreciation and Amortization (excluding amortization of right of use under IFRS 16 standard), and impairment.
- **Adjusted EBIT:** adjusted means excluding normalized items.
- **Adjusted EBIT margin:** adjusted EBIT as a percentage of Net Sales.
- **Net Cash from operating activities**: cash generated from principal activities of the entity and other activities that are not investing or financing activities.
- **Free Cash Flow:** net cash flow from operating activities less capital expenditures (CAPEX). Free cash flow does not include acquisitions and proceeds from the sale of businesses.
- **Net cash position:** cash and cash equivalents + Other current financial assets - Current borrowings - Non-current borrowings (except financial liabilities following IFRS 16 implementation).

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

2.1 CONSOLIDATED INCOME STATEMENT

(Consolidated financial statements)

(in thousand euros)	Notes	June 30, 2020	June 30, 2021
Net sales	2-2	775,832	916,716
Cost of goods	3	(404,639)	(442,842)
Gross profit [(a)]		**371,192**	**473,874**
Distribution costs	3	(124,173)	(131,095)
Administrative expenses	3	(104,663)	(111,654)
Other operating expenses	3	(67,256)	(67,775)
Other income	4	2,950	175,104
Other expenses	4	(54,060)	(5,884)
Earnings before interest and taxes (EBIT)		**23,991**	**332,570**
Income from cash and cash equivalents	5	2,058	1,253
Net finance income/(net finance costs)	5	7,832	(5,299)
Income before tax		**33,881**	**328,524**
Income tax expense	6	(11,797)	(98,360)
Consolidated income of which:		**22,084**	**230,164**
Non-controlling interests		-	-
Net income Group share	**7**	**22,084**	**230,164**
Earnings per share Group share *(in euros)*		0.49	5.12
Diluted earnings per share Group share *(in euros)* [(b)]		0.49	5.14

(a) Gross profit is the margin that the Group realizes after deducting its manufacturing costs.
(b) The dilutive elements taken into account are stock options and free shares.

2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Consolidated financial statements)

(in thousand euros)		Notes	June 30, 2020	June 30, 2021
GROUP NET INCOME	**A**		**22,084**	**230,164**
OTHER COMPREHENSIVE INCOME				
Actuarial differences on post-employment benefits not recyclable to the income statement [(a)]			(39,882)	31,331
Deferred tax on actuarial differences on post-employment benefits			8,377	(5,221)
Other comprehensive income not recyclable to the income statement - Net of tax	**B**		**(31,505)**	**26,110**
Gain/(Loss) on cash flow hedge			7,267	(15,174)
Exchange differences arising on translation of overseas operations			(103,710)	30,375
Other			(5)	3
Deferred tax and current tax recognized on other comprehensive income		6-2	(606)	2,495
Other comprehensive income recyclable to the income statement - Net of tax	**C**		**(97,054)**	**17,699**
TOTAL COMPREHENSIVE INCOME	**D = A + B + C**		**(106,475)**	**273,974**
Attributable to:				
• BIC Group			(106,475)	273,974
• Non-controlling interests			-	-
TOTAL			**(106,475)**	**273,974**

(a) The impact of actuarial differences is mainly due to U.S. plans.

2.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Consolidated financial statements)

Assets

(in thousand euros)	Notes	December 31, 2020	June 30, 2021
Goodwill	8	243,829	247,991
Other intangible assets		65,997	64,226
Property, plant and equipment		613,374	590,679
Investment properties		1,454	1,904
Other non-current assets	9	23,695	24,315
Deferred tax assets		114,302	124,194
Derivative instruments	18	976	47
Non-current assets		**1,063,627**	**1,053,356**
Inventories	10	379,021	442,987
Income tax advance payments		11,152	5,802
Trade and other receivables	10, 20	409,625	530,982
Other current assets		14,185	23,453
Derivative instruments	18	26,081	8,185
Other current financial assets	15, 20	1	-
Cash and cash equivalents	15, 20	265,744	449,981
Current assets		**1,105,809**	**1,461,389**
TOTAL ASSETS		**2,169,436**	**2,514,746**

Equity and liabilities

(in thousand euros)	Notes	December 31, 2020	June 30, 2021
Share capital	11-1	171,809	171,427
Reserves and retained earnings		1,284,399	1,470,037
Shareholders' equity Group share		**1,456,208**	**1,641,464**
Non-controlling interests		-	-
Shareholders' equity	**SHEQ**	**1,456,208**	**1,641,464**
Non-current borrowings	12, 20	27,985	24,802
Other non-current liabilities		12,707	14,508
Employee benefits obligation		122,964	98,244
Provisions	13	25,560	21,715
Deferred tax liabilities		60,914	64,877
Derivative instruments	18	53	-
Non-current liabilities		**250,183**	**224,146**
Trade and other payables	10	99,470	167,265
Current borrowings	12	89,976	90,898
Current tax due		18,801	89,573
Other current liabilities	14	251,504	297,293
Derivative instruments	18	3,294	4,108
Current liabilities		**463,045**	**649,137**
TOTAL EQUITY AND LIABILITIES		**2,169,436**	**2,514,746**

SHEQ: See consolidated statement of changes in equity.

2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousand euros)	Notes	Share capital	Accumulated profits	Additional paid in capital	Actuarial differences recognized in equity	Translation reserve	Cash flow hedge derivatives	Cost of hedging through OCI	Share-holders' equity Group share	Non-controlling interests	Share-holders' equity
At January 1, 2020		**171,869**	**1,642,195**	**12,342**	**(101,231)**	**(113,183)**	**(3,909)**	**-**	**1,608,082**	**-**	**1,608,082**
Dividends paid	*16*	*-*	*(110,214)*	*-*	*-*	*-*	*-*	*-*	*(110,214)*	*-*	*(110,214)*
Decrease in share capital [(a)]		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Increase in share capital		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Treasury shares		*(45)*	*(7,266)*	*-*	*-*	*-*	*-*	*-*	*(7,311)*	*-*	*(7,311)*
Recognition of share-based payments	*17*	*-*	*-*	*2,185*	*-*	*-*	*-*	*-*	*2,185*	*-*	*2,185*
Hyperinflation impact in Argentina		*-*	*938*	*-*	*-*	*-*	*-*	*-*	*938*	*-*	*938*
Other		*-*	*(17)*	*-*	*-*	*-*	*-*	*-*	*(17)*	*-*	*(17)*
Total transactions with Shareholders		***(45)***	***(116,559)***	***2,185***	***-***	***-***	***-***	***-***	***(114,419)***	***-***	***(114,419)***
Net income for the period		*-*	*22,084*	*-*	*-*	*-*	*-*	*-*	*22,084*	*-*	*22,084*
Other comprehensive income		*-*	*1,678*	*-*	*(31,505)*	*(103,710)*	*4,977*	*-*	*(128,560)*	*-*	*(128,560)*
Total comprehensive income		***-***	***23,762***	***-***	***(31,505)***	***(103,710)***	***4,977***	***-***	***(106,476)***	***-***	***(106,476)***
At June 30, 2020		**171,824**	**1,549,398**	**14,527**	**(132,736)**	**(216,893)**	**1,068**	**-**	**1,387,187**	**-**	**1,387,187**
At January 1, 2021		**171,809**	**1,621,415**	**17,786**	**(111,979)**	**(255,486)**	**12,663**	**-**	**1,456,208**	**-**	**1,456,208**
Dividends paid	*16*	*-*	*(80,919)*	*-*	*-*	*-*	*-*	*-*	*(80,919)*	*-*	*(80,919)*
Decrease in share capital [(a)]		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Increase in share capital		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Treasury shares		*(382)*	*(14,263)*	*-*	*-*	*-*	*-*	*-*	*(14,646)*	*-*	*(14,646)*
Recognition of share-based payments	*17*	*-*	*-*	*5,037*	*-*	*-*	*-*	*-*	*5,037*	*-*	*5,037*
Hyperinflation impact in Argentina		*-*	*1,782*	*-*	*-*	*-*	*-*	*-*	*1,782*	*-*	*1,782*
Other		*-*	*28*	*-*	*-*	*-*	*1*	*-*	*26*	*-*	*26*
Total transactions with Shareholders		***(382)***	***(93,372)***	***5,037***	***-***	***-***	***1***	***-***	***(88,719)***	***-***	***(88,719)***
Net income for the period		*-*	*230,164*	*-*	*-*	*-*	*-*	*-*	*230,164*	*-*	*230,164*
Other comprehensive income		*-*	*(27)*	*-*	*26,110*	*30,375*	*(12,648)*	*-*	*43,810*	*-*	*43,810*
Total comprehensive income		***-***	***230,137***	***-***	***26,110***	***30,375***	***(12,648)***	***-***	***273,974***	***-***	***273,974***
At June 30, 2021		**171,427**	**1,758,180**	**22,823**	**(85,869)**	**(225,111)**	**13**	**-**	**1,641,464**	**-**	**1,641,464**

(a) No shares were canceled during the first half of 2021.

2.5 CONSOLIDATED CASH FLOW STATEMENT

(in thousand euros)	Notes	June 30, 2020	June 30, 2021
Operating activities			
Net income Group share	IS	22,084	230,164
Elimination of expenses and income with no impact on cash flows or non-business related expenses:			
Argentina hyperinflationary accounting		768	1,420
Depreciation and amortization of intangible and tangible assets and investment properties	2	57,908	56,345
Impairment loss on tangible and non-tangible assets	15 [(a)], 2	42,291	838
Provision for employee benefits		8,313	5,328
Other provisions (excluding provisions on current assets)	13	2,768	(2,351)
Unrealized foreign currency gain/loss	15 [(b)]	(12,550)	571
Hedging and derivative instruments		(907)	4,119
Option premium expense		783	531
Recognition of share-based payments	17, SHEQ	2,185	5,037
Financial expense/(income)		643	(55)
Income tax expense		40,407	104,592
Deferred tax variation		(28,070)	(6,232)
(Gain)/loss from disposal of fixed assets	4, 15 [(c)]	63	735
Gain on sale of Clichy headquarters	4, 15 [(c)]	-	(167,711)
Gain on disposal of PIMACO	4, 15 [(c)]	-	(3,027)
Cash flow from operations		**136,687**	**230,306**
(Increase)/decrease in net working capital	10, 15 [(d)]	(31,211)	(62,592)
Payments related to employee benefits	15 [(e)]	(4,955)	(4,485)
Income tax paid		(14,385)	(29,194)
NET CASH FROM OPERATING ACTIVITIES		**86,135**	**134,035**
Investing activities			
Disposal of PIMACO		-	3,445
Sale of Clichy headquarters		-	173,854
Disposal of fixed assets	15 [(c)]	496	1,608
Purchases of property, plant and equipment	15 [(g)], 2	(41,071)	(26,514)
Purchases of intangible assets	15 [(g)], 2	(2,726)	(3,772)
(Increase)/decrease in other investments		(59)	282
Sale of other current financial assets	15 [(h)]	3,861	-
Acquisition of subsidiaries	15 [(i)]	(2,721)	(7,154)
NET CASH FROM INVESTING ACTIVITIES		**(42,220)**	**141,749**
Financing activities			
Dividends paid	SHEQ, 15 [(j)]	(110,214)	(80,919)
Borrowings/(repayments)	12, 15 [(k)]	105,000	906
Interest (paid)/received		(443)	47
Payments of obligations under leases		(7,900)	(8,535)
Purchase of financial instruments		(501)	(241)
Increase in treasury shares	15 [(l)]	(7,384)	(14,528)
NET CASH FROM FINANCING ACTIVITIES		**(21,441)**	**(103,269)**
Net cash variation		22,474	172,515
Opening cash and cash equivalents net of bank overdrafts	BS, 12, 20	146,846	264,733
Exchange difference		(18,885)	11,294
CLOSING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	**BS, 12, 20**	**150,435**	**448,542**

IS: See consolidated income statement.

SHEQ: See consolidated statement of changes in equity.

BS: See consolidated balance sheet.

References from (a) to (l) explained in Note 15.

2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 MAIN RULES AND ACCOUNTING POLICIES

1-1 Accounting policies

1-1-1 General

Pursuant to European regulation no.1606/2002 of July 19, 2002 concerning international accounting standards, the consolidated financial statements of the BIC Group have been prepared in accordance with accounting principles as defined by the International Accounting Standards Board (IASB) as adopted by the European Union. International Financial Reporting Standards are available on the European Union website.

The international standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), as well as their SIC (Standing Interpretation Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The condensed consolidated financial statements as of June 30, 2020 and June 30, 2021 have been prepared in compliance with IAS 34 "Interim financial reporting". The financial statements have been prepared on the historical cost basis, except for the valuation of certain financial instruments.

IAS 34 allows presentation of a selection of notes to the condensed consolidated financial statements that should be read in conjunction with the consolidated financial statements of December 31, 2020.

The measurement procedures used for the interim condensed consolidated financial statements are as follows:

- interim period income tax expense results from the estimated annual Group effective income tax rate applied to the pre-tax result of the interim period excluding non-recurring material items. The income tax charge related to any non-recurring item in the period is accrued using its actual tax expense;
- regarding the main pension plans and other employee benefits (United States, Canada, France, United Kingdom), actuarial valuations are performed every six months. Amounts recognized in the interim statement of financial position are based on estimates made at the end of the previous year and on the discount rates as of June 30. Regarding share-based payments and other benefits plans, expenses are recognized in the period on a *pro rata* basis of the estimated costs for the year.

The principal accounting policies remain unchanged compared to last year except for adoption of the following standard, effective since January 1, 2021.

1-1-2 Adoption of new and revised International Financial Reporting Standards, interpretations and amendments

New standards, amendments and interpretations of mandatory application for financial years beginning on or after January 1, 2021

The following standards and amendments are effective since January 1, 2021 and have been applied to the consolidated financial statement as of June 30, 2021:

- amendments to IFRS 4 – Temporary exemption from IFRS 9;
- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2.

The application of these standards and amendments did not have any material impact on the Group's accounts.

New standards, interpretations and amendments that may be applied early for financial years beginning on or after January 1, 2021

As of June 30, 2021, the Group did not elect to early apply any standard, interpretation or amendment.

Standards, interpretations and amendments that may not be applied early for financial years beginning on or after January 1, 2021

- amendments to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current;
- amendments to IAS 8 – Accounting Policy Changes;
- amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses;
- amendments to IAS 16 – Property, Plant and Equipment - Proceeds before Intended Use;
- amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets – Onerous contracts – Cost of Fulfilling a Contract;
- annual improvements – 2018-2020;
- amendments to IFRS 3 – Business Combinations – References to the conceptual framework;
- amendments to IFRS 16 – Leases – Covid-19 rent relief beyond June 30, 2021.

Analysis on the practical consequences of these new regulations is in progress.

1-2 Change in Group structure

On February 26, 2021 – BIC announced the closing of the sale of its Brazilian adhesive label business, PIMACO, to Grupo CCRR for 40 million Brazilian Real (approximately 6.0 million euros). The transaction has been approved by the Brazilian antitrust authorities.

1-3 Significant events

On February 11, 2021 – BIC announced that it has signed with BNP Paribas Real Estate and CITALLIOS the sale of its Clichy-la-Garenne-based (France) Headquarters and BIC Technologies sites for an amount of 175 million euros, representing a 167.7 million euros gross capital gain.

1-4 Subsequent events

No other subsequent event occurred between July 1, 2021 and the reporting date.

NOTE 2 OPERATING SEGMENTS

2-1 General information

According to IFRS 8, BIC Group operating segments have been determined based on the reports regularly provided to the management and used to make strategic decisions.

The measurement policies that the Group uses for segmental reporting under IFRS 8 are the same as those used in its financial statements.

The Management, composed of operational representatives responsible for the continents, representatives of the categories and cross-functional areas, considers the business from a product category perspective, knowing that each category can be reviewed for a specific geographic area if necessary.

These operating segments receive their revenues from the production and distribution of each product category.

Following the new organization announced at the time of BIC's transformation plan launched in February 2019, a new reporting structure has been put in place starting in 2020.

The unallocated costs have been removed from Categories' Income From Operations and Normalized Income From Operations, and will be presented separately:

- stationery;
- lighters;
- shavers;
- other products;
- unallocated costs.

Unallocated costs include:

- net costs (balance of income and expenses):
  - of Corporate headquarters including IT, finance, legal and HR costs,
  - of shared services center;
- other net costs that can't be allocated to Categories, notably restructuring costs, gains or losses on assets' divestiture, etc.

2-2 Information on income statement and assets by activity

As of Q1 2021, BIC has evolved its financial communication and KPIs to adapt to the Horizon plan.

Normalized income from operations is replaced by Adjusted EBIT.

All indicators are determined according to IFRS, except for:

- adjusted income from operations, which is the EBIT restated for non-recurring items (in particular real estate gains, the gain or loss on the sale of businesses and restructuring costs).

  It constitutes the key financial metric used within the Group;
- capital additions, which are the purchases and internal generation of property, plant and equipment and intangible fixed assets for the period.

	At June 30, 2020						At June 30, 2021					
(in million euros)	Stationery	Lighters	Shavers	Other Products	Unallocated costs	Total	Stationery	Lighters	Shavers	Other Products	Unallocated costs	Total
Income statement												
• Net sales	294	268	201	13	-	776	333	368	200	16	-	917
• Depreciation and amortization	(17)	(13)	(17)	(11)	-	(58)	(16)	(14)	(16)	(10)	-	(56)
• Impairment loss	(42)	-	-	-	-	(42)	-	-	-	-	-	(1)
• EBIT	(35)	84	17	(3)	(39)	24	29	144	32	3	131	333
Restatements made to obtain adjusted EBIT												
• Cello impairment on property, plant & equipment and trademark impairment in 2020	42	-	-	-	-	42	-	-	-	-	-	-
• Restructuring costs	-	-	-	2	5	8	1	2	-	-	1	4
• Some expenses related to the Covid-19 epidemic, mainly underabsorption of fixed costs	12	3	4	-	-	19	-	-	-	-	-	-
• Clichy headquarters sales capital gain	-	-	-	-	-	-	-	-	-	-	(168)	(168)
• PIMACO divestiture capital gain	-	-	-	-	-	-	(3)	-	-	-	-	(3)
Adjusted EBIT	**19**	**87**	**22**	**(1)**	**(34)**	**93**	**28**	**146**	**32**	**(3)**	**(37)**	**166**

As of June 30, 2021, the BIC Group had identified Walmart group as a major customer with which it realized 10% of its net sales over the period.

	At June 30, 2020					At June 30, 2021				
(in million euros)	Stationery	Lighters	Shavers	Other Products	Total	Stationery	Lighters	Shavers	Other Products	Total
Capital additions [(a) (b)]	7	18	11	7	44	6	11	8	5	30
Net inventories	234	140	102	9	485	221	116	98	7	443

(a) Excluding 2021 capital additions not cashed out end of June 2021 and including capital additions cashed out in 2021 related to 2020 for a net amount of -0.8 million euros.
(b) Excluding 2020 capital additions not cashed out end of June 2020 and including capital additions cashed out in 2020 related to 2019 for a net amount of 12.6 million euros.

2-3 Informations by geography

The geographies identified by the management are: France, Europe (excluding France), North America and Developing markets.

	At June 30, 2020							At June 30, 2021						
(in million euros)	France	Europe excl-uding France	North America	Latin America	Middle East and Africa	Asia and Oceania (incl-uding Cello)	Total	France	Europe excl-uding France	North America	Latin America	Middle East and Africa	Asia and Oceania (incl-uding Cello)	Total
Net sales	84	174	343	94	39	42	776	103	189	406	126	51	41	917

The Group may grant year-end rebates. These rebates are booked in net sales and amounted 51 millions euros as of June 30, 2021 compared to 47 million euros as of June 30, 2020.

	At December 31, 2020					At June 30, 2021				
(in million euros)	France	Europe excluding France	North America	Developing Markets	Total	France	Europe excluding France	North America	Developing Markets	Total
Non-current assets [(a)]	322	187	243	196	948	313	182	247	184	926

(a) Other than financial instruments (0.1 million euros in 2021 and 2.9 million euros in 2020), deferred tax assets (124.2 million euros in 2021 and 114.2 million euros in 2020).

NOTE 3 OPERATING EXPENSES

(in thousand euros)	June 30, 2020	June 30, 2021
Raw materials, consumables used and change in inventory	188,271	235,047
Staff costs	245,853	249,531
Depreciation and amortization expenses	57,908	56,113
Other operating expenses	208,354	219,453
Impairment loss on manufacturing equipment	184	403
Profit/(loss) on operational foreign currency translation	131	(7,181)
TOTAL	**700,731**	**753,366**

Other income and expenses are not included in the total amount and are disclosed in Note 4.

Other operating expenses mainly include outside services.

Research and development costs recognized under other operating expenses for the first half of 2021 amounted to 11.1 million euros, *versus* 9.6 million euros during the first half of 2020.

They include the French research tax credit for 1.5 million euros, same as 2020.

NOTE 4 OTHER INCOME AND EXPENSES

(in thousand euros)	June 30, 2020	June 30, 2021
Royalties income	57	(1)
Gain on sale of Clichy's Headquarters	-	167,711
Gain on disposal of fixed assets	-	509
PIMACO divestiture gain	-	3,027
Other	2,893	3,858
Other income	**2,950**	**175,104**
Loss on disposal of fixed assets	(63)	-
Impairment on property, plant & equipement and trademark – Cello	(41,729)	-
Cost reduction plans	(7,873)	(4,248)
Other	(4,395)	(1,636)
Other expenses	**(54,060)**	**(5,884)**
TOTAL	**(51,110)**	**169,220**

Other income and expenses incurred in the first half 2021 mainly include:

- 167.7 million euros from Clichy Headquarters sale;
- PIMACO divestiture gain for 3 million euros;
- 4.2 million euros of restructuring costs, of which the transformation plan, is the main driver.

Other income and expenses incurred in the first half 2020 mainly included:

- property, plant and equipement along with trademark impairment of Cello for 41.7 million euros;
- the restructuring costs amounting to 7.9 million euros mainly related to "BIC 2022 – Invent the Future" transformation plan expenses;
- the expenses linked to the Covid-19 impact during the first half of 2020 for 2.1 million euros.

NOTE 5 FINANCE INCOME

(in thousand euros)	June 30, 2020	June 30, 2021
Interest income from cash and cash equivalents	1,211	425
Interest on bank deposits	847	827
Income from cash and cash equivalents	**2,058**	**1,253**
Interest expense	(1,948)	(884)
Cost of financial debt – IFRS 16	(752)	(527)
Argentina hyperinflation accounting - IAS 29	(1,377)	(2,957)
Net financial foreign exchange difference	11,910	(931)
Net finance income/(net finance costs)	**7,832**	**(5,299)**
FINANCE (COSTS)/REVENUE	**9,890**	**(4,046)**

Financial income decreased in the first half 2021 compared to 2020. It comes from several factors:

- during the first half of 2020, the depreciation of Mexican peso and Brazilian real against the U.S. dollar generated a much favorable impact on the valuation of financial assets denominated in U.S. dollars;
- first half of 2021 was more impacted by Argentina hyperinflation accounting than in 2020;
- income from cash and cash equivalents decreased compared to the previous period due to lower interest rates.

NOTE 6 INCOME TAX

6-1 Income tax expense

(in thousand euros)	June 30, 2020	June 30, 2021
Income before tax	33,881	328,524
Tax charge	11,797	98,360
TAX RATE	**34.82%**	**29.94%**

At the end of June 2021, the Group effective tax rate is determined on an annual basis. The tax charge is calculated by applying the estimated average rate for the 2021 full year to income before tax (excluding unusual material items), taking into account any tax rate changes voted by June 30, 2021 and effective after June 30, 2021. The income tax charge related to any non-recurring items in the period is accrued using the actual tax expense.

6-2 Deferred and current tax recognized on other comprehensive income

Deferred and current taxes recognized in other comprehensive income result from the following items:

June 30, 2021

(in thousand euros)	Other comprehensive income	Deferred taxes
Actuarial differences on defined-benefit plans (1)	31,331	(5,221)
Other comprehensive income (2)	15,204	2,495
• *Cash flow hedge*	*(15,174)*	*2,526*
• *Foreign exchange impact*	*30,375*	*(30)*
• *Other*	*3*	*(1)*
TOTAL (1)+(2)	**46,535**	**(2,726)**

June 30, 2020

(in thousand euros)	Other comprehensive income	Deferred taxes
Actuarial differences on defined-benefit plans (1)	(39,882)	8,377
Other comprehensive income (2)	(97,734)	(606)
• *Cash flow hedge*	*5,981*	*(2,289)*
• *Foreign exchange impact*	*(103,710)*	*1,683*
• *Other*	*(5)*	*1*
TOTAL (1)+(2)	**(137,616)**	**7,771**

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NOTE 7 EARNINGS PER SHARE GROUP SHARE

Earnings per share (Group share) and diluted earnings per share (Group share) correspond to the Group net income divided by the relevant number of shares.

The number of shares used to calculate the earnings per share (Group share) is the weighted average number of ordinary shares outstanding during the period less the weighted average number of shares held in treasury stock by SOCIÉTÉ BIC during the period and presented as a reduction to equity.

The number of shares used to calculate the diluted earnings per share (Group share) is the weighted average number of shares potentially in circulation during the period, which corresponds to the number of shares used for basic earnings per share Group share, adjusted for the dilutive effect of free shares and stock options.

As of June 30, 2021, there are no shares with relutive impact and the maximum dilutive effect from unvested free shares is around 3.0% of the share capital.

	June 30, 2020	June 30, 2021
Numerator *(in thousand euros)*		
Net income Group share from continuing operations	22,084	230,164
Denominator *(in number of shares)*		
Weighted average number of ordinary shares in circulation	44,967,891	44,967,216
Dilutive effect of free shares	101,028	(156,044)
Diluted weighted average number of ordinary shares in circulation	45,068,919	44,811,172
Earnings per share Group share from continuing operations *(in euros)*		
Earnings per share Group share from continuing operations	0.49	5.12
Diluted earnings per share Group share from continuing operations	0.49	5.14

NOTE 8 GOODWILL

(in thousand euros)	Notes	Gross value	Impairment loss	Net value
At January 1, 2020		**313,737**	**(110,032)**	**203,705**
Djeep acquisition		29,885	-	29,885
Rocketbook Acquisition		22,048	-	22,048
Exchange differences		(23,118)	11,309	(11,809)
At January 1, 2021		**342,552**	**(98,723)**	**243,829**
PIMACO disposal		(3,651)	3,651	_
Exchange differences		5,323	(1,161)	4,162
At June 30, 2021		**344,224**	**(96,233)**	**247,991**

The balance, as of June 30, 2021, includes the following principal net goodwill:

(in thousand euros)	December 31, 2020	June 30, 2021
BIC CORPORATION		
• Stationery [(a)]	49,168	50,614
• Lighters [(a)]	38,819	40,072
BIC Violex	69,281	69,934
Kenya	4,852	5,034
Nigeria	12,937	12,428
Djeep	29,885	29,885
Rocketbook	21,851	22,679
Other [(a)]	17,037	17,346
TOTAL	**243,829**	**247,991**

(a) These goodwill amounts are linked to cash-generating units represented by distribution subsidiaries.

To perform the impairment tests, the Group used the following discount and perpetual growth rates:

	Weighted average cost of capital (WACC) before tax		Perpetual growth rate	
	2020	**2021**	**2020**	**2021**
BIC CORPORATION				
• Stationery	8.5%	9.9%	1.5%	1.5%
• Lighters	8.4%	9.6%	1.5%	1.5%
Cello Pens	14.7%	14.2%	3.4%	4.0%
BIC Violex	12.05%	13.8%	1.9%	1.9%
Kenya	18.7%	17.9%	6.0%	5.0%
Nigeria	24.6%	28.2%	8.1%	10.3%
Djeep	-	9.2%	-	0%
Rocketbook	-	9.1%	-	1.5%

As every year, as of June 30, 2021, the Group performed annual impairment tests on these goodwill amounts.

Each goodwill item has been allocated to a cash-generating unit ("CGU") representing the lowest level at which goodwill is monitored by the Group.

The goodwill on BIC CORPORATION is thus mainly allocated to cash-generating units linked to the distribution by BIC CORPORATION of stationery products and lighters.

The goodwill on Cello Pens is allocated to the cash-generating units linked to the production and distribution of stationery products by Cello.

The remaining goodwill on BIC Violex is allocated to the cash-generating unit linked to shavers developed and/or produced by BIC Violex and sold all over the world. This cash-generating unit also includes the portion of BIC CORPORATION goodwill allocated to shavers.

The goodwill on the Kenya subsidiary is allocated to the cash-generating unit linked to the production and distribution of stationery products by BIC East Africa.

The goodwill on the Nigeria subsidiary is allocated to the cash-generating unit linked to the production and distribution of stationery products by Lucky Stationary Limited.

The goodwill on Djeep is allocated to the cash-generating unit linked to the production and distribution of lighters by Djeep.

The goodwill on Rocketbook is allocated to the cash-generating unit linked to the distribution of the Core and Fusion notebooks, reusable notebooks used with erasable pens by Rocketbook.

The goodwill impairment test methodology is based on a comparison between the recoverable amount of each of the Group's cash-generating units and the corresponding assets' net book value (including goodwill).

Such recoverable amounts correspond to the value in use and are determined using discounted future cash flow projections over a maximum of five years and a terminal value using the perpetual annuity method, including notably the following:

- the discount rate before taxes used is the weighted average cost of capital. Particular attention has been paid to the analysis of the main market items used for the calculation of the discount rates;
- the perpetual growth rates were determined based on external (inflation rate) and internal (business growth) sources. Perpetual growth rates above 2% take into account market specifics.

Considering the impairment on part of the assets on the CGU Cello, any negative variance of drivers (discount rate, performance and perpetual growth rates) would lead to an additional impairment of other assets.

The sensitivity of the other impairment tests to changes in the key assumptions indicates that no reasonably likely change would lead to impairment, taking into account the observed headroom on the other tests conducted.

NOTE 9 OTHER NON-CURRENT ASSETS

(in thousand euros)	December 31, 2020	June 30, 2021
Guarantee deposits	4,265	3,642
Deferred pensions	555	3,381
Deferred compensation in the U.S. (other than pensions)	9,744	10,113
Other non-current assets	9,131	7,179
TOTAL	**23,695**	**24,315**

NOTE 10 CHANGE IN NET WORKING CAPITAL

(in thousand euros)	December 31, 2020	Cash flows impact Operating	Cash flows impact Investing [a]	PIMACO disposal	Price adjustment & earn-out clauses Haco/ Rocket-book	Price adjust-ment Djeep & Sibjet	Cash to be received from PIMACO sale	Reclass. of PSE from LT to ST	Foreign exchange and other	June 30, 2021
Net inventory	379,021	56,202	-	(715)	-	-	-	-	8,479	442,987
• *Inventory - Gross value*	*394,319*	*56,969*	-	*(715)*	-	-	-	-	*8,732*	*459,305*
• *Inventory - Impairment*	*(15,298)*	*(767)*	-	-	-	-	-	-	*(253)*	*(16,319)*
Trade and other receivables	409,625	113,815	-	(1,906)	-	-	2,067	-	7,381	530,982
Trade and other payables	(99,470)	(65,896)	(768)	517	-	-	-	-	(1,648)	(167,265)
Other receivables and payables	(231,182)	(41,530)	-	(673)	4,154	3,000	-	(1,395)	(3,474)	(271,100)
NET WORKING CAPITAL	**457,993**	**62,592**	**(768)**	**(2,777)**	**4,154**	**3,000**	**2,067**	**(1,395)**	**10,737**	**535,603**

(a) Cash flows impact Investing includes capital additions cashed out in 2021 relating to 2020 and excludes 2021 capital additions not yet cashed out for a net amount of -0.8 million.

The working capital is used to finance the Group's operating cycle. Details of the elements used in the calculation are presented above.

NOTE 11 SHARE CAPITAL

11-1 Share capital

(in thousand euros)	December 31, 2020	June 30, 2021
Authorized, issued and fully paid-up share capital	173,412	173 412
Repurchase of shares of the Company	(1,603)	(1,985)
SHARE CAPITAL	**171,809**	**171,427**

As of June 30, 2021, the registered share capital of SOCIÉTÉ BIC was 173,412,173.74 euros divided into 45,395,857 shares of 3.82 euros each. Registered shares held for more than two years carry double voting rights.

In addition, SOCIÉTÉ BIC holds 519,580 treasury shares, acquired at an average price of 86.20 euros in accordance with Article L. 225-209 of the French Commercial Code, which represent 1.14% of the share capital.

11-2 SOCIÉTÉ BIC owned shares and repurchase of shares of the Company as of June 30, 2021

Purpose of the repurchase	Number of shares	Average acquisition price *(in euros)*	% of the share capital
Liquidity agreement [a]	15,506	48.32	0.03%
Free share grants [a]	504,174	87.36	1.11%
TOTAL	**519,680**	**86.20**	**1.14%**

(a) Article L. 225-209 of the French Commercial Code.

In accordance with the liquidity agreement, transferred by Natixis to ODDO on June 27, 2018, in respect of SOCIÉTÉ BIC shares, as of June 30, 2021, the liquidity account contained the following:

- 15,506 BIC shares;
- 749,209.70 euros.

At initial set-up, the liquidity account contained the following:

- 2,312 BIC shares;
- 912,744.48 euros.

SOCIÉTÉ BIC obtained authorization from the Annual Shareholders' Meeting on May 19, 2021, to renew its share repurchase program (see *2020 Universal Registration Document, chapter 8 p. 310*).

Number of shares purchased in 2021 [a]	
Share repurchase program authorized by the Annual Shareholders' Meeting held on May 20, 2020	277,834
Share repurchase program authorized by the Annual Shareholders' Meeting held on May 19, 2021	-
Average share repurchase price for the purchases during the first half of 2021 *(in euros)*	56.58

(a) Excluding shares repurchased under the liquidity contract.

To the best of the Company's knowledge, as of June 30, 2021, Shareholders holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital and/or of the voting rights of the Company were as follows:

	At December 31, 2020	
	% of shares (approx.)	% of voting rights (approx.)
SOCIÉTÉ M.B.D.	28.39%	38.70%
Bich family	17.22%	23.42%

NOTE 12 BORROWINGS AND FINANCIAL LIABILITIES

(in thousand euros)	Bank overdrafts	Short-term borrowings	Current borrowings and financial liabilities	Non-current borrowings and financial liabilities	Current lease liability	Non-current lease liability	Total
At January 1, 2021	**1,011**	**75,000**	**1,174**	**4,710**	**12,792**	**23,275**	**117,961**
Cash Flows	422	-	906	-	(8,282)	(507)	(7,461)
"Non-cash" changes	6	-	(116)	184	7,986	(2,861)	5,199
• *Variations in obligations under leases*	-	-	-	-	*7,482*	*(3,134)*	*4,348*
• *PIMACO disposal*	-	-	-	-	*(20)*	*(3)*	*(23)*
• *Exchange difference*	*6*	-	*(116)*	*184*	*308*	*494*	*875*
At June 30, 2021	**1,438**	**75,000**	**1,964**	**4,894**	**12,496**	**19,908**	**115,699**

Bank overdrafts are due within one year.

Bank loans and financial liabilities have the following maturities:

(in thousand euros)	December 31, 2020	June 30, 2021
On demand or within one year	76,174	76,964
In the 2nd year	-	-
In the 3rd year	-	4,894
In the 4th year	4,710	-
In the 5th year	-	-
After five years	-	-
TOTAL	**80,884**	**81,858**

Main bank loans/credit lines and financial liabilities are as follows:

Borrowing country		**Euro equivalents**	
(in thousand euros)	**Currency**	**December 31, 2020**	**June 30, 2021**
• France	EUR	75,000	75,000
• Turkey	TRY	1,042	1,864
• Kenya	KES	4,710	4,894
• Other		132	100
TOTAL		**80,884**	**81,858**

Information on interest rates

As of June 30, 2021, outstanding loans and credit lines were contracted with floating rates ranging between 10% and 20%.

The borrowings indicated for France consist exclusively of NeuCP issues, which were issued on average at -0.08%.

Relative exposure, deemed not significant, has not been hedged.

Information on covenants

None of the current loans contains any covenant that could trigger early repayment of the debt.

IFRS 16 Liability

The BIC Group has opted to use an incremental borrowing rate for discounting debt. The rate used for each lessee is the rate he would have to pay to borrow, over a similar period and with similar security, the funds necessary to obtain an asset of similar value to the leased asset in a similar economic environment.

The term used at the transition date is the residual term of the contracts.

NOTE 13 PROVISIONS

(in thousand euros)	Tax and social risks and litigation	Liitigation	Product liability	Other risks and charges	Total
At January 1, 2021	**3,845**	**13,375**	**311**	**8,029**	**25,560**
Additional provisions	279	1,928	-	424	2,632
Reversals of provisions utilized	(1,013)	(758)	-	(2,921)	(4,692)
Reversals of provisions not utilized	(2)	(184)	-	(107)	(292)
Exchange differences	49	333	12	7	401
PIMACO disposal	(8)	(492)	-	1	(500)
Reclassification	-	-	-	(1,395)	(1,395)
At June 30, 2021	**3,149**	**14,202**	**323**	**4,039**	**21,714**

As of June 30, 2021, it was not deemed necessary to book provisions for the risks described in Part 1 "Group Presentation" that could affect:

- the Company's personnel, assets, environment or reputation;
- the Group's ability to reach its objectives and abide by its Values, ethics or the laws and regulations.

Tax (excluding income tax) and social risks and litigation

Provisions for tax (excluding income tax) and social risks and litigation relate mainly to:

- tax risks;
- U.S. workers' compensation.

Litigation

As of June 30, 2021, the litigation provision mainly represents distributor and commercial agent risks for 2.1 million euros (1.9 million euros as at December 31, 2020).

Other risks and charges

As of June 30, 2021, other provisions for risks and charges are mainly related to the restructuring provisions for an amount of 2.1 million euros.

Product liability

Product liability mainly relates to the U.S.

NOTE 14 OTHER CURRENT LIABILITIES

(in thousand euros)	December 31, 2020	June 30, 2021
Social liabilities	86,766	95,084
Other tax liabilities	10,132	19,625
Accrued Business Development Fund	75,516	93,179
Provision for restructuring	17,252	13,024
Other current liabilities	61,512	76,381
OTHER CURRENT LIABILITIES	**251,178**	**297,293**

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NOTE 15 COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

References from (a) to (l) refer to the consolidated cash flow statement on page 25.

As of June 30, 2021 cash and cash equivalents amounted to 450.0 million euros and bank overdrafts to 1.4 million euros.

Net cash from operating activities

H1 2021 net cash from operating activities amounted to 134.0 million euros.

As of June 30, 2020 property, plant and equipment of Cello Pens were impaired for 26.8 million euros and the trademark for 14.9 million euros [(a)].

The Group recorded foreign exchange (gains)/losses with no cash impact in financial income and restated these in the consolidated cash flow statement [(b)].

In the first half of 2021, the sale of Clichy headquarters generated a capital gain of 167.7 million euros.

The divestiture of PIMACO generated a capital gain of 3.0 million euros [(c)].

There was no individually significant disposal of fixed assets during the first half of 2020 [(c)].

The working capital (see Note 10 for the definition) increase amounted to 62.6 million euros compared to an increase, during the first half 2020, of 31.2 million euros. The 2021 variance is mainly explained by an increase in trade receivables and inventories, partly offset by an increase in trade payables [(d)].

The 2020 variance was mainly explained by an increase in inventories [(d)].

The payments related to employee benefits were mainly driven by the U.S. and United Kingdom [(e)].

Net cash from investing activities

Net cash from investing activities amounted to 141.7 million euros during the first half 2021 compared to -42.2 million euros during the first half 2020.

During the first half 2021, the headquarters of Clichy were sold for a net amount of 173.9 million euros that represent the proceed on disposal net of related costs.

During the first half 2021, PIMACO was disposed of for a net amount of 3.4 million euros that represents the proceed on disposal net of cash & cash equivalent of the divested entity, related costs and also income tax paid on the capital gain.

During the first half 2020, there was no disposal of individually significant fixed assets [(c)].

During the first half 2021, the BIC Group disbursed 30.3 million euros on property, plant and equipement and intangible assets (including -0.8 million euros related to the change in fixed asset supplier accounts) [(g)].

Purchases of property, plant and equipment do not include finance leases booked as a counterpart to a financial debt, as these transactions do not have any impact on cash [(g)].

During the first half of 2021, payments were made in respect of the Haco Kenya earn-out for 2.7 million dollars, Rocketbook price adjustment for 2.2 million dollars and Djeep price adjustment for 3 million euros [(i)].

An additional amount of 2.7 million euros related to the acquisition of Haco Industries Kenya was disbursed in the first half 2020 [(i)].

"Other current financial assets" referred to investments not eligible for classification as cash & cash equivalents under IAS 7. These investments consisted of units of UCITS and negotiable debt securities, all of which are liquid within 5 days. They were sold during 2020 [(h)].

Net cash from financing activities

Net cash from financing activities amounted to -103.3 million euros during the first half 2021 compared to -21.4 million euros in the first half 2020.

The dividends paid represent the dividends paid by SOCIÉTÉ BIC to its Shareholders (see Note 16) [(j)].

As of June 30, 2021, new borrowings amounted to 0.9 million euros, compared to 105.0 million euros in the first half 2020 [(k)].

During the first half 2021, 277,834 shares were repurchased by SOCIÉTÉ BIC for 15.7 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 276,046 shares for 14.6 million euros, and sold 298,246 shares for 15.8 million euros [(l)].

During the first half 2020, 136,383 shares were repurchased by SOCIÉTÉ BIC for 7.4 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 215,239 shares for 11.2 million euros, and sold 213,872 shares for 11.2 million euros [(l)].

NOTE 16 DIVIDENDS

For the 2020 fiscal year, an ordinary dividend of 1.80 euros per share was distributed to Shareholders on June 2, 2021.

For the 2019 fiscal year, an ordinary dividend of 2.45 euros per share was distributed to Shareholders on June 3, 2020.

NOTE 17 SHARE-BASED PAYMENTS

As of June 30, 2021, the fair value of options and shares granted amounts to 5,037 thousand euros and is booked in staff costs.

The Board of Directors of February 16, 2021 decided to grant 244,181 free shares to 162 beneficiaries subject to performance conditions and 137,322 free shares to 672 beneficiaries without performance conditions. The plans' unit fair value is 42.93 euros.

The Board of Directors of May 19, 2021 decided exceptionally to grant 1,224,500 stock options to 14 beneficiaries subject to performance conditions. The plans' unit fair value is 7.54 euros.

NOTE 18 FINANCIAL INSTRUMENTS

18-1 Impact of interest rate and foreign exchange risks' hedging on consolidated financial statements as of June 30, 2021

The following amounts have been booked as the fair value of derivatives as of June 30, 2021 *(in thousand euros)*:

Derivative instruments and revaluation	Hedge qualification/ hedged risk	Net financial Income/ (expense) before tax – Note 5	Income from operations – Note 3	Other comprehensive income before tax [(a)]	Current assets [(b)]	Non-current assets	Current liabilities	Non-current liabilities
Hedging revaluation impact								
Commercial flows	Cash flow hedge/foreign exchange risk	(290)	(1,461)	(14,526)	8,043	47	(3,946)	-
Dividends	Net investment/ foreign exchange risk	-	-	(648)	139	-	(122)	-
Subtotal (1)		**(290)**	**(1,461)**	**(15,174)**	**8,182**	**47**	**(4,068)**	**-**
Revaluation of cross-currency swaps backed by cash positions in foreign currencies	At fair value through P&L/foreign exchange risk	(130)	-	-	3	-	(41)	-
Subtotal (2)		**(130)**	**-**	**-**	**3**	**-**	**(41)**	**-**
TOTAL (1)+(2)		**(421)**	**(1,461)**	**(15,174)**	**8,185**	**47**	**(4,108)**	**-**

(a) This corresponds to mark-to-market of hedging instruments in the portfolio at June 30, 2021 restated for the reversal of the mark-to-market of the portfolio of hedging instruments as of December 31, 2020.

(b) Including options not yet exercised held by SOCIÉTÉ BIC representing current assets for 245 thousand euros.

18-2 Impact of interest rate and foreign exchange risks' hedging on consolidated financial statements as of December 31, 2020

The following amounts have been booked as the fair value of derivatives as of December 31, 2020 *(in thousand euros)*:

Derivative instruments and revaluation	Hedge income qualification/ hedged risk	Net financial Income/ (expense) before tax – Note 5	Income from operations – Note 3	Other comprehensive income before tax [(a)]	Current assets [(b)]	Non-current assets	Current liabilities	Non-current liabilities
Hedging revaluation impact								
Commercial flows	Cash flow hedge/foreign exchange risk	(398)	5,148	21,470	25,236	976	(3,214)	(53)
Dividends	Net investment/ foreign exchange risk	-	-	1,914	664	-	-	-
Subtotal (1)		**(398)**	**5,148**	**23,384**	**25,900**	**976**	**(3,214)**	**(53)**
Revaluation of cross-currency swaps backed by cash positions in foreign currencies	At fair value through P&L/oreign exchange risk	166	-	-	173	-	(80)	-
Subtotal (2)		**166**	**-**	**-**	**173**	**-**	**(80)**	**-**
TOTAL (1)+(2)		**(232)**	**5,148**	**23,384**	**26,073**	**976**	**(3,294)**	**(53)**

(a) This corresponds to mark-to-market of hedging instruments in the portfolio at December 31, 2020, restated for the reversal of the mark-to-market of the portfolio of hedging instruments as of December 31, 2019.

(b) Including options not yet exercised held by SOCIÉTÉ BIC representing current assets for 528 thousand euros.

NOTE 19 CONTINGENT LIABILITIES

As of June 30, 2021, neither SOCIÉTÉ BIC nor its subsidiaries were aware of any contingent liabilities.

Contingent liabilities are defined by IAS 37 as follows:

- possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity;
- actual obligations resluting from previous events and that are not recognized because:
  - settlement, involving an outflow representing economic benefits, is not probable, or
  - their amount cannot be measured reliably.

NOTE 20 EXPOSURE TO MARKET RISKS

20-1 Credit risk

(in thousand euros)	Note	December 31, 2020	June 30, 2021
Gross trade receivables			
Not yet due or past due for less than 60 days		318,508	455,162
Past due for 60 to 90 days		8,131	9,258
Past due for 90 to 120 days		6,690	6,619
Past due for more than 120 days		28,990	28,126
Total gross trade receivables		**362,319**	**499,164**
Doubtful receivables		13,711	13,098
TOTAL BEFORE ALLOWANCE (A)		**376,030**	**512,262**
Allowance on trade receivables not yet due or past due for less than 60 days		(6,171)	(6,539)
Allowance on trade receivables past due for 60 to 90 days		(127)	(331)
Allowance on trade receivables past due for 90 to 120 days		(340)	(459)
Allowance on trade receivables past due for more than 120 days		(24,371)	(24,167)
TOTAL ALLOWANCE (B)		**(31,050)**	**(31,495)**
• *Allowance on specific trade receivables*		*(25,142)*	*(24,567)*
• *Allowance on statistically calculated trade receivables*		*(5,908)*	*(6,970)*
Other receivables (C)		**64,644**	**50,257**
TRADE AND OTHER RECEIVABLES – NET (A)+(B)+(C)	**10**	**409,625**	**530,982**

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20-2 Fair value of financial assets and liabilities

Accounting categories and fair value of financial instruments

June 30, 2021

Balance sheet items *(in thousand euros)*	Note	Balance sheet value	Fair value	Breakdown by category of instruments: At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
Financial assets		**989,233**	**989,233**	**256,544**	**8,233**	**724,457**	**-**	**-**
Non-current								
• *Derivative financial instruments*	*18*	*47*	*47*	*-*	*47*	*-*	*-*	*-*
• *Other investments*		*38*	*38*	*38*	*-*	*-*	*-*	*-*
Current								
• *Trade and other receivables*	*10*	*530,982*	*530,982*	*16,910*	*-*	*514,072*	*-*	*-*
• *Derivative financial instruments*	*18*	*8,185*	*8,185*	*-*	*8,185*	*-*	*-*	*-*
• *Other current financial assets*		*-*	*-*	*-*	*-*	*-*	*-*	*-*
• *Cash and cash equivalents*	*15*	*449,981*	*449,981*	*239,596*	*-*	*210,385*	*-*	*-*
Financial liabilities		**298,047**	**298,047**	**10,974**	**4,108**	**-**	**282,965**	**-**
Non-current								
• *Borrowings*	*12*	*24,802*	*24,802*	*-*	*-*	*-*	*24,802*	*-*
• *Derivative instruments*	*18*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
• *Djeep earn-out clause*		*3,961*	*3,961*	*3,961*	*-*	*-*	*-*	*-*
• *Rocketbook earn-out clause*		*5,603*	*5,603*	*5,603*	*-*	*-*	*-*	*-*
Current								
• *Borrowings*	*12*	*90,898*	*90,898*	*-*	*-*	*-*	*90,898*	*-*
• *Derivative instruments*	*18*	*4,108*	*4,108*	*-*	*4,108*	*-*	*-*	*-*
• *Rocketbook earn-out clause*		*1,410*	*1,410*	*1,410*	*-*	*-*	*-*	*-*
Trade and other payables	**10**	**167,265**	**167,265**	**-**	**-**	**-**	**167,265**	**-**

December 31, 2020

Balance sheet items *(in thousand euros)*	Note	Balance sheet value	Fair value	Breakdown by category of instruments				
				At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
Financial assets		**702,460**	**702,460**	**128,509**	**27,057**	**546,894**	**-**	**-**
Non-current								
• *Derivatives financial instruments*	*18*	*976*	*976*	*-*	*976*	*-*	*-*	*-*
• *Other investments*		*34*	*34*	*34*	*-*	*-*	*-*	*-*
Current								
• *Trade and other receivables*	*10*	*409,625*	*409,625*	*10,268*	*-*	*399,357*	*-*	*-*
• *Derivative financial instruments*	*18*	*26,081*	*26,081*	*-*	*26,081*	*-*	*-*	*-*
• *Other current financial assets*		*1*	*1*	*1*	*-*	*-*	*-*	*-*
• *Cash and cash equivalents*	*15*	*265,744*	*265,744*	*118,206*	*-*	*147,537*	*-*	*-*
Financial liabilities		**231,497**	**231,497**	**10,718**	**3,347**	**-**	**217,432**	**-**
Non-current								
• *Borrowings*	*12*	*27,985*	*27,985*	*-*	*-*	*-*	*27,985*	*-*
• *Derivative instruments*	*18*	*53*	*53*	*-*	*53*	*-*	*-*	*-*
• *Djeep earn-out clause*		*3,961*	*3,961*	*3,961*	*-*	*-*	*-*	*-*
• *Rocketbook earn-out clause*		*5,398*	*5,398*	*5,398*	*-*	*-*	*-*	*-*
Current								
• *Borrowings*	*12*	*89,976*	*89,976*	*-*	*-*	*-*	*89,976*	*-*
• *Derivative instruments*	*18*	*3,294*	*3,294*	*-*	*3,294*	*-*	*-*	*-*
• *Rocketbook earn-out clause*		*1,358*	*1,358*	*1,358*	*-*	*-*	*-*	*-*
Trade and other payables	**10**	**99,470**	**99,470**	**-**	**-**	**-**	**99,470**	**-**

The valuation methods adopted for financial instruments are as follows:

- financial instruments other than derivatives recorded in the balance sheet:

  The book values used are reasonable estimates of their market value except for marketable securities whose carrying values are determined based on the last known net asset values as of June 30, 2021;
- derivative financial instruments:

  Market values are either those of the financial institutions or have been calculated by an external third-party on the basis of the last known closing prices as of June 30, 2021. They are consistent with the valuation reports provided by the financial institutions.

Fair value valuation method

The tables below set out the fair value method for valuing financial instruments, using the following three levels:

- level 1 (quoted prices in active markets): money market UCITS and other current financial assets;
- level 2 (observable inputs): derivatives - hedge accounting;
- level 3 (non-observable inputs): no such instruments are held as of June 30, 2021.

Category of instruments *(in thousand euros)*	June 30, 2021			
	Total	Level 1	Level 2	Level 3
At fair value through the income statement – Assets	256,544	256,544	-	-
Derivative hedges – Assets	8,233	-	8,233	-
Derivative hedges – Liabilities	4,108	-	4,108	-

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STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

For the period from January 1 to June 30, 2021

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders of SOCIÉTÉ BIC,

In compliance with the assignment entrusted to us by our Annual General Meeting and in accordance with the requirements of article L. 451-1-2-III of the French monetary and financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of SOCIÉTÉ BIC, for the period from January 1 to June 30, 2021;
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

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

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

II - Specific verification

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

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

Neuilly-sur-Seine and Paris-La Défense, July 29, 2021

The Statutory Auditors

French original signed by

Grant Thornton French member of Grant Thornton International Vianney MARTIN	Deloitte & Associés Jean-Pierre AGAZZI

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STATEMENT ON THE HALF-YEARLY REPORT 2021

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the half-year ended June 30, 2020 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and the profit of the Company and the entities included in the scope of consolidation of the Group and that the First Half Management Report includes a faithful representation of the major events which occurred during the first six months of the financial year, their impact on the financial statements, of the main related-party transactions, as well as a description of the major risks and uncertainties for the remaining six months of the year.

On July 29, 2021

Gonzalve Bich

Chief Executive Officer

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