2022
HALF-YEAR FINANCIAL REPORT

CONTENTS

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE 6-MONTH PERIOD ENDED JUNE 30, 2022

1.1 KEY FIGURES

(in million euros)			H1 2022 vs. H1 2021				
	H1 2021	**H1 2022**	**As reported**	**FX impact** *(in points)* [(a)]	**Change in Perimeter** *(in points)* [(b)]	**Argentina impact** *(in points)* [(c)]	**Comparative basis**
Group							
Net Sales	**916.7**	**1,127.2**	**+23.0%**	**+7.8**	**+0.9**	**+0.6**	**+13.7%**
Gross Profit	473.9	559.8	-	-	-	-	-
Adjusted Earnings Before Interest and Taxes (EBIT)	**166.1**	**202.9**	**-**	**-**	**-**	**-**	**-**
Adjusted EBIT Margin	***18.1%***	***18.0%***	**-**	**-**	**-**	**-**	**-**
EBIT	332.6	197.7	-	-	-	-	-
EBIT Margin	*36.3%*	*17.5%*	-	-	-	-	-
Net Income Group Share	**230.2**	**139.4**	**-**	**-**	**-**	**-**	**-**
Earnings Per Share Group Share *(in euros)*	**5.12**	**3.15**	**-**	**-**	**-**	**-**	**-**
Adjusted Net Income Group Share (in euros)	*112.7*	*149.7*	-	-	-	-	-
Adjusted Earnings Per Share Group Share	2.51	3.39	-	-	-	-	-
Human Expression (Stationery)							
Net Sales	**333.3**	**438.0**	**+31.4%**	**+6.3**	**+2.5**	**+0.9**	**+21.7%**
Adjusted EBIT	27.6	35.6	-	-	-	-	-
Adjusted EBIT Margin	***8.3%***	***8.1%***	**-**	**-**	**-**	**-**	**-**
EBIT	29.1	33.5	-	-	-	-	-
EBIT Margin	***8.7%***	***7.7%***	**-**	**-**	**-**	**-**	**-**
Flame for Life (Lighters)							
Net Sales	**367.4**	**436.0**	**+18.7%**	**+8.8**	**-**	**+0.6**	**+9.3%**
Adjusted EBIT	145.7	166.9	-	-	-	-	-
Adjusted EBIT Margin	***39.6%***	***38.3%***	**-**	**-**	**-**	**-**	**-**
EBIT	143.8	165.9	-	-	-	-	-
EBIT Margin	***39.2%***	***38.0%***	**-**	**-**	**-**	**-**	**-**
Blade Excellence (Shavers)							
Net Sales	**200.4**	**240.3**	**+19.9%**	**+8.4**	**-**	**+0.5**	**+11.0%**
Adjusted EBIT	32.4	43.3	-	-	-	-	-
Adjusted EBIT Margin	***16.2%***	***18.0%***	**-**	**-**	**-**	**-**	**-**
EBIT	32.3	41.1	-	-	-	-	-
EBIT Margin	***16.1%***	***17.1%***	**-**	**-**	**-**	**-**	**-**
Other products							
Net Sales	**15.7**	**12.8**	**-18.4%**	**-**	**-**	**-**	**-18.4%**
Adjusted EBIT	**(3.0)**	**(3.8)**	**-**	**-**	**-**	**-**	**-**
EBIT	(3.0)	(3.8)	-	-	-	-	-
Unallocated costs			-	-	-	-	-
Adjusted EBIT	**(36.5)**	**(39.1)**	**-**	**-**	**-**	**-**	**-**
EBIT	130.3	(39.1)	-	-	-	-	-

(a) Forex impact excluding Argentinian Peso (ARS).
(b) Mainly acquisition of Inkbox.
(c) See Glossary.

1

1.2 H1 2022 HIGHLIGHTS

RESULTS

Strong continued momentum in all divisions – **H1 Net Sales growing 15.5% at Constant Currencies.**

- **Human Expression:** +23% Back-to-School sell-in growth in the Northern Hemisphere (Europe, North America, and Mexico), and high-double-digit growth in Brazil and India.
- **Flame for Life**: +17% growth in added-value products and double-digit growth in all key countries powered by distribution gains and innovation.
- **Blade Excellence:** +13% growth in added-value one-piece and hybrid shavers and increasing contribution of our B2B business BIC Blade-Tech (31% of Blade Excellence's growth in H1).
- **Market share increased or maintained** in 80% of the countries we operate in, driven by efficient commercial execution and enhanced consumer-centricity.

Resilience to Input Cost Inflation Headwinds driven by favorable pricing and Net Sales operating leverage.

Sustained Operating Cash Flow (275.6 million euros): working Capital impacted by the seasonality of Account Receivables (Back-to-School sell-in) and the negative impact of inflation on Inventories (40 million euros at the end of June).

(in million euros)	H1 2021	H1 2022
Group Net Sales	**916.7**	**1,127.2**
Change as reported	*+18.2%*	*+23.0%*
Change on a comparative basis	*+22.5%*	*+13.7%*
Change on a constant currency basis	***+26.2%***	***+15.5%***
EBIT	*332.6*	*197.7*
EBIT Margin	***36.3%***	***17.5%***
Adjusted EBIT	*166.1*	*202.9*
Adjusted EBIT Margin	***18.1%***	***18.0%***
EPS (in euros)	***5.12***	***3.15***
Adjusted EPS (in euros)	*2.51*	*3.39*
Free Cash Flow before acquisitions and disposals	***103.7***	***22.4***
Net Cash Position	366.7	229.9

NET SALES BY DIVISION

- **Human Expression (Stationery):** 438.0 million euros (+21.7% on a comparative basis and +25.4% at constant currency).
- **Flame for Life (Lighters):** 436.0 million euros (+9.3% on a comparative basis and +10.1% at constant currency).
- **Blade Excellence (Shavers):** 240.3 million euros (+11.0% on a comparative basis and +11.8% at constant currency).

1.3 H1 2022 GROUP OPERATIONAL TRENDS

H1 2022 HIGHLIGHTS

H1 2022 Group Net Sales increased 13.7% on a comparative basis, 15.5% at constant currencies and 10.7% on a 12-month rolling basis. Growth was driven by volume increase, favorable mix, and the successful implementation of price increases in all regions. All divisions and regions contributed to H1 performance. We gained or maintained market share in 80% of the countries we operate in, including in all three categories in Europe and the U.S.

- In **Human Expression**, H1 Organic growth was driven by our Core Writing Instruments and Coloring segments following robust Back-to-School shipments and efficient in-store execution. In the Northern Hemisphere (Europe, North America, and Mexico), Back-to-School sell-in increased by almost 20% in volume and 23% in value compared to the same period last year. Countries hardest hit by the pandemic, such as Brazil, South Africa, Nigeria, and India, continued to recover in Q2, with high-double digit growth on a comparative basis, all now having recovered ahead of 2019 levels.
- Our added-value products (decorated and Utility Lighters, BIC® EZ Reach, and Djeep) grew 17% in value and accounted for 38% of the **Flame for Life** H1 Net Sales. US Lighters contributed to 51% of the division's organic growth, boosted by distribution gains, innovation, positive price and mix (all accounting for approximately 4.5 pts of the US Lighters growth in H1), and catch-up of orders in Q1. BIC EZ Reach reached a 5.5% market share in value, driven by increased distribution, primarily in Convenience Stores.
- In **Blade Excellence,** value-added products continued to fuel the performance of our One-Piece and Hybrid segments and grew 13% in H1. This was notably driven by the success of the BIC Soleil Escape four-blade shaver in the US, which reached a 2% share of the US women's one-piece segment in less than six months. Our BIC Blade-Tech B2B business continued to gather momentum and contributed to 31% of the total Blade Excellence year-to-date Net Sales growth.
- **H1 2022 Gross Profit margin** decreased by 2.0 points to 49.7%. The impact of input cost inflation (-5.3 pts compared to H1 2021 including Raw Materials, Air and Sea Freight and Electricity) and unfavorable FX, mostly EUR/USD hedging rate (-0.7 pts) were partially offset by favorable fixed cost absorption (+2.0 pts), favorable pricing (+1.4 pts), and the positive contribution of Inkbox (+0.3 pts). **H1 2022 Adjusted EBIT** increased by 22.2%, and the adjusted EBIT margin was 18.0%, almost flat compared to H1 2021. Net Sales operating leverage (+4.6 pts) more than offset the increase in Brand Support (-1.1 pts), OPEX (-0.6 pts) and Inkbox impact (-0.9 pts).
- **Total input cost inflation** weighed approximately 48 million euros on H1 adjusted EBIT. For the full year, we expect approximately 100 million euros negative impact, which should be more than offset by volume increase, price adjustments, and additional savings, and allow us to grow adjusted EBIT in absolute terms.
- **Operating Cash Flow** reached 275.6 million euros, fueled by strong business performance. The -175.3 million euros change in Net Current Working Capital was driven by Trade and other Receivables (-138.8 million euros), as a result of strong Net Sales growth, by an increase in Inventory levels (-102.1 million euros of which 40 million euros input cost inflation from Raw Material, Freight and Electricity).
- **H1 Free Cash flow before acquisitions and disposals** was +22.4 million euros. The end of June Net Cash position was 229.9 million euros and included 58.2 million euros paid for the acquisition of Inkbox.

HORIZON STRATEGIC PLAN IN ACTION

The relentless execution of BIC's *Horizon* strategic plan drove our robust performance in H1, as we pursue our journey towards accelerated profitable growth.

- Building on a **rejuvenated R&D and innovation pipeline**, we continue to accelerate product launches supported by effective Brand Support in all divisions. In Human Expression, **Intensity Color Change,** our new writing Felt Pen transforming everyday writing into a creative opportunity, was launched in most geographies. Our **BIC® EZ Reach Utility Pocket Lighter** continued to gain distribution in all channels, a proof point of relevant innovation driving growth and creating value. In July, we launched our **BIC Ecolutions Lighter** in the US and France. This unique lighter was designed with 16% lower environmental impact compared to the classic BIC Maxi. It will be gradually deployed in the rest of Europe starting in September. **BIC Soleil Escape**, our new female razor offering a sensorial experience, was among the key drivers of year-to-date Blade Excellence's performance in the US. **The BIC Bamboo shaver,** with a bamboo handle, reached 2.6% volume market share in Sweden in less than 10 months, demonstrating the consumer relevance of products with clear sustainability benefits.

- **E-commerce** sales grew 14% in H1. Core e-commerce sales continued to be driven by the Omniretailers channel and performance in Developing Markets, with high double-digit growth in India and Brazil. Our Shaver and Lighter businesses grew double-digit, driven by North America and Brazil. In Stationery, we expect a solid Back-to-School season driven by targeted Brand Support investment.
- We increased our **Net Sales per SKU by 25%** in H1 2022, driven by Human Expression and Flame For Life momentum, coupled with a **net SKU reduction of 9%**, as we continue to drive complexity reduction across our portfolio.
- Adding growth and profitability to the Blade Excellence division and, more generally, to the Group, **our B2B business, BIC Blade Tech,** is ramping up quickly, driven by additional orders from existing customers.
- In line with our *Horizon* strategy to pivot our Stationery business towards Human Expression and expand our Total Addressable Markets to the fast-growing Creative Expression segment, **we acquired Tattly,** a small, high-quality 2-4 days US based Decal company. Tattly will help diversify BIC's offer in Skin Creative, adding a recognized Decal Brand to BIC's BodyMark temporary marker and Inkbox semi-permanent tattoo. The Decals segment is the largest segment of the non-permanent Skin Creative market, which is expected to reach 1.5 billion USD in 2030, growing 13% annually.
- In May 2022, we announced our **Greenhouse Gas (GHG) emission reduction targets for 2030** [(1)]**,** accelerating our longstanding commitment to sustainability while making GHG emissions reduction a key component of BIC's long-term strategy. In line with the Paris Agreement target requirements, we pledged to reduce 50% of our GHG emissions for Scope 1 and 100% for Scope 2 by 2030. For Scope 3, our goal is to reduce by 5% our GHG emissions by 2030, of which -30% for the Flame for Life division.
- At the end of June 2022, we reached more than 70% of **reusable, compostable or recyclable plastic in our Consumer packaging,** on track to achieve our 100% goal in 2025.
- In June 2022, our headquarters in Clichy (France) were relocated to **a certified BREEAM (Building Research Establishment Environmental Assessment Method)** building, thus meeting the highest requirements for environmental performance and energy consumption efficiency.

(1) 2019 Baseline.

EARNINGS BEFORE INTEREST AND TAXES (EBIT) AND ADJUSTED EBIT

(in million euros)	H1 2021	H1 2022
Net Sales	916.7	1,127.2
Gross Profit	473.9	559.8
Gross Profit margin	51.7%	49.7%
EBITDA	382.1	247.5
EBIT	332.6	197.7
EBIT margin	*36.3%*	*17.5%*
Non-recurring items	(166.5)	5.3
Adjusted EBIT	166.1	202.9
Adjusted EBIT margin	18.1%	18.0%

H1 2022 Gross Profit margin decreased by 2.0 points to 49.7%. The impact of input cost inflation (-5.3 pts compared to H1 2021) and unfavorable FX mostly EUR/USD hedging rate (-0.7 pts) were partially offset by favorable fixed cost absorption (+2.0 pts) and favorable pricing (+1.4 pts), and the positive contribution of Inkbox (+0.3 pts).

H1 2022 Adjusted EBIT increased by 22.2%, and the adjusted EBIT margin was 18.0%, almost flat compared to H1 2021. Net Sales operating leverage (+4.6 pts) and the decrease in Freight and Distribution (+0.2 pts) more than offset the increase in Brand Support (-1.1 pts), and OPEX (-0.6 pts), and the impact of Inkbox (-0.9 pts).

KEY COMPONENTS OF THE CHANGE IN ADJUSTED EBIT MARGIN

(in points)	H1 2022 vs. H1 2021
• Change in Gross Profit	(2.0)
• Brand Support	(1.1)
• OPEX and other expenses [(a)]	+3.0
TOTAL CHANGE IN ADJUSTED EBIT MARGIN	**(0.1)**

(a) Other expenses include notably Freight & Distribution and R&D.

NON-RECURRING ITEMS

(in million euros)	H1 2021	H1 2022
EBIT	**332.6**	**197.7**
Restructuring costs (Transformation plan)	4.2	-
Clichy Headquarters sales capital gain	(167.7)	-
PIMACO divestiture capital gain	(3.0)	-
Acquisition costs	-	1.5
Rocketbook earnout and Djeep price adjustment	-	0.7
Ukraine operations impairment	-	3.0
Adjusted EBIT	**166.1**	**202.9**

NET INCOME AND EPS

(in million euros)	H1 2021	H1 2022
EBIT	**332.6**	**197.7**
Finance revenue/costs	(4.0)	(4.1)
Income before Tax	328.5	193.6
Net Income Group share	**230.2**	**139.4**
Adjusted Net Income Group Share [(a)]	112.7	149.7
Adjusted EPS Group Share *(in euros)*	2.51	3.39
EPS Group Share *(in euros)*	**5.12**	**3.15**

(a) See glossary.

CHANGE IN NET CASH POSITION

(in million euros)	2021	2022
NET CASH POSITION (BEGINNING OF PERIOD – DECEMBER)	**183.9**	**400.1**
Net cash from operating activities	+134.0	+62.8
• *Of which operating cash flow*	*+230.3*	*+275.6*
• *Of which change in working capital and others*	*(96.3)*	*(212.8)*
CAPEX [(a)]	(30.3)	(40.4)
Dividend payment	(80.9)	(94.7)
Share buyback program	(15.7)	(28.8)
Net cash from the liquidity contract	+1.2	+0.4
Proceed from the sale of Clichy Headquarters	+173.9	-
Proceed from PIMACO divestiture	+3.4	+1.1
Acquisitions [(b)]	(7.2)	(67.8)
Other items	+4.4	(2.8)
NET CASH POSITION (END OF PERIOD – JUNE)	**366.7**	**229.9**

(a) Including (7.3) million euros in 2022 and +0.8 million euros in 2021 related to assets payable change.

(b) Haco Industries Ltd., Rocketbook & Djeep in 2021, Inkbox, Rocketbook & Djeep in 2022.

At the end of June 2022, Net Cash position was 229.9 million euros. Net Cash from operating activities was affected by a growth in working capital due to increased accounts receivables following high Q2 Net Sales and increased inventory levels driven by 40 million euros of input cost inflation (Raw Material, Freight, and Electricity). The Inkbox acquisition also impacted Net Cash position.

SHAREHOLDERS' REMUNERATION

In line with our disciplined capital allocation framework, we continued our commitment to attractive Shareholder returns with a balance of dividend and buybacks with:

- **2.15 euros** per share of **ordinary dividend** paid in June 2022; and
- **28.8 million euros in share buybacks** were completed by SOCIÉTÉ BIC at the end of June 2022 (573,501 shares were purchased at an average price of 50.28 euros).

1.4 H1 2022 OPERATIONAL TRENDS BY DIVISION

HUMAN EXPRESSION (STATIONERY)

(in million euros)	H1 2021	H1 2022
Volumes sold *(in million units)*	2,742.7	3,519.5
% Change	*+11.6%*	*+28.3%*
Net Sales	333.3	438.0
Change as reported	*+13.4%*	*+31.4%*
Change on a comparative basis	*+12.1%*	*+21.7%*
Change at constant currency	*+19.1%*	*+25.4%*
Adjusted EBIT	27.6	35.6
Adjusted EBIT Margin	*8.3%*	*8.1%*
EBIT	29.1	33.5
EBIT Margin	*8.7%*	*7.7%*

The Human Expression division's Net Sales grew 25.4% at constant currency and 21.7% on a comparative basis in H1 2022. This strong performance was driven by solid commercial execution in all geographies, with double-digit growth in Europe, Latin America, the Middle East, Africa, and India, supported by the successful implementation of price increases. In line with our *Horizon* goals to strengthen our presence in Creative Expression, we outperformed the strategic segment of Coloring in five key countries (US, UK, South Africa, Brazil and Mexico).

In Europe, H1 performance was driven by both Western Europe (UK, France, Italy) and Eastern Europe (Poland, Turkey). Back-to-School sell-in was boosted by mid-single growth from both core products like the BIC® Cristal and our iconic BIC® 4-Color™, and added-value products like Coloring felt pen and pencils. We expect Back-to-School sell-out to grow mid-single digit fueled by strong commercial execution.

In the US, the Stationery market grew 3% in value (1), driven by premium-priced products such as Gel. BIC gained +0.7 points in value share fueled by core stationery products (including Mechanical Pencil and Correction). We outperformed the market successfully in key strategic segments like Coloring and Gel. The 2022 Back-to-School season is expected to be strong, with 70% of US consumers planning to shop in-store, and increasingly looking for quality and value products in the face of rising inflation.

In Brazil, the market continued to rebound, growing double-digit, and we consolidated our leadership position, gaining +1.9 points versus 2020 (pre-pandemic) achieving 55.5% market share in value (2), thanks to efficient in-store execution. Net sales more than doubled, fueled by robust Back-to-School performance for both sell-in and sell-out and positive pricing.

In Mexico, the market grew more than 40% in value (3), driven by the return to schools and offices. Net Sales performance was fueled by Back-to-School sell-in with double-digit growth in both classic and added-value segments like Coloring.

Cello Net Sales **in India** increased double-digit, boosted by a continued rebound of the market and solid double-digit growth in e-commerce.

The Human Expression division's H1 2022 adjusted EBIT margin was 8.1% compared to 8.3% in H1 2021. This slight decrease was driven by an increase in raw material and freight costs and Inkbox's investment, partly offset by Net Sales operating leverage and favorable fixed cost absorption.

(1) YTD June - NPD data.
(2) YTD May 2022 – Nielsen, estimated 16% coverage.
(3) YTD May 2022 – Nielsen, estimated 24% coverage.

FLAME FOR LIFE (LIGHTERS)

(in million euros)	H1 2021	H1 2022
Volumes sold *(in million units)*	799.3	850.1
% Change	*+35.0%*	*+6.4%*
Net Sales	367.4	436.0
Change as reported	*+37.0%*	*+18.7%*
Change on a comparative basis	*+44.7%*	*+9.3%*
Change at constant currency	*+47.7%*	*+10.1%*
Adjusted EBIT	145.7	166.9
Adjusted EBIT Margin	*39.6%*	*38.3%*
EBIT	143.8	165.9
EBIT Margin	*39.2%*	*38.0%*

The Flame for Life division's Net Sales grew 10.1% at constant currency and 9.3% on a comparative basis in H1 2022, driven by high-single to double-digit growth in all major regions we operate in. Sell-out performance was also robust as BIC outperformed markets in all key countries including US, France, Germany and Brazil.

In the US, the Pocket lighter market declined -11.6% in volume and -4.7% in value [(1)], however BIC continued to successfully outperform, gaining share in both volume (+2.4 pts) and value (+1.1 pts). Our added-value utility pocket lighter BIC EZ Reach continued to be successful and reached 5.5% of the total pocket lighter market in value, up 1.5 points since the start of 2022. H1 Net sales were boosted by further distribution gains, and price adjustments.

In Europe, the recovery in traditional channels, price increases, and the success of added-value products such as Djeep and decorated lighters drove Net Sales' double-digit growth. Our Invest-to-grow countries including Germany and Turkey achieved double to triple-digit growth driven by efficient pricing and promotional actions.

In Latin America, the lighter market in Brazil grew +0.8% in value, and we continue to gain market share. BIC's double-digit Net Sales growth was fueled by the continued demand for more flame usage, high barriers for imported lighters, and price increases.

Flame for Life H1 2022 adjusted EBIT margin was 38.3% compared to 39.6% in H1 2021, due to higher Raw Materials and Air and Sea Freight import costs, and an increase in Brand Support, driven notably by the BIC® EZ Reach advertising campaign in the US. This was partly offset by Net Sales operating leverage and favorable fixed cost absorption.

(1) Period ending July 2, 2022 – IRI, estimated 70% market coverage.

BLADE EXCELLENCE (SHAVERS)

(in million euros)	H1 2021	H1 2022
Volumes sold *(in million units)*	1,193.0	1,212.4
% Change	*+0.7%*	*+1.6%*
Net Sales	200.4	240.3
Change as reported	*-0.1%*	*+19.9%*
Change on a comparative basis	*+8.0%*	*+11.0%*
Change at constant currency	*+8.4%*	*+11.8%*
Adjusted EBIT	32.4	43.3
Adjusted EBIT Margin	*16.2%*	*18.0%*
EBIT	32.3	41.1
EBIT Margin	*16.1%*	*17.1%*

The Blade Excellence division's Net Sales grew 11.8% at constant currency and 11.0% on a comparative basis in H1 2022. Sell-in performance was powered by added-value and new products in Europe, Latin America, and North America, in addition to the strong contribution of our BIC Blade-Tech business. We reached record high market shares in five of our key markets (Mexico, Brazil, Poland, Portugal and UK).

In Europe, BIC gained market share in both France (+1.8 pts in value) and the UK (+1.3 pts in value [1]) fueled by the success of 3-blade products in both female and male segments. Net Sales were notably driven by good performance and promotional activities in the UK, Poland, and Turkey. Added-value products, such as the Flex and Soleil ranges, contributed successfully to growth.

In the US, the market grew 0.8% in value, and BIC kept pace. The performance of our Soleil range was fueled by the success of our new BIC® Soleil Escape shaver launched earlier this year, which already reached 2.0% of share [2].

In Brazil and Mexico, we pursued our successful trade-up strategy towards three blades offering with solid double-digit growth in both countries. In Brazil, after four years of successful share gain, we continued to outperform the market (+1.0 pts in value [3]), reaching a historical high record of 24% share in value, boosted by premium male and female products (Comfort 3 and Simply Soleil). In Mexico, the market was up mid-single digit in value, and we kept pace thanks to the solid performance of both Flex and Soleil ranges in the traditional channel.

Blade Excellence H1 2022 adjusted EBIT margin was 18.0% compared to 16.2% in H1 2021, driven by Net Sales operating leverage, favorable fixed cost absorption, and the positive contribution from BIC Blade-Tech B2B business. This was partially offset by higher manufacturing costs (Electricity & Freight costs) and higher Brand support.

OTHER PRODUCTS

(in million euros)	H1 2021	H1 2022
Net Sales	15.7	12.8
Change as reported	*+19.7%*	*(18.4)*
Change on a comparative basis	*+19.5%*	*(18.4)*
Change at constant currency	*+19.5%*	*(18.4)*
Adjusted EBIT	(3.0)	(3.8)
EBIT	(3.0)	(3.8)

UNALLOCATED COSTS

(in million euros)	H1 2021	H1 2022
Adjusted EBIT	(36.5)	(39.1)
EBIT	130.3	(39.1)

(1) YTD May 2022, Nielsen.
(2) YTD June 2022 - IRI.
(3) YTD May 2022 – Nielsen, estimated 62% coverage.

1.5 GROUP NET SALES BY GEOGRAPHY

(in million euros)	H1 2021	H1 2022	% as reported	% at constant currencies	% on a comparative basis
Group	**916.7**	**1,127.2**	**+23.0%**	**+15.5%**	**+13.7%**
Europe	292.0	336.9	+15.4%	+15.7%	+15.7%
North America	406.4	499.0	+22.8%	+11.3%	+9.2%
Latin America	125.9	179.7	+42.8%	+29.6%	+24.0%
Middle East and Africa	51.1	57.1	+11.7%	+5.4%	+5.4%
Asia and Oceania (including India)	41.3	54.4	+31.8%	+26.0%	+26.0%

1.6 2022 OUTLOOK AND MARKET ASSUMPTIONS

2022 OUTLOOK UPDATE (BASED ON CURRENT MARKET ASSUMPTIONS)

We are updating our guidance and **expect to grow Full-Year Net Sales between 10% and 12% at constant currencies** (previously 7%-9%), driven by volume increase and favorable pricing. All divisions will contribute to organic growth in H2.

Input cost inflation is expected to have an impact of approximately 100 million euros. Despite these inflation headwinds and higher Brand Support & OPEX aimed at fueling growth, we expect to grow FY 2022 adjusted EBIT in absolute terms, driven by higher volumes, positive pricing, and additional savings. **We maintain our target of over 200 million euros in Free Cash Flow.**

2022 MARKET ASSUMPTIONS

Our 2022 outlook is based **on the following market assumptions** [(1)]:

Market trends (in value):

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

EBIT drivers:

- **Gross profit:**
  - increase in volumes and prices,
  - higher raw materials and sea and air freight costs,
  - slightly unfavorable FX impact (Negative USD-Euro hedging/Positive USD-MXN),
  - positive contribution from Inkbox;

(1) Based on Euromonitor and BIC estimates.

- **Adjusted EBIT**:
  - increase in Brand Support to support Net Sales growth – increase in R&D and OPEX to support long-term growth and innovation,
  - additional savings,
  - negative impact on 2022 EBIT from Inkbox;
- **Free Cash Flow before Acquisitions and Disposals drivers**:
  - approximately 100 million euros in CAPEX.

Currency: 2022 USD-Euro hedging rate: 1.1750.

1.7 RECENT EVENTS THAT OCCURRED AFTER JUNE 30, 2022

On July 26, BIC has acquired Tattly to build capabilities in Skin Creative in line with our *Horizon* strategy.

The consideration for this acquisition is not significant.

No other subsequent event occurred between July 1, 2022 and the reporting date.

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

(in %)	H1 2021	H1 2022
Perimeter	**+3.0**	**+0.9**
Currencies	**-7.2**	**+7.8**
Of which USD	*-4.8*	*+5.2*
Of which BRL	*-1.4*	*+1.2*
Of which MXN	*-0.1*	*+0.6*
Of which AUD	*+0.2*	*+0.1*
Of which ZAR	*-*	*+0.1*
Of which INR	*-0.2*	*+0.2*
Of which RUB and UAH	*-0.4*	*+0.3*

1.9 RECONCILIATION WITH ALTERNATIVE PERFORMANCE MEASURES

ADJUSTED EBIT RECONCILIATION

(in million euros)	H1 2021	H1 2022
EBIT	**332.6**	**197.7**
Restructuring costs (Transformation plan)	4.2	-
Clichy Headquarters sales capital gain	(167.7)	-
PIMACO divestiture capital gain	(3.0)	-
Acquisition costs	-	1.5
Rocketbook earnout and Djeep price adjustment	-	0.7
Ukraine operations impairment	-	3.0
Adjusted EBIT	**166.1**	**202.9**

ADJUSTED EPS RECONCILIATION

(in euros)	H1 2021	H1 2022
EPS	**5.12**	**3.15**
Restructuring costs (Transformation plan)	+0.07	-
Argentina hyperinflationary accounting (IAS 29)	+0.03	0.1
Clichy Headquarters sales capital gain	(2.67)	-
PIMACO divestiture capital gain	(0.04)	-
Acquisition costs	-	0.02
Rocketbook earnout and Djeep price adjustment	-	0.06
Ukraine operations impairment	-	0.06
Adjusted EPS	**2.51**	**3.39**

NET CASH RECONCILIATION

(in million euros – rounded figures)	December 31, 2021	June 30, 2022
Cash and cash equivalents (1)	+468.9	+320.5
Current borrowings (2) [(a)]	(63.9)	(87.9)
Non-current borrowings (3)	(4.9)	(2.7)
NET CASH POSITION (1) - (2) - (3)	**400.1**	**229.9**

(a) Excluding financial liabilities following IFRS 16 implementation.

FREE CASH FLOW RECONCILIATION

(in million euros – rounded figures)	December 31, 2021	June 30, 2022
Net cash from operating activities (1)	280.6	62.8
Capital expenditure (2)	(74.9)	(40.4)
FREE CASH FLOW BEFORE ACQUISITION AND DISPOSALS (1) - (2)	**205.7**	**22.4**

1.10 SHARE REPURCHASE PROGRAM – CANCELLED SHARES

During the first half of 2022:

- SOCIÉTÉ BIC repurchased 573,501 shares under the share repurchase programs authorized by the Annual Shareholders' Meeting held on May 18, 2022 excluding shares acquired under the liquidity agreement.
- SOCIÉTÉ BIC repurchased, under the liquidity agreement Natixis – ODDO BHF, 230,388 shares for a total value of 11.45 million euros and sold 237,775 shares for a total value of 11.90 million euros.

BIC - SHARE BUYBACK PROGRAM

	Number of shares acquired	**Average weighted price** *(in euros)*	**Amount** *(in million euros)*
January 2022	23,100	50.19	1.2
February 2022	113,568	47.70	5.4
March 2022	140,897	46.48	6.5
April 2022	75,550	47.85	3.6
May 2022	126,028	56.52	7.1
June 2022	94,358	52.72	5.0
TOTAL	**573,501**	**50.28**	**28.8**

The number of free, performance-based shares transferred by SOCIÉTÉ BIC to beneficiaries was 99,843 during the first half 2022. The number of free, non-performance-based shares transferred to beneficiaries by SOCIÉTÉ BIC was 12,600.

Moreover, SOCIÉTÉ BIC proceeded to 240,156 free, performance-based share grants and 118,947 free, non-performance-based share grants.

1.11 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 255 of BIC's 2021 Universal Registration Document filed with the *Autorité des Marchés Financiers* (AMF) on March 25, 2022. During the first half of 2022, BIC has not identified any significant related-party transactions.

1.12 CAPITAL EVOLUTION

As of June 30, 2022, the total number of issued shares of SOCIÉTÉ BIC was 44,677,929 shares, representing:

- 65,721,660 voting rights;
- 65,005,053 voting rights excluding shares without voting rights.

Total number of treasury shares held at the end of June 2022: 716,607.

1.13 MATERIAL EVENTS THAT OCCURRED IN H1 2022

N/A

1.14 MATERIAL EVENTS THAT OCCURRED AFTER JUNE 30, 2022

N/A

1.15 DESCRIPTION OF THE PRINCIPAL RISKS AND UNCERTAINTIES FOR H2 2022

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 risk management system is disclosed in Chapter § 2.4 Risk management and internal control procedures implemented by the Company and Insurance, in BIC's 2021 Universal Registration Document (URD) filed with the *Autorité des Marchés Financiers* (AMF) on March 25, 2022 and available on BIC's website: https://us.bic.com/en_us/investors.

Risk Impact	**Low**	**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 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 IT Security		X	
Risks related to the non-respect of Human Rights and Unfair Practices		X	
Risk related to the execution of BIC's transformation program *BIC 2022 – Invent The Future*	X		

IMPACT OF THE COVID-19 PANDEMIC ON BIC'S RISK MANAGEMENT IN 2021 AND IN H1 2022

As the pandemic evolves, so does the risk landscape. Below are some of its main impacts to BIC:

- Consumer Demand and Growth in our three business categories, specifically, a sharp decline of consumption and evolution of consumer habits; and challenges to anticipate demand behavior given the uncertain patterns of economic recovery due to the pandemic;
- Supply Chain and Production, including the mandatory partial or total shutdown of BIC's factories in certain countries, the disruption due to the closure of borders globally; the surge in demand for goods and services putting constraints on the supply chain worldwide;
- Retail Disruption and Consolidation due to widespread and extended closure of traditional and convenience stores during the lockdown periods, compounded by customers financial hardship and potentially bankruptcy.

These risks required mitigation measures to protect the health and safety of our employees while ensuring business continuity. The Group continues to apply the government directives in each country where it operates. Work organization continues to adapt in accordance with health authority recommendations as they change, and remote working was implemented whenever possible.

BIC's sound strategy, financial situation, integrated business model, and transformation will help alleviate the longer-term impacts of the pandemic.

UKRAINE CRISIS – MARCH 2022

The Group closely monitors the potential consequences of the Ukraine crisis, which is evolving rapidly. Our utmost priority is to help and protect our team members. An action plan has been implemented to ensure their safety.

Russia and Ukraine accounted for 2.4% of BIC's 2021 total Net Sales (1.8% for Russia and 0.6% for Ukraine). The Group doesn't have any industrial presence in these two countries. Please refer to "Risks related to Supply Chain and "Risks related to IT security".

1.16 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 2021 and 2022.
- **On a 12-month rolling basis at constant currency:** last 12-month Net Sales variance *vs.* last year last 12-month at constant currency.
- **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, 2021	June 30, 2022
Net sales	2-2	916,716	1,127,151
Cost of goods	3	(442,842)	(567,398)
Gross profit [(a)]		**473,874**	**559,753**
Distribution costs	3	(131,095)	(143,256)
Administrative expenses	3	(111,654)	(124,118)
Other operating expenses	3	(67,775)	(92,101)
Other income	4	175,104	3,118
Other expenses	4	(5,884)	(5,739)
Earnings before interest and taxes (EBIT)		**332,570**	**197,657**
Income from cash and cash equivalents	5	1,253	3,884
Net finance income/(net finance costs)	5	(5,299)	(7,952)
Income before tax		**328,524**	**193,589**
Income tax expense	6	(98,360)	(54,205)
Consolidated income of which:		**230,164**	**139,384**
Non-controlling interests		-	-
Net income Group share	7	**230,164**	**139,384**
Earnings per share Group share *(in euros)*		5.12	3.15

(a) Gross profit is the margin that the Group realizes after deducting its manufacturing costs.

2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Consolidated financial statements)

(in thousand euros)		Notes	June 30, 2021	June 30, 2022
GROUP NET INCOME	**A**		**230,164**	**139,384**
OTHER COMPREHENSIVE INCOME				
Actuarial differences on post-employment benefits not recyclable to the income statement [a]			31,331	15,614
Deferred tax on actuarial differences on post-employment benefits		6-2	(5,221)	(1,657)
Other comprehensive income not recyclable to the income statement – net of tax	**B**		**26,110**	**13,957**
Gain/(loss) on cash flow hedge			(15,174)	(13,316)
Exchange differences arising on translation of overseas operations [b]			30,375	82,607
Equity instruments at fair value			3	(5)
Deferred tax and current tax recognized on other comprehensive income		6-2	2,495	3,387
Other comprehensive income recyclable to the income statement – net of tax	**C**		**17,699**	**72,673**
TOTAL COMPREHENSIVE INCOME	**D = A + B + C**		**273,974**	**226,014**
Attributable to:				
• BIC Group			273,974	226,014
• Non-controlling interests			-	-
TOTAL			**273,974**	**226,014**

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

(b) The main items impacting the translation reserve variance for the period, by currency, are as follows: U.S. dollar (32.6 million euros), Brasilian real (22.1 million euros) and Mexican peso (12.4 million euros).

2.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Consolidated financial statements)

Assets

(in thousand euros)	Notes	December 31, 2021	June 30, 2022
Goodwill	8	256,058	310,458
Other intangible assets		66,032	105,975
Property, plant and equipment		588,799	617,553
Investment properties		1,892	1,915
Other non-current assets	9	25,788	29,544
Deferred tax assets		131,458	138,139
Derivative instruments	18	62	42
Non-current assets		**1,070,090**	**1,203,626**
Inventories	10	490,222	625,466
Income tax advance payments		30,475	16,353
Trade and other receivables	10, 20-1	418,186	577,155
Other current assets		16,259	30,177
Derivative instruments	18	1,694	2,617
Other current financial assets	20-2	-	20
Cash and cash equivalents	15	468,914	320,474
Current assets		**1,425,750**	**1,572,262**
TOTAL ASSETS		**2,495,840**	**2,775,888**

Equity and liabilities

(in thousand euros)	Notes	December 31, 2021	June 30, 2022
Share capital	11-1	169,665	167,933
Reserves and retained earnings		1,554,155	1,671,046
Shareholders' equity Group share		**1,723,820**	**1,838,979**
Non-controlling interests		-	
Shareholders' equity	**SHEQ**	**1,723,820**	**1,838,979**
Non-current borrowings	12, 20-2	23,782	49,269
Other non-current liabilities		12,866	18,517
Employee benefits obligation		80,016	61,798
Provisions	13	20,328	21,198
Deferred tax liabilities		68,654	34,178
Derivative instruments	18	14	731
Non-current liabilities		**205,660**	**185,691**
Trade and other payables	10	149,154	203,650
Current borrowings	12	76,287	101,922
Current tax due		35,265	90,344
Other current liabilities	14	292,154	324,787
Derivative instruments	18	13,499	30,515
Current liabilities		**566,360**	**751,218**
TOTAL EQUITY AND LIABILITIES		**2,495,840**	**2,775,888**

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, 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 [(b)]		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
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***	***-***	***-***	***-***	***-***	***(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**
At January 1, 2022		**169,665**	**1,820,292**	**28,232**	**(76,364)**	**(211,618)**	**(6,387)**	**-**	**1,723,820**	**-**	**1,723,820**
Dividends paid	*16*	*-*	*(94,744)*	*-*	*-*	*-*	*-*	*-*	*(94,744)*	*-*	*(94,744)*
Decrease in share capital [(a)]		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Increase in share capital [(b)]		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Treasury shares		*(1,732)*	*(26,722)*	*-*	*-*	*-*	*-*	*-*	*(28,454)*	*-*	*(28,454)*
Recognition of share-based payments	*17*	*-*	*-*	*7,480*	*-*	*-*	*-*	*-*	*7,480*	*-*	*7,480*
Hyperinflation impact in Argentina		*-*	*4,859*	*-*	*-*	*-*	*-*	*-*	*4,859*	*-*	*4,859*
Other		*-*	*4*	*-*	*-*	*-*	*-*	*-*	*4*	*-*	*4*
Total transactions with Shareholders		***(1,732)***	***(116,601)***	***7,480***	***-***	*-*	*-*		***(110,853)***	***-***	***(110,853)***
Net income for the period		*-*	*139,384*	*-*	*-*	*-*	*-*		*139,384*	*-*	*139,384*
Other comprehensive income		*-*	*136*	*-*	*13,958*	*82,607*	*(10,071)*	*-*	*86,630*	*-*	*86,630*
Total comprehensive income		***-***	*139,520*	*-*	*13,958*	*82,607*	*(10,071)*	*-*	*226,014*	*-*	*226,014*
At June 30, 2022		**167,933**	**1,843,209**	**35,712**	**(62,406)**	**(129,011)**	**(16,458)**	**-**	**1,838,979**	**-**	**1,838,979**

(a) No shares were cancelled during the first half of 2022.

2.5 CONSOLIDATED CASH FLOW STATEMENT

(in thousand euros)	Notes	June 30, 2021	June 30, 2022
Operating activities			
Net income Group share	IS	230,164	139,384
Elimination of expenses and income with no impact on cash flows or non-business related expenses:			
Argentina hyperinflationary accounting		1,420	4,161
Depreciation and amortization of intangible and tangible assets and investment properties	2, 3	56,345	57,212
Impairment loss on tangible and non-tangible assets		838	1,418
Subsidiaries acquisition costs		-	1,922
Provision for employee benefits		5,328	4,665
Other provisions (excluding provisions on current assets)	13	(2,351)	(152)
Unrealized foreign currency gain/loss	15 [b]	571	2,902
Hedging and derivative instruments		4,119	2,891
Option premium expense		531	456
Recognition of share-based payments	17, SHEQ	5,037	7,480
Financial expense/(income)		(55)	(370)
Income tax expense		104,592	90,783
Deferred tax variation		(6,232)	(36,578)
(Gain)/loss from disposal of other fixed assets	15 [c]	735	(577)
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		**230,306**	**275,597**
(Increase)/decrease in net working capital	11, 15 [d]	(62,592)	(175,338)
Payments related to employee benefits	15 [e]	(4,485)	(12,545)
Income tax paid		(29,194)	(24,922)
NET CASH FROM OPERATING ACTIVITIES		**134,035**	**62,792**
Investing activities			
Diposal of PIMACO		3,445	-
Proceeds on disposal of other investments		-	1,098
Sale of Clichy headquarters		173,854	-
Disposal of other fixed assets	15 [c]	1,608	619
Purchases of property, plant and equipment	15 [g]	(26,514)	(35,864)
Purchases of intangible assets	15 [g]	(3,772)	(4,526)
(Increase)/decrease in other investments		282	(159)
Acquisition of subsidiaries	15 [i]	(7,154)	(67,777)
NET CASH FROM INVESTING ACTIVITIES		**141,749**	**(106,610)**
Financing activities			
Dividends paid	SHEQ, 16, 15 [j]	(80,919)	(94,744)
Borrowings/(repayments)	12, 15 [k]	906	21,308
Interest (paid)/received		47	351
Payments of obligations under leases	12	(8,535)	(8,069)
Purchase of financial instruments		(241)	(461)
Increase in treasury shares	15 [l]	(14,528)	(28,380)
NET CASH FROM FINANCING ACTIVITIES		**(103,269)**	**(109,996)**
Net cash variation		172,515	(153,814)
Opening cash and cash equivalents net of bank overdrafts	BS, 12, 20	264,733	468,413
Exchange difference		11,294	4,824
CLOSING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	**BS, 12, 20**	**448,542**	**319,424**

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 n° 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, 2021 and June 30, 2022 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, 2021.

The measurement procedures used for the interim condensed consolidated financial statements are the same as the December 31, 2021, and 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, 2022.

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, 2022

The following standards and amendments are effective since January 1, 2022 and have been applied to the consolidated financial statement as of June 30, 2022:

- amendments to IFRS 4 – Temporary exemption from IFRS 9;
- 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 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, 2022

As of June 30, 2022, 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, 2022

- 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 IFRS 16 – Leases – Covid-19 rent relief beyond June 30, 2021.

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

1-1-3 Hyperinflation accounting in Turkey

Turkey is now considered as "hyperinflationary" as defined by IFRS rules.

The hyperinflation in Turkey has no significant impact on Group's accounts.

1-2 Change in Group structure

BIC has announced on February 1, 2022 that is has completed the acquisition of Inkbox Ink Incorporated for 65 million U.S. dollars (57 million euros), and a deferred consideration based on Inkbox's future sales and profitability growth.

This investment was fully consolidated in the financial statements as of February 1, 2022. This acquisition has been treated as a business combination.

A preliminary goodwill amounting 78.5 million U.S. dollars (70 million euros as of February 1, 2022) has been determined based on the fair value of net assets of Inkbox at the acquisition date. The preliminary goodwill was allocated to the assets as follows:

- the Inkbox trademark amounting 24.2 million U.S. dollars, *i.e.* 21.5 million euros as of February 1, 2022;
- the patent and the software amounting 13.4 million U.S. dollars, *i.e.* 11.9 million euros as of February 1, 2022;
- a non-compete agreement amounting 1.1 million U.S. dollars, *i.e.* 0.9 million euros as of February 1, 2022;
- the related deferred tax liability amounting 3.9 million U.S. dollars, *i.e.* 3.5 million euros as of February 1, 2022.

The preliminary goodwill amounts thus 43.8 million U.S. dollars, *i.e.* 38.9 million euros as of February 1, 2022.

1-3 Significant events

In March 2022, the new BIC headquarters has been finalized. This new lease is increasing the property, plant and equipment and the borrowings by 28 million euros following IFRS 16.

Ukraine Crisis – March 2022

The Group closely monitors the potential consequences of the Ukraine crisis, which is evolving rapidly. Our utmost priority is to help and protect our team members. An action plan has been implemented to ensure their safety.

Russia and Ukraine accounted for 2.0% of BIC's June 2022 total net sales (1.7% for Russia and 0.3% in Ukraine). The Group doesn't have any industrial presence in these two countries.

This crisis could affect the supply and prices of certain raw materials, and has increased the risk of cyberattack.

1-4 Subsequent events

On July 26, BIC acquired Tattly to build capabilities in Skin Creative in-line with our *Horizon* Strategy.

The total consideration for this acquisition is not significant.

No other subsequent event occurred between July 1, 2022 and the reporting date.

NOTE 2 OPERATING SEGMENTS

2-1 Information by activity

	At June 30, 2021						At June 30, 2022					
(in million euros)	Human Expression	Flame for Life	Blade Excellence	Other Products	Unallocated costs	Total	Human Expression	Flame for Life	Blade Excellence	Other Products	Unallocated costs	Total
Income statement												
• Net sales	333	368	200	16	-	917	438	436	240	13	-	1,127
• Depreciation and amortization	(16)	(14)	(16)	(10)	-	(56)	(17)	(15)	(16)	(10)	-	(57)
• Impairment loss	-	-	-	-	-	(1)	-	-	(1)	-	-	(1)
• EBIT	29	144	32	(3)	131	333	34	166	41	(4)	(39)	198
Restatements made to obtain adjusted EBIT												
• Restructuring costs	1	2	-	-	1	4	-	-	-	-	-	-
• Acquisition costs	-	-	-	-	-	-	1	-	-	-	-	1
• Rocketbook earn-out/Djeep price adjustment	-	-	-	-	-	-	-	-	-	-	-	1
• Ukraine	-	-	-	-	-	-	-	1	2	-	-	3
• Clichy headquarters sales capital gain	-	-	-	-	(168)	(168)	-	-	-	-	-	-
• PIMACO divestiture capital gain	(3)	-	-	-	-	(3)	-	-	-	-	-	-
Adjusted EBIT	**28**	**146**	**32**	**(3)**	**(37)**	**166**	**36**	**167**	**43**	**(4)**	**(39)**	**203**

As of June 30, 2022, BIC has not identified any customer with which it realized more than 10% ot its net sales over the period.

	At June 30, 2021					At June 30, 2022				
(in million euros)	Human Expression	Flame for Life	Blade Excellence	Other Products	Total	Human Expression	Flame for Life	Blade Excellence	Other Products	Total
Capital additions [(a)(b)] (without rights of use)	6	11	8	5	30	8	13	9	10	40
Net inventories	221	116	98	7	443	283	180	156	7	625

(a) Excluding 2022 capital additions not cashed out end of June 2022 and including capital additions cashed out in 2022 related to 2021 for a net amount of +7.3 million euros.
(b) 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.

2-2 Information by geography

The regions identified by the management are the following:

	At June 30, 2021							At June 30, 2022						
(in million euros)	France	Europe excluding France	North America	Latin America	Middle East and Africa	Asia and Ocenia (including Cello)	Total	France	Europe excluding France	North America	Latin America	Middle East and Africa	Asia and Ocenia (including Cello)	Total
Net sales	103	189	406	126	51	41	917	105	223	499	180	66	54	1,127

The Group may grant year-end rebates. These rebates are booked in net sales and amounted 52 million euros as of June 30, 2022 compared to 51 million euros as of June 30, 2021.

	At December 31, 2021					At June 30, 2022				
(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)]	313	182	247	184	926	340	177	362	181	1,060

(a) Other than financial instruments (42 thousand euros in 2022 and 0.1 million euros in 2021) and deferred tax assets (138.1 million euros in 2022 and 131.5 million euros in 2021).

NOTE 3 OPERATING EXPENSES

(in thousand euros)	As of June 30, 2021	As of June 30, 2022
Raw materials, consumables used and change in inventory	235,047	309,336
Staff costs	249,531	270,357
Depreciation and amortization expenses	56,113	57,212
Other operating expenses	219,453	287,651
Impairment loss on manufacturing equipment	403	11
Profit/(loss) on operational foreign currency translation	(7,181)	2,306
TOTAL	**753,366**	**926,873**

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 2022 amounted to 11.2 million euros, *versus* 11.1 million euros during the first half of 2021.

They include the French research tax credit for 1.3 million euros, compared to 1.5 million euros in 2021.

2

NOTE 4 OTHER INCOME AND EXPENSES

(in thousand euros)	As of June 30, 2021	As of June 30, 2022
Royalty income	(1)	38
Gain on sale of Clichy's headquarters	167,711	-
Gain on disposal of fixed assets	509	530
PIMACO divestiture gain	3,027	-
Other	3,858	2,551
Other income	**175,104**	**3,118**
Other impairment	-	(1,397)
Cost reduction plans	(4,248)	490
Djeep price adjustment & Rocketbook earn-out	-	(701)
Other	(1,636)	(4,131)
Other expenses	**(5,884)**	**(5,739)**
TOTAL	**169,220**	**(2,621)**

Other income and expenses incurred in first half of 2022 mainly include:

- a 2.3 million euros impairment of receivables and a 0.7 million euros impairment of inventories have been booked to reflect the situation in Ukraine;
- 0.7 million euros price and earn-out adjustment related to Djeep and Rocketbook acquisitions.

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

- 167.7 million euros from Clichy Headquarters sale;
- PIMACO divestiture gain for 3.0 million euros;
- 4.2 million euros of restructuring costs, of which the 2021 transformation plan is the main driver.

NOTE 5 FINANCIAL INCOME

(in thousand euros)	As of June 30, 2021	As of June 30, 2022
Interest income from cash and cash equivalents	425	671
Interest on bank deposits	827	3,214
Income from cash and cash equivalents	**1,253**	**3,884**
Interest expense	(884)	(3,525)
Cost of financial debt – IFRS 16	(527)	(501)
Argentina hyperinflation accounting – IAS 29	(2,957)	(6,639)
Net financial foreign exchange difference	(931)	2,714
Net finance income/(net finance costs)	**(5,299)**	**(7,952)**
FINANCE (COSTS)/REVENUE	**(4,046)**	**(4,068)**

Financial income remained stable during first half of 2022 compared to 2021. It comes from several factors:

- first half of 2022 was more negatively impacted by Argentina hyperinflation accounting than in 2021;

partly offset by:

- income from cash and cash equivalents increase compared to the previous period due to higher interest rates.

In fiscal year 2020, the Group has improved its access to short and medium-term liquidity through the implementation of a 3-year, 200 million euro Revolving Credit Facility (RCF) and a 200 million euro NeuCP program.

To date, the RCF has not yet been drawn down, and NeuCP's outstanding balance amounts to 75 million euro. Despite the inflationary environment currently prevailing in the euro zone, generating tensions on the yield curve and credit market, NeuCP's issuances have taken place in negative territory and therefore do not create additional financial expense.

NOTE 6 INCOME TAX

6-1 Income tax expense

(in thousand euros)	June 30, 2021	June 30, 2022
Income before tax	328,524	193,589
Tax charge	98,360	54,205
TAX RATE	**29.94%**	**28.00%**

At the end of June 2022, the Group effective tax rate is determined on an annual basis. The tax charge is calculated by applying the estimated average rate for the 2022 full year to income before tax (excluding unusual material items), taking into account any tax rate changes voted by June 30, 2022 and effective after June 30, 2022. 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 in other comprehensive income

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

June 30, 2022

(in thousand euros)	Other comprehensive income	Deferred taxes
Actuarial differences on defined-benefit plans (1)	15,614	(1,657)
Other comprehensive income (2)	69,285	3,387
• *Cash flow hedge*	*(13,316)*	*3,245*
• *Foreign exchange impact*	*82,607*	*141*
• *Other*	*(5)*	*1*
TOTAL (1) + (2)	**84,900**	**1,730**

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)**

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, 2022, there are no shares with relutive impact and the maximum dilutive effect from unvested free shares and stock-options are around 1.3% of the share capital.

	June 30, 2021	June 30, 2022
Numerator *(in thousand euros)*		
Net income Group share from continuing operations	230,164	139,384
Denominator *(in number of shares)*		
Weighted average number of ordinary shares in circulation	44,967,216	44,210,401
Dilutive effect of free shares	(156,044)	563,608
Diluted weighted average number of ordinary shares in circulation	44,811,172	44,774,009
Earnings per share Group share from continuing operations *(in euros)*		
Earnings per share Group share from continuing operations	5.12	3.15
Diluted earnings per share Group share from continuing operations	5.14	3.11

NOTE 8 GOODWILL

(in thousand euros)	Notes	Gross value	Impairment loss	Net value
At January 1, 2021		**342,552**	**(98,723)**	**243,829**
Rocketbook Acquisition		2,509	-	2,509
PIMACO disposal		(3,651)	3,651	-
Exchange differences		14,946	(5,226)	9,720
At January 1, 2022		**356,356**	**(100,298)**	**256,058**
Inkbox Acquisition		38,692	-	38,692
Exchange differences		17,791	(2,083)	15,708
At June 30, 2022		**412,839**	**(102,381)**	**310,458**

The balance, as of June 30, 2022, includes the following principal net goodwill:

(in thousand euros)	December 31, 2021	June 30, 2022
BIC CORPORATION – Human Expression [(a)]	52,352	55,926
BIC CORPORATION – Flame for Life [(a)]	41,578	44,674
BIC Violex – Blade Excellence	70,718	72,332
Kenya – Human Expression	5,057	5,245
Nigeria – Human Expression	12,558	13,949
Djeep – Flame for Life	29,885	29,885
Rocketbook – Human Expression	26,178	28,440
Inkbox – Human Expression	-	42,011
Other [(a)]	17,733	17,997
TOTAL	**256,058**	**310,458**

(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	
	2021	2022	2021	2022
BIC CORPORATION				
• Human Expression	9.9%	9.7 %	1.5%	1.5%
• Flame for Life	9.6%	9.8 %	1.5%	1.5%
Cello Pens – Human Expression	14.2%	14.3%	4.0%	4.0%
BIC Violex – Blade Excellence	13.8%	13.9 %	1.9%	1.9%
Kenya – Human Expression	17.9%	19.0 %	5%	5%
Nigeria – Human Expression	28.2%	29.0 %	10.3%	11.5%
Djeep – Flame for Life	9.2%	9.5 %	0%	0%
Rocketbook – Human Expression	9.1%	9.2 %	2%	1.5%
Inkbox – Human Expression	-	17.7 %	-	6.7%

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 and was fully depreciated.

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 Stationery 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 generated on Inkbox is allocated to the cash-generating unit linked to the distribution of semi-permanent tattoos by Inkbox.

As every year, as of June 30, 2022, the Group performed annual impairment tests on these goodwill amounts.

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, notably in Nigeria and in India.

Considering the impairment on part of the assets on the CGU Cello Pens, 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, 2021	June 30, 2022
Guarantee deposits	3,519	3,852
Deferred pensions	4,398	5,328
Deferred compensation in the U.S. (other than pensions)	10,412	11,312
Other non-current assets	7,459	9,052
TOTAL	**25,788**	**29,544**

NOTE 10 CHANGE IN NET WORKING CAPITAL

(in thousand euros)	December 31, 2021	Cash flows impact Operating	Cash flows impact Investing [(a)]	Djeep Price adjustment	Inkbox Acquisition	Earn-out clauses Inkbox	Price adjustment & earn-out clauses Rocketbook	Cash received from PIMACO sale	Foreign exchange and other	June 30, 2022
Net inventory	490,222	102,088	-	-	1,320	-	-	-	31,836	625,466
• *Inventory – Gross value*	*506,151*	*102,269*	-	-	*1,320*	-	-	-	*32,467*	*642,208*
• *Inventory – Impairment*	*(15,930)*	*(181)*	-	-	-	-	-	-	*(631)*	*(16,742)*
Trade and other receivables	418,186	138,841	-	-	208	-	-	(1,098)	21,018	577,155
Trade and other payables	(149,154)	(54,568)	7,306	-	(833)	-	-	-	(6,401)	(203,650)
Other receivables and payables [(b)]	(270,943)	(11,024)	-	410	(1,739)	(11,190)	7,883	-	(6,162)	(292,764)
NET WORKING CAPITAL	**488,311**	**175,338**	**7,306**	**410**	**(1,043)**	**(11,190)**	**7,883**	**(1,098)**	**40,291**	**706,206**

(a) Cash flow impact Investing includes capital additions cashed out in 2022 related to 2021 and excludes 2022 capital additions not yet cashed out for a net amount of +7.3 million euros.
(b) Other receivables and payables are composed of:

	Notes	December 31, 2021	June 30, 2022
Other current assets	Asset	16,259	30,177
+ Other non-current assets	Asset	25,788	29,544
- Guarantee deposits	9	(3,519)	(3,852)
- Deferred pensions	9	(4,398)	(5,328)
- Other current liabilities	Liabilities	(292,154)	(324,787)
- Other non-current liabilities	Liabilities	(12,866)	(18,517)
TOTAL		**(270,943)**	**(292,764)**

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, 2021	June 30, 2022
Authorized, issued and fully paid-up share capital	170,670	170,670
Repurchase of shares of the Company	(1,004)	(2,737)
SHARE CAPITAL	**169,665**	**167,933**

As of June 30, 2022, the share capital of SOCIÉTÉ BIC was 170,669,688.78 euros divided into 44,677,929 shares of 3.82 euros each. Bearer shares held for more than two years carry double voting rights.

In addition, SOCIÉTÉ BIC holds 716,607 treasury shares, acquired at an average price of 62.83 euros in accordance with Article L. 225-209 of the French Commercial Code, which represent 1.60 % of the share capital.

11-2 SOCIÉTÉ BIC shares held in treasury stock and share repurchase program as of June 30, 2022

Purpose of the repurchase	Number of shares	Average acquisition price *(in euros)*	% of the share capital
Liquidity agreement [(a)]	29,229	52.33	0.07%
Free share grants [(a)]	687,378	63.28	1.54%
TOTAL	**716,607**	**62.83**	**1.60%**

(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, 2022, the liquidity account contained the following:

- 29,229 BIC shares;
- 1,357,877 euros.

At initial contract 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 *2021 Universal Registration Document, chapter 8, p. 304*).

Number of shares purchased in 2022 [(a)]	
Share repurchase program authorized by the Annual Shareholders' Meeting held on May 19, 2021	540,245
Share repurchase program authorized by the Annual Shareholders' Meeting held on May 18, 2022	33,256
Average share repurchase price for the purchases during the first half of 2022 *(in euros)*	50.28

(a) Excluding shares repurchased under the liquidity contract.

To the best of the Company's knowledge, as of June 30, 2022, Shareholders holding respectively 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 June 30, 2022	
	% of shares (approx.)	% of voting rights (approx.)
SOCIÉTÉ M.B.D.	28.84%	39.19%
Bich family	16.91%	21.84%

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, 2022	**501**	**59,000**	**4,364**	**4,896**	**12,422**	**18,886**	**100,069**
Cash flows	539	16,000	7,672	(2,364)	(8,069)	-	13,778
"Non-cash" changes	9	-	(183)	120	9,665	28,267	37,342
• *Variations in obligations under leases*	-	-	-	-	*8,622*	*25,275*	*33,898*
• *INKBOX acquisition*	-	-	-	-	*379*	*1,269*	*1,648*
• *PIMACO disposal*	-	-	-	-	*(13)*	-	*(13)*
• *Exchange difference*	*9*	-	*(183)*	*120*	*664*	*1,185*	*1,803*
At June 30, 2022	**1,050**	**75,000**	**11,853**	**2,652**	**14,018**	**46,617**	**151,189**

Bank overdrafts are due within one year.

Bank loans and financial liabilities come due as following:

(in thousand euros)	December 31, 2021	June 30, 2022
On demand or within one year	63,263	86,853
In the 2nd year	-	2,652
In the 3rd year	4,896	-
In the 4th year	-	-
In the 5th year	-	-
After five years	-	-
TOTAL	**68,159**	**89,506**

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

Borrowing country		Euro equivalents	
(in thousand euros)	Currency	December 31, 2021	June 30, 2022
• France	EUR	59,000	75,000
• Turkey	TRY	1,696	5,556
• Kenya	KES	4,896	2,652
• India	INR	2,567	6,219
• Other		-	79
TOTAL		**68,159**	**89,506**

Information on interest rates

As of June 30, 2022, outstanding loans and credit lines, apart from NeuCP bonds, were contracted with floating rates ranging between 5.56% and 30%.

The borrowings indicated for France consist exclusively of NeuCP bonds, issued on average at -0.015%.

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

BIC 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.

NOTE 13 PROVISIONS (NON-CURRENT LIABILITIES)

(in thousand euros)	Tax and social risks and litigation	Litigation	Product liability	Other risks and charges	Total
At January 1, 2022	**3,105**	**12,658**	**337**	**4,228**	**20,328**
Additional provisions	658	1,535	-	207	2,401
Reversals of provisions utilized	(731	(905)	-	(815)	(2,451)
Reversals of provisions not utilized	(42)	-	-	(60)	(102)
Exchange differences	263	754	29	(23)	1,022
At June 30, 2022	**3,254**	**14,042**	**365**	**3,535**	**21,198**

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, 2022, the litigation provision mainly represents distributor and commercial agent risks for 2.1 million euros (1.9 million euros as at December 31, 2021).

Other risks and charges

As of June 30, 2022, other provisions for risks and charges are mainly related to the restructuring provisions for an amount of 1.2 million euros.

Product liability

Product liability mainly relates to the U.S.

NOTE 14 OTHER CURRENT LIABILITIES

(in thousand euros)	December 31, 2021	June 30, 2022
Social liabilities	111,706	91,994
Other tax liabilities	9,641	16,040
Accrued business development fund	87,419	110,627
Provision for restructuring	8,563	5,850
Other current liabilities	74,825	100,276
OTHER CURRENT LIABILITIES	**292,154**	**324,787**

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, 2022 cash and cash equivalents amounted to 320.5 million euros and bank overdrafts to 1.0 million euros.

Net cash from operating activities

First half 2022 net cash from operating activities amounted to 62.8 million euros, compared to 134.0 million euros as at June 30, 2021.

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

There is no individually significant disposal of fixed assets during the first half of 2022 [c].

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

The divestiture of PIMACO in 2021 generated a capital gain of 3.0 million euros [c].

The working capital (see Note 10 for the definition) increased by 175.3 million euros compared to an increase during the first half 2022 of 62.6 million euros. The 2022 change in working capital is mainly impacted by an increase in account ceceivables (strong Back-to-School sell-in), and inventories (negative impact of input cost inflation, and inventory build-up ahead of H2 shipments) [d].

The first half 2021 variance is mainly explained by an increase in trade receivables and inventories, partly offset by an increase in trade payables [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 -106.6 million euros during the first half 2022 compared to 141.7 million euros during the first half 2021.

During the first half 2022, there was no disposal of individually significant fixed assets [c].

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 and also income tax paid on the capital gain for 45.9 million euros.

During the first half 2021, PIMACO was disposed of for a net amount of 4.6 million euros that represents the proceed on disposal followed by some price adjustments, net of cash and cash equivalent of the divested entity, related costs and also income tax paid on the capital gain.

During the first half 2022, BIC disbursed 40.4 million euros on property, plant and equipment and intangible assets (including -7.3 million euros related to the change in fixed asset supplier accounts) [g] compared to 30.3 million euros in 2021 (including -0.8 million euros related to change in fixed asset supplier accounts).

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].

In the first half of 2022, payments were made relating to:

- 58.2 million euros for the acquisition of Inkbox, corresponding to the purchase price net of cash and cash equivalents of the entity and related costs;
- the price adjustment of Djeep for EUR 0.8 million euros;
- the earn-out clause for Rocketbook for 8.7 million euros[i].

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

Net cash from financing activities

Net cash from financing activities amounted to -110.0 million euros during the first half 2022 compared to -103.3 million euros in the first half 2021.

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

As of June 30, 2022, new borrowings (net from repayments) amounted to 21.3 million euros, mainly due to a 16.0 million euros new borrowing in France, compared to 0.9 million euros of net increase in 2021 [k].

During the first half 2022, 573,501 shares were repurchased by SOCIÉTÉ BIC for 28.8 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 230,388 shares for 11.5 million euros, and sold 237,775 shares for 11.9 million euros [l].

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].

2

NOTE 16 DIVIDENDS

For the 2021 fiscal year, an ordinary dividend of 2.15 euros per share was distributed to Shareholders on June 1, 2022.

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

NOTE 17 SHARE-BASED PAYMENTS

As of June 30, 2022, the fair value of options and shares granted amounts to 7,480 thousand euros and is booked in staff costs.

The Board of Directors of February 15, 2022 decided to grant 240,156 free shares to 176 beneficiaries subject to performance conditions and 118,947 free shares to 739 beneficiaries without performance conditions. The plans' unit fair value is 42.57 euros.

NOTE 18 FINANCIAL INSTRUMENTS

18-1 Impact of foreign exchange and interest rate risk hedging on the consolidated financial statements as of June 30, 2022

The following amounts have been booked as the fair value of derivatives as of June 30, 2022 *(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 compre-hensive 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	6	(5,216)	(9,902)	2,617	42	(23,757)	(731)
Dividends	Net investment/ foreign exchange risk	-	-	(3,444)	-	-	(6,320)	-
Subtotal (1)		**6**	**(5,216)**	**(13,346)**	**2,617**	**42**	**(30,078)**	**(731)**
Revaluation of cross-currency swaps backed by cash positions in foreign currencies	At fair value through P&L/foreign exchange risk	(832)	-	-	-	-	(437)	-
Subtotal (2)		**(832)**	**-**	**-**	**-**		**(437)**	**-**
TOTAL (1) + (2)		**(827)**	**(5,216)**	**(13,346)**	**2,617**	**42**	**(30,515)**	**(731)**

(a) This corresponds to the market value of hedging instruments in the portfolio at June 30, 2022 restated for the reversal of the market value of the portfolio of hedging instruments as of December 31, 2021.

(b) Including options not yet exercised held by BIC representing current assets for 273 thousand euros.

18-2 Impact of interest rate and foreign exchange risk hedging on the consolidated financial statements as of December 31, 2021

The following amounts have been booked as the fair value of derivatives as of December 31, 2021 *(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 compre-hensive 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	(268)	(6,855)	(23,002)	1,298	62	(10,304)	(14)
Dividends	Net investment/ foreign exchange risk			(3,540)			(2,876)	
Subtotal (1)		**(268)**	**(6,855)**	**(26,542)**	**1,298**	**62**	**(13,180)**	**(14)**
Revaluation of cross-currency swaps backed by cash positions in foreign currencies	At fair value through P&L/foreign exchange risk	(16)	-	-	396	-	(319)	-
Subtotal (2)		**(16)**	**-**	**-**	**396**	**-**	**(319)**	**-**
TOTAL (1) + (2)		**(285)**	**(6,855)**	**(26,542)**	**1,694**	**62**	**(13,499)**	**(14)**

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

(b) Including options not yet exercised held by BIC representing current assets for 267 thousand euros.

NOTE 19 CONTINGENT LIABILITIES

As of June 30, 2022, 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;
- obligations 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)		December 31, 2021	June 30, 2022
Gross trade receivables	**Note**		
Not yet due or past due for less than 60 days		352,246	512,740
Past due for 60 to 90 days		12,728	17,062
Past due for 90 to 120 days		7,418	4,942
Past due for more than 120 days		34,185	33,076
Total gross trade receivables		**406,577**	**567,821**
Doubtful receivables		14,515	18,091
TOTAL BEFORE ALLOWANCE (A)		**421,092**	**585,911**
Allowance on trade receivables not yet due or past due for less than 60 days		(5,448)	(7,356)
Allowance on trade receivables past due for 60 to 90 days		(482)	(518)
Allowance on trade receivables past due for 90 to 120 days		(1,016)	(409)
Allowance on trade receivables past due for more than 120 days		(24,968)	(28,069)
TOTAL ALLOWANCE (B)		**(31,914)**	**(36,352)**
• *Allowance on specific trade receivables*		*(26,183)*	(29,292)
• *Allowance on statistically calculated trade receivables*		*(5,731)*	(7,060)
Other receivables (C)		**29,009**	**27,596**
TRADE AND OTHER RECEIVABLES – NET (A) + (B) + (C)	10	**418,186**	577,155

20-2 Fair value of financial assets and liabilities

Accounting categories and fair value of financial instruments

June 30, 2022

Balance sheet items *(in thousand euros)*	Notes	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		**900,351**	**900,351**	**138,348**	**2,659**	**759,344**	**-**	**-**
Non-current								
• *Derivative financial instruments*	*18*	*42*	*42*	*-*	*42*	*-*	*-*	*-*
• *Other investments*		*44*	*44*	*44*	*-*	*-*	*-*	*-*
Current								
• *Trade and other receivables*	*10*	*577,155*	*577,155*	*31,219*	*-*	*545,936*	*-*	*-*
• *Derivative financial instruments*	*18*	*2,617*	*2,617*	*-*	*2,617*	*-*	*-*	*-*
• *Other current financial assets*		*20*	*20*	*20*	*-*	*-*	*-*	*-*
• *Cash and cash equivalents*	*15*	*320,474*	*320,474*	*107,065*	*-*	*213,408*	*-*	*-*
Financial liabilities		**407,142**	**407,142**	**21,056**	**31,246**	**-**	**354,841**	**-**
Non-current								
• *Borrowings*	*12*	*49,269*	*49,269*	*-*	*-*	*-*	*49,269*	*-*
• *Derivative instruments*	*18*	*731*	*731*	*-*	*731*	*-*	*-*	*-*
• *Djeep earn-out clause*		*3,961*	*3,961*	*3,961*	*-*	*-*	*-*	*-*
• *Rocketbook earn-out clause*		*4,403*	*4,403*	*4,403*	*-*	*-*	*-*	*-*
• *Inkbox earn-out clause*		*3,357*	*3,357*	*3,357*				
Current								
• *Borrowings*	*12*	*101,922*	*101,922*	*-*	*-*	*-*	*101,922*	*-*
• *Derivative instruments*	*18*	*30,515*	*30,515*	*-*	*30,515*	*-*	*-*	*-*
• *Rocketbook earn-out clause*		*606*	*606*	*606*	*-*	*-*	*-*	*-*
• *Inkbox earn-out clause*		*8,729*	*8,729*	*8,729*				
• *Trade and other payables*	*10*	*203,650*	*203,650*	*-*	*-*	*-*	*203,650*	*-*

December 31, 2021

				Breakdown by category of instruments				
Balance sheet items *(in thousand euros)*	**Notes**	**Balance sheet value**	**Fair value**	**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		**888,902**	**888,902**	**268,307**	**1,756**	**618,840**	**-**	**-**
Non-current								
• *Derivatives financial instruments*	*18*	*62*	*62*	*-*	*62*	*-*	*-*	*-*
• *Other investments*		*46*	*46*	*46*	*-*	*-*	*-*	*-*
Current								
• *Trade and other receivables*	*10*	*418,186*	*418,186*	*14,943*	*-*	*403,243*	*-*	*-*
• *Derivative financial instruments*	*18*	*1,694*	*1,694*	*-*	*1,694*	*-*	*-*	*-*
• *Other current financial assets*		*-*	*-*	*-*	*-*	*-*	*-*	*-*
• *Cash and cash equivalents*	*15*	*468,914*	*468,914*	*253,317*	*-*	*215,597*	*-*	*-*
Financial liabilities		**276,432**	**278,523**	**13,696**	**13,513**	**-**	**249,223**	**-**
Non-current								
• *Borrowings*	*12*	*23,782*	*23,782*	*-*	*-*	*-*	*23,782*	*-*
• *Derivative instruments*	*18*	*14*	*14*	*-*	*14*	*-*	*-*	*-*
• *Djeep earn-out clause*		*3,961*	*3,961*	*3,961*	*-*	*-*	*-*	*-*
• *Rocketbook earn-out clause*		*3,512*	*5,603*	*3,512*	*-*	*-*	*-*	*-*
Current								
• *Borrowings*	*12*	*76,287*	*76,287*	*-*	*-*	*-*	*76,287*	*-*
• *Derivative instruments*	*18*	*13,499*	*13,499*	*-*	*13,499*	*-*	*-*	*-*
• *Rocketbook earn-out clause*		*6,223*	*6,223*	*6,223*	*-*	*-*	*-*	*-*
• *Trade and other payables*	*10*	*149,154*	*149,154*	*-*	*-*	*-*	*149,154*	*-*

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, 2022;
- derivative financial instruments:

  Market values are either those indicated by financial institutions or have been calculated by an external third-party on the basis of the last known closing prices as of June 30, 2022. 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, 2022.

	June 30, 2022			
Category of instruments *(in thousand euros)*	**Total**	**Level 1**	**Level 2**	**Level 3**
At fair value through the income statement – Assets	138,348	138,348	-	-
Derivative hedges – Assets	2,659	-	2,659	-
Derivative hedges – Liabilities	31,246	-	31,246	-

NOTE 21 RELATED PARTIES

Pursuant to IAS 24, BIC Group considers the following to be related parties:

- all consolidated subsidiaries (see Note 28 in 2021 Universal Registration Document);
- all members of the Board of Directors (see *2021 Universal Registration Document – section 4.1.1.4 "Mandates and duties of the Corporate Officers and Directors as of December 31, 2021"*) as well as their close relatives;
- all companies in which a member of the Board of Directors or of the Executive Committee has a significant voting right.

21-1 Consolidated subsidiaries

Transactions between the parent company and its subsidiaries as well as transactions between subsidiaries are eliminated through the consolidation process.

21-2 Members of the Board of Directors and of the Executive Committee

Transactions concluded during the first half 2022 with members of the Board of Directors and of the Executive Committee are as follows:

(in thousand euros)	Expenses
Short-term employee benefits	5,573
Post-employment benefits	47
Other long-term benefits	81
Termination benefits	-
Share-based payments	2,321
TOTAL TRANSACTIONS	**8,023**

21-3 Companies in which a member of the Board of Directors or of the Executive Committee has a significant voting right

As of June 30, 2022, no such related parties were identified.

3

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

For the period from January 1 to June 30, 2022

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, 2022;
- the verification of the information presented in the half-yearly management report.

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.

1 - 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.

2 - 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, August 3, 2022

The Statutory Auditors

French original signed by

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

STATEMENT ON THE HALF-YEAR REPORT 2022

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the half-year ended June 30, 2022 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 August 4, 2022

Gonzalve Bich

Chief Executive Officer

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