SAMSONITE INTERNATIONAL S.A.

新秀麗國際有限公司

13-15 avenue de la Liberté, L-1931 Luxembourg
R.C.S. LUXEMBOURG: B 159.469

(Incorporated in Luxembourg with limited liability)

(Stock code: 1910)

Interim Results Announcement for the Six Months Ended June 30, 2021

Disclaimer

Non-IFRS Measures

The Company has presented certain non-IFRS[1] measures in the Summary Financial Results and Financial Highlights, Chairman's Statement, Chief Executive Officer's Statement and Management Discussion and Analysis because each of these measures provides additional information that management believes is useful in gaining a more complete understanding of the Group's operational performance and of the trends impacting its business to securities analysts, investors and other interested parties. These non-IFRS financial measures, as calculated herein, may not be comparable to similarly named measures used by other companies, and should not be considered comparable to IFRS measures. Non-IFRS measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Group's financial results as reported under IFRS.

Forward-looking Statements

This document contains forward-looking statements. Forward-looking statements reflect the Company's current views with respect to future events and performance. These statements may discuss, among other things, the Company's net sales, operating profit (loss), Adjusted Net Income (Loss), Adjusted EBITDA[2], Adjusted EBITDA margin, cash flow, liquidity and capital resources, potential impairments, growth, strategies, plans, achievements, distributions, organizational structure, future store openings or closings, market opportunities and general market and industry conditions. The Company generally identifies forward-looking statements by words such as "expect", "seek", "believe", "plan", "intend", "estimate", "project", "anticipate", "may", "will", "would" and "could" or similar words or statements. Forward-looking statements are based on beliefs and assumptions made by management using currently available information. These statements are only predictions and are not guarantees of future performance, actions or events. Forward-looking statements are subject to risks and uncertainties. These risks, uncertainties and other factors also include the potential effects of the COVID-19 pandemic on the Company's future financial and operational results, which could vary significantly depending on the duration and severity of the COVID-19 pandemic worldwide and the pace and extent of recovery following the COVID-19 pandemic.

If one or more of these risks or uncertainties materialize, or if management's underlying beliefs and assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Among the factors that could cause actual results to differ materially are: the effect of worldwide economic conditions; the length and severity of the COVID-19 pandemic; lower levels of consumer spending resulting from COVID-19; a general economic downturn or generally reduced consumer spending, including as a result of COVID-19; the pace and extent of recovery following COVID-19; significant changes in consumer spending patterns or preferences; interruptions or delays in the supply of key components; the performance of the Group's products within the prevailing retail environment; financial difficulties encountered by customers and related bankruptcy and collection issues; and risks related to the success of the Group's restructuring programs. Given the inherent uncertainty about the future impacts of COVID-19, it is not possible for the Company to reliably predict the extent to which its business, results of operations, financial condition or liquidity will ultimately be impacted (see Management Discussion and Analysis - Impact of COVID-19 for further discussion).

Forward-looking statements speak only as of the date on which they are made. The Company's shareholders, potential investors and other interested parties should not place undue reliance on these forward-looking statements. The Company expressly disclaims any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable securities laws and regulations.

Rounding

Certain amounts presented in this document have been rounded up or down to the nearest million, unless otherwise indicated. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown, between the amounts in the tables and the amounts given in the corresponding analyses in the text of this document and between amounts in this document and other publicly available documents. All percentages and key figures were calculated using the underlying data in whole US Dollars.

Notes
(1) International Financial Reporting Standards as issued by the International Accounting Standards Board.
(2) Earnings before interest, taxes, depreciation and amortization.

Summary Financial Results and Financial Highlights

The Board of Directors of Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is pleased to announce the consolidated interim results of the Group for the six months ended June 30, 2021 together with comparative figures for the six months ended June 30, 2020. The following financial information, including comparative figures, has been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

Summary Financial Results

During the six months ended June 30, 2021 the impacts of COVID-19 on the Company's business remained significant due to the continuation or re-imposition of certain government-mandated restrictions and lockdowns resulting in continued temporary closures of certain retail stores in which the Company's products are sold, quarantines and social-distancing required or recommended by governments, and continued significant reductions in travel and discretionary spending among consumers, leading to reduced demand for many of the Group's products (collectively, the "COVID-19 Impacts").

During 2020 and the first half of 2021, the Group's management took steps to enhance the Company's liquidity and further improve its resilience in response to the COVID-19 Impacts. In addition to strengthening the Company's liquidity, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future. Management continues to tightly manage the Group's operating expenses (see Management Discussion and Analysis - Impact of COVID-19 for further discussion).

In this interim results announcement, certain financial results for the six months ended June 30, 2021 are compared to both the six months ended June 30, 2020 and the six months ended June 30, 2019. Comparisons to the first half of 2019 are provided because it is the most recently ended comparable period during which the Company's results were not affected by COVID-19. During the first half of 2020 the COVID-19 Impacts had a significant effect on the Company's financial results, in particular from February 2020 through June 30, 2020 as the virus spread worldwide. The effects of COVID-19 on the Group's financial results during the first six months of 2020 were most pronounced in the Asia region, which was significantly impacted beginning with the Chinese New Year in late January 2020, followed by Europe, North America and Latin America with the spread of COVID-19 to these regions affecting the business beginning in March 2020 through the second quarter of 2021.

The following table sets forth summary financial results for the six months ended June 30, 2021 and June 30, 2020.

	Six months ended June 30,			
(Expressed in millions of US Dollars, except per share data)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Net sales	**799.5**	802.3	(0.4)%	(3.2)%
Operating loss(2)	**(86.4)**	(1,062.9)	(91.9)%	(92.1)%
Operating loss excluding impairment charges and restructuring charges(2),(3)	**(50.2)**	(156.9)	(68.0)%	(69.3)%
Loss for the period(2)	**(142.2)**	(975.9)	(85.4)%	(85.7)%
Loss attributable to the equity holders(2)	**(142.5)**	(974.0)	(85.4)%	(85.6)%
Adjusted Net Loss(4)	**(103.7)**	(173.1)	(40.1)%	(41.4)%
Adjusted EBITDA(5)	**(17.0)**	(122.9)	(86.2)%	(86.3)%
Adjusted EBITDA margin(6)	**(2.1)%**	(15.3)%		
Basic and diluted loss per share(2) *(Expressed in US Dollars per share)*	**(0.099)**	(0.680)	(85.4)%	(85.7)%
Adjusted basic and diluted loss per share(7) *(Expressed in US Dollars per share)*	**(0.072)**	(0.121)	(40.2)%	(41.5)%

Notes

(1) Results stated on a constant currency basis, a non-International Financial Reporting Standards ("IFRS") measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

(2) Results for the six months ended June 30, 2021 included total restructuring charges of US$6.0 million and total non-cash impairment charges of US$30.2 million. Of this amount, US$5.5 million was attributable to lease right-of-use assets due to the under-performance of certain retail locations. During June 2021, the Group classified the assets attributable to Speck (as defined below) to held for sale. Speck was sold on July 30, 2021. The Group recognized non-cash impairment charges during the six months ended June 30, 2021 totaling US$24.7 million related to impairments of goodwill and other intangible assets of this disposal group. Results for the six months ended June 30, 2020 included total

restructuring charges of US$28.8 million and total non-cash impairment charges of US$877.2 million attributable to intangible assets (goodwill and tradenames) and lease right-of-use assets and property, plant and equipment due to the under-performance of certain retail locations. See Impairment Charges and Restructuring Charges, respectively, in Management Discussion and Analysis for further discussion.

(3) Operating loss excluding total non-cash impairment charges and total restructuring charges is a non-IFRS measure and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to operating loss for the period in the Group's consolidated statements of income (loss).

(4) Adjusted Net Loss, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's reported loss for the period, which the Group believes helps to give securities analysts, investors and other interested parties a better understanding of the Group's underlying financial performance. See Management Discussion and Analysis - Adjusted Net Loss for a reconciliation from the Group's loss for the period to Adjusted Net Loss.

(5) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business. See Management Discussion and Analysis - Adjusted EBITDA for a reconciliation from the Group's loss for the period to Adjusted EBITDA.

(6) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.

(7) Adjusted basic and diluted loss per share, both non-IFRS measures, are calculated by dividing Adjusted Net Loss by the weighted average number of shares used in the basic and diluted loss per share calculations, respectively.

Summary Financial Highlights

- Net sales were US$799.5 million for the six months ended June 30, 2021, compared to US$802.3 million for the six months ended June 30, 2020, a decrease of 0.4% (-3.2% constant currency). The Group has experienced improved sales trends due to governments relaxing social-distancing restrictions and markets around the world reopening due to reductions in the severity of the COVID-19 pandemic. Net sales decreased by 54.5% (-54.6% constant currency) compared to the corresponding period in 2019.
- Gross profit margin increased to 50.8% for the six months ended June 30, 2021 from 49.4% for the corresponding period in the previous year. The expiration of the Generalized System of Preferences program in the United States ("GSP") in January 2021 has resulted in increased duty costs on goods imported to the United States from countries that were beneficiaries of GSP, which has negatively impacted gross profit margin by US$6.5 million, or 80 basis points. The devaluation of many currencies to the US Dollar has also had a negative impact on gross profit margin. The Group has leveraged its long-standing relationships with suppliers to mitigate the effects of cost increases and is implementing price increases in certain markets to offset the resulting margin pressure. See Management Discussion and Analysis - Cost of Sales and Gross Profit for further discussion.
- The Group spent US$28.7 million on marketing during the six months ended June 30, 2021 compared to US$44.5 million for the six months ended June 30, 2020, a decrease of US$15.8 million, or 35.6%. As a percentage of net sales, marketing expenses decreased by 190 basis points to 3.6% for the six months ended June 30, 2021 from 5.5% for the six months ended June 30, 2020. The Group has continued to tightly manage its advertising expenses in an effort to help conserve cash and to mitigate the effects of the COVID-19 Impacts on the Group's business.
- During the six months ended June 30, 2021 the Group recognized non-cash impairment charges (the "1H 2021 Impairment Charges") of US$30.2 million. Of this amount, US$5.5 million was attributable to lease right-of-use assets due to the under-performance of certain retail locations. During June 2021, the Group classified the assets attributable to Speculative Product Design, LLC ("Speck"), to held for sale. Speck was sold on July 30, 2021. The Group recognized non-cash impairment charges during the six months ended June 30, 2021 totaling US$24.7 million related to impairments of goodwill and other intangible assets of this disposal group. Due to the negative impacts resulting from the COVID-19 pandemic during the six months ended June 30, 2020, certain indefinite-lived intangible assets identified by the Group were tested for impairment. Total non-cash impairment charges (the "1H 2020 Impairment Charges") of US$877.2 million, comprised of (i) US$496.0 million for goodwill, (ii) US$236.0 million for certain tradenames and, based on an evaluation of loss-making stores, (iii) US$113.9 million for the write-off of lease right-of-use assets and (iv) US$31.2 million for the write-off of certain property, plant and equipment, including leasehold improvements was recognized. See Management Discussion and Analysis - Impairment Charges for further discussion.
- During 2020 and the first half of 2021, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future in response to the COVID-19 Impacts (see Management Discussion and Analysis - Impact of COVID-19 for further discussion). In conjunction with these cost saving actions and other initiatives, the Group recognized charges related to these restructuring activities (the "Restructuring Charges"). During the six months ended June 30, 2021 and June 30, 2020, the Group recognized Restructuring Charges of US$6.0 million and US$28.8 million, respectively. The Restructuring Charges consisted primarily of severance associated with permanent headcount reductions, store closure costs and certain other costs incurred to implement profit improvement initiatives. See Management Discussion and Analysis - Restructuring Charges for further discussion.

- The Group incurred an operating loss of US$86.4 million for the six months ended June 30, 2021, compared to an operating loss of US$1,062.9 million for the corresponding period in the previous year. The Group incurred an operating loss of US$50.2 million(1) for the six months ended June 30, 2021 when excluding the non-cash 1H 2021 Impairment Charges and Restructuring Charges recognized during the six months ended June 30, 2021, compared to an operating loss of US$156.9 million(1) for the corresponding period in the previous year when excluding the non-cash 1H 2020 Impairment Charges and the Restructuring Charges recognized during the six months ended June 30, 2020.
- The Group incurred a loss for the six months ended June 30, 2021 of US$142.2 million compared to a loss for the six months ended June 30, 2020 of US$975.9 million. The Group incurred a loss for the six months ended June 30, 2021 of US$114.8 million(1) when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement during the six months ended June 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the intra-group realignment of certain intellectual property rights (the "Intra-Group IP Realignment"), compared to a loss for the six months ended June 30, 2020 of US$171.5 million(1) when excluding the non-cash 1H 2020 Impairment Charges and the Restructuring Charges recognized during the six months ended June 30, 2020, both of which are net of the related tax impact.
- The Group incurred a loss attributable to the equity holders of US$142.5 million for the six months ended June 30, 2021, compared to a loss attributable to the equity holders of US$974.0 million for the corresponding period in the previous year. For the six months ended June 30, 2021, the Group incurred a loss attributable to the equity holders of US$115.1 million(1) when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement during the six months ended June 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the Intra-Group IP Realignment, compared to a loss attributable to the equity holders for the six months ended June 30, 2020 of US$169.7 million(1) for the corresponding period in the previous year when excluding the non-cash 1H 2020 Impairment Charges and the Restructuring Charges recognized during the six months ended June 30, 2020, both of which are net of the related tax impact.
- Adjusted EBITDA, a non-IFRS measure, improved by US$105.9 million to a loss of US$17.0 million for the six months ended June 30, 2021 compared to a loss of US$122.9 million for the six months ended June 30, 2020. Adjusted EBITDA margin was (2.1%) for the six months ended June 30, 2021 compared to (15.3%) for the six months ended June 30, 2020. Adjusted EBITDA for the second quarter of 2021 improved by US$139.3 million to a gain of US$11.5 million compared to a loss of US$127.8 million for the second quarter of 2020. Adjusted EBITDA margin was 2.6% for the second quarter of 2021 compared to (63.5)% for the second quarter of 2020.
- The Group used US$1.5 million of cash in operating activities during the six months ended June 30, 2021 compared to US$173.0 million of cash used in operating activities for the corresponding period in the previous year. As of June 30, 2021, the Group had cash and cash equivalents of US$1,058.2 million and outstanding financial debt of US$2,874.9 million (excluding deferred financing costs of US$14.9 million), resulting in a net debt position of US$1,816.7 million compared to a net debt position of US$1,735.5 million as of December 31, 2020. As a result of the Group taking meaningful actions during 2020 to reduce its fixed cost base and marketing expenditures, improve working capital and put a virtual freeze on capital expenditures in response to the COVID-19 Impacts, total cash burn(2) was (US$91.9) million during the first half of 2021 compared to (US$288.9) million during the first half of 2020. The year-on-year improvement in cash burn was primarily due to the cost reductions implemented in 2020 and continued tight expense management during the first half of 2021. The Company continues to remain focused on cash preservation by tightly managing capital expenditures, marketing activities and discretionary spending. Total liquidity(3) as of June 30, 2021 was US$1,185.0 million versus US$1,518.3 million as of December 31, 2020. The decrease in liquidity was primarily due to the prepayment of US$325.0 million principal amount of borrowing under the Amended Senior Credit Facilities (as defined in Management Discussion and Analysis - Indebtedness) during the first half of 2021.
- On June 7, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Fifth Amended Credit Agreement. Under the terms of the Fifth Amended Credit Agreement, if during the period from September 30, 2021 until March 31, 2022 the Company elects to use the Historical EBITDA for the purpose of calculating the maximum total net leverage ratio and minimum interest coverage ratio under the Financial Covenants, the Historical EBITDA for each of the quarters ended December 31, 2020, March 31, 2021 and June 30, 2021 will be increased by an amount equal to US$65.7 million. The Fifth Amended Credit Agreement further strengthened the Company's financial flexibility to navigate its business through the challenges from the COVID-19 pandemic.
- On June 21, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Sixth Amended Credit Agreement which provides for the 2021 Incremental Term Loan B Facility (as defined in Management Discussion and Analysis - Indebtedness) in the principal amount of US$495.5 million, which was borrowed by the Group on June 21, 2021 and, together with US$100.0 million of cash on the balance sheet, was used to repay the aggregate US$595.5 million principal amount then outstanding under the 2020 Incremental Term Loan B Facility (as defined in Management Discussion and Analysis - Indebtedness). The interest rate applicable

to the Group's borrowings under the 2021 Incremental Term Loan B Facility is currently 175 basis points[4] lower than the interest rate that was applicable under the 2020 Incremental Term Loan B Facility.

- On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck for an aggregate cash consideration of US$36.0 million. The consideration is subject to customary adjustments for net debt and working capital. Additional contingent cash consideration of US$4.0 million will become payable in the event Speck's net sales for the year ending December 31, 2021 are not less than US$107.0 million. The net proceeds from the sale will be used to repay a portion of the outstanding borrowings under the Company's Amended Revolving Credit Facility.

Notes

(1) See reconciliations in Management Discussion and Analysis.

(2) Total cash burn is calculated as the total increase (decrease) in cash and cash equivalents per the consolidated statements of cash flows less total cash flow attributable to (i) total loans and borrowings and (ii) deferred financing costs.

(3) Total liquidity is calculated as the sum of cash and cash equivalents per the consolidated statements of financial position plus available capacity on the Amended Revolving Credit Facility (as defined in Management Discussion and Analysis - Indebtedness - Second Amended Credit Agreement).

(4) The 175 basis point improvement on the interest rate that is currently payable under the 2021 Incremental Term Loan B Facility is comprised of a 150 basis point reduction in the London Interbank Offered Rate ("LIBOR") spread from 4.50% per annum to 3.00% per annum and a 25 basis point reduction in the LIBOR floor from 1.00% to 0.75%.

Chairman's Statement

Samsonite made very encouraging progress during the first half of 2021, particularly during the second quarter. With increased vaccination rates, relaxation of social-distancing measures and the reopening of domestic travel in the United States and more recently in Europe, along with continued recovery in China, the Group's net sales increased from US$354.7 million in the first quarter of 2021 to US$444.8 million in the second quarter of 2021. Compared to the corresponding periods in 2019, second quarter 2021 net sales were lower by 52.2%[(1)], a notable improvement from the 57.3%[(1)] decline recorded during the first quarter of 2021.

More significantly, the Group's Adjusted EBITDA[(2)] returned to the black with a gain of US$11.5 million in the second quarter of 2021, with North America, Asia and Europe all achieving positive Adjusted EBITDA. This represents a US$40.0 million improvement compared to a loss of US$28.5 million for the first quarter of 2021, and a US$139.3 million improvement compared to a loss of US$127.8 million for the second quarter of 2020. This is a most encouraging outcome, considering that net sales were roughly half of pre-COVID levels, and is largely attributable to the savings from Samsonite's comprehensive cost reduction and restructuring measures and ongoing expense controls. I want to express my deepest appreciation to our team members around the globe for their hard work and dedication that made this accomplishment possible.

Overall, during the six months ended June 30, 2021, Samsonite recorded net sales of US$799.5 million, a 3.2%[(1)] decrease year-on-year, and a 54.6%[(1)] decline compared to the first half of 2019. First half 2021 net sales increased by 0.7%[(1)] and 3.8%[(1)] year-on-year in North America and Asia, respectively, and decreased by 21.3%[(1)] and 11.1%[(1)] year-on-year, respectively, in Europe and Latin America. Compared to the first half of 2019, first half 2021 net sales in North America, Asia, Europe and Latin America were lower by 50.6%[(1)], 53.1%[(1)], 65.4%[(1)] and 50.1%[(1)], respectively. The Group's Adjusted EBITDA improved by US$105.9 million to a loss of US$17.0 million for the six months ended June 30, 2021 compared to a loss of US$122.9 million for the first half of 2020. The Group recorded an Adjusted Net Loss[(3)] of US$103.7 million, an improvement of US$69.4 million compared to an Adjusted Net Loss of US$173.1 million for the first half of 2020.

Additionally, we maintained stringent controls on working capital, particularly inventories, resulting in a US$185.1 million year-on-year reduction in the Group's inventories to US$390.4 million as of June 30, 2021. Together with our other expense reduction and cash conservation measures, we significantly reduced our total cash burn[(4)] from (US$288.9) million during the first half of 2020 to (US$91.9) million during the first half of 2021. As a result, Samsonite had liquidity of approximately US$1.2 billion[(5)] as of June 30, 2021, well in excess of the US$500.0 million minimum liquidity currently required under the Company's credit agreement[(6)].

The Group's net sales continued to recover going into the third quarter of 2021. Net sales for the month ended July 31, 2021, increased by 93.9%[(1)] compared to July 2020, and were lower by 40.9%[(1)] compared to July 2019. However, given the continued uncertainties around COVID-19 and the varying rates of vaccine rollout around the world, we expect the road to recovery to remain bumpy. As such, we continue to carefully manage all aspects of our business, including stringent controls on expenses, working capital and capital expenditures for the remainder of 2021.

To further increase Samsonite's financial flexibility to help navigate COVID-19's ongoing challenges, we agreed with our lenders on two additional amendments to our credit agreement in June 2021. The first amendment provided extra relief on the Company's debt covenants through the first quarter of 2022[(7)], while the second amendment provided for the refinancing of the Company's 2020 Incremental Term Loan B Facility, which reduced the interest rate currently payable by 175 basis points[(8), (9)]. In conjunction with these two amendments, we prepaid a total of US$325.0 million principal of our outstanding indebtedness[(10)] which, along with the reduction in interest rate, will result in cash interest savings of more than US$20.0 million per annum.

In addition to improving Samsonite's financial flexibility, we also took steps to enhance our long-term competitive position. In June 2021, we established a brand development and sourcing hub in Singapore as part of a global restructuring initiative to enhance alignment of Samsonite's product development, brand management and supply chain operations across Asia. Our Asia regional leadership is in the process of relocating to Singapore to support the hub and manage Samsonite's continued business growth in Asia. Separately, in July 2021, we completed the sale of the Speck business for cash proceeds of US$36.0 million. These two actions build on the comprehensive restructuring program we undertook last year, further improving Samsonite's competitive position as we focus on long-term sales growth, margin expansion and shareholder value creation as travel continues to recover around the world.

Timothy Charles Parker

Timothy Charles Parker
Chairman
August 18, 2021

Notes

(1) Results stated on a constant currency basis, a non-International Financial Reporting Standards ("IFRS") measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

(2) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.

(3) Adjusted Net Loss, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's reported loss for the period, which the Group believes helps to give securities analysts, investors and other interested parties a better understanding of the Group's underlying financial performance.

(4) Total cash burn is calculated as the total increase (decrease) in cash and cash equivalents per the consolidated statements of cash flows less total cash flow attributable to (i) total loans and borrowings and (ii) deferred financing costs.

(5) As of June 30, 2021, the Group had total liquidity of US$1,185.0 million, comprising cash and cash equivalents of US$1,058.2 million and US$126.8 million available to be borrowed on the Group's amended revolving credit facility.

(6) On April 29, 2020, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Third Amended Credit Agreement (as defined and described in Management Discussion and Analysis – Indebtedness) which suspended the requirement to test the maximum total net leverage ratio and minimum interest coverage ratio covenants from the beginning of the second quarter of 2020 through the end of the second quarter of 2021, and instead requires compliance with a minimum liquidity covenant of US$500.0 million during this time period. In addition, the amendment provides more flexibility in the calculation of such covenants beginning with the third quarter of 2021 through the end of the first quarter of 2022.

(7) On June 7, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Fifth Amended Credit Agreement (as described in Management Discussion and Analysis – Indebtedness). Under the Fifth Amended Credit Agreement, if during the period from September 30, 2021 until March 31, 2022 the Company elects to use the Historical EBITDA for the purpose of calculating the maximum total net leverage ratio and minimum interest coverage ratio under the financial covenants of the amended credit agreement, the Historical EBITDA for each of the quarters ended December 31, 2020, March 31, 2021 and June 30, 2021 will be increased by an amount equal to US$65.7 million.

(8) On June 21, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Sixth Amended Credit Agreement. The Sixth Amended Credit Agreement provides for the 2021 Incremental Term Loan B Facility in the principal amount of US$495.5 million, which was borrowed by the Group on June 21, 2021 and, together with US$100.0 million of cash on the balance sheet, was used to repay the aggregate US$595.5 million principal amount then outstanding under the 2020 Incremental Term Loan B Facility. The interest rate applicable to the Group's borrowings under the 2021 Incremental Term Loan B Facility is equal to the London Interbank Offered Rate ("LIBOR") plus 3.00% per annum with a LIBOR floor of 0.75% (or a base rate plus 2.00% per annum), which is currently 175 basis points lower than the interest rate that was applicable under the 2020 Incremental Term Loan B Facility. The loans under the 2021 Incremental Term Loan B Facility were issued with original issue discount with an issue price of 99.75%.

(9) The 175 basis point improvement on the interest rate that is currently payable under the 2021 Incremental Term Loan B Facility is comprised of a 150 basis point reduction in the LIBOR spread from 4.50% per annum (under the 2020 Incremental Term Loan B Facility) to 3.00% per annum and a 25 basis point reduction in the LIBOR floor from 1.00% (under the 2020 Incremental Term Loan B Facility) to 0.75%.

(10) In connection with the Fifth Amended Credit Agreement the Group prepaid US$125.0 million principal of its outstanding borrowings under its amended senior secured term loan A facility and US$100.0 million principal of its outstanding borrowings under its amended revolving credit facility. The Group prepaid US$100.0 million in principal in conjunction with the refinancing of the 2020 Incremental Term Loan B Facility.

Chief Executive Officer's Statement

We are very encouraged by Samsonite's performance in the first half of 2021, particularly during the second quarter. After decreasing by 77.9%[(1)] year-on-year during the second quarter of 2020, when most of the Group's markets were subject to government-mandated lockdowns, the year-on-year decline in the Group's net sales narrowed to 64.7%[(1)] during the third quarter of 2020 and 58.1%[(1)] during the fourth quarter of 2020, as governments began to relax social-distancing restrictions and markets around the world began to reopen. This positive trend continued into 2021, with the decline in the Group's net sales versus the comparable period in 2019 narrowing to 57.3%[(1)] during the first quarter of 2021. With the vaccination rollout and increased demand for domestic travel in the United States, sustained improvement in China and Europe's re-emergence from lockdown, the Group's net sales recovery noticeably accelerated during June 2021. Compared to the corresponding months in 2019, June 2021 net sales were lower by 48.2%[(1)], a considerably better performance compared to the net sales declines of 54.7%[(1)] and 54.1%[(1)] recorded in May 2021 and April 2021, respectively. Overall, net sales for the second quarter of 2021 were lower by 52.2%[(1)] compared to the second quarter of 2019, a marked improvement from the 57.3%[(1)] decline in first quarter of 2021 versus the first quarter of 2019. This positive momentum has continued into July 2021, with the decline in net sales further narrowing to 40.9%[(1)] when compared to July 2019.

Additionally, the Group's gross margin improved from 48.7% in the first quarter of 2021 to 52.4% in the second quarter of 2021, with June 2021 gross margin coming in at 55.0%. More significantly, we recorded our fourth quarter of sequential improvement in our Adjusted EBITDA[(2)] to achieve positive Adjusted EBITDA of US$11.5 million for the second quarter of 2021, an important milestone on Samsonite's road to recovery. This represents an improvement of US$139.3 million from the Adjusted EBITDA loss of US$127.8 million recorded during the second quarter of 2020, and underscores our progress in achieving more than US$200.0 million in annualized run-rate fixed cost savings from our comprehensive cost reduction program implemented during 2020 and into 2021, as well as our sustained focus on expense controls. While we recognize that challenges related to the COVID-19 pandemic persist, we remain confident in our progress and strong positive momentum.

For the six months ended June 30, 2021, Samsonite recorded net sales of US$799.5 million, a decrease of 3.2%[(1)] compared to the first half of 2020, and 54.6%[(1)] below the first half of 2019. North America and Asia performed relatively better, recording year-on-year net sales increases of 0.7%[(1)] and 3.8%[(1)], respectively, compared to Europe and Latin America, where net sales decreased by 21.3%[(1)] and 11.1%[(1)] year-on-year, respectively, during the first half of 2021. Compared to the first half of 2019, first half 2021 net sales in North America, Asia, Europe and Latin America were lower by 50.6%[(1)], 53.1%[(1)], 65.4%[(1)] and 50.1%[(1)], respectively.

For the six months ended June 30, 2021, net sales of *Tumi* increased by 21.4%[(1)] year-on-year, while net sales of *Samsonite* and *American Tourister* decreased year-on-year by 4.8%[(1)] and 8.4%[(1)], respectively. Meanwhile, first half 2021 net sales of the *Gregory* brand increased by 33.6%[(1)] compared to the first half of 2020.

Samsonite's first half 2021 gross margin increased by 140 basis points year-on-year to 50.8%. The Group maintained tight expense controls, reducing first half 2021 marketing spend and non-marketing fixed operating expenses by US$15.8 million and US$88.9 million, respectively, compared to the first half of 2020, and by US$74.4 million and US$195.1 million, respectively, when compared to the first half of 2019. As a result, the Group recorded an Adjusted EBITDA loss of US$17.0 million for the six months ended June 30, 2021, an improvement of US$105.9 million from the Adjusted EBITDA loss of US$122.9 million for the first half of 2020.

In addition to the cost reductions implemented in 2020 and continued vigilance in controlling expenses, the Group maintained its focus on cash conservation, limiting capital expenditures and software purchases as well as maintaining close control on working capital, particularly inventories. Together, these actions reduced the Group's total cash burn[(3)] to (US$91.9) million during the first half of 2021, a significant improvement of US$197.0 million compared to total cash burn of (US$288.9) million during the first half of 2020. Samsonite had liquidity of US$1,185.0 million[(4)] as of June 30, 2021, well above the US$500.0 million minimum liquidity currently required under the Company's credit agreement[(5)].

We took additional steps to enhance our financial flexibility, agreeing with our lenders to further amend the Company's credit agreement to secure additional relief under the Company's debt covenants through the first quarter of 2022[(6)], and refinancing the Company's 2020 Incremental Term Loan B Facility, which reduced the interest rate that is currently payable by 175 basis points[(7), (8)]. Furthermore, the Group prepaid a total of US$325.0 million principal of its indebtedness in June 2021[(9)] which, along with the interest rate reduction from the refinancing, will result in annualized cash interest savings of more than US$20.0 million. With approximately US$1.2 billion in liquidity, Samsonite is in a strong financial position to navigate the ongoing challenges from the COVID-19 pandemic.

We also made two organizational changes to improve our long-term competitive position. First, we established a brand development and sourcing hub in Singapore in June 2021 as part of a global restructuring initiative to enhance alignment of Samsonite's product development, brand management and supply chain operations across Asia. Our Asia regional leadership is in the process of relocating to Singapore to support the hub and manage Samsonite's business in the region. This hub will support the continued growth of the Asia region, an increasingly important part of our global business, while yielding long-term financial and operational benefits for the Company and our stakeholders as we continue to focus on enhancing efficiency. Second, we completed the sale of the Speck business in July 2021 for cash proceeds of US$36.0 million as we focus on growing our core brands and driving higher profitability in North America.

COVID-19 has reinforced the importance of sustainability in our interconnected world, and we believe that our commitment to sustainability and innovation will help strengthen our long-term market position. The new Magnum Eco and Proxis suitcase lines under the *Samsonite* brand clearly reflect the Company's commitment to innovation and sustainability – Magnum Eco's outer shell is made from recycled polypropylene from post-consumer waste, while Roxkin, the material used to manufacture the Proxis shell, is completely recyclable. In addition, during the first half of 2021 we successfully launched the *Tumi* | *McLaren* luggage and travel collection. Developed in partnership with McLaren, the luxury supercar maker and Formula 1 team, the collection experienced strong demand and sell-through that exceeded expectations in all regions. In May 2021, we published our 2020 Environmental, Social and Governance Report, which details our progress in implementing Our Responsible Journey, the sustainability strategy that we launched last year, and we remain committed to reaching our long-term sustainability goals.

Looking ahead, we intend to capitalize on the recovery in travel around the world, which has been driven mainly by the reopening of domestic travel in our key markets. The U.S. and China are seeing strong increases in domestic travel, while travel in Europe has begun to show strong signs of recovery as restrictions ease. The Group's net sales continued to recover going into the third quarter of 2021. Net sales for the month ended July 31, 2021 increased by 93.9%(1) compared to July 2020, and were lower by 40.9%(1) compared to July 2019. As travel continues to recover, we are poised to meet consumer demand with an amazing portfolio of new products, and we have begun to selectively increase our advertising spending to drive sales in markets where travel recovery is gaining momentum.

That said, COVID-19 continues to pose challenges with the recent resurgence of cases and slower vaccination rollout in important markets such as Japan and South Korea delaying a wider recovery. Moreover, our gross margin remains under pressure with the Generalized System of Preferences program in the U.S. still not yet renewed, and global freight and raw material costs rising. As such, we will continue to exercise caution in managing our business. We are focused on managing product cost increases and pricing to target restoring our gross margin to pre-COVID levels and will maintain discipline in controlling expenses, including capital expenditures and software investments, for the remainder of 2021.

In closing, I would like to offer a personal thank you to our Chairman, Tim Parker, and to the Board. Their counsel and support, along with the hard work and dedication of our country, regional, brand and corporate teams as well as our business partners, have positioned Samsonite well for the coming recovery. We are confident that our diverse geographic footprint, complementary brands and commitment to sustainability and innovation will enable Samsonite to further enhance its industry leadership position.

Kyle Francis Gendreau
Chief Executive Officer
August 18, 2021

Notes
(1) Results stated on a constant currency basis, a non-International Financial Reporting Standards ("IFRS") measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.
(2) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.
(3) Total cash burn is calculated as the total increase (decrease) in cash and cash equivalents per the consolidated statements of cash flows less total cash flow attributable to (i) total loans and borrowings and (ii) deferred financing costs.
(4) As of June 30, 2021, the Group had total liquidity of US$1,185.0 million, comprising cash and cash equivalents of US$1,058.2 million and US$126.8 million available to be borrowed on the Group's amended revolving credit facility.
(5) On April 29, 2020, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Third Amended Credit Agreement which suspended the requirement to test the maximum total net leverage ratio and minimum interest coverage ratio covenants from the beginning of the second quarter of 2020 through the end of the second quarter of 2021, and instead requires compliance with a

minimum liquidity covenant of US$500.0 million during this time period. In addition, the amendment provides more flexibility in the calculation of such covenants beginning with the third quarter of 2021 through the end of the first quarter of 2022.

(6) On June 7, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Fifth Amended Credit Agreement. Under the Fifth Amended Credit Agreement, if during the period from September 30, 2021 until March 31, 2022 the Company elects to use the Historical EBITDA for the purpose of calculating the maximum total net leverage ratio and minimum interest coverage ratio under the financial covenants of the amended credit agreement, the Historical EBITDA for each of the quarters ended December 31, 2020, March 31, 2021 and June 30, 2021 will be increased by an amount equal to US$65.7 million.

(7) On June 21, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Sixth Amended Credit Agreement. The Sixth Amended Credit Agreement provides for the 2021 Incremental Term Loan B Facility in the principal amount of US$495.5 million, which was borrowed by the Group on June 21, 2021 and, together with US$100.0 million of cash on the balance sheet, was used to repay the aggregate US$595.5 million principal amount then outstanding under the 2020 Incremental Term Loan B Facility. The interest rate applicable to the Group's borrowings under the 2021 Incremental Term Loan B Facility is equal to the London Interbank Offered Rate ("LIBOR") plus 3.00% per annum with a LIBOR floor of 0.75% (or a base rate plus 2.00% per annum), which is currently 175 basis points lower than the interest rate that was applicable under the 2020 Incremental Term Loan B Facility. The loans under the 2021 Incremental Term Loan B Facility were issued with original issue discount with an issue price of 99.75%.

(8) The 175 basis point improvement on the interest rate that is currently payable under the 2021 Incremental Term Loan B Facility is comprised of a 150 basis point reduction in the LIBOR spread from 4.50% per annum (under the 2020 Incremental Term Loan B Facility) to 3.00% per annum and a 25 basis point reduction in the LIBOR floor from 1.00% (under the 2020 Incremental Term Loan B Facility) to 0.75%.

(9) In connection with the Fifth Amended Credit Agreement the Group prepaid US$125.0 million principal of its outstanding borrowings under its amended senior secured term loan A facility and US$100.0 million principal of its outstanding borrowings under its amended revolving credit facility. The Group prepaid US$100.0 million in principal in conjunction with the refinancing of the 2020 Incremental Term Loan B Facility.

Independent Auditors' Review Report

The Board of Directors and Shareholders
Samsonite International S.A.:

Report on the Consolidated Financial Statements
We have reviewed the accompanying consolidated statement of financial position of Samsonite International S.A. and its subsidiaries as of June 30, 2021, the related consolidated statements of income (loss), comprehensive income (loss), changes in equity and cash flows for the six-month periods ended June 30, 2021 and June 30, 2020.

Management's Responsibility
The Company's management is responsible for the preparation and fair presentation of the interim financial information in accordance with IAS 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in accordance with IAS 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board.

Auditors' Responsibility
Our responsibility is to conduct our reviews in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information and in accordance with International Standards on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America and International Standards on Auditing, the objective of which is the expression of an opinion regarding the financial information. Accordingly, we do not express such an opinion.

Conclusion
Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial information for it to be in accordance with IAS 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board.

KPMG LLP

Boston, Massachusetts
August 18, 2021

Consolidated Statements of Income (Loss)

(Expressed in millions of US Dollars, except per share data)	Note	Six months ended June 30, 2021	2020
Net sales	4	**799.5**	802.3
Cost of sales		**(393.7)**	(405.8)
Gross profit		**405.8**	396.5
Distribution expenses		**(326.4)**	(408.1)
Marketing expenses		**(28.7)**	(44.5)
General and administrative expenses		**(102.3)**	(107.9)
Impairment Charges	6, 8, 9, 19(a)	**(30.2)**	(877.2)
Restructuring Charges	7	**(6.0)**	(28.8)
Other income	22	**1.4**	7.1
Operating loss		**(86.4)**	(1,062.9)
Finance income	21	**1.8**	1.8
Finance costs	21	**(104.2)**	(48.5)
Net finance costs	21	**(102.4)**	(46.7)
Loss before income tax		**(188.8)**	(1,109.6)
Income tax benefit	20(a)	**46.6**	133.7
Loss for the period		**(142.2)**	(975.9)
Loss attributable to equity holders		**(142.5)**	(974.0)
Profit (loss) attributable to non-controlling interests		**0.3**	(1.9)
Loss for the period		**(142.2)**	(975.9)
Loss per share			
Basic and diluted loss per share			
(Expressed in US Dollars per share)	14	**(0.099)**	(0.680)

The accompanying notes form part of the consolidated interim financial statements.

Consolidated Statements of Comprehensive Income (Loss)

(Expressed in millions of US Dollars)	Note	Six months ended June 30, 2021	2020
Loss for the period		**(142.2)**	(975.9)
Other comprehensive income (loss):			
Items that are or may be reclassified subsequently to profit or loss:			
Changes in fair value of hedges, net of tax	15 (a), 20 (b)	**10.6**	(22.7)
Foreign currency translation gains (losses) for foreign operations	20 (b), 21	**5.9**	(27.5)
Other comprehensive income (loss)		**16.5**	(50.2)
Total comprehensive loss for the period		**(125.7)**	(1,026.1)
Total comprehensive loss attributable to equity holders		**(125.0)**	(1,021.2)
Total comprehensive loss attributable to non-controlling interests		**(0.7)**	(4.9)
Total comprehensive loss for the period		**(125.7)**	(1,026.1)

The accompanying notes form part of the consolidated interim financial statements.

Consolidated Statements of Financial Position

(Expressed in millions of US Dollars)	Note	**June 30, 2021**	December 31, 2020
Non-Current Assets			
Property, plant and equipment	8	**159.3**	187.8
Lease right-of-use assets	19 (a)	**368.5**	399.6
Goodwill	9	**832.2**	849.6
Other intangible assets	9	**1,360.5**	1,418.3
Deferred tax assets		**102.1**	54.5
Derivative financial instruments	23 (b)	**1.1**	—
Other assets and receivables		**66.7**	78.1
Total non-current assets		**2,890.4**	2,987.9
Current Assets			
Inventories	10	**390.4**	455.9
Trade and other receivables	11	**163.8**	141.0
Prepaid expenses and other assets		**92.0**	82.4
Cash and cash equivalents	12	**1,058.2**	1,495.0
Assets held for sale	13	**49.8**	—
Total current assets		**1,754.2**	2,174.3
Total assets		**4,644.6**	5,162.2
Equity and Liabilities			
Equity:			
Share capital		**14.3**	14.3
Reserves		**505.0**	619.8
Total equity attributable to equity holders		**519.3**	634.1
Non-controlling interests		**31.9**	34.9
Total equity		**551.2**	669.0
Non-Current Liabilities			
Loans and borrowings	15 (a)	**2,773.9**	3,110.1
Lease liabilities	19 (b)	**349.2**	386.2
Employee benefits	16	**28.8**	25.2
Non-controlling interest put options	23 (b)	**28.2**	35.1
Deferred tax liabilities		**140.7**	174.5
Derivative financial instruments	15 (a) , 23 (b)	**13.7**	24.3
Other liabilities		**6.1**	6.5
Total non-current liabilities		**3,340.6**	3,761.9
Current Liabilities			
Loans and borrowings	15 (b)	**48.3**	47.8
Current portion of long-term loans and borrowings	15 (b)	**37.8**	32.8
Current portion of lease liabilities	19 (b)	**135.7**	145.3
Employee benefits	16	**64.1**	57.4
Trade and other payables	17	**390.0**	412.9
Current tax liabilities		**62.5**	35.1
Liabilities held for sale		**14.4**	—
Total current liabilities		**752.8**	731.3
Total liabilities		**4,093.4**	4,493.2
Total equity and liabilities		**4,644.6**	5,162.2
Net current assets		**1,001.4**	1,443.0
Total assets less current liabilities		**3,891.8**	4,430.9

The accompanying notes form part of the consolidated interim financial statements.

Consolidated Statements of Changes in Equity

(Expressed in millions of US Dollars, except number of shares)	Note	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings / (Accumulated deficit)	Total equity attributable to equity holders	Non-controlling interests	Total equity
Six months ended June 30, 2021										
Balance, January 1, 2021		**1,434,880,447**	**14.3**	**1,061.1**	**(77.2)**	**48.6**	**(412.7)**	**634.1**	**34.9**	**669.0**
Profit (loss) for the period		**—**	**—**	**—**	**—**	**—**	**(142.5)**	**(142.5)**	**0.3**	**(142.2)**
Other comprehensive income (loss):										
Changes in fair value of hedges, net of tax	15 (a) , 20 (b)	**—**	**—**	**—**	**—**	**10.5**	**—**	**10.5**	**0.1**	**10.6**
Foreign currency translation gains (losses) for foreign operations	20 (b) , 21	**—**	**—**	**—**	**7.0**	**—**	**—**	**7.0**	**(1.1)**	**5.9**
Total comprehensive income (loss) for the period		**—**	**—**	**—**	**7.0**	**10.5**	**(142.5)**	**(125.0)**	**(0.7)**	**(125.7)**
Transactions with owners recorded directly in equity:										
Change in fair value of put options included in equity	23 (b)	**—**	**—**	**—**	**—**	**—**	**5.9**	**5.9**	**—**	**5.9**
Share-based compensation expense	16	**—**	**—**	**—**	**—**	**4.3**	**—**	**4.3**	**—**	**4.3**
Exercise of share options	16 (b)	**3,094**	**0.0**	**0.0**	**—**	**0.0**	**—**	**0.0**	**—**	**0.0**
Vesting of time-based restricted share awards	16 (b)	**962,716**	**0.0**	**2.0**	**—**	**(2.0)**	**—**	**—**	**—**	**—**
Dividends paid to non-controlling interests	14 (c)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(2.3)**	**(2.3)**
Balance, June 30, 2021		**1,435,846,257**	**14.3**	**1,063.1**	**(70.2)**	**61.4**	**(549.3)**	**519.3**	**31.9**	**551.2**

The accompanying notes form part of the consolidated interim financial statements.

Consolidated Statements of Changes in Equity (continued)

(Expressed in millions of US Dollars, except number of shares)	Note	Number of shares	Share capital	Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings / (Accumulated deficit)	Total equity attributable to equity holders	Non-controlling interests	Total equity
Six months ended June 30, 2020										
Balance, January 1, 2020		1,432,569,771	14.3	1,055.2	(51.6)	80.9	852.2	1,951.0	50.5	2,001.5
Loss for the period		—	—	—	—	—	(974.0)	(974.0)	(1.9)	(975.9)
Other comprehensive loss:										
Changes in fair value of hedges, net of tax	15 (a) , 20 (b)	—	—	—	—	(22.6)	—	(22.6)	(0.1)	(22.7)
Foreign currency translation losses for foreign operations	20 (b) , 21	—	—	—	(24.6)	—	—	(24.6)	(2.9)	(27.5)
Total comprehensive loss for the period		—	—	—	(24.6)	(22.6)	(974.0)	(1,021.2)	(4.9)	(1,026.1)
Transactions with owners recorded directly in equity:										
Change in fair value of put options included in equity	23 (b)	—	—	—	—	—	10.2	10.2	—	10.2
Share-based compensation expense	16	—	—	—	—	3.3	—	3.3	—	3.3
Vesting of time-based restricted share awards	16 (b)	1,144,796	0.0	2.3	—	(2.3)	—	—	—	—
Dividends paid to non-controlling interests	14 (c)	—	—	—	—	—	—	—	(3.5)	(3.5)
Balance, June 30, 2020		1,433,714,567	14.3	1,057.5	(76.2)	59.3	(111.6)	943.3	42.1	985.4

The accompanying notes form part of the consolidated interim financial statements.

Consolidated Statements of Cash Flows

(Expressed in millions of US Dollars)	Note	Six months ended June 30, 2021	2020
Cash flows from operating activities:			
Loss for the period		**(142.2)**	(975.9)
Adjustments to reconcile loss for the period to net cash used in operating activities:			
Depreciation	8	**25.2**	35.5
Amortization of intangible assets	9	**16.4**	16.0
Amortization of lease right-of-use assets	19 (a)	**61.2**	89.5
Impairment Charges	6 , 8 , 9 , 19 (a)	**30.2**	877.2
Change in fair value of put options included in finance costs	21 , 23 (b)	**(1.0)**	(15.5)
Non-cash share-based compensation	16 (a)	**4.3**	3.3
Interest expense on borrowings and lease liabilities	15 , 21	**70.5**	56.0
Non-cash charge to derecognize deferred financing costs	15 , 21	**24.1**	—
Income tax benefit	20 (a)	**(46.6)**	(133.7)
		42.1	(47.6)
Changes in operating assets and liabilities:			
Trade and other receivables		**(28.6)**	214.5
Inventories		**47.3**	(2.0)
Other current assets		**1.7**	19.4
Trade and other payables		**3.4**	(306.2)
Other assets and liabilities		**14.4**	31.3
Cash generated from (used in) operating activities		**80.3**	(90.6)
Interest paid on borrowings and lease liabilities		**(65.2)**	(50.2)
Income tax paid		**(16.6)**	(32.2)
Net cash used in operating activities		**(1.5)**	(173.0)
Cash flows from investing activities:			
Purchases of property, plant and equipment	8	**(4.6)**	(18.0)
Other intangible asset additions		**(1.4)**	(3.5)
Net cash used in investing activities		**(6.0)**	(21.5)
Cash flows from financing activities:			
Proceeds (payments) from Amended Term Loan A Facility	15 (a)	**(135.0)**	800.0
Proceeds (payments) from 2020 Incremental Term Loan B Facility	15 (a)	**(597.0)**	600.0
Proceeds (payments) from Amended Revolving Credit Facility	15 (a)	**(100.0)**	810.3
Proceeds from issuance of 2021 Incremental Term Loan B Facility	15 (a)	**495.5**	—
Payment and settlement of Term Loan A Facility	15 (a)	**—**	(797.0)
Other payments on term loan facilities	15 (a)	**(3.3)**	(8.3)
Proceeds (payments) of other long-term debt	15 (a)	**(0.2)**	1.2
Proceeds from current loans and borrowings, net	15 (b)	**2.5**	46.0
Principal payments on lease liabilities	19 (d)	**(82.0)**	(90.8)
Payment of deferred financing costs	15 (a)	**(3.5)**	(34.8)
Proceeds from the exercise of share options	16	**0.0**	—
Dividend payments to non-controlling interests	14 (c)	**(2.3)**	(3.5)
Net cash provided by (used in) financing activities		**(425.3)**	1,323.1
Net increase (decrease) in cash and cash equivalents		**(432.8)**	1,128.6
Cash and cash equivalents, at beginning of period		**1,495.0**	462.6
Effect of exchange rate changes		**(4.0)**	(1.4)
Cash and cash equivalents, at end of period	12	**1,058.2**	1,589.8

The accompanying notes form part of the consolidated interim financial statements.

Notes to the Consolidated Interim Financial Statements

1. Background

Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags and travel accessories throughout the world, primarily under the *Samsonite®*, *Tumi®*, *American Tourister®*, *Gregory®*, *High Sierra®*, *Kamiliant®*, *ebags®*, *Lipault®* and *Hartmann®* brand names as well as other owned and licensed brand names. The Group sells its products through a variety of wholesale distribution channels, through its company-operated retail stores and through e-commerce. The Group sells its products in North America, Asia, Europe and Latin America.

The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company was incorporated in Luxembourg on March 8, 2011 as a public limited liability company (a *société anonyme*), whose registered office is 13-15 avenue de la Liberté, L-1931 Luxembourg.

This consolidated interim financial information was authorized for issuance by the Company's Board of Directors (the "Board") on August 18, 2021 and is unaudited. The Company's auditor, KPMG LLP, performed a review in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information and in accordance with International Standards on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

2. Basis of Preparation

(a) Statement of Compliance

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated interim financial statements should be read in conjunction with the Group's audited consolidated financial statements as of and for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (the "IASB"), which collective term includes all International Accounting Standards ("IAS") and related interpretations.

There were no transfers between the levels of the fair value hierarchy used in measuring the fair value of financial instruments and there were no changes in the classification of financial assets during the six months ended June 30, 2021.

Due to the negative impacts resulting from the COVID-19 pandemic, certain cash generating units ("CGUs") identified by the Group were tested for impairment during the six months ended June 30, 2020. See notes 6, 8, 9 and 19 for further discussion.

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income (loss) of the interim period, adjusted for certain discrete items for the period.

(b) Basis of Measurement

The consolidated interim financial information has been prepared on the historical cost basis except as noted in the Summary of Significant Accounting Policies in the Group's audited consolidated financial statements as of and for the year ended December 31, 2020.

Certain amounts presented in this document have been rounded up or down to the nearest million, unless otherwise indicated. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown, between the amounts in the tables and the amounts given in the corresponding analyses in the text of this document. All percentages and key figures were calculated using the underlying data in whole US Dollars.

(c) Functional and Presentation Currency

This financial information is presented using the currency of the primary economic environment in which the Group's subsidiaries operate ("functional currency"). The functional currencies of the significant subsidiaries within the Group are the currencies of the primary economic environment and key business processes of these subsidiaries and include, but are not limited to, United States Dollars, Euros, Renminbi, South Korean Won, Japanese Yen and Indian Rupee.

Unless otherwise stated, the consolidated interim financial statements and related footnotes are presented in the United States Dollar ("US Dollar"), which is the functional and presentation currency of the Company.

(d) Use of Judgments, Estimates and Assumptions

The preparation of the consolidated interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies and to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of this consolidated interim financial information and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. No significant changes occurred during the current reporting period of estimates reported in prior periods.

(e) Impact of COVID-19

During the six months ended June 30, 2021 the impacts of COVID-19 on the Company's business remained significant due to the continuation or re-imposition of certain government-mandated restrictions and lockdowns resulting in continued temporary closures of certain retail stores in which the Company's products are sold, quarantines and social-distancing required or recommended by governments, and continued significant reductions in travel and discretionary spending among consumers, leading to reduced demand for many of the Group's products (collectively, the "COVID-19 Impacts").

While navigating through the challenges caused by COVID-19, the health and safety of the Group's employees and their families, as well as its customers and business partners, has been and will continue to be the Group's top priority. While the extent and duration of the COVID-19 pandemic remain uncertain, it has had, and it will continue to have, adverse impacts on the Group's business, financial condition and results of operations.

During the year ended December 31, 2020, the Group's net sales were significantly impacted by the COVID-19 pandemic, with full-year 2020 consolidated net sales decreasing by US$2,102.1 million, or 57.8% (-57.5% constant currency), compared to the year ended December 31, 2019. The Group's management took steps beginning in the first quarter of 2020 to enhance the Company's liquidity and further improve its resilience in response to the COVID-19 Impacts. In addition to strengthening the Company's liquidity, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future. Management continues to tightly manage the Group's operating expenses.

The Group's net sales performance continued to improve during the second quarter of 2021. After decreasing by 78.2% (-77.9% constant currency) year-on-year during the second quarter of 2020, when most of the Group's markets were subject to government-mandated lockdowns, the year-on-year decline in the Group's net sales narrowed to 64.6% (-64.7% constant currency) during the third quarter of 2020 and by 57.6% (-58.1% constant currency) during the fourth quarter of 2020 as governments began to relax social-distancing restrictions and markets around the world began to reopen. During the first quarter of 2021, the Group's net sales decline narrowed to 57.4% (-57.3% constant currency) when compared to the first quarter of 2019. This encouraging trend continued into the second quarter of 2021, with the decline in the Group's net sales further narrowing to 51.8% (-52.2% constant currency) when compared to the second quarter of 2019, despite continued challenging conditions in certain markets, particularly in Europe, India, Japan and Chile due to continued government-mandated lockdowns, a resurgence in COVID-19 cases and slower roll-out of vaccines, which slowed the pace of sales recovery. The Group's actions to enhance and preserve liquidity and reduce expenses are discussed in greater detail below.

During 2020, in order to strengthen the Company's financial flexibility in response to the COVID-19 Impacts, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into certain amendments to the Group's credit agreement that increased the maximum borrowings under the Group's revolving credit facility by US$200.0 million to US$850.0 million and provided for the 2020 Incremental Term Loan B Facility (as defined in note 15 Loans and Borrowings) in the aggregate principal amount of US$600.0 million. The Group borrowed US$810.3 million (US Dollar equivalent at the applicable exchange rate on the borrowing date) under its Amended Revolving Credit Facility (as defined in note 15 Loans and Borrowings) on March 20, 2020 and US$600.0 million under the 2020 Incremental Term Loan B Facility on May 7, 2020. The amendment to the Group's credit agreement entered into on April 29, 2020 suspended the requirement for the Group to test certain financial covenants under its credit agreement from the beginning of the second quarter of 2020 through the end of the second quarter of 2021 and, for each of the three quarters beginning with the third quarter of 2021 and ending with the first quarter of 2022, the Company may elect to use Consolidated Adjusted EBITDA (as defined in note 15 Loans and Borrowings) from the first two quarters of 2019 and fourth quarter of 2019 (the "Historical EBITDA") (instead of actual Consolidated Adjusted EBITDA from the fourth quarter of 2020 and the first two quarters of 2021) to calculate compliance with the Financial Covenants (as defined in note 15 Loans and Borrowings). During the Suspension Period (as defined in note 15 Loans and Borrowings), the Company is required to comply with a minimum liquidity covenant of US$500.0 million and the Group is subject to additional restrictions on its ability to incur indebtedness and make restricted payments (including payments of distributions or dividends to the Company's shareholders) and investments.

On June 7, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Fifth Amended Credit Agreement (as defined in note 15 Loans and Borrowings). Under the terms of the Fifth Amended Credit Agreement, if during the period from September 30, 2021 until March 31, 2022, the Company elects to use the Historical EBITDA for the purpose of calculating the maximum total net leverage ratio and minimum interest coverage ratio under the Financial Covenants (as defined in note 15 Loans and Borrowings), the Historical EBITDA for each of the quarters ended December 31, 2020, March 31, 2021 and June 30, 2021 will be increased by an amount equal to US$65.7 million. This amount was determined based on the annualized run-rate fixed cost savings from the Company's comprehensive cost reduction program that was implemented during 2020. The Fifth Amended Credit Agreement further strengthened the Company's financial flexibility as it continues to successfully navigate its business through the challenges from the COVID-19 pandemic.

On June 21, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Sixth Amended Credit Agreement (as defined in note 15 Loans and Borrowings). The Sixth Amended Credit Agreement provides for the 2021 Incremental Term Loan B Facility in the principal amount of US$495.5 million, which was borrowed by the Group on June 21, 2021 and, together with US$100.0 million of cash on the balance sheet, was used to repay the aggregate US$595.5 million principal amount then outstanding under the 2020 Incremental Term Loan B Facility. The interest rate applicable to the Group's borrowings under the 2021 Incremental Term Loan B Facility is equal to the London Interbank Offered Rate ("LIBOR") plus 3.00% per annum with a LIBOR floor of 0.75% (or a base rate plus 2.00% per annum), which resulted in an interest rate that is currently 175 basis points lower than the interest rate that was applicable under the 2020 Incremental Term Loan B Facility. The loans under the 2021 Incremental Term Loan Facility were issued with original issue discount with an issue price of 99.75%. See note 15 Loans and Borrowings for further description of the Group's credit agreement.

As of June 30, 2021, the carrying amount of the Group's loans and borrowings was US$2,860.0 million, net of US$14.9 million in deferred financing costs. During the first half of 2021, the Group prepaid US$325.0 million principal amount of borrowings under the Amended Senior Credit Facilities (as defined in note 15 Loans and Borrowings). Cash and cash equivalents held by the Group amounted to US$1,058.2 million as of June 30, 2021. Along with US$126.8 million available to be borrowed on the Group's Amended Revolving Credit Facility (as defined in note 15 Loans and Borrowings), the Group had total liquidity (calculated as the sum of cash and cash equivalents per the consolidated statements of financial position plus available capacity on the Amended Revolving Credit Facility (as defined in note 15 Loans and Borrowings) of US$1,185.0 million as of June 30, 2021 and was therefore in compliance with the minimum liquidity covenants under the Company's credit agreement.

The Group has taken further measures during the six months ended June 30, 2021 to conserve cash, including continuing the temporary suspension of the annual cash distribution to the Company's shareholders and maintaining a virtual freeze on its capital expenditures and other discretionary spending.

During the six months ended June 30, 2021, the Group continued to realize fixed cost savings from a combination of permanent and temporary actions. Permanent actions consisted primarily of headcount reductions and savings from closing stores. Temporary actions consisted primarily of furloughs, temporary headcount reductions, eliminating bonuses, salary reductions, temporary rent reductions and other expense reductions, such as travel and entertainment and professional services. These fixed cost savings have been reflected as reductions in the Group's cost of sales, distribution expenses and general and administrative expenses reported in the consolidated statements of income (loss).

In addition to these permanent and temporary actions taken, the Group continues to work to maximize the Company's participation in applicable government or other initiatives available to businesses or employees impacted by the COVID-19 pandemic. The Group also continues to engage with landlords to further negotiate rent deferrals or other rent concessions and to evaluate additional areas of cost savings in response to the COVID-19 Impacts. See note 7 Restructuring Charges for further discussion.

Management prepared cash flow projections of the Group, which included the potential effects of certain downside scenarios. Based on these projections, the Company believes the Group will meet its financial obligations as and when they fall due and will comply with the Financial Covenants at least through August 31, 2022. As such, the consolidated interim financial statements have been prepared on a going concern basis of accounting.

Whether the Group is able to achieve its plans and measures based on the cash flow projections described above, which incorporate assumptions about future events and conditions, is subject to inherent uncertainties. In particular, whether the Group will be able to generate adequate operating cash flows may depend upon factors such as further spread of the COVID-19 virus, further restrictions on travel, closure of nonessential businesses, imposition of quarantines and further worldwide distribution of COVID-19 vaccines.

3. Summary of Significant Accounting Policies

(a) Significant Accounting Policies

Except as described below, the accounting policies and judgments applied by the Group used in the preparation of the consolidated interim financial statements are consistent with those applied by the Group in the consolidated annual financial statements as of and for the year ended December 31, 2020. The changes in accounting policies described below are also expected to be reflected in the Group's consolidated financial statements as of and for the year ending December 31, 2021.

(b) Changes in Accounting Policies

The IASB has issued a number of new, revised and amended IFRS. For the purpose of preparing the consolidated interim financial statements as of and for the six months ended June 30, 2021, the following standard became effective for the current reporting period.

Amendments to Interest Rate Benchmark Reform

In August 2020, the IASB issued Interest Rate Benchmark Reform - Phase 2 ("IBOR Reform – Phase 2 Amendments"), which amends IFRS 9, *Financial Instruments*, IAS 39, *Financial Instruments: Recognition and Measurement*, IFRS 7, *Financial Instruments: Disclosures*, IFRS 4, *Insurance Contracts* and IFRS 16, *Leases*. The IBOR Reform - Phase 2 Amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. These amendments complement those issued in 2019 and focus on issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amendments are effective for annual periods beginning on or after January 1, 2021, with earlier application permitted. This amendment did not have a material impact on the consolidated interim financial statements of the Group.

(c) New Standards and Interpretations Not Yet Adopted

Certain new standards, amendments to standards and interpretations that may be applicable to the Group are not yet effective for the six months ended June 30, 2021, and have not been applied in preparing these consolidated interim financial statements.

In January 2020, the IASB amended IAS 1, *Presentation of Financial Statements* ("IAS 1"), to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of a reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must have substance and exist at the end of a reporting period. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The Group is currently evaluating the impact of the amendments to IAS 1 on its consolidated financial statements.

In May 2020, the IASB issued amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts, Cost of Fulfilling a Contract* ("IAS 37"), to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group is currently evaluating the impact of the amendments to IAS 37 on its consolidated financial statements.

In May 2020, the IASB issued amendments to IAS 16, *Property, Plant and Equipment — Proceeds before Intended Use* ("IAS 16"), which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments to IAS 16 are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The Group is currently evaluating the impact of the amendments to IAS 16 on its consolidated financial statements.

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 9, *Financial Instruments - Fees in the ’10 per cent’ test for derecognition of financial liabilities* (“IFRS 9”). The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group is currently evaluating the impact of the amendment to IFRS 9 on its consolidated financial statements.

4. Segment Reporting

The reportable segments for the six months ended June 30, 2021 are consistent with the reportable segments included within the annual consolidated financial statements as of and for the year ended December 31, 2020.

The Group’s segment reporting information is based on geographical areas, representative of how the Group’s business is managed and its operating results are evaluated. The Group’s operations are organized primarily as follows: (i) “North America”; (ii) “Asia”; (iii) “Europe”; (iv) “Latin America”; and (v) “Corporate”.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit or loss as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. Segment operating profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the Group’s segments.

Segment information as of and for the six months ended June 30, 2021 and June 30, 2020 is as follows:

	Six months ended June 30, 2021					
(Expressed in millions of US Dollars)	**North America**	**Asia**	**Europe**	**Latin America**	**Corporate(3)**	**Consolidated**
External revenues	**323.8**	**307.8**	**131.2**	**36.1**	**0.6**	**799.5**
Operating profit (loss)	**(5.8)**	**5.0**	**(17.0)**	**(5.3)**	**(63.3)**	**(86.4)**
Depreciation and amortization(1)	**36.4**	**34.0**	**24.4**	**6.4**	**1.6**	**102.8**
Capital expenditures	**1.7**	**1.7**	**0.5**	**0.7**	**0.0**	**4.6**
Impairment Charges	**4.6**	**5.5**	**—**	**—**	**20.1**	**30.2**
Restructuring Charges	**0.9**	**1.7**	**0.5**	**—**	**2.9**	**6.0**
Finance income	**0.0**	**0.3**	**0.1**	**0.0**	**1.4**	**1.8**
Finance costs(2)	**(6.1)**	**(3.8)**	**(4.5)**	**(1.6)**	**(88.1)**	**(104.2)**
Income tax (expense) benefit	**8.3**	**(3.8)**	**6.4**	**0.1**	**35.6**	**46.6**
Total assets	**1,112.9**	**1,069.1**	**575.2**	**104.7**	**1,782.6**	**4,644.6**
Total liabilities	**747.9**	**465.3**	**464.6**	**68.2**	**2,347.4**	**4,093.4**

	Six months ended June 30, 2020					
(Expressed in millions of US Dollars)	North America	Asia	Europe	Latin America	Corporate[3]	Consolidated
External revenues	321.0	283.0	157.5	39.4	1.4	802.3
Operating loss	(572.0)	(116.7)	(86.4)	(29.8)	(258.0)	(1,062.9)
Depreciation and amortization[1]	46.8	46.9	35.8	9.6	1.9	141.0
Capital expenditures	4.3	8.9	3.8	0.8	0.1	18.0
Impairment Charges	516.0	75.1	40.5	11.8	233.8	877.2
Restructuring Charges	9.1	2.7	14.3	1.5	1.1	28.8
Finance income	0.1	0.2	0.1	0.0	1.4	1.8
Finance costs[2]	(7.4)	(3.1)	(5.7)	(6.3)	(26.0)	(48.5)
Income tax benefit	41.0	13.7	21.8	1.1	56.2	133.7
Total assets	1,173.7	1,184.3	690.6	114.1	2,305.1	5,467.7
Total liabilities	758.1	480.2	468.4	78.6	2,697.0	4,482.3

Notes
(1) Depreciation and amortization expense for the six months ended June 30, 2021 and June 30, 2020 includes amortization expense associated with lease right-of-use assets recorded in accordance with IFRS 16.
(2) Finance costs for the six months ended June 30, 2021 includes the charge of US$24.1 million to derecognize the deferred financing costs associated with the 2020 Incremental Term Loan B Facility and bank costs of US$7.8 million, primarily consisting of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (see note 15(a) Loans and Borrowings). Finance costs for the six months ended June 30, 2021 and June 30, 2020 also included interest expense on financial liabilities, which included the amortization of deferred financing costs, interest expense on lease liabilities in accordance with IFRS 16, change in the fair value of put options and unrealized (gains) losses on foreign exchange that are presented on a net basis.
(3) The Corporate segment's total assets and total liabilities include inter-company elimination entries that occur across all segments of the Company.

The following table sets forth a disaggregation of net sales by brand for the six months ended June 30, 2021 and June 30, 2020:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Net sales by brand:		
Samsonite	**355.9**	360.7
Tumi	**193.7**	156.2
American Tourister	**128.5**	136.2
Gregory	**32.7**	24.1
Speck[1]	**28.8**	33.7
High Sierra	**10.3**	14.7
Other[2]	**49.7**	76.6
Net sales	**799.5**	802.3

Notes
(1) Subsequent to June 30, 2021, the *Speck* brand was sold on July 30, 2021. See note 13 Disposal Group Held for Sale for further discussion.
(2) "Other" includes certain other brands owned by the Group, such as *Kamiliant*, *ebags*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as third-party brands sold through the Group's Rolling Luggage and Chic Accent retail stores.

The following table sets forth a disaggregation of net sales by product category for the six months ended June 30, 2021 and June 30, 2020:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Net sales by product category:		
Travel	**423.4**	436.6
Non-travel[1]	**376.1**	365.8
Net sales	**799.5**	802.3

Note
(1) The non-travel category includes business, casual, accessories and other products.

The following table sets forth a disaggregation of net sales by distribution channel for the six months ended June 30, 2021 and June 30, 2020:

(Expressed in millions of US Dollars)	Six months ended June 30, **2021**	2020
Net sales by distribution channel:		
Wholesale	**516.5**	516.7
Direct-to-consumer ("DTC")[(1)]	**282.4**	284.3
Other[(2)]	**0.6**	1.4
Net sales	**799.5**	802.3

Notes
(1) DTC, or direct-to-consumer, includes bricks-and-mortar retail and e-commerce sites owned and operated by the Group.
(2) "Other" primarily consists of licensing revenue.

5. Seasonality of Operations

There is some seasonal fluctuation in the business activity of the Group and, as a result, net sales and working capital requirements may fluctuate from period to period.

6. Impairment Charges

In accordance with IAS 36, *Impairment of Assets* ("IAS 36"), the Group is required to evaluate its intangible assets with indefinite lives at least annually or when an event has occurred or circumstances change that would more likely than not reduce the recoverable amount of a CGU below its carrying value. The Group is also required to perform a review for impairment indicators at the end of each reporting period on its tangible and intangible assets with finite useful lives. If there is any indication that an asset may be impaired, the Group must estimate the recoverable amount of the asset or CGU.

1H 2021 Impairment Charges

Based on an evaluation of loss-making stores during the six months ended June 30, 2021, and also due to reduced traffic and under-performance caused by the COVID-19 pandemic, the Group determined that the carrying amounts of certain retail stores, which represent individual CGUs, exceeded their corresponding recoverable amounts. During the six months ended June 30, 2021 the Group recognized impairment charges totaling US$5.5 million on lease right-of-use assets.

In June 2021, the Group classified the assets attributable to Speculative Product Design, LLC ("Speck"), to held for sale. Speck designs and distributes slim protective cases for personal electronic devices that are marketed under the *Speck®* brand. Speck was sold on July 30, 2021. The Group recognized impairment charges during the six months ended June 30, 2021 totaling US$24.7 million related to impairments of goodwill and other intangible assets of this disposal group.

1H 2020 Impairment Charges

Due to the negative impacts resulting from the COVID-19 pandemic during the six months ended June 30, 2020, certain indefinite-lived intangible assets identified by the Group were tested for impairment. Based on valuations performed by a third-party specialist engaged by the Company, management determined that the carrying value of certain intangible assets exceeded their recoverable amounts, resulting in impairment charges recognized during the six months ended June 30, 2020 totaling US$732.0 million, comprised of US$496.0 million for goodwill and US$236.0 million for certain tradenames.

Further, based on an evaluation of loss-making stores during the six months ended June 30, 2020, and also due to reduced traffic and under-performance caused by the COVID-19 pandemic, the Group determined that the carrying amounts of certain retail stores, which represent individual CGUs, exceeded their corresponding recoverable amounts. During the six months ended June 30, 2020 the Group recognized impairment charges totaling US$145.2 million, comprised of US$113.9 million for lease right-of-use assets and US$31.2 million for property, plant and equipment, including leasehold improvements.

The following table sets forth a breakdown of the impairment charges for the six months ended June 30, 2021 (the "1H 2021 Impairment Charges") and for the six months ended June 30, 2020 (the "1H 2020 Impairment Charges").

(Expressed in millions of US Dollars)		Six Months Ended June 30, 2021	2020
Impairment charges recognized on:	Line item in consolidated statements of income (loss) where impairment charges recorded:	**1H 2021 Impairment Charges**	1H 2020 Impairment Charges
Goodwill	Impairment Charges	**14.4**	496.0
Tradenames and other intangible assets	Impairment Charges	**10.3**	236.0
Lease right-of-use assets	Impairment Charges	**5.5**	113.9
Property, plant and equipment	Impairment Charges	**—**	31.2
Total impairment charges		**30.2**	877.2

Expenses related to lease right-of-use assets and property, plant and equipment, including leasehold improvements, related to stores, have historically been classified as distribution expenses on the consolidated statements of income (loss) using the function of expense presentation method for the affected assets.

The 1H 2021 Impairment Charges of US$30.2 million and the 1H 2020 Impairment Charges of US$877.2 million were recorded in the Group's consolidated statements of income (loss) in the line item "Impairment Charges" (see also note 8 Property, Plant and Equipment, note 9 Goodwill and Other Intangible Assets, note 13 Disposal Group Held for Sale and note 19 Leases for further discussion).

7. Restructuring Charges

The following table sets forth a breakdown of the restructuring charges for the six months ended June 30, 2021 and June 30, 2020.

(Expressed in millions of US Dollars)	Six Months Ended June 30, 2021	2020
Functional Area	**Restructuring Charges**	Restructuring Charges
Restructuring charges attributable to distribution function	**0.8**	24.4
Restructuring charges attributable to general and administrative function	**5.2**	4.4
Total restructuring charges	**6.0**	28.8

During 2020 and the first half of 2021, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future in response to the COVID-19 Impacts. In conjunction with these cost saving actions and other initiatives, the Group recognized charges related to these restructuring activities (the "Restructuring Charges"). During the six months ended June 30, 2021 and June 30, 2020, the Group recognized Restructuring Charges of US$6.0 million and US$28.8 million, respectively. The Restructuring Charges consisted primarily of severance associated with permanent headcount reductions, store closure costs and certain other costs incurred to implement profit improvement initiatives. Severance costs were accounted for in accordance with IAS 19, *Employee Benefits*.

Expenses related to personnel have historically been classified primarily in cost of sales, distribution expenses and general and administrative expenses, and occupancy costs have historically been classified as distribution expenses on the consolidated statements of income (loss) using the function of expense presentation method. The Restructuring Charges of US$6.0 million and US$28.8 million for the six months ended June 30, 2021 and June 30, 2020 were recorded in the Group's consolidated statements of income (loss) in the line item "Restructuring Charges". The Group continues to evaluate additional areas to further reduce operating expenses in response to the COVID-19 Impacts.

During the six months ended June 30, 2021, approximately US$2.7 million of severance and other employee-related costs were recognized in Restructuring Charges, of which US$0.5 million and US$2.2 million related to personnel costs historically presented as distribution expenses and general and administrative expenses, respectively, on the consolidated statements of income (loss) using the function of expense presentation method. During the six months ended June 30, 2021, approximately US$0.3 million of store closure costs were recognized in Restructuring Charges, all of which related to occupancy costs historically presented as distribution expenses on the consolidated statements of income (loss) using the function of expense presentation method. Additional Restructuring Charges during the six months ended June 30, 2021 totaling US$3.0 million related to the establishment of a brand development and sourcing hub in Singapore (described in further detail below).

In June 2021, the Company established a brand development and sourcing hub in Singapore as part of a global restructuring initiative to enhance alignment of the Company's product development, brand management and supply chain operations across Asia. The establishment of this hub will enable the Company to design products closer to market while continuing to lead the industry in product development, innovation and sustainability for several key brands, including *Samsonite* and *American Tourister*. The Company will also leverage this hub to manage sourcing for Asia and the Middle East, while supporting and administering sourcing for North America and Latin America.

During the six months ended June 30, 2020, approximately US$22.9 million of severance and other employee-related costs were recognized in Restructuring Charges, of which US$15.8 million, US$4.4 million and US$2.7 million related to personnel costs historically presented as distribution expenses, general and administrative expenses and cost of sales, respectively, on the consolidated statements of income (loss) using the function of expense presentation method. During the six months ended June 30, 2020, approximately US$5.9 million of store closure costs were recognized in Restructuring Charges, all of which related to occupancy costs historically presented as distribution expenses on the consolidated statements of income (loss) using the function of expense presentation method.

Restructuring Charges Accrual Activity

The following table presents the activity associated with the Restructuring Charges accrual at June 30, 2021 and June 30, 2020:

	Six Months Ended June 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Balance at January 1	**24.8**	—
Restructuring expense recognized during the period	**6.0**	28.8
Amounts paid during the period	**(14.5)**	(8.6)
Foreign exchange/other changes during the period	**(0.4)**	0.0
Balance at June 30	**15.9**	20.2

8. Property, Plant and Equipment

For the six months ended June 30, 2021 and June 30, 2020, the cost of additions to property, plant and equipment was US$4.6 million and US$18.0 million, respectively. Depreciation expense for the six months ended June 30, 2021 and June 30, 2020 amounted to US$25.2 million and US$35.5 million, respectively. Of these amounts, US$7.1 million and US$7.9 million was included in cost of sales during the six months ended June 30, 2021 and June 30, 2020, respectively. Remaining amounts were presented in distribution and general and administrative expenses.

In accordance with IAS 36, the Group is required to evaluate its CGUs for potential impairment whenever events or changes in circumstance indicate that their carrying amount might not be recoverable.

Based on the evaluation of loss-making stores, which individually represent CGUs, during the six months ended June 30, 2020 and also due to reduced traffic and under-performance caused by the COVID-19 pandemic, the Group determined that the carrying amounts of certain retail stores as of June 30, 2020 exceeded their respective recoverable amounts. The Group recognized impairment charges totaling US$31.2 million during the six months ended June 30, 2020 for property, plant and equipment, including leasehold improvements. Expenses related to property, plant and equipment, including leasehold improvements, related to stores, have historically been classified as distribution expenses on the consolidated statements of income (loss) using the function of expense presentation method for the affected assets. These impairment charges for the six months ended June 30, 2020 were recorded in the Group's consolidated statements of income (loss) in the line item "Impairment Charges" (see also note 6 Impairment Charges, note 9 Goodwill and Other Intangible Assets, note 13 Disposal Group Held for Sale and note 19 Leases for further discussion).

Capital Commitments

Capital commitments outstanding as of June 30, 2021 and December 31, 2020 were US$1.0 million and US$1.6 million, respectively, which were not recognized as liabilities in the consolidated statements of financial position as they have not met the recognition criteria.

9. Goodwill and Other Intangible Assets

Amortization expense related to intangible assets for the six months ended June 30, 2021 and June 30, 2020 amounted to US$16.4 million and US$16.0 million, respectively, which was included within distribution expenses on the consolidated statements of income (loss).

In accordance with IAS 36, the Group is required to evaluate its intangible assets with indefinite lives at least annually or when an event has occurred or circumstances change that would more likely than not reduce the recoverable amount of a CGU below its carrying value. The Group is also required to perform a review for impairment indicators at the end of each reporting period on its tangible and intangible assets with finite useful lives. If there is any indication that an asset may be impaired, the Group must estimate the recoverable amount of the asset or CGU.

1H 2021 Impairment Charges

In June 2021, the Group classified the assets attributable to Speck to held for sale. Speck was sold on July 30, 2021. The Group recognized impairment charges during the six months ended June 30, 2021 totaling US$24.7 million related to impairments of goodwill and other intangible assets of this disposal group. See note 6 Impairment Charges and note 13 Disposal Group Held for Sale for further discussion.

1H 2020 Impairment Charges

Due to the negative impacts resulting from the COVID-19 pandemic during the six months ended June 30, 2020, certain indefinite-lived intangible assets identified by the Group were tested for impairment. Based on valuations performed by a third-party specialist engaged by the Company, management determined that the carrying value of certain intangible assets exceeded their recoverable amounts, resulting in impairment charges recognized during the six months ended June 30, 2020 totaling US$732.0 million, comprised of US$496.0 million for goodwill and US$236.0 million for certain tradenames. See note 6 Impairment Charges for further discussion.

10. Inventories

Inventories consisted of the following:

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
Raw materials	**21.5**	23.9
Work in process	**2.7**	1.6
Finished goods	**366.2**	430.3
Total inventories	**390.4**	455.9

The amounts above as of June 30, 2021 and December 31, 2020 include inventories carried at net realizable value (estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to perform the sale) of US$73.6 million and US$103.2 million, respectively. During the six months ended June 30, 2021 and June 30, 2020, the write-down of inventories to net realizable value amounted to US$14.2 million and US$22.5 million, respectively. During the six months ended June 30, 2021 and June 30, 2020 the reversal of reserves recognized in profit or loss amounted to US$9.4 million and US$1.1 million, respectively.

11. Trade and Other Receivables

Trade and other receivables are presented net of related allowances for doubtful accounts of US$33.6 million and US$32.4 million as of June 30, 2021 and December 31, 2020, respectively.

(a) Aging Analysis

Included in trade and other receivables are trade receivables (net of allowance for doubtful accounts) of US$152.9 million and US$129.8 million as of June 30, 2021 and December 31, 2020, respectively, with the following aging analysis by due date of the respective invoice:

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
Current	**137.2**	109.9
0 - 30 days past due	**15.7**	18.7
Greater than 30 days past due	**0.0**	1.2
Total trade receivables, net of allowance	**152.9**	129.8

Credit terms are granted based on the credit worthiness of individual customers.

(b) Impairment of Trade Receivables

Impairment losses in respect of trade receivables are recorded when credit losses are expected to occur. The Group does not hold any collateral over these balances.

The movements in the allowance for doubtful accounts during the periods were as follows:

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
As of January 1	**32.4**	16.9
Impairment loss recognized	**3.3**	28.4
Impairment loss written back or off	**(2.1)**	(12.9)
As of end of period[1]	**33.6**	32.4

Note
(1) The movements in the allowance for doubtful accounts as of June 30, 2021 and December 31, 2020 were for the period January 1, 2021 through June 30, 2021 and January 1, 2020 through December 31, 2020, respectively.

12. Cash and Cash Equivalents

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
Bank balances	**993.0**	1,431.8
Overnight sweep accounts and time deposits	**65.2**	63.2
Total cash and cash equivalents	**1,058.2**	1,495.0

Cash and cash equivalents are generally denominated in the functional currency of the respective Group entities. There were no restrictions on the use of any of the Group's cash or cash equivalents as of June 30, 2021 and December 31, 2020.

13. Disposal Group Held for Sale

In June 2021, the Group reclassified the assets and liabilities attributable to Speck as held for sale. Speck designs and distributes slim protective cases for personal electronic devices that are marketed under the *Speck*® brand. On July 30, 2021, the Group sold Speck for US$36.0 million subject to customary adjustments for net debt and working capital. See note 25 Subsequent Events for further discussion. Accordingly, Speck is presented as a disposal group held for sale on the consolidated statements of financial position as of June 30, 2021.

(a) Impairment losses relating to the disposal group

Impairment losses of US$24.7 million for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been included in the Group's consolidated statements of income (loss) in the line item "Impairment Charges" (see also note 6 Impairment Charges and note 9 Goodwill and Other Intangible Assets for further discussion). The impairment losses have been applied to reduce the carrying amount of goodwill and other intangible assets within the disposal group as of June 30, 2021.

(b) Assets and liabilities of disposal group held for sale

As of June 30, 2021, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities.

(Expressed in millions of US Dollars)	**June 30, 2021**
Property, plant and equipment	**4.5**
Net other intangible assets	**31.1**
Inventories	**12.3**
Other assets	**1.9**
Assets held for sale	**49.8**

(Expressed in millions of US Dollars)	**June 30, 2021**
Trade and other payables	**11.3**
Employee benefits	**2.3**
Other liabilities	**0.8**
Liabilities held for sale	**14.4**

(c) Cumulative income or expenses included in other comprehensive income (loss)

There are no cumulative income or expenses included in other comprehensive income (loss) relating to the disposal group.

(d) Measurement of fair values

Fair value hierarchy

The non-recurring fair value measurement for the disposal group of US$36.0 million (before costs to sell of US$0.6 million has been categorized as a Level 1 fair value based on the anticipated net proceeds from the sale of Speck. See note 23(b) Fair Value of Financial Instruments for further discussion.

14. Earnings (Loss) Per Share and Share Capital

(a) Basic earnings (loss) per share

The calculation of basic earnings (loss) per share is based on the profit (loss) attributable to the equity holders of the Company for the six months ended June 30, 2021 and June 30, 2020.

	Six months ended June 30,	
(Expressed in millions of US Dollars, except share and per share data)	**2021**	2020
Issued ordinary shares at January 1	**1,434,880,447**	1,432,569,771
Weighted-average impact of share options exercised and restricted share units vested during the period	**74,090**	87,820
Weighted-average number of ordinary shares at June 30	**1,434,954,537**	1,432,657,591
Loss attributable to the equity holders	**(142.5)**	(974.0)
Basic loss per share *(Expressed in US Dollars per share)*	**(0.099)**	(0.680)

For the six months ended June 30, 2021, basic loss per share was negatively impacted by the derecognition of deferred financing costs totaling US$24.1 million and increased bank charges of US$7.8 million both associated with the 2020 Incremental Term Loan B Facility (see note 15 Loans and Borrowings), the Impairment Charges (as described in note 6 Impairment Charges) totaling US$30.2 million and by US$6.0 million in Restructuring Charges (as described in note 7 Restructuring Charges), and the related tax impacts. For the six months ended June 30, 2020, basic loss per share was negatively impacted by the Impairment Charges (as described in note 6 Impairment Charges) totaling US$877.2 million and by US$28.8 million in Restructuring Charges (as described in note 7 Restructuring Charges), and the related tax impacts.

(b) Diluted earnings (loss) per share

Diluted earnings (loss) per share is calculated by adjusting the weighted-average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Six months ended June 30,	
(Expressed in millions of US Dollars, except share and per share data)	**2021**	2020
Weighted-average number of shares for the period	**1,434,954,537**	1,432,657,591
Loss attributable to the equity holders	**(142.5)**	(974.0)
Diluted loss per share *(Expressed in US Dollars per share)*	**(0.099)**	(0.680)

The calculation of diluted loss per share for both periods does not assume the exercise of share options since it would result in a decrease in loss per share.

Diluted loss per share was negatively impacted by the same factors noted above for basic loss per share. At June 30, 2021 and June 30, 2020, 94,762,563 and 78,935,828 unvested share awards, respectively, were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

(c) Dividends and Distributions

Due to the inherent uncertainties about the extent and duration of the COVID-19 pandemic and its impacts on the Company, no cash distribution has been or will be paid to the Company's shareholders in 2021, and no cash distribution was paid to the Company's shareholders in 2020.

Dividend payments to non-controlling interests amounted to US$2.3 million and US$3.5 million during the six months ended June 30, 2021 and June 30, 2020, respectively.

(d) Share Capital

During the six months ended June 30, 2021, the Company issued 3,094 ordinary shares at a weighted-average exercise price of HK$16.04 per share in connection with the exercise of vested share options that were granted under the Company's Share Award Scheme. During the six months ended June 30, 2021, the Company issued 962,716 ordinary shares in connection with the vesting of time-based restricted share awards that were awarded under the Company's Share Award Scheme. There were no other movements in the share capital of the Company during the first six months of 2021.

During the six months ended June 30, 2020, there were no exercises of share options that were granted under the Company's Share Award Scheme. During the six months ended June 30, 2020, the Company issued 1,144,796 ordinary shares in connection with the vesting of time-based restricted share awards that were awarded under the Company's Share Award Scheme. There were no other movements in the share capital of the Company during the first six months of 2020.

15. Loans and Borrowings

(a) Non-current Obligations

Non-current obligations represent non-current debt and were as follows:

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
Amended Term Loan A Facility	**650.0**	785.0
Term Loan B Facility	**544.9**	548.2
2020 Incremental Term Loan B Facility	**—**	597.0
2021 Incremental Term Loan B Facility	**495.5**	—
Amended Revolving Credit Facility	**718.6**	822.2
Total Senior Credit Facilities	**2,409.0**	2,752.4
Senior Notes[1]	**415.0**	427.5
Other long-term borrowings and obligations	**2.7**	2.9
Total loans and borrowings	**2,826.6**	3,182.7
Less deferred financing costs	**(14.9)**	(39.9)
Total loans and borrowings less deferred financing costs	**2,811.7**	3,142.9
Less current portion of long-term borrowings and obligations	**(37.8)**	(32.8)
Non-current loans and borrowings	**2,773.9**	3,110.1

Note
(1) The value of the Senior Notes, when translated from Euros into US Dollars, will change relative to the fluctuation in the exchange rate between the Euro and US Dollar at stated points in time.

The Group's various debt obligations are described in detail below.

Senior Credit Facilities Agreement

On April 25, 2018 (the "Closing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amended and restated credit and guaranty agreement (the "Credit Agreement") with certain lenders and financial institutions. The Credit Agreement provided for (1) a US$828.0 million senior secured term loan A facility (the "Term Loan A Facility"), (2) a US$665.0 million senior secured term loan B facility (the "Term Loan B Facility" and, together with the Term Loan A Facility, the "Term Loan Credit Facilities") and (3) a US$650.0 million revolving credit facility (the "Revolving Credit Facility"). The credit facilities provided under the Credit Agreement as it has been amended from time to time since the Closing Date are referred to herein as the "Senior Credit Facilities."

<u>**Interest Rate and Fees**</u>

Under the terms of the Credit Agreement:

(a) in respect of the Term Loan A Facility and the Revolving Credit Facility, (i) prior to March 16, 2020 (the "Second Amendment Closing Date"), the interest rate payable was based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings and (ii) after the Second Amendment Closing Date, the interest rate payable was set with effect from the Second Amendment Closing Date until the delivery of the consolidated financial statements for the fiscal quarter ended June 30, 2020 at LIBOR plus 1.375% per annum (or a base rate plus 0.375% per annum) and thereafter is based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings (subject to the terms of the Third Amended Credit Agreement (as described below)); and

(b) in respect of the Term Loan B Facility, the interest rate payable was set at LIBOR plus 1.75% per annum with a LIBOR floor of 0.00% (or a base rate plus 0.75% per annum) (subject to the terms of the Third Amended Credit Agreement as described below).

In addition to paying interest on the outstanding principal amount of borrowings under the Senior Credit Facilities, the borrowers pay customary agency fees and a commitment fee in respect of the unutilized commitments under the Revolving Credit Facility. The commitment fee is payable with effect from the Second Amendment Closing Date until the delivery of the consolidated financial statements for the fiscal quarter ended June 30, 2020 was 0.20% per annum and the commitment fee payable thereafter may step up based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings, as applicable (subject to the terms of the Third Amended Credit Agreement as described below).

Amortization and Final Maturity

Prior to the Second Amendment Closing Date, the Term Loan A Facility required scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans under the Term Loan A Facility made during each of the first and second years, with a step-up to 5.0% annual amortization during each of the third and fourth years and 7.5% annual amortization during the fifth year, with the balance due and payable on the fifth anniversary of the Closing Date.

The Second Amended Credit Agreement (as defined below) requires scheduled quarterly payments commencing on the first full fiscal quarter ended after the Second Amendment Closing Date, with an annual amortization of 2.5% of the original principal amount of the loans under the Amended Term Loan A Facility (as defined below) made during each of the first and second years, with a step-up to 5.0% annual amortization during each of the third and fourth years and 7.5% annual amortization during the fifth year, with the balance due and payable on the fifth anniversary of the Second Amendment Closing Date.

The Term Loan B Facility requires scheduled quarterly payments equal to 0.25% of the original principal amount of the loans under the Term Loan B Facility, with the balance due and payable on the seventh anniversary of the Closing Date.

There is no scheduled amortization of the principal amounts of the loans outstanding under the Revolving Credit Facility. Any principal amount outstanding under the Amended Revolving Credit Facility is due and payable on the fifth anniversary of the Second Amendment Closing Date.

Guarantees and Security

The obligations of the borrowers under the Senior Credit Facilities are unconditionally guaranteed by the Company and certain of the Company's existing direct or indirect wholly-owned material restricted subsidiaries organized in Luxembourg, Belgium, Canada, Hong Kong, Hungary, Mexico, the United States and Singapore, and are required to be guaranteed by certain future direct or indirect wholly-owned material restricted subsidiaries, organized in such jurisdictions (except Singapore) (the "Credit Facility Guarantors"). All obligations under the Senior Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of the borrowers and the Credit Facility Guarantors (including the Shared Collateral (as defined below)).

Certain Covenants and Events of Default

The Senior Credit Facilities contain a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and each of its restricted subsidiaries to: (i) incur additional indebtedness; (ii) pay dividends or distributions on its capital stock or redeem, repurchase or retire its capital stock or its other indebtedness; (iii) make investments, loans and acquisitions; (iv) engage in transactions with its affiliates; (v) sell assets, including capital stock of its subsidiaries; (vi) consolidate or merge; (vii) materially alter the business it conducts; (viii) incur liens; and (ix) prepay or amend any junior debt or subordinated debt.

In addition, the Credit Agreement requires the Company and its subsidiaries to meet certain quarterly financial covenants. Commencing with the fiscal quarter ended September 30, 2018, the Company and its subsidiaries were required to maintain (i) a pro forma total net leverage ratio of not greater than 5.50:1.00, which ratio decreased to 5.25:1.00 for test periods ending in 2020, 5.00:1.00 for test periods ending in 2021 and will decrease to 4.50:1.00 for test periods ending in 2022 and thereafter; provided that such maximum pro forma total net leverage ratio is subject to a step up of 0.50x from the otherwise applicable ratio, up to a pro forma total net leverage ratio not to exceed 6.00:1.00 for the six fiscal quarter period following the fiscal quarter in which a permitted acquisition has been consummated, and (ii) a pro forma consolidated cash interest coverage ratio of not less than 3.00:1.00 (collectively, the "Financial Covenants"). The Financial Covenants only apply for the benefit of the lenders under the Amended Term Loan A Facility and the lenders under the Amended Revolving Credit Facility. The Company's requirement to comply with the Financial Covenants has been temporarily suspended during the Suspension Period pursuant to the Third Amended Credit Agreement (see below for further discussion). The Credit Agreement also contains certain customary representations and warranties, affirmative covenants and provisions relating to events of default (including upon a change of control).

Second Amended Credit Agreement

On the Second Amendment Closing Date, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Credit Agreement (the "Second Amended Credit Agreement"). The Second Amended Credit Agreement provides for (1) an amended US$800.0 million senior secured term loan A facility (the "Amended Term Loan A Facility") and (2) an amended US$850.0 million revolving credit facility (the "Amended Revolving Credit Facility"). Under the Second Amended Credit Agreement, the maturity for both the Amended Term Loan A Facility and the Amended Revolving Credit Facility were extended by approximately two years, with the remaining amounts outstanding under both facilities due to be paid in full on the fifth anniversary of the Second Amendment Closing Date. Interest on the borrowings under the Amended Term Loan A Facility and the Amended Revolving Credit Facility began to accrue on the Second Amendment Closing Date.

The Amended Term Loan A Facility requires scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans under the Amended Term Loan A Facility during each of the first and second years, with a step-up to 5.0% annual amortization during each of the third and fourth years and 7.5% annual amortization during the fifth year. If, on the date that is 91 days prior to the maturity date of the Term Loan B Facility, more than US$50.0 million of the Term Loan B Facility has not been repaid or refinanced pursuant to the terms provided for in the Second Amended Credit Agreement, then the Amended Term Loan A Facility and the Amended Revolving Credit Facility shall mature on the date that is 90 days prior to the maturity date of the Term Loan B Facility.

Under the terms of the Second Amended Credit Agreement, the interest rate payable on the Amended Term Loan A Facility and the Amended Revolving Credit Facility was reduced with effect from the Second Amendment Closing Date until the delivery of the financial statements for the first full fiscal quarter commencing on or after the Second Amendment Closing Date from an adjusted rate equal to LIBOR plus 1.50% per annum (or a base rate plus 0.50% per annum) to a rate equal to LIBOR plus 1.375% per annum (or a base rate plus 0.375% per annum), and thereafter is based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings. The interest rate payable on the Amended Term Loan A Facility and the Amended Revolving Credit Facility was subsequently increased on a temporary basis pursuant to the Third Amended Credit Agreement (see below for further discussion).

The Second Amended Credit Agreement did not affect the terms of the Term Loan B Facility.

The borrowers pay customary agency fees and a commitment fee equal to 0.20% per annum in respect of the unutilized commitments under the Amended Revolving Credit Facility, which commitment fee may step up based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings, as applicable commencing with the first full fiscal quarter ended after the Second Amendment Closing Date. Such commitment fee was temporarily increased pursuant to the Third Amended Credit Agreement (see below for further discussion).

Third Amended Credit Agreement

On April 29, 2020, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Second Amended Credit Agreement (the "Third Amended Credit Agreement"). The terms of the Third Amended Credit Agreement further strengthened the Company's financial flexibility in order to navigate the challenges from COVID-19. Under the terms of the Third Amended Credit Agreement:

(1) The Company's requirement to test the maximum total net leverage ratio and minimum interest coverage ratio under its Financial Covenants was suspended from the beginning of the second quarter of 2020 through the end of the second quarter of 2021 (the "Suspension Period"). Following the Suspension Period, the Company will resume testing compliance with the total net leverage ratio and interest coverage ratio covenants beginning with the end of the third quarter of 2021.

(2) During the Suspension Period, the Company is required to comply with a minimum liquidity covenant of US$500.0 million and the Group is subject to additional restrictions on its ability to incur indebtedness and make restricted payments and investments.

(3) During the Suspension Period, the interest rate applicable to the Amended Term Loan A Facility and the Amended Revolving Credit Facility is equal to LIBOR plus 2.00% per annum with a LIBOR floor of 0.75% and

the commitment fee in respect of the unutilized commitments under the Amended Revolving Credit Facility is 0.35% per annum.

(4) The Company may elect to reinstate the pre-amendment covenants and pricing terms prior to the end of the Suspension Period.

(5) From September 30, 2021 until March 31, 2022, the Company may at its election use Consolidated Adjusted EBITDA (as defined in the Third Amended Credit Agreement) from the first two quarters of 2019 and fourth quarter of 2019 (instead of actual Consolidated Adjusted EBITDA from the fourth quarter of 2020 and the first two quarters of 2021) to calculate compliance with the Financial Covenants under the Third Amended Credit Agreement. So long as the Company uses Historical EBITDA to calculate compliance with the Financial Covenants, the minimum liquidity covenant and the Suspension Period pricing terms will remain in effect. The applicable amounts of the Historical EBITDA were further amended by the Fifth Amended Credit Agreement (as described below).

2020 Incremental Term Loan B Facility

On May 7, 2020 (the "2020 Incremental Term Loan B Facility Closing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Third Amended Credit Agreement (the "Fourth Amended Credit Agreement"). The Fourth Amended Credit Agreement provided for an additional term loan B facility in an aggregate principal amount of US$600.0 million (the "2020 Incremental Term Loan B Facility"), which was borrowed by certain indirect, wholly-owned subsidiaries of the Company on the 2020 Incremental Term Loan B Facility Closing Date. The 2020 Incremental Term Loan B Facility was issued with original issue discount with an issue price of 97.00%. The proceeds from the borrowing under the 2020 Incremental Term Loan B Facility were used to (i) provide the Group with additional cash resources (which could be used for general corporate purposes and for working capital needs) and (ii) pay certain fees and expenses in connection thereto.

Interest Rate and Fees

Interest on the borrowings under the 2020 Incremental Term Loan B Facility began to accrue on the 2020 Incremental Term Loan B Facility Closing Date. Under the terms of the 2020 Incremental Term Loan B Facility, the interest rate was equal to LIBOR plus 4.50% per annum with a LIBOR floor of 1.00% (or a base rate plus 3.50% per annum).

Amortization and Final Maturity

The 2020 Incremental Term Loan B Facility required scheduled quarterly payments equal to 0.25% of the original principal amount of the loans thereunder beginning with the fiscal quarter ended September 30, 2020, with the balance due and payable on April 25, 2025.

Fifth Amended Credit Agreement

On June 7, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Fourth Amended Credit Agreement (the "Fifth Amended Credit Agreement"). Under the terms of the Fifth Amended Credit Agreement, if during the period from September 30, 2021 until March 31, 2022 the Company elects to use the Historical EBITDA for the purpose of calculating the maximum total net leverage ratio and minimum interest coverage ratio under the Financial Covenants, the Historical EBITDA for each of the quarters ended December 31, 2020, March 31, 2021 and June 30, 2021 will be increased by an amount equal to US$65.7 million (the "Add-back Amount").

The Add-back Amount was determined based on the annualized run-rate fixed cost savings from the Company's comprehensive cost reduction program that was implemented during 2020. The Fifth Amended Credit Agreement further strengthened the Company's financial flexibility to navigate its business through the challenges from the COVID-19 pandemic.

2021 Incremental Term Loan B Facility

On June 21, 2021 (the "2021 Incremental Term Loan B Facility Closing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Fifth Amended Credit Agreement with certain lenders and financial institutions (the "Sixth Amended Credit Agreement"). The Sixth Amended Credit Agreement provides for a term loan B facility (the "2021 Incremental Term Loan B Facility") in the principal amount of US$495.5 million, which was borrowed by certain indirect, wholly-owned subsidiaries of the Company on the 2021 Incremental Term Loan B Facility Closing Date. The 2021 Incremental Term Loan B Facility was issued with original issue discount with an issue price of 99.75%.

The gross proceeds from the borrowing under the 2021 Incremental Term Loan B Facility and existing cash on hand were used to (i) to prepay in full the outstanding principal and interest under the 2020 Incremental Term Loan B Facility and (ii) pay certain commissions, fees and expenses in connection thereto. In connection with the prepayment of the

US$595.5 million principal amount of the Group's outstanding borrowings under the 2020 Incremental Term Loan B Facility, the Group paid the lenders thereunder a fee equal to approximately US$6.0 million, which represented 1.00% of the aggregate principal amount of the 2020 Incremental Term Loan B Facility that was prepaid as required under the terms of the Fourth Amended Credit Agreement.

Interest Rate and Fees

Interest on the borrowings under the 2021 Incremental Term Loan B Facility began to accrue on the 2021 Incremental Term Loan B Facility Closing Date. Under the terms of the 2021 Incremental Term Loan B Facility, the interest rate is equal to LIBOR plus 3.00% per annum with a LIBOR floor of 0.75% (or a base rate plus 2.00% per annum).

Amortization and Final Maturity

The 2021 Incremental Term Loan B Facility requires scheduled quarterly payments equal to 0.25% of the original principal amount of the loans thereunder beginning with the fiscal quarter ending September 30, 2021, with the balance due and payable on April 25, 2025.

Optional Prepayment

If the Group prepays the 2021 Incremental Term Loan B Facility in whole or in part on or before the date which is six months after the 2021 Incremental Term Loan B Facility Closing Date, the Group will be required to pay to the lenders a fee equal to 1.00% of the aggregate principal amount of the 2021 Incremental Term Loan B Facility that is prepaid.

Minimum Liquidity Covenant

The 2021 Incremental Term Loan B Facility requires the Company to comply with a minimum liquidity covenant of US$200.0 million through the third quarter of 2021, stepping down to US$100.0 million thereafter until repayment in full of the 2021 Incremental Term Loan B Facility.

Other Terms

Except as described above, the other terms of the 2021 Incremental Term Loan B Facility are the same as the terms of the Term Loan B Facility.

Amended Revolving Credit Facility

On March 20, 2020, the Company borrowed US$810.3 million (US Dollar equivalent at the applicable exchange rate on the borrowing date) under the Amended Revolving Credit Facility to ensure access to the Group's liquidity given the uncertainties and challenges caused by the COVID-19 pandemic. In June 2021, the Group prepaid US$100.0 million principal amount of its outstanding borrowings under its Amended Revolving Credit Facility. As of June 30, 2021, US$126.8 million was available to be borrowed on the Amended Revolving Credit Facility as a result of US$718.6 million of outstanding borrowings and the utilization of US$4.6 million of the facility for outstanding letters of credit extended to certain creditors. As of December 31, 2020, US$23.4 million was available to be borrowed under the US$850.0 million Amended Revolving Credit Facility as a result of US$822.2 million of outstanding borrowings and utilization of US$4.5 million of the facility for outstanding letters of credit extended to certain creditors.

Deferred Financing Costs

In conjunction with the borrowing under the 2021 Incremental Term Loan B Facility, the Group incurred US$3.5 million of deferred financing costs. All such costs have been deferred and are being offset against loans and borrowings. The deferred financing costs are being amortized using the effective interest method over the life of the Senior Credit Facilities and the 2021 Incremental Term Loan B Facility. The amortization of deferred financing costs, which is included in interest expense, amounted to US$4.3 million and US$2.7 million for the six months ended June 30, 2021 and June 30, 2020, respectively.

Upon the closing of the borrowing under the 2021 Incremental Term Loan B Facility, the Group recognized a charge of US$24.1 million to derecognize the remaining balance of the previously existing deferred financing costs related to the 2020 Incremental Term Loan B Facility.

Interest Rate Swaps

The Group maintains interest rate swaps to hedge a portion of its interest rate exposure under the floating-rate Senior Credit Facilities by swapping certain US Dollar floating-rate bank borrowings with fixed-rate agreements. On September 4, 2019, the Group entered into interest rate swap agreements that became effective on September 6, 2019 and will terminate on August 31, 2024. The notional amounts of the interest rate swap agreements decrease over time. As a result of the Group's interest rate swaps, LIBOR has been fixed at approximately 1.208% with respect to an amount equal to approximately 25% of the principal amount of the Amended Senior Credit Facilities at June 30, 2021, which reduces a portion of the Company's exposure to interest rate increases. The interest rate swap agreements have fixed payments due monthly that commenced September 30, 2019. The interest rate swap transactions qualify as cash flow hedges. As of June 30, 2021, the interest rate swaps were marked-to-market, resulting in a net liability position to the

Group in the amount of US$12.3 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss). As of December 31, 2020, the interest rate swaps were marked-to-market, resulting in a net liability position to the Group in the amount of US$21.2 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss).

€350.0 Million 3.500% Senior Notes Due 2026

On April 25, 2018 (the "Issue Date"), Samsonite Finco S.à r.l., a wholly-owned, indirect subsidiary of the Company (the "Issuer"), issued €350.0 million aggregate principal amount of its 3.500% senior notes due 2026 (the "Senior Notes"). The Senior Notes were issued at par pursuant to an indenture (the "Indenture"), dated the Issue Date, among the Issuer, the Company and certain of its direct or indirect wholly-owned subsidiaries (together with the Company, the "Guarantors").

Maturity, Interest and Redemption

The Senior Notes will mature on May 15, 2026. Interest on the aggregate outstanding principal amount of the Senior Notes accrues at a fixed rate of 3.500% per annum, payable semi-annually in cash in arrears on May 15 and November 15 each year.

After May 15, 2021, the Issuer may redeem all, or from time to time a part, of the Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period commencing on May 15 of the years set forth below:

Year	Redemption Price
2021	101.750 %
2022	100.875 %
2023 and thereafter	100.000 %

In the event of certain events defined as constituting a change of control, the Issuer may be required to make an offer to purchase the Senior Notes.

Guarantee and Security

The Senior Notes are guaranteed by the Guarantors on a senior subordinated basis. The Senior Notes are secured by a second-ranking pledge over the shares of the Issuer and a second-ranking pledge over the Issuer's rights in the proceeds loan in respect of the proceeds of the offering of the Senior Notes (the "Shared Collateral"). The Shared Collateral also secures the borrowings under the Sixth Amended Credit Agreement on a first-ranking basis.

Certain Covenants and Events of Default

The Indenture contains a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and its restricted subsidiaries (including the Issuer) to: (i) incur or guarantee additional indebtedness, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem the capital stock or subordinated debt of the Company or its restricted subsidiaries, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of inter-company loans and advances, (viii) engage in mergers or consolidations and (ix) impair the security interests in the Shared Collateral. The Indenture also contains certain customary provisions relating to events of default.

(b) Current Obligations and Credit Facilities

Current obligations represent current debt obligations and were as follows:

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
Current portion of long-term borrowings and obligations	**37.8**	32.8
Other loans and borrowings	**48.3**	47.8
Total current obligations	**86.1**	80.6

Other Loans and Borrowings

Certain consolidated subsidiaries of the Company maintain credit lines and other loans with various third-party lenders in the regions in which they operate. Other loans and borrowings are generally variable rate instruments denominated in the functional currency of the borrowing Group entity. These credit lines provide short-term financing and working capital for the day-to-day business operations of certain Group entities, including overdraft, bank guarantees, and trade finance facilities. The majority of the credit lines included in other loans and borrowings are uncommitted facilities. The total aggregate amount of other loans and borrowings was US$48.3 million and US$47.8 million as of June 30, 2021 and December 31, 2020, respectively.

(c) Reconciliation of Movements of Liabilities and Equity to Cash Flows Arising from Financing Activities

	Liabilities		Equity			
(Expressed in millions of US Dollars)	**Loans and borrowings[2]**	**Lease liabilities**	**Share capital**	**Reserves**	**Non-controlling interests**	**Total**
Balance at January 1, 2021	**3,193.0**	**531.5**	**14.3**	**619.8**	**34.9**	**4,393.6**
Changes from financing cash flows:						
Payments on Amended Term Loan A Facility	**(135.0)**	**—**	**—**	**—**	**—**	**(135.0)**
Payments on 2020 Incremental Term Loan B Facility	**(597.0)**	**—**	**—**	**—**	**—**	**(597.0)**
Payments on Amended Revolving Credit Facility	**(100.0)**	**—**	**—**	**—**	**—**	**(100.0)**
Proceeds from issuance of 2021 Incremental Term Loan B Facility	**495.5**	**—**	**—**	**—**	**—**	**495.5**
Other payments on term loan facilities	**(3.3)**	**—**	**—**	**—**	**—**	**(3.3)**
Payments on other long-term debt	**(0.2)**	**—**	**—**	**—**	**—**	**(0.2)**
Proceeds from current loans and borrowings, net	**2.5**	**—**	**—**	**—**	**—**	**2.5**
Principal payments on lease liabilities	**—**	**(82.0)**	**—**	**—**	**—**	**(82.0)**
Payment of deferred financing costs	**(3.5)**	**—**	**—**	**—**	**—**	**(3.5)**
Proceeds from the exercise of share options	**—**	**—**	**—**	**0.0**	**—**	**0.0**
Dividend payments to non-controlling interests	**—**	**—**	**—**	**—**	**(2.3)**	**(2.3)**
Total changes from financing cash flows	**(340.9)**	**(82.0)**	**—**	**0.0**	**(2.3)**	**(425.3)**
The effect of changes in foreign exchange rates / other	**(19.3)**	**35.4**	**—**	**—**	**—**	**16.1**
Other changes:						
Liability-related						
Interest expense on borrowings and lease liabilities, including amortization of deferred financing costs	**59.2**	**11.3**	**—**	**—**	**—**	**70.5**
Non-cash charge to derecognize deferred financing costs	**24.1**	**—**	**—**	**—**	**—**	**24.1**
Interest paid on borrowings and lease liabilities	**(54.0)**	**(11.3)**	**—**	**—**	**—**	**(65.2)**
Total other changes	**29.3**	**—**	**—**	**—**	**—**	**29.3**
Other movements in equity[1]	**—**	**—**	**0.0**	**(114.8)**	**(0.8)**	**(115.6)**
Balance at June 30, 2021	**2,862.0**	**484.9**	**14.3**	**505.0**	**31.9**	**3,898.2**

Notes

(1) See consolidated statements of changes in equity for further details on movements during the period.

(2) Includes accrued interest which is included in trade and other payables in the consolidated statements of financial position.

(Expressed in millions of US Dollars)	Liabilities		Equity			
	Loans and borrowings[2]	Lease liabilities	Share capital	Reserves	Non-controlling interests	Total
Balance at January 1, 2020	1,757.4	650.0	14.3	1,936.7	50.5	4,408.9
Changes from financing cash flows:						
Proceeds from issuance of Amended Term Loan A Facility	800.0	—	—	—	—	800.0
Payment and settlement of Term Loan A Facility	(797.0)	—	—	—	—	(797.0)
Proceeds from issuance of Incremental Term Loan B Facility	600.0	—	—	—	—	600.0
Proceeds from non-current / long-term loans and borrowings, net	803.2	—	—	—	—	803.2
Proceeds from current loans and borrowings, net	46.0	—	—	—	—	46.0
Principal payments on lease liabilities	—	(90.8)	—	—	—	(90.8)
Payment of deferred financing costs	(34.8)	—	—	—	—	(34.8)
Dividend payments to non-controlling interests	—	—	—	—	(3.5)	(3.5)
Total changes from financing cash flows	1,417.4	(90.8)	—	—	(3.5)	1,323.1
The effect of changes in foreign exchange rates / other	(1.5)	31.1	—	—	—	29.6
Other changes:						
Liability-related						
Interest expense on borrowings and lease liabilities, including amortization of deferred financing costs	42.4	13.6	—	—	—	56.0
Interest paid on borrowings and lease liabilities	(36.6)	(13.6)	—	—	—	(50.2)
Total other changes	5.9	—	—	—	—	5.9
Other movements in equity[1]	—	—	0.0	(1,007.8)	(4.8)	(1,012.6)
Balance at June 30, 2020	3,179.2	590.3	14.3	929.0	42.1	4,754.9

Notes

(1) See consolidated statements of changes in equity for further details on movements during the period.

(2) Includes accrued interest which is included in trade and other payables in the consolidated statements of financial position.

16. Employee Benefits

(a) Employee Benefits Expense

Employee benefits expense, which consists of payroll, bonuses, pension plan expenses, share-based payments and other benefits, amounted to US$187.9 million and US$191.6 million for the six months ended June 30, 2021 and June 30, 2020, respectively. Of these amounts, US$14.4 million and US$17.3 million was included in cost of sales during the six months ended June 30, 2021 and June 30, 2020, respectively. The remaining amounts were presented in distribution expenses and general and administrative expenses.

During the six months ended June 30, 2021 and June 30, 2020, the Group incurred severance costs attributable to headcount reductions totaling US$1.7 million and US$22.1 million, respectively. The severance costs incurred during the six months ended June 30, 2021 and June 30, 2020 were associated with permanent headcount reductions as the Group took meaningful actions to restructure its business in an effort to reduce its fixed cost base in response to the impact of COVID-19 on the Group's business. These amounts were recorded in the Group's consolidated statements of income (loss) in the line item "Restructuring Charges" during the six months ended June 30, 2021 and June 30, 2020, respectively. See note 7 Restructuring Charges for further discussion.

Share-based compensation cost of US$4.3 million and US$3.3 million was recognized in the consolidated statements of income (loss), with a corresponding increase in equity reserves, for the six months ended June 30, 2021 and June 30, 2020, respectively.

(b) Share-based Payment Arrangements

On September 14, 2012, the Company's shareholders adopted the Company's Share Award Scheme (as amended from time to time), which will remain in effect until September 13, 2022. The purpose of the Share Award Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. Awards under the Share Award Scheme may take the form of either share options or restricted share units ("RSUs"), which may be granted at the discretion of the Remuneration Committee to executive directors of the

Company and its subsidiaries, managers employed or engaged by the Group, and/or employees of the Group.

As of July 31, 2021 (the “Latest Practicable Date”), the maximum aggregate number of shares in respect of which awards may be granted pursuant to the Share Award Scheme is 17,373,643 shares, representing approximately 1.2% of the issued share capital of the Company at that date. An individual participant may be granted awards pursuant to the Share Award Scheme in respect of a maximum of 1% of the Company’s total issued shares in any 12-month period. Any grant of awards to an individual participant in excess of this limit is subject to independent shareholder’s approval.

Share Options

The exercise price of share options is determined at the time of grant by the Remuneration Committee in its absolute discretion, but in any event shall not be less than the higher of:

a) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant;
b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
c) the nominal value of the shares.

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity when such awards represent equity-settled awards, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For equity-settled share-based payment awards with market performance conditions or non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Holders of vested share options are entitled to buy newly issued ordinary shares of the Company at a purchase price per share equal to the exercise price of the options. The fair value of services received in return for share options granted is based on the fair value of share options granted measured using the Black-Scholes valuation model. The fair value calculated for share options is inherently subjective due to the assumptions made and the limitations of the model utilized. Shares underlying an award of share options that forfeit ("lapse") without the issuance of such shares upon the exercise of such options may be available for future grant under the Share Award Scheme.

Expected volatility is estimated taking into account the historic average share price volatility. The expected cash distributions are based on the Group’s history and expectation of cash distribution payouts.

On June 17, 2021, the Company granted premium-priced share options exercisable for 14,348,844 ordinary shares to the executive director of the Company and members of the senior management team with an exercise price of HK$20.76 per share, which represented an approximately 20% premium over the closing price of the Company's shares on the date of grant. Such options are subject to graded ("*pro rata*") vesting over a four-year period from the date of grant, with 25% of the options vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Such options have a 10-year term.

The following inputs were used in the measurement of the fair value at grant date of the share-based payment for the share options exercisable for 14,348,844 shares that were granted on June 17, 2021:

Fair value at grant date	**HK$8.08**
Share price at grant date	**HK$17.30**
Exercise price	**HK$20.76**
Expected volatility (weighted average volatility)	**54.2%**
Option life (expected weighted average life)	**6.25 years**
Expected cash distributions	**0.0%**
Risk-free interest rate (based on government bonds)	**0.7%**

Particulars and movements of share options during the six months ended June 30, 2021 and June 30, 2020 were as follows:

	Number of options	Weighted-average exercise price
Outstanding at January 1, 2021	**81,010,536**	**HK$22.08**
Granted during the period	**14,348,844**	**HK$20.76**
Exercised during the period	**(3,094)**	**HK$16.04**
Lapsed during the period	**(7,136,705)**	**HK$23.47**
Outstanding at June 30, 2021	**88,219,581**	**HK$21.75**
Exercisable at June 30, 2021	**49,839,603**	**HK$24.38**

	Number of options	Weighted-average exercise price
Outstanding at January 1, 2020	76,449,883	HK$24.35
Lapsed during the period	(9,021,065)	HK$26.03
Outstanding at June 30, 2020	67,428,818	HK$24.13
Exercisable at June 30, 2020	50,252,475	HK$24.50

At June 30, 2021, the range of exercise prices for outstanding share options was HK$15.18 to HK$31.10 with a weighted average contractual life of 6.7 years. At June 30, 2020, the range of exercise prices for outstanding share options was HK$16.04 to HK$31.10 with a weighted average contractual life of 6.1 years.

Restricted Share Units ("RSUs")

The Company may, from time to time, grant RSUs, including time-based RSUs ("TRSUs") and performance-based RSUs ("PRSUs"), to certain key management personnel and other employees of the Group. The vesting of the RSUs is subject to the continuing employment of the grantee and, in the case of PRSUs, to the Company's achievement of pre-established performance goals. The closing market price of the Company’s shares on the date of grant is used to determine the grant date fair value. If the performance-based award incorporates a market condition, the grant-date fair value of such award is determined using a Monte Carlo simulation. These fair values are recognized as expense over the requisite service period, net of estimated forfeitures, based on expected attainment of pre-established performance goals for PRSUs with market conditions, or the passage of time for TRSUs. Actual distributed shares are calculated upon conclusion of the service and performance periods.

No RSUs were granted during the six months ended June 30, 2021 and June 30, 2020.

Time-based Restricted Share Units

TRSUs granted by the Company are subject to *pro rata* vesting over a three-year period, with one-third of such TRSUs vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Expense for TRSUs is based on the closing market price of the Company’s shares on the date of grant, discounted by the present value of expected future dividends, and is recognized ratably over the vesting period, net of expected forfeitures.

A summary of TRSU activity during the six months ended June 30, 2021 and June 30, 2020 were as follows:

	Number of TRSUs	Weighted-average Fair Value per TRSU
Outstanding at January 1, 2021	**3,259,111**	**HK$16.76**
Vested and converted to ordinary shares during the period	**(962,716)**	**HK$14.53**
Lapsed during the period	**(211,160)**	**HK$16.33**
Outstanding at June 30, 2021	**2,085,235**	**HK$17.83**

	Number of TRSUs	Weighted-average Fair Value per TRSU
Outstanding at January 1, 2020	6,724,551	HK$17.60
Vested and converted to ordinary shares during the period	(1,144,796)	HK$15.12
Lapsed during the period	(748,755)	HK$17.30
Outstanding at June 30, 2020	4,831,000	HK$18.23

Performance-based Restricted Share Units

PRSUs vest in full on the third anniversary of the date of grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the vesting date, and only to the extent certain pre-established cumulative performance targets are met. Expense related to PRSUs with non-market performance criteria is recognized ratably over the performance period, net of estimated forfeitures, based on the probability of attainment of the related performance targets. The potential number of shares that may be issued upon vesting of the PRSUs ranges from 0% of the target number of shares subject to the PRSUs, if the minimum level of performance is not attained, to up to 200% of the target number of shares subject to the PRSUs, if the level of performance is at or above the predetermined maximum achievement level. For PRSUs subject to market conditions, the expense is recognized over the vesting period based on the fair value as determined on the grant date utilizing a Monte Carlo simulation.

A summary of PRSU activity (at target level vesting) during the six months ended June 30, 2021 and June 30, 2020 were as follows:

	Number of PRSUs	**Weighted-average Fair Value per PRSU**
Outstanding at January 1, 2021	**2,487,720**	**HK$15.26**
Lapsed during the period	**(185,434)**	**HK$15.13**
Outstanding at June 30, 2021	**2,302,286**	**HK$15.27**

	Number of PRSUs	Weighted-average Fair Value per PRSU
Outstanding at January 1, 2020	2,910,131	HK$15.24
Lapsed during the period	(422,411)	HK$15.13
Outstanding at June 30, 2020	2,487,720	HK$15.26

In the Company's circular to shareholders dated September 3, 2018 relating to, among other things, the grant of PRSUs, the Company stated that the final number of shares which will vest under the PRSUs will vary depending on the level of achievement of performance conditions applicable to the PRSUs, thereby ensuring that the actual payout is linked to the Company's performance. The Remuneration Committee determined that in relation to the PRSUs which were granted in October and December 2018, the performance conditions are based on (i) fiscal year 2018 to 2020 three-year adjusted earnings per share ("EPS") compound annual growth rate ("CAGR") (with a 50% weighting) and (ii) fiscal year 2018 to 2020 three-year relative total shareholders' return ("TSR") (with a 50% weighting). Relative TSR measures the Company's TSR to the TSR of a benchmark group, consisting of the Company's peer group companies.

As the actual fiscal year 2018 to 2020 three-year cumulative adjusted EPS CAGR was below the 90% threshold, and the actual fiscal year 2018 to 2020 three-year relative TSR performance was also below the threshold level, none of the outstanding PRSUs granted by the Company in October and December 2018 will vest and such PRSUs will therefore lapse during 2021 on the three-year anniversary of the grant dates for such PRSUs.

Shares underlying an award of share options, TRSUs or PRSUs that lapse without the issuance of such shares upon vesting of such award may be available for future grant under the Share Award Scheme.

17. Trade and Other Payables

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
Accounts payable	**225.2**	240.2
Accrued restructuring	**15.9**	24.8
Other payables and accruals	**139.6**	136.4
Other tax payables	**9.3**	11.5
Total trade and other payables	**390.0**	412.9

Included in accounts payable are trade payables with the following aging analysis by due date of the respective invoice:

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
Current	**159.8**	163.0
0 - 30 days past due	**10.0**	7.1
Greater than 30 days past due	**3.2**	6.8
Total trade payables	**173.0**	176.8

18. Contingent Liabilities

In the ordinary course of business, the Group is subject to various forms of litigation and legal proceedings. The facts and circumstances relating to particular cases are evaluated in determining whether it is more likely than not that there will be a future outflow of funds and, once established, whether a provision relating to specific litigation is sufficient. The Group records provisions based on its past experience and on facts and circumstances known at each reporting date. The provision charge is typically recognized within general and administrative expenses in the consolidated statements of income (loss). When the date of the settlement of an obligation is not reliably measurable, the provisions are not discounted and are classified in current liabilities.

The Group did not settle any material litigation during the six months ended June 30, 2021 and June 30, 2020.

19. Leases

(a) Lease Right-of-use Assets

The following table sets forth a breakdown of IFRS 16 lease right-of-use asset additions and amortization expenses for the six months ended June 30, 2021 and June 30, 2020 and the carrying amount of lease right-of-use assets by class of underlying asset as of June 30, 2021 and June 30, 2020.

(Expressed in millions of US Dollars)	**Real Estate**	**Other**	**Total**
For the six months ended June 30, 2021:			
Additions of lease right-of-use assets	**30.6**	**0.7**	**31.3**
Amortization expense of lease right-of-use assets	**59.4**	**1.8**	**61.2**
Impairment charges on lease right-of-use assets	**5.5**	**—**	**5.5**
Balance at June 30, 2021:			
Carrying value of lease right-of-use assets	**361.3**	**7.1**	**368.5**

(Expressed in millions of US Dollars)	Real Estate	Other	Total
For the six months ended June 30, 2020:			
Additions of lease right-of-use assets	100.5	1.3	101.8
Amortization expense of lease right-of-use assets	87.4	2.1	89.5
Impairment charges on lease right-of-use assets	113.9	—	113.9
Balance at June 30, 2020:			
Carrying value of lease right-of-use assets	427.8	10.1	437.9

In accordance with IAS 36, the Group is required to evaluate its CGUs for potential impairment whenever events or changes in circumstance indicate that their carrying amount might not be recoverable.

1H 2021 Impairment Charges

Based on an evaluation of loss-making stores during the six months ended June 30, 2021 and also due to reduced traffic and under-performance caused by the COVID-19 pandemic, the Group determined that the carrying amounts of certain retail stores as of June 30, 2021 exceeded their respective recoverable amounts. The Group recognized impairment charges reflecting the aggregate difference totaling US$5.5 million for the six months ended June 30, 2021 of lease right-of-use assets primarily associated with such stores.

1H 2020 Impairment Charges

Based on the evaluation of loss-making stores during the six months ended June 30, 2020 and also due to reduced traffic and under-performance caused by the COVID-19 pandemic, the Group determined that the carrying amounts of certain retail stores as of June 30, 2020 exceeded their respective recoverable amounts. The Group recognized impairment charges reflecting the aggregate difference totaling US$113.9 million for the six months ended June 30, 2020 of lease right-of-use assets primarily associated with such stores.

Expenses related to lease right-of-use assets have historically been classified as distribution expenses on the consolidated statements of income (loss) using the function of expense presentation method. These impairment charges for the six months ended June 30, 2021 and June 30, 2020 were recorded in the Group's consolidated statements of income (loss) in the line item "Impairment Charges" (see also note 6 Impairment Charges, note 8 Property, Plant and Equipment, note 9 Goodwill and Other Intangible Assets and note 13 Disposal Group Held for Sale for further discussion.)

(b) Lease Liabilities

The Group’s IFRS 16 lease liabilities primarily consist of leases of retail stores, distribution centers, warehouses, office facilities, equipment and automobiles. As of June 30, 2021 and December 31, 2020, future minimum contractual payments under lease liabilities were as follows:

(Expressed in millions of US Dollars)	June 30, 2021	December 31, 2020
Within one year	**154.4**	165.4
After one year but within two years	**123.8**	131.8
After two years but within five years	**186.6**	211.7
More than five years	**76.9**	89.7
Total future minimum payments under lease liabilities(1)	**541.7**	598.6

Note

(1) Future minimum payments under lease liabilities represent contractual future cash payments consisting of principal and interest. The future minimum payments under lease liabilities will not equal the lease liabilities presented on the consolidated statements of financial position due to the interest component of the liability.

(c) Short-term, Low-value and Variable Lease Payments

Under IFRS 16, most of the Group's leases are recognized on the consolidated statements of financial position. The only exceptions are short-term leases (lease periods that are twelve months or less), low-value leases (leases that are US$5,000 or less) and the current and anticipated expenses relating to variable lease payments not included in the measurement of lease liabilities.

The rental cost for short-term, low-value and current expense for variable lease payments are recorded as incurred to rent expense and amounted to US$17.6 million, net of rent concessions of US$13.7 million (see discussion below) for the six months ended June 30, 2021. For the six months ended June 30, 2020, the rental cost for short-term, low-value and current expense for variable lease payments are recorded as incurred to rent expense and amounted to US$13.7 million, net of rent concessions of US$9.3 million (see discussion below). Certain of the retail store leases provide for additional rent payments based on a percentage of sales. These additional variable rent payments amounted to US$6.9 million and US$2.2 million for the six months ended June 30, 2021 and June 30, 2020, respectively.

As of June 30, 2021 and December 31, 2020, future minimum contractual payments under short-term and low-value lease payments were as follows:

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
Within one year	**2.6**	2.9
After one year but within two years	**—**	0.0
Total future minimum payments under short-term and low-value leases	**2.6**	3.0

(d) Total Cash Outflows for Leases

The following table sets forth a breakdown of total cash outflows for the six months ended June 30, 2021 and June 30, 2020 related to IFRS 16 lease liabilities and those leases exempt from capitalization under IFRS 16.

	Six months ended June 30, 2021		
(Expressed in millions of US Dollars)	**Lease liabilities**	**Short-term, low-value and variable leases**	**Total cash outflow for leases**
Principal payments on lease liabilities	**82.0**	**—**	**82.0**
Interest paid on lease liabilities	**11.3**	**—**	**11.3**
Rent expense - short-term, variable and low value leases[1]	**—**	**17.6**	**17.6**
Contingent rent	**—**	**6.9**	**6.9**
Total cash outflow	**93.3**	**24.6**	**117.9**

	Six months ended June 30, 2020		
(Expressed in millions of US Dollars)	Lease liabilities	Short-term, low-value and variable leases	Total cash outflow for leases
Principal payments on lease liabilities	90.8	—	90.8
Interest paid on lease liabilities	13.6	—	13.6
Rent expense - short-term, variable and low value leases[1]	—	13.7	13.7
Contingent rent	—	2.2	2.2
Total cash outflow	104.4	15.9	120.3

Note
(1) Reflects costs for leases which did not qualify for capitalization under IFRS 16 and are net of rent concessions (see discussion below).

(e) Rent Concessions under IFRS 16

During the six months ended June 30, 2021 and June 30, 2020, the Group renegotiated many of its contractual arrangements with its lessors and received rent concessions as a direct result of the COVID-19 pandemic. The Group recorded all such short-term rent concessions, amounting to benefits of US$13.7 million and US$9.3 million for the six months ended June 30, 2021 and June 30, 2020, respectively, to variable rent expense, primarily presented in distribution expenses, in the consolidated statements of income (loss). Any substantial modifications to the contractual terms over the life of the leases have been remeasured in accordance with IFRS 16.

20. Income Taxes

(a) Taxation in the Consolidated Statements of Income (Loss)

For interim reporting purposes, the Group applied the effective tax rate to profit (loss) before income tax for the interim period. The reported effective tax rate is calculated using a weighted average income tax rate from those jurisdictions in which the Group is subject to tax, adjusted for permanent book/tax differences, tax incentives, changes in tax reserves and changes in unrecognized deferred tax assets. The effective tax rate for each period was recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income (loss) for the period adjusted for certain discrete items for the period. The Group’s consolidated effective tax rate for operations was 24.7% and 12.1% for the six months ended June 30, 2021 and June 30, 2020, respectively. The increase in the Group's effective tax rate during the first half of 2021 was mainly the result of changes in unrecognized deferred tax assets, changes in reserves and a tax benefit related to restructuring activities. Excluding taxes related to restructuring activities which generated a tax benefit of US$26.0 million during the period ended June 30, 2021, changes in unrecognized deferred tax assets, changes in reserves, and the non-cash impairment charge related to goodwill during the first half of 2020, which did not provide a tax benefit to the Group, the consolidated effective tax rate for operations would have been 27.6% for the six months ended June 30, 2021 and 23.2% for the six months ended June 30, 2020.

Taxation in the consolidated income statements for the six months ended June 30, 2021 and June 30, 2020 consisted of the following:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Hong Kong profits tax expense	**(1.4)**	(2.5)
Foreign profits tax benefit	**48.0**	136.2
Income tax benefit	**46.6**	133.7

The provision for Hong Kong Profits Tax for the six months ended June 30, 2021 and June 30, 2020 was calculated at an effective tax rate of 16.5% of the estimated assessable profits for the period.

(b) Income Tax (Expense) Benefit Recognized in Other Comprehensive Income (Loss)

	Six months ended June 30, 2021			Six months ended June 30, 2020		
(Expressed in millions of US Dollars)	**Before tax**	**Income tax benefit (expense)**	**Net of tax**	Before tax	Income tax benefit (expense)	Net of tax
Foreign exchange forward contracts	**1.7**	**0.1**	**1.8**	2.1	(0.7)	1.4
Interest rate swap agreements	**8.9**	**(2.2)**	**6.7**	(35.3)	8.8	(26.5)
Cross-currency swap agreements	**2.8**	**(0.7)**	**2.1**	3.2	(0.8)	2.4
Changes in fair value of hedges	**13.4**	**(2.8)**	**10.6**	(30.0)	7.3	(22.7)
Foreign currency translation gains (losses) for foreign operations	**5.9**	**0.0**	**5.9**	(27.5)	—	(27.5)
	19.3	**(2.8)**	**16.5**	(57.5)	7.3	(50.2)

21. Finance Income and Finance Costs

The following table presents a summary of finance income and finance costs recognized in the consolidated statements of income (loss) and consolidated statements of comprehensive income (loss):

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Recognized in income or loss:		
Interest income	**1.8**	1.8
Total finance income	**1.8**	1.8
Interest expense on loans and borrowings	**(54.9)**	(39.7)
Derecognition of remaining deferred financing costs associated with the 2020 Incremental Term Loan B Facility	**(24.1)**	—
Amortization of deferred financing costs associated with the Senior Credit Facilities	**(4.3)**	(2.7)
Interest expense on lease liabilities	**(11.3)**	(13.6)
Change in fair value of put options	**1.0**	15.5
Net foreign exchange gain (loss)	**(2.4)**	(6.9)
Other finance costs[1]	**(8.2)**	(1.1)
Total finance costs	**(104.2)**	(48.5)
Net finance costs recognized in profit or loss	**(102.4)**	(46.7)
Recognized in other comprehensive income (loss):		
Foreign currency translation gains (losses) for foreign operations	**5.9**	(27.5)
Changes in fair value of hedges	**13.4**	(30.0)
Income tax benefit (expense) on finance income and finance costs recognized in other comprehensive income (loss)	**(2.8)**	7.3
Net finance costs recognized in total other comprehensive income (loss), net of tax	**16.5**	(50.2)
Attributable to:		
Equity holders of the Company	**17.5**	(47.2)
Non-controlling interests	**(1.0)**	(3.0)

Note
(1) Other finance costs for the six months ended June 30, 2021 primarily consisted of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement.

22. Additional Disclosure of Certain Expenses

Profit (loss) before income tax was arrived at after recognizing the following expenses for the six months ended June 30, 2021 and June 30, 2020:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Depreciation of fixed assets	**25.2**	35.5
Amortization of intangible assets	**16.4**	16.0
Amortization of lease right-of-use assets	**61.2**	89.5
Impairment Charges	**30.2**	877.2
Restructuring Charges	**6.0**	28.8
Employee benefits expense	**187.9**	191.6
Other income[1]	**(1.4)**	(7.1)
Research and development	**8.8**	11.5
Rent expense[2]	**16.0**	21.4

Notes
(1) The Group recorded other income of US$1.4 million and US$7.1 million for the six months ended June 30, 2021 and June 30, 2020, respectively. Other income for the first half of 2021 included gains from the disposal of assets and gains on lease exits/remeasurements of US$2.7 million upon exiting certain retail store locations, partially offset by US$1.4 million in miscellaneous other expense incurred during the period. Other income for the first half of 2020 included gains from the disposal of assets and gains on lease exits/remeasurements of US$8.0 million, including the receipt of key money upon exiting certain retail store locations.

(2) Rent expense for the six months ended June 30, 2021 and June 30, 2020 represents those contracts/agreements which are not recognized on the consolidated statements of financial position in accordance with IFRS 16, including month-to-month contracts, certain shop-in-shop arrangements and variable rent agreements.

23. Financial Instruments

(a) Fair Value Versus Carrying Amounts

All financial assets and liabilities have fair values that approximate carrying amounts.

(b) Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The carrying amount of cash and cash equivalents, trade receivables, accounts payable, short-term debt, and accrued expenses approximates fair value because of the short maturity or duration of these instruments.

Loans and Borrowings

The following table presents the estimated fair value of the Amended Term Loan A Facility, Term Loan B Facility, 2020 Incremental Term Loan B Facility, 2021 Incremental Term Loan B Facility and Senior Notes as of June 30, 2021 and June 30, 2020:

			Fair value measurements at reporting date using		
(Expressed in millions of US Dollars)	**Carrying Amount**	**Fair Value**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
June 30, 2021					
Amended Term Loan A Facility	**650.0**	**637.0**	**—**	**637.0**	**—**
Term Loan B Facility	**544.9**	**535.4**	**—**	**535.4**	**—**
2021 Incremental Term Loan B Facility	**495.5**	**494.3**	**—**	**494.3**	**—**
Senior Notes(1)	**415.0**	**411.4**	**—**	**411.4**	**—**
Total	**2,105.4**	**2,078.1**	**—**	**2,078.1**	**—**
December 31, 2020					
Amended Term Loan A Facility	785.0	769.3	—	769.3	—
Term Loan B Facility	548.2	537.3	—	537.3	—
2020 Incremental Term Loan B Facility	597.0	592.5	—	592.5	—
Senior Notes(1)	427.5	407.2	—	407.2	—
Total	2,357.7	2,306.3	—	2,306.3	—

Note
(1) The value of the Senior Notes, when translated from Euros into US Dollars, will change relative to the fluctuation in the exchange rate between the Euro and US Dollar at stated points in time.

The difference between the fair value and carrying value of the Amended Term Loan A Facility, Term Loan B Facility, 2020 Incremental Term Loan B Facility, 2021 Incremental Term Loan B Facility and Senior Notes is due to the Group's fixed and variable rate debt obligations carrying interest rates that are above or below market rates at the measurement date. The fair value of the Amended Term Loan A Facility, Term Loan B Facility, 2020 Incremental Term Loan B Facility, 2021 Incremental Term Loan B Facility and Senior Notes was calculated based on estimated rates for the same or similar instruments with similar terms and remaining maturities, which represent Level 2 inputs in the fair value hierarchy.

The following table presents assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) as of June 30, 2021 and December 31, 2020:

		Fair value measurements at reporting date using		
(Expressed in millions of US Dollars)	**June 30, 2021**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets:				
Cross-currency swap agreements	**1.1**	**—**	**1.1**	**—**
Assets held for sale(1)	**49.8**	**49.8**	**—**	**—**
Total assets	**50.9**	**49.8**	**1.1**	**—**
Liabilities:				
Interest rate swap agreements(2)	**12.3**	**—**	**12.3**	**—**
Cross currency swap agreements	**1.5**	**—**	**1.5**	**—**
Foreign currency forward contracts	**0.5**	**0.5**	**—**	**—**
Non-controlling interest put options	**28.2**	**—**	**—**	**28.2**
Liabilities held for sale(1)	**14.4**	**14.4**	**—**	**—**
Total liabilities	**56.9**	**14.9**	**13.8**	**28.2**

		Fair value measurements at reporting date using		
(Expressed in millions of US Dollars)	December 31, 2020	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities:				
Interest rate swap agreements(2)	21.2	—	21.2	—
Cross-currency swap agreements	3.1	—	3.1	—
Foreign currency forward contracts	5.2	5.2	—	—
Non-controlling interest put options	35.1	—	—	35.1
Total liabilities	64.6	5.2	24.3	35.1

Notes
(1) See note 13 Disposal Group Held for Sale for further discussion.
(2) The change in value of the interest rate swap agreements from December 31, 2020 to June 30, 2021 was due to changes in the LIBOR curve.

The fair value of interest rate swaps, cross-currency swaps and foreign currency forward contracts are estimated by reference to market quotations received from banks.

Interest Rate Swaps

The Group maintains interest rate swaps which are used to hedge interest rate risk associated with the Senior Credit Facilities (see note 15(a) Non-current Obligations for further discussion). Since the interest rate swap fair values are based predominantly on observable inputs, such as the interest yield curve, that are corroborated by market data, they are categorized as Level 2 in the fair value hierarchy.

Cross-currency Swaps

The Group maintains cross-currency swaps which are used to hedge currency risk associated with currency fluctuation between the Euro and US Dollar and between the Japanese Yen and US Dollar.

In April 2019, the Group entered into cross-currency swaps which have been designated as net investment hedges. The hedges consist of a US$50.0 million notional loan amount between the Euro and US Dollar and a US$25.0 million notional loan amount between the Japanese Yen and US Dollar. The Group benefits from the interest rate spread between the two markets to receive fixed interest income over the five-year contractual period. As of June 30, 2021, the cross-currency swaps qualified as net investment hedges and the monthly mark-to-market is recorded to other comprehensive income (loss). As of June 30, 2021, the cross-currency swaps were marked-to-market, resulting in the notional loan between the Euro and US Dollar to be in a net liability position to the Group in the amount of US$1.5 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss), and the notional loan between the Japanese Yen and US Dollar to be in a net asset position to the Group in the amount of US$1.1 million, which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income (loss). As of December 31, 2020, the cross-currency swaps were marked-to-market, resulting in the notional loan between the Euro and US Dollar to be in a net liability position to the Group in the amount of US$2.7 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss), and the notional loan between the Japanese Yen and US Dollar to be in a net liability position to the Group in the amount of US$0.5 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss).

Since the cross-currency swap fair values are based predominantly on observable inputs, such as the Dodd-Frank mid-market rate, that are corroborated by market data, they are categorized as Level 2 in the fair value hierarchy.

Foreign Currency Forward Contracts

Certain non-U.S. subsidiaries of the Group periodically enter into forward contracts related to the purchase of inventory denominated primarily in US Dollars which are designated as cash flow hedges. The hedging effectiveness was evaluated in accordance with IFRS 9, *Financial Instruments*. The fair value of these instruments was a liability of US$0.5 million and a liability of US$5.2 million as of June 30, 2021 and December 31, 2020, respectively.

Non-controlling Interest Put Options

The following table shows the valuation technique used in measuring the Level 3 fair value, as well as the significant unobservable inputs used.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Put options	*Income approach* - The valuation model converts future amounts based on an EBITDA multiple to a single current discounted amount reflecting current market expectations about those future amounts.	EBITDA Multiple	The estimated value would increase (decrease) if the EBITDA multiple was higher (lower).

The following table shows the reconciliation from the opening balance to the closing balance for Level 3 fair values:

(Expressed in millions of US Dollars)	
Balance at January 1, 2021	**35.1**
Change in fair value included in equity	**(5.9)**
Change in fair value included in finance costs	**(1.0)**
Balance at June 30, 2021	**28.2**

The reduction in value of the non-controlling interest put options from December 31, 2020 to June 30, 2021 was primarily driven by the results of operations of certain subsidiaries with non-controlling interests caused by the COVID-19 pandemic.

For the fair value of put options, reasonably possible changes to one of the significant unobservable inputs, holding other inputs constant, would have the following effects at June 30, 2021:

	Profit or Loss		Shareholders' Equity	
(Expressed in millions of US Dollars)	Increase	Decrease	Increase	Decrease
EBITDA multiple (movement of 0.1x)	**0.5**	**(0.5)**	**0.4**	**(0.4)**

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

24. Related Party Transactions

Transactions with Key Management Personnel

In addition to their cash compensation, the Group also provides non-cash benefits to certain directors and other key management personnel and contributes to a post-employment plan on their behalf.

Key management personnel are comprised of the Group's directors and senior management. Compensation paid to key management personnel during the six months ended June 30, 2021 and June 30, 2020 comprised:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Director's fees	**0.6**	0.6
Salaries, allowances and other benefits in kind	**3.1**	3.0
Bonus(1)	**12.6**	2.0
Termination benefits	**—**	1.0
Share-based compensation(2)	**4.0**	0.6
Contributions to post-employment plans	**0.2**	0.2
Total compensation	**20.5**	7.4

Notes
(1) Bonus reflects amounts paid during the period.
(2) Share-based compensation amounts reported represent the expense recognized during the period for awards granted previously.

25. Subsequent Events

The Group has evaluated events occurring subsequent to June 30, 2021, the reporting date, through August 18, 2021, the date this financial information was authorized for issuance by the Board.

On July 30, 2021, certain of the Company's wholly-owned subsidiaries entered into a purchase agreement with Telementum Global, LLC (the "Purchaser") relating to the sale of Speck for an aggregate cash consideration of US$36.0 million. The consideration is subject to customary adjustments for net debt and working capital. Additional contingent cash consideration of US$4.0 million will become payable in the event Speck's net sales for the year ending December 31, 2021 are not less than US$107.0 million. The net proceeds from the sale will be used to repay a portion of the outstanding borrowings under the Company's Amended Revolving Credit Facility.

Pursuant to the purchase agreement, the Purchaser has purchased all of the outstanding equity interests in Speck and all of the intellectual property held and used in the business of Speck. Speck is a leading designer and distributor of slim protective cases for personal electronic devices that are marketed under the *Speck®* brand.

The sale will allow the Company to focus its resources on continuing to grow its core business, which is the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, and travel accessories throughout the world.

Management Discussion and Analysis

With a heritage dating back more than 110 years, Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is a leader in the global lifestyle bag industry and is the world's best-known and largest travel luggage company. The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags and travel accessories throughout the world, primarily under the *Samsonite*®, *Tumi*®, *American Tourister*®, *Gregory*®, *High Sierra*®, *Kamiliant*®, *ebags*®, *Lipault*® and *Hartmann*® brand names as well as other owned and licensed brand names.

The Group sells its products in over 100 countries through a variety of wholesale distribution channels, through its company-operated retail stores and through e-commerce.

Management discussion and analysis should be read in conjunction with the Group's consolidated interim financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB").

The Company has presented certain non-IFRS measures within management discussion and analysis because each of these measures provides additional information that management believes is useful in gaining a more complete understanding of the Group's operational performance and of the trends impacting its business to securities analysts, investors and other interested parties. These non-IFRS financial measures, as calculated herein, may not be comparable to similarly named measures used by other companies, and should not be considered comparable to IFRS measures. Non-IFRS measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Group's financial results as reported under IFRS.

Impact of COVID-19

During the six months ended June 30, 2021 the impacts of COVID-19 on the Company's business remained significant due to the continuation or re-imposition of certain government-mandated restrictions and lockdowns resulting in continued temporary closures of certain retail stores in which the Company's products are sold, quarantines and social-distancing required or recommended by governments, and continued significant reductions in travel and discretionary spending among consumers, leading to reduced demand for many of the Group's products (collectively, the "COVID-19 Impacts").

While navigating through the challenges caused by COVID-19, the health and safety of the Group's employees and their families, as well as its customers and business partners, has been and will continue to be the Group's top priority. While the extent and duration of the COVID-19 pandemic remain uncertain, it has had, and it will continue to have, adverse impacts on the Group's business, financial condition and results of operations.

During the year ended December 31, 2020, the Group's net sales were significantly impacted by the COVID-19 pandemic, with full-year 2020 consolidated net sales decreasing by US$2,102.1 million, or 57.8% (-57.5% constant currency), compared to the year ended December 31, 2019. The Group's management took steps beginning in the first quarter of 2020 to enhance the Company's liquidity and further improve its resilience in response to the COVID-19 Impacts. In addition to strengthening the Company's liquidity, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future. Management continues to tightly manage the Group's operating expenses.

The Group's net sales performance continued to improve during the second quarter of 2021. After decreasing by 78.2% (-77.9% constant currency) year-on-year during the second quarter of 2020, when most of the Group's markets were subject to government-mandated lockdowns, the year-on-year decline in the Group's net sales narrowed to 64.6% (-64.7% constant currency) during the third quarter of 2020 and by 57.6% (-58.1% constant currency) during the fourth quarter of 2020 as governments began to relax social-distancing restrictions and markets around the world began to reopen. During the first quarter of 2021, the Group's net sales decline narrowed to 57.4% (-57.3% constant currency) when compared to the first quarter of 2019. This encouraging trend continued into the second quarter of 2021, with the decline in the Group's net sales further narrowing to 51.8% (-52.2% constant currency) when compared to the second quarter of 2019, despite continued challenging conditions in certain markets, particularly in Europe, India, Japan and Chile due to continued government-mandated lockdowns, a resurgence in COVID-19 cases and slower roll-out of vaccines, which slowed the pace of sales recovery. The Group's actions to enhance and preserve liquidity and reduce expenses are discussed in greater detail below.

During 2020, in order to strengthen the Company's financial flexibility in response to the COVID-19 Impacts, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into certain amendments to the Group's credit agreement that increased the maximum borrowings under the Group's revolving credit facility by

US$200.0 million to US$850.0 million and provided for the 2020 Incremental Term Loan B Facility in the aggregate principal amount of US$600.0 million. The Group borrowed US$810.3 million (US Dollar equivalent at the applicable exchange rate on the borrowing date) under its Amended Revolving Credit Facility on March 20, 2020 and US$600.0 million under the 2020 Incremental Term Loan B Facility on May 7, 2020. The amendment to the Group's credit agreement entered into on April 29, 2020 suspended the requirement for the Group to test certain financial covenants under its credit agreement from the beginning of the second quarter of 2020 through the end of the second quarter of 2021 and, for each of the three quarters beginning with the third quarter of 2021 and ending with the first quarter of 2022, the Company may elect to use Consolidated Adjusted EBITDA (as defined in Management Discussion and Analysis - Indebtedness) from the first two quarters of 2019 and fourth quarter of 2019 (the “Historical EBITDA”) (instead of actual Consolidated Adjusted EBITDA from the fourth quarter of 2020 and the first two quarters of 2021) to calculate compliance with the Financial Covenants. During the Suspension Period (as defined in Management Discussion and Analysis - Indebtedness), the Company is required to comply with a minimum liquidity covenant of US$500.0 million and the Group is subject to additional restrictions on its ability to incur indebtedness and make restricted payments (including payments of distributions or dividends to the Company’s shareholders) and investments.

On June 7, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Fifth Amended Credit Agreement (as defined in Management Discussion and Analysis - Indebtedness). Under the terms of the Fifth Amended Credit Agreement, if during the period from September 30, 2021 until March 31, 2022, the Company elects to use the Historical EBITDA for the purpose of calculating the maximum total net leverage ratio and minimum interest coverage ratio under the Financial Covenants (as defined in Management Discussion and Analysis - Indebtedness), the Historical EBITDA for each of the quarters ended December 31, 2020, March 31, 2021 and June 30, 2021 will be increased by an amount equal to US$65.7 million. This amount was determined based on the annualized run-rate fixed cost savings from the Company’s comprehensive cost reduction program that was implemented during 2020. The Fifth Amended Credit Agreement further strengthened the Company’s financial flexibility as it continues to successfully navigate its business through the challenges from the COVID-19 pandemic.

On June 21, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Sixth Amended Credit Agreement (as defined in Management Discussion and Analysis - Indebtedness). The Sixth Amended Credit Agreement provides for the 2021 Incremental Term Loan B Facility in the principal amount of US$495.5 million, which was borrowed by the Group on June 21, 2021 and, together with US$100.0 million of cash on the balance sheet, was used to repay the aggregate US$595.5 million principal amount then outstanding under the 2020 Incremental Term Loan B Facility. The interest rate applicable to the Group’s borrowings under the 2021 Incremental Term Loan B Facility is equal to the London Interbank Offered Rate (“LIBOR”) plus 3.00% per annum with a LIBOR floor of 0.75% (or a base rate plus 2.00% per annum), which resulted in an interest rate that is currently 175 basis points lower than the interest rate that was applicable under the 2020 Incremental Term Loan B Facility. The loans under the 2021 Incremental Term Loan Facility were issued with original issue discount with an issue price of 99.75%. See Management Discussion and Analysis - Indebtedness for further description of the Group’s credit agreement.

As of June 30, 2021, the carrying amount of the Group’s loans and borrowings was US$2,860.0 million, net of US$14.9 million in deferred financing costs. During the first half of 2021, the Group prepaid US$325.0 million principal amount of borrowings under the Amended Senior Credit Facilities. Cash and cash equivalents held by the Group amounted to US$1,058.2 million as of June 30, 2021. Along with US$126.8 million available to be borrowed on the Group’s Amended Revolving Credit Facility, the Group had total liquidity of US$1,185.0 million as of June 30, 2021 and was therefore in compliance with the minimum liquidity covenants under the Company’s credit agreement.

The Group has taken further measures during the six months ended June 30, 2021 to conserve cash, including continuing the temporary suspension of the annual cash distribution to the Company's shareholders and maintaining a virtual freeze on its capital expenditures and other discretionary spending.

During the six months ended June 30, 2021, the Group continued to realize fixed cost savings from a combination of permanent and temporary actions. Permanent actions consisted primarily of headcount reductions and savings from closing stores. Temporary actions consisted primarily of furloughs, temporary headcount reductions, eliminating bonuses, salary reductions, temporary rent reductions and other expense reductions, such as travel and entertainment and professional services. These fixed cost savings have been reflected as reductions in the Group's cost of sales, distribution expenses and general and administrative expenses reported in the consolidated statements of income (loss).

In addition to these permanent and temporary actions taken, the Group continues to work to maximize the Company's participation in applicable government or other initiatives available to businesses or employees impacted by the COVID-19 pandemic. The Group also continues to engage with landlords to further negotiate rent deferrals or other rent concessions and to evaluate additional areas of cost savings in response to the COVID-19 Impacts. See Management Discussion and Analysis - Restructuring Charges for further discussion.

Given the inherent uncertainty about the future impacts of COVID-19, it is not possible for the Company to reliably predict the extent to which the Group's business, results of operations, financial condition or liquidity will ultimately be impacted, however the Group's financial condition and results of operations have been, and will continue to be, adversely affected.

Given the Group's experience with prior disruptions to travel, the Company believes the Group will be able to effectively manage through the current environment, although the anticipated recovery has taken longer than prior disruptions. The Company believes that its existing cash and estimated cash flows will be adequate to meet the foreseeable future operating and capital requirements of the Group at least through August 31, 2022. There can be no assurances, however, that the Group's liquidity will be sufficient or that the Group may not need to access additional financing.

Net Sales

Net sales decreased by US$2.8 million, or 0.4% (-3.2% constant currency), during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The Group has experienced improved sales trends due to governments relaxing social-distancing restrictions and markets around the world reopening due to reductions in the severity of the COVID-19 pandemic.

The Group's net sales performance continued to improve during the second quarter of 2021. After decreasing by 78.2% (-77.9% constant currency) year-on-year during the second quarter of 2020, when most of the Group's markets were subject to government-mandated lockdowns, the year-on-year decline in the Group's net sales narrowed to 64.6% (-64.7% constant currency) during the third quarter of 2020 and by 57.6% (-58.1% constant currency) during the fourth quarter of 2020 as governments began to relax social-distancing restrictions and markets around the world began to reopen. During the first quarter of 2021, the Group's net sales decline narrowed to 57.4% (-57.3% constant currency) when compared to the first quarter of 2019. This encouraging trend continued into the second quarter of 2021, with the decline in the Group's net sales further narrowing to 51.8% (-52.2% constant currency) when compared to the second quarter of 2019, despite continued challenging conditions in certain markets, particularly in Europe, India, Japan and Chile due to continued government-mandated lockdowns, a resurgence in COVID-19 cases and slower roll-out of vaccines, which slowed the pace of sales recovery.

Net sales for the month ended July 31, 2021 increased by 97.4% (+93.9% constant currency) compared to the month ended July 31, 2020, when most of the Group's wholesale and retail points-of-sale in many of its key markets around the world were temporarily closed due to government mandated lockdowns. Compared to the month ended July 31, 2019, the Group's July 2021 net sales decreased by 40.9% (-40.9% constant currency) due to continued challenging conditions in certain markets.

The following table sets forth a breakdown of net sales by region for the six months ended June 30, 2021 and June 30, 2020, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2021 vs 2020	
	2021		2020			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(2)]
Net sales by region[(1)]:						
North America	**323.8**	**40.5 %**	321.0	40.0 %	0.9 %	0.7 %
Asia	**307.8**	**38.5 %**	283.0	35.3 %	8.8 %	3.8 %
Europe	**131.2**	**16.4 %**	157.5	19.6 %	(16.7)%	(21.3)%
Latin America	**36.1**	**4.5 %**	39.4	4.9 %	(8.3)%	(11.1)%
Corporate	**0.6**	**0.1 %**	1.4	0.2 %	(56.4)%	(56.4)%
Net sales	**799.5**	**100.0 %**	802.3	100.0 %	(0.4)%	(3.2)%

Notes
(1) The geographic location of the Group's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end consumers were actually located.
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Brands

The following table sets forth a breakdown of net sales by brand for the six months ended June 30, 2021 and June 30, 2020, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2021 vs 2020	
	2021		2020			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(3)
Net sales by brand:						
Samsonite	**355.9**	**44.5 %**	360.7	45.0 %	(1.3)%	(4.8)%
Tumi	**193.7**	**24.2 %**	156.2	19.5 %	24.0 %	21.4 %
American Tourister	**128.5**	**16.1 %**	136.2	17.0 %	(5.7)%	(8.4)%
Gregory	**32.7**	**4.1 %**	24.1	3.0 %	35.6 %	33.6 %
Speck(1)	**28.8**	**3.6 %**	33.7	4.2 %	(14.7)%	(14.7)%
High Sierra	**10.3**	**1.3 %**	14.7	1.8 %	(30.1)%	(31.7)%
Other(2)	**49.7**	**6.2 %**	76.6	9.5 %	(35.1)%	(37.9)%
Net sales	**799.5**	**100.0 %**	802.3	100.0 %	(0.4)%	(3.2)%

Notes
(1) Subsequent to June 30, 2021, the *Speck* brand was sold on July 30, 2021. See note 13 Disposal Group Held for Sale of the consolidated interim financial statements for further discussion.
(2) "Other" includes certain other brands owned by the Group, such as *Kamiliant*, *ebags*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as third-party brands sold through the Group's Rolling Luggage and Chic Accent retail stores.
(3) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Most of the Group's brands recorded year-on-year net sales decreases during the six months ended June 30, 2021. Continued improving sales trends due to governments relaxing social-distancing restrictions and markets around the world reopening due to reductions in the severity of the COVID-19 pandemic helped to narrow the net sales decreases. Net sales of the *Samsonite* brand during the six months ended June 30, 2021 decreased by US$4.8 million, or 1.3% (-4.8% constant currency), compared to the same period in the previous year. Increased net sales of the brand in North America, Asia and Latin America were offset by a decrease in Europe. Net sales of the *Tumi* brand during the six months ended June 30, 2021 increased by US$37.5 million, or 24.0% (+21.4% constant currency), year-on-year driven by a US$20.8 million increase in North America and a US$19.9 million increase in Asia, partially offset by a US$3.9 million decrease in Europe. Net sales of the *American Tourister* brand decreased by US$7.8 million, or 5.7% (-8.4% constant currency), for the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

Net sales of the *Gregory* brand increased by US$8.6 million, or 35.6% (+33.6% constant currency), compared to the same period in the previous year. Net sales of the *High Sierra* brand decreased by US$4.4 million, or 30.1% (-31.7% constant currency), year-on-year.

Net sales of the *Speck* brand decreased by US$4.9 million, or 14.7% (-14.7% constant currency), for the six months ended June 30, 2021 compared to the same period in the previous year. On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck for an aggregate cash consideration of US$36.0 million. The consideration is subject to customary adjustments for net debt and working capital.

Product Categories

The Group sells products in two principal product categories: travel and non-travel. The following table sets forth a breakdown of net sales by product category for the six months ended June 30, 2021 and June 30, 2020, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2021 vs 2020	
	2021		2020			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(2)
Net sales by product category:						
Travel	**423.4**	**53.0 %**	436.6	54.4 %	(3.0)%	(5.4)%
Non-travel(1)	**376.1**	**47.0 %**	365.8	45.6 %	2.8 %	(0.6)%
Net sales	**799.5**	**100.0 %**	802.3	100.0 %	(0.4)%	(3.2)%

Notes
(1) The non-travel category includes business, casual, accessories and other products.
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Net sales in the travel product category during the six months ended June 30, 2021 decreased by US$13.2 million, or 3.0% (-5.4% constant currency), compared to the six months ended June 30, 2020. Domestic travel within regions has begun to rebound, particularly in the United States with more than half of the population being fully vaccinated against COVID-19. This has helped to reduce the net sales decline. Total non-travel category net sales, which includes business, casual, accessories and other products, increased by US$10.4 million, or 2.8%, but decreased by 0.6% on a constant currency basis for the six months ended June 30, 2021 compared to the six months ended June 30, 2020. Net sales of business products increased by US$30.1 million, or 18.3% (+14.4% constant currency), for the six months ended June 30, 2021 compared to the same period in the previous year. Net sales of casual products during the six months ended June 30, 2021 decreased by US$15.4 million, or 13.5% (-16.6% constant currency), compared to the same period in the previous year. Net sales of accessories during the six months ended June 30, 2021 decreased by US$1.4 million, or 1.9% (-4.5% constant currency), year-on-year.

Distribution Channels

The Group sells its products through two primary distribution channels: wholesale and direct-to-consumer ("DTC"). The following table sets forth a breakdown of net sales by distribution channel for the six months ended June 30, 2021 and June 30, 2020, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2021 vs 2020	
	2021		2020			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(3)
Net sales by distribution channel:						
Wholesale	**516.5**	**64.6 %**	516.7	64.4 %	0.0 %	(3.1)%
DTC(1)	**282.4**	**35.3 %**	284.3	35.4 %	(0.7)%	(3.2)%
Other(2)	**0.6**	**0.1 %**	1.4	0.2 %	(56.4)%	(56.4)%
Net sales	**799.5**	**100.0 %**	802.3	100.0 %	(0.4)%	(3.2)%

Notes
(1) DTC, or direct-to-consumer, includes bricks-and-mortar retail and e-commerce sites owned and operated by the Group.
(2) “Other” primarily consists of licensing revenue.
(3) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Net sales in the wholesale channel decreased by US$0.2 million, or 0.0% (-3.1% constant currency), during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$14.6 million, or 24.9% (+20.1% constant currency), during the six months ended June 30, 2021 compared to the same period in the previous year as net sales through the Group's e-retailer customers were impacted less by COVID-19 than net sales through brick-and-mortar retailers.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, decreased by US$1.9 million, or 0.7% (-3.2% constant currency), to US$282.4 million (representing 35.3% of net sales) for the six months ended June 30, 2021 from US$284.3 million (representing 35.4% of net sales) for the six months ended June 30, 2020.

Net sales in the DTC retail channel increased by US$9.6 million, or 5.4% (+3.3% constant currency), during the six months ended June 30, 2021 compared to the same period in the previous year despite a continuation of temporary store closures in certain markets. During the six months ended June 30, 2021, the Group permanently closed 78 company-operated stores. This was partially offset by the addition of 9 stores. This resulted in a net reduction of 69 company-operated stores during the six months ended June 30, 2021 compared to a net reduction of 49 company-operated stores during the six months ended June 30, 2020. The total number of company-operated retail stores was 1,027 as of June 30, 2021 compared to 1,245 company-operated retail stores as of June 30, 2020. As a result of the temporary closure of many of the Group's company-operated stores due to the COVID-19 Impacts, the Company believes its year-to-date 2021 comparable store sales metrics are not representative of the underlying trends of its business. The Company has not included these metrics in its discussion and analysis of net sales.

Total DTC e-commerce net sales decreased by US$11.4 million, or 10.7% (-13.9% constant currency), to US$95.3 million (representing 11.9% of net sales) for the six months ended June 30, 2021 from US$106.7 million (representing 13.3% of net sales) for the six months ended June 30, 2020 due to governments relaxing social-distancing restrictions and markets around the world reopening, which has led many shoppers to begin to shop in person again instead of shopping online.

During the six months ended June 30, 2021, US$168.4 million of the Group's net sales were through e-commerce channels (comprising US$95.3 million of net sales from the Group's DTC e-commerce website, which are included within the DTC channel, and US$73.1 million of net sales to e-retailers, which are included within the wholesale channel). This represented a year-on-year increase of US$3.1 million, or 1.9%, but decreased by 1.9% on a constant currency basis compared to the six months ended June 30, 2020, when e-commerce comprised US$165.3 million of the Group's net sales. During the six months ended June 30, 2021, the Group's net sales through e-commerce channels represented 21.1% of total net sales compared to 20.6% of total net sales for the six months ended June 30, 2020.

Regions

North America

The Group's net sales in North America increased by US$2.8 million, or 0.9% (+0.7% constant currency), for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 due to relaxing social-distancing restrictions, markets reopening and domestic travel beginning to rebound, particularly in the United States where more than half of the population has been fully vaccinated against COVID-19.

After decreasing by 74.0% (-74.0% constant currency) year-on-year during the second quarter of 2020, the decline in the Group's net sales in North America steadily improved to a year-on-year decline of 64.4% (-64.3% constant currency) during the third quarter of 2020, and further narrowed to a year-on-year decline of 56.6% (-56.6% constant currency) during the fourth quarter of 2020. The recovery was temporarily slowed by a resurgence in COVID-19 cases in early 2021, with the Group recording a net sales decline of 57.8% (-57.9% constant currency) during the first quarter of 2021 when compared to the first quarter of 2019. However, with continued progress in the vaccination rollout and increased demand for domestic travel, the Group's recovery began to accelerate. For the three months ended June 30, 2021, the Group recorded a net sales decline of 44.2% (-44.3% constant currency) in North America when compared to the second quarter of 2019. For the month ended July 31, 2021, the decline in the Group's net sales in North America further narrowed to 31.3% (-31.5% constant currency) when compared to the month ended July 31, 2019.

Brands

Net sales of several of the Group's brands recorded year-on-year increases during the six months ended June 30, 2021. For the six months ended June 30, 2021, net sales of the *Samsonite* brand in North America increased by US$2.3 million, or 1.8% (+1.6% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the six months ended June 30, 2021 increased by US$20.8 million, or 25.5% (+25.2% constant currency). Net sales of the *American Tourister* brand during the six months ended June 30, 2021 increased by US$1.7 million, or 5.7% (+5.4% constant currency), compared to the six months ended June 30, 2020. Net sales of the *Gregory* brand increased by US$8.8 million, or 170.6% (+170.6% constant currency), compared to the same period in the previous year.

Net sales of the *High Sierra* brand for the six months ended June 30, 2021 decreased by US$4.6 million, or 36.9% (-37.0% constant currency), year-on-year. Net sales of other brands for the six months ended June 30, 2021 decreased by US$21.3 million, or 75.2% (-75.2% constant currency), compared to the same period in the previous year.

Net sales of the *Speck* brand for the six months ended June 30, 2021 decreased by US$4.9 million, or 14.7% (-14.7% constant currency), compared to the same period in the previous year. On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck for an aggregate cash consideration of US$36.0 million. The consideration is subject to customary adjustments for net debt and working capital.

Product Categories

Net sales in the travel product category for the six months ended June 30, 2021 increased by US$11.6 million, or 6.3% (+6.1% constant currency), compared to the six months ended June 30, 2020. Total non-travel category net sales decreased by US$8.9 million, or 6.4% (-6.6% constant currency), compared to the same period in the previous year. Net sales of business products during the six months ended June 30, 2021 increased by US$6.3 million, or 10.7% (+10.5% constant currency), compared to the same period in the previous year. Net sales of casual products decreased by US$7.4 million, or 23.5% (-23.5% constant currency), year-on-year. Net sales of accessories products decreased by US$6.4 million, or 13.8% (-13.9% constant currency), year-on-year.

Distribution Channels

Net sales in the wholesale channel increased by US$2.4 million, or 1.2% (+1.1% constant currency), for the six months ended June 30, 2021 compared to the six months ended June 30, 2020. Net sales to e-retailers, which are included in the Group's wholesale channel, decreased by US$4.8 million, or 14.8% (-15.0% constant currency), during the six months ended June 30, 2021 compared to the same period in the previous year.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by

US$0.4 million, or 0.3% (+0.0% constant currency), year-on-year to US$127.4 million for the six months ended June 30, 2021 from US$127.1 million for the six months ended June 30, 2020.

Net sales in the DTC retail channel increased by US$21.7 million, or 34.5% (+34.1% constant currency), during the six months ended June 30, 2021 compared to the same period in the previous year primarily due to governments relaxing social-distancing restrictions and markets in North America reopening, which has led many shoppers to begin to shop in person again instead of shopping online. During the six months ended June 30, 2021, the Group permanently closed 9 company-operated stores in North America. This was partially offset by the addition of 1 store. This resulted in a net reduction of 8 company-operated stores during the six months ended June 30, 2021 compared to a net reduction of 4 company-operated stores during the six months ended June 30, 2020. The total number of company-operated retail stores in North America was 274 as of June 30, 2021 compared to 344 company-operated retail stores as of June 30, 2020. As a result of the temporary closure of many of the Group's company-operated stores due to the COVID-19 Impacts, the Company believes its year-to-date 2021 comparable store sales metrics are not representative of the underlying trends of its business. The Company has not included these metrics in its discussion and analysis of net sales.

Total DTC e-commerce net sales decreased by US$21.3 million, or 33.1% (-33.3% constant currency), to US$43.0 million for the six months ended June 30, 2021 from US$64.3 million for the six months ended June 30, 2020. With governments relaxing social-distancing restrictions and markets in North America reopening, this has led many shoppers to begin to shop in person again instead of shopping online.

Countries

The following table sets forth a breakdown of net sales in North America by geographic location for the six months ended June 30, 2021 and June 30, 2020, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2021		2020		2021 vs 2020	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by geographic location[1]:						
United States	**316.3**	**97.7 %**	309.8	96.5 %	2.1 %	2.1 %
Canada	**7.5**	**2.3 %**	11.2	3.5 %	(33.6)%	(39.3)%
Net sales	**323.8**	**100.0 %**	321.0	100.0 %	0.9 %	0.7 %

Notes
(1) The geographic location of the Group's net sales generally reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

For the six months ended June 30, 2021, net sales in the United States increased by US$6.5 million, or 2.1%, year-on-year as a result of continued encouraging sales performance trends due to relaxing social-distancing restrictions, markets reopening and domestic travel beginning to rebound, with more than half of the population being fully vaccinated against COVID-19. Net sales in Canada decreased by US$3.8 million, or 33.6% (-39.3% constant currency), year-on-year due to a slower vaccine roll-out compared to the United States. Compared to the six months ended June 30, 2019, net sales in the United States and Canada for the first half of 2021 decreased by 49.4% and by 74.8% (-76.4% constant currency), respectively.

Asia

The Group's net sales in Asia increased by US$24.8 million, or 8.8% (+3.8% constant currency), for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 due to relaxing social-distancing restrictions and markets reopening.

The Group's net sales performance in Asia temporarily slowed during the second quarter of 2021 due to resurgences of COVID-19 cases and slower vaccination rollout in important markets such as Japan and South Korea. Compared to the second quarter of 2019, the Group recorded a net sales decline of 54.9% (-56.0% constant currency) in Asia during the second quarter of 2021. Prior to this slowdown during the second quarter of 2021, the Asia region experienced four consecutive quarterly improvements in net sales, with the decline in the Group's net sales in Asia steadily narrowing from a year-on-year decline of 76.2% (-75.6% constant currency) in the second quarter of 2020, to a year-on-year decline of 63.1% (-63.4% constant currency) in the third quarter of 2020, a year-on-year decline of 54.7% (-56.1% constant currency) in the fourth quarter of 2020 and a decline of 49.2% (-49.9% constant currency) in the first quarter of 2021 when compared to the first quarter of 2019. For the month ended July 31, 2021, the decline in the Group's net sales in Asia was 49.4% (-50.0% constant currency) when compared to the month ended July 31, 2019.

Brands
For the six months ended June 30, 2021, net sales of the *Samsonite* brand increased by US$7.1 million, or 5.9%, but decreased by -0.7% on a constant currency basis compared to the same period in the previous year. Net sales of the *Tumi* brand during the six months ended June 30, 2021 increased by US$19.9 million, or 36.3% (+30.9% constant currency), year-on-year. Net sales of the *American Tourister* brand during the six months ended June 30, 2021 decreased by US$2.8 million, or 3.8% (-7.1% constant currency), compared to the six months ended June 30, 2020. Net sales of the *Kamiliant* brand increased by US$3.6 million, or 37.7% (+36.8% constant currency), year-on-year. Net sales of the *Gregory* brand decreased by US$1.5 million, or 9.6% (-10.3% constant currency), compared to the same period in the previous year.

Product Categories
Net sales in the travel product category for the six months ended June 30, 2021 decreased by US$0.4 million, or 0.3% (-4.5% constant currency), compared to the same period in the previous year. Total non-travel category net sales increased by US$25.3 million, or 17.7% (+12.0% constant currency), compared to the six months ended June 30, 2020. Net sales of business products increased by US$24.1 million, or 31.5% (+25.1% constant currency), compared to the same period in the previous year. Net sales of casual products decreased by US$0.2 million, or 0.5% (-5.0% constant currency), year-on-year. Net sales of accessories products increased by US$1.0 million, or 10.1% (+5.0% constant currency), year-on-year.

Distribution Channels
Net sales in the wholesale channel increased by US$19.5 million, or 9.5% (+4.6% constant currency), for the six months ended June 30, 2021 compared to the same period in the previous year. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$14.2 million, or 107.5% (+97.1% constant currency), during the six months ended June 30, 2021 compared to the same period in the previous year.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US$5.4 million, or 6.9% (+1.8% constant currency), to US$83.2 million for the six months ended June 30, 2021 from US$77.9 million for the six months ended June 30, 2020.

Net sales in the DTC retail channel increased by US$1.1 million, or 2.3%, but decreased by 1.2% on a constant currency basis during the six months ended June 30, 2021 compared to the same period in the previous year primarily due to temporary store closures. During the six months ended June 30, 2021, the Group permanently closed 18 company-operated stores in Asia. This was partially offset by the addition of 4 stores. This resulted in a net reduction of 14 company-operated stores during the six months ended June 30, 2021, compared to a net reduction of 16 company-operated stores during the six months ended June 30, 2020. The total number of company-operated retail stores in Asia was 361 as of June 30, 2021 compared to 392 company-operated retail stores as of June 30, 2020. As a result of the temporary closure of many of the Group's company-operated stores due to the COVID-19 Impacts, the Company believes its year-to-date 2021 comparable store sales metrics are not representative of the underlying trends of its business. The Company has not included these metrics in its discussion and analysis of net sales.

Total DTC e-commerce net sales increased by US$4.2 million, or 15.2% (+7.2% constant currency), to US$32.0 million for the six months ended June 30, 2021 from US$27.7 million for the six months ended June 30, 2020.

Countries/Territories
The following table sets forth a breakdown of net sales in Asia by geographic location for the six months ended June 30, 2021 and June 30, 2020, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2021		2020		2021 vs 2020	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(3)
Net sales by geographic location(1):						
China	**110.8**	**36.0 %**	66.9	23.6 %	65.7 %	52.1 %
India	**49.0**	**15.9 %**	34.5	12.2 %	41.8 %	41.7 %
Japan	**43.2**	**14.0 %**	59.0	20.9 %	(26.7)%	(26.6)%
South Korea	**36.3**	**11.8 %**	43.4	15.3 %	(16.3)%	(22.5)%
Hong Kong(2)	**26.4**	**8.6 %**	19.4	6.9 %	35.9 %	35.9 %
Australia	**9.4**	**3.1 %**	14.6	5.1 %	(35.6)%	(44.9)%
Other	**32.7**	**10.6 %**	45.2	16.0 %	(27.6)%	(29.6)%
Net sales	**307.8**	**100.0 %**	283.0	100.0 %	8.8 %	3.8 %

Notes
(1) The geographic location of the Group's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end consumers were actually located.
(2) Net sales reported for Hong Kong include net sales made domestically, net sales made in Macau as well as net sales to distributors in certain other Asian markets where the Group does not have a direct presence.
(3) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Net sales in China increased by US$43.9 million, or 65.7% (+52.1% constant currency), for the six months ended June 30, 2021 compared to the same period in the previous year. Net sales in India increased by US$14.4 million, or 41.8% (+41.7% constant currency), for the six months ended June 30, 2021 compared to the same period in the previous year, despite a resurgence of COVID-19 cases in that country during the second quarter of 2021. Total net sales reported for Hong Kong (which comprises net sales made in the domestic Hong Kong market, Macau and to distributors in certain other Asian markets) increased by US$7.0 million, or 35.9% (+35.9% constant currency), year-on-year. These year-on-year net sales increases were partially offset by decreases in Japan, South Korea and Australia. Net sales in Japan decreased by US$15.8 million, or 26.7% (-26.6% constant currency), year-on-year. Net sales in South Korea decreased by US$7.1 million, or 16.3% (-22.5% constant currency), year-on-year. Net sales in Australia decreased by US$5.2 million, or 35.6% (-44.9% constant currency), compared to the same period in the previous year.

China continued to drive the Group's net sales recovery in Asia. After decreasing by 62.2% (-60.7% constant currency) year-on-year during the second quarter of 2020, the decline in the Group's net sales in China narrowed to a 46.2% (-47.9% constant currency) year-on-year decline during the third quarter of 2020, a 29.8% (-33.7% constant currency) year-on-year decline during the fourth quarter of 2020 and a 24.7% (-27.6% constant currency) decline during the first quarter of 2021 when compared to the first quarter of 2019. Net sales in China continued to recover during the second quarter of 2021 with net sales declining by 22.5% (-26.7% constant currency) compared to the second quarter of 2019.

All of the Group's main markets in Asia continued to report net sales decreases during the first half of 2021 compared to the first half of 2019 including: Japan (-58.3%; -59.1% constant currency), South Korea (-63.0%; -63.8% constant currency), Hong Kong (-67.2%; -67.3% constant currency), China (-23.5%; -27.1% constant currency) and India (-40.9%; -38.1% constant currency).

Europe

The Group's net sales in Europe decreased by US$26.4 million, or 16.7% (-21.3% constant currency), for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 due to continued lockdowns and travel restrictions.

After decreasing by 86.0% (-85.7% constant currency) year-on-year during the second quarter of 2020, the decline in the Group's net sales in Europe improved to a year-on-year decline of 64.8% (-65.7% constant currency) during the third quarter of 2020. This recovery was interrupted by a resurgence in COVID-19 cases in late 2020 and early 2021, with the Group recording a year-on-year net sales decline of 66.3% (-67.1% constant currency) in Europe during the fourth quarter of 2020 and a net sales decline of 70.5% (-70.9% constant currency) during the first quarter of 2021 when compared to the first quarter of 2019. However, as travel restrictions began to ease in June 2021, the Group's net sales performance in Europe began to show signs of improvement during the second quarter of 2021 with net sales declining by 59.4% (-60.4% constant currency) compared to the second quarter of 2019. For the month ended July 31, 2021, the decline in the Group's net sales in Europe was 42.6% (-43.6% constant currency) when compared to the month ended July 31, 2019.

Brands

For the six months ended June 30, 2021, net sales of the *Samsonite* brand decreased by US$14.9 million, or 15.3% (-19.8% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the six months ended June 30, 2021 decreased by US$3.9 million, or 20.3% (-24.7% constant currency), year-on-year. Net sales of the *American Tourister* brand during the six months ended June 30, 2021 decreased by US$7.0 million, or 25.2% (-29.1% constant currency), compared to the six months ended June 30, 2020.

Product Categories

Net sales in the travel product category for the six months ended June 30, 2021 decreased by US$24.6 million, or 24.7% (-28.7% constant currency), compared to the six months ended June 30, 2020. Total non-travel category net sales decreased by US$1.8 million, or 3.1% (-8.5% constant currency), year-on-year. Net sales of business products decreased by US$1.2 million, or 4.5% (-9.6% constant currency), year-on-year. Net sales of casual products were flat, but decreased by 6.1% on a constant currency basis, compared to the same period in the previous year. Net sales of accessories products increased by US$0.5 million, or 4.4%, but decreased by 1.8% on a constant currency basis year-on-year.

Distribution Channels

Net sales in the wholesale channel decreased by US$19.2 million, or 20.3% (-25.5% constant currency), during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$5.1 million, or 39.0% (+28.7% constant currency), during the six months ended June 30, 2021 compared to the same period in the previous year as net sales through the Group's e-retailer customers were impacted less by COVID-19 than net sales through brick-and-mortar retailers.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, decreased by US$7.2 million, or 11.4% (-14.9% constant currency), to US$55.7 million for the six months ended June 30, 2021 from US$62.9 million for the six months ended June 30, 2020.

Net sales in the DTC retail channel decreased by US$12.1 million, or 24.4% (-26.7% constant currency), during the six months ended June 30, 2021 compared to the same period in the previous year primarily due to temporary store closures and reduced consumer demand resulting from the COVID-19 pandemic. During the six months ended June 30, 2021, the Group permanently closed 23 company-operated stores in Europe. This was partially offset by the addition of 1 store. This resulted in a net reduction of 22 company-operated stores during the six months ended June 30, 2021, compared to a net reduction of 25 company-operated stores during the six months ended June 30, 2020. The total number of company-operated retail stores in Europe was 220 as of June 30, 2021 compared to 287 company-operated retail stores as of June 30, 2020. As a result of the temporary closure of many of the Group's company-operated stores due to the COVID-19 Impacts, the Company believes its year-to-date 2021 comparable store sales metrics are not representative of the underlying trends of its business. The Company has not included these metrics in its discussion and analysis of net sales.

Total DTC e-commerce net sales increased by US$4.9 million, or 36.3% (+28.7% constant currency), to US$18.3 million for the six months ended June 30, 2021 from US$13.4 million for the six months ended June 30, 2020.

Countries

The following table sets forth a breakdown of net sales in Europe by geographic location for the six months ended June 30, 2021 and June 30, 2020, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2021 vs 2020	
	2021		2020			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Net sales by geographic location[1]:						
Belgium[2]	**34.7**	**26.4 %**	35.4	22.4 %	(2.1)%	(9.9)%
Russia	**17.0**	**13.0 %**	10.6	6.7 %	61.2 %	70.7 %
Germany	**15.8**	**12.0 %**	24.2	15.4 %	(34.8)%	(40.0)%
Italy	**13.6**	**10.4 %**	15.7	10.0 %	(13.4)%	(20.4)%
France	**10.8**	**8.2 %**	14.6	9.3 %	(26.1)%	(32.0)%
Spain	**9.2**	**7.0 %**	11.5	7.3 %	(20.0)%	(26.3)%
United Kingdom[3]	**7.0**	**5.3 %**	12.3	7.8 %	(43.6)%	(49.1)%
Other	**23.2**	**17.7 %**	33.2	21.1 %	(30.2)%	(32.7)%
Net sales	**131.2**	**100.0 %**	157.5	100.0 %	(16.7)%	(21.3)%

Notes
(1) The geographic location of the Group's net sales generally reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.
(2) Net sales in Belgium were US$3.5 million and US$4.1 million for the six months ended June 30, 2021 and June 30, 2020, respectively, a decrease of US$0.6 million, or 15.2% (-21.9% constant currency). Remaining sales consisted of direct shipments to distributors, customers and agents in other European countries, including e-commerce.
(3) Net sales reported for the United Kingdom include net sales made in Ireland.
(4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Net sales in Germany decreased by US$8.4 million, or 34.8% (-40.0% constant currency), for the six months ended June 30, 2021 compared to the same period in the previous year. Italy's net sales decreased by US$2.1 million, or 13.4% (-20.4% constant currency), compared to the six months ended June 30, 2020. Net sales in France decreased by US$3.8 million, or 26.1% (-32.0% constant currency), compared to the same period in the previous year. Net sales in the United Kingdom decreased by US$5.4 million, or 43.6% (-49.1% constant currency), year-on-year. These net sales decreases were partially offset by increased net sales in Russia. Net sales in Russia increased by US$6.5 million, or 61.2% (-70.7% constant currency), year-on-year.

All of the Group's key markets in Europe recorded net sales decreases during the first half of 2021 compared to the first half of 2019 including: Germany (-71.8%; -73.5% constant currency), Italy (-65.1%; -67.3% constant currency), France (-71.1%; -72.8% constant currency), Russia (-43.3%; -35.3% constant currency) and United Kingdom (-80.3%; -81.8% constant currency).

Latin America

The Group's net sales in Latin America decreased by US$3.3 million, or 8.3% (-11.1% constant currency), for the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

After decreasing by 95.4% (-94.3% constant currency) year-on-year during the second quarter of 2020, the decline in the Group's net sales in Latin America improved to a year-on-year decline of 77.8% (-74.2% constant currency) during the third quarter of 2020, and a year-on-year decline of 46.9% (-43.2% constant currency) during the fourth quarter of 2020. This recovery was interrupted by a resurgence in COVID-19 cases in early 2021, with the Group recording a net sales decline in Latin America of 58.8% (-51.1% constant currency) during the first quarter of 2021 when compared to the first quarter of 2019. The Group's net sales performance in Latin America began to show some signs of improvement during the second quarter of 2021 with net sales declining 55.5% (-48.9% constant currency) compared to the second quarter of 2019. For the month ended July 31, 2021, the decline in the Group's net sales in Latin America was 37.5% (-26.5% constant currency) when compared to the month ended July 31, 2019.

Brands

For the six months ended June 30, 2021, net sales of the *Samsonite* brand increased by US$0.7 million, or 5.7% (+7.9% constant currency), compared to the same period in the previous year. Net sales of the *American Tourister* brand during the six months ended June 30, 2021 increased by US$0.4 million, or 8.6% (+6.9% constant currency), compared to the six months ended June 30, 2020. For the six months ended June 30, 2021, net sales of the *Tumi* brand in Latin America increased by US$0.7 million, or 71.1% (+66.2% constant currency), compared to the same period in the previous year. Net sales of the *Secret* brand increased by US$2.0 million, or 95.6% (+76.2% constant currency), year-on-year. Net sales of the *Saxoline* brand increased by US$0.2 million, or 3.2%, but decreased by 5.8% on a constant currency basis year-on-year. Net sales of the *Xtrem* brand decreased by US$7.1 million, or 49.7% (-51.9% constant currency), compared to the same period in the previous year.

Product Categories
Net sales in the travel product category for the six months ended June 30, 2021 increased by US$0.2 million, or 1.8% (+1.4% constant currency), compared to the same period in the previous year. Total non-travel category net sales decreased by US$3.5 million, or 13.2% (-17.2% constant currency), compared to the six months ended June 30, 2020. Net sales of business products increased by US$0.9 million, or 30.8% (+28.9% constant currency), compared to the same period in the previous year. Net sales of casual products decreased by US$7.8 million, or 39.8% (-42.0% constant currency), year-on-year. Net sales of accessories products increased by US$3.4 million, or 89.0% (+74.2% constant currency), year-on-year.

Distribution Channels
Net sales in the wholesale channel decreased by US$2.9 million, or 12.5% (-14.7% constant currency), for the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, decreased by US$0.4 million, or 2.4% (-6.1% constant currency), to US$16.0 million for the six months ended June 30, 2021 from US$16.4 million for the six months ended June 30, 2020.

Net sales in the DTC retail channel decreased by US$1.2 million, or 7.6% (-11.3% constant currency), during the six months ended June 30, 2021 compared to the same period in the previous year primarily due to temporary store closures and reduced consumer demand resulting from the COVID-19 pandemic. During the six months ended June 30, 2021, the Group permanently closed 28 company-operated stores in Latin America. This was partially offset by the addition of 3 stores. This resulted in a net reduction of 25 company-operated stores during the six months ended June 30, 2021, compared to a net reduction of 4 company-operated stores during the six months ended June 30, 2020. The total number of company-operated retail stores in Latin America was 172 as of June 30, 2021 compared to 222 company-operated retail stores as of June 30, 2020. As a result of the temporary closure of many of the Group's company-operated stores due to the COVID-19 Impacts, the Company believes its year-to-date 2021 comparable store sales metrics are not representative of the underlying trends of its business. The Company has not included these metrics in its discussion and analysis of net sales.

Total DTC e-commerce net sales increased by US$0.8 million, or 63.9% (+59.7% constant currency), to US$2.0 million for the six months ended June 30, 2021 from US$1.2 million for the six months ended June 30, 2020.

Countries
The following table sets forth a breakdown of net sales in Latin America by geographic location for the six months ended June 30, 2021 and June 30, 2020, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2021		2020		2021 vs 2020	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Net sales by geographic location[1]:						
Chile	**16.4**	**45.5 %**	18.5	47.0 %	(11.2)%	(19.8)%
Mexico	**9.9**	**27.5 %**	8.1	20.5 %	23.3 %	13.2 %
Brazil[2]	**3.6**	**10.0 %**	4.3	10.8 %	(15.5)%	(7.1)%
Other[3]	**6.1**	**17.0 %**	8.5	21.7 %	(28.2)%	(17.2)%
Net sales	**36.1**	**100.0 %**	39.4	100.0 %	(8.3)%	(11.1)%

Notes
(1) The geographic location of the Group’s net sales generally reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.
(2) Excludes sales made to distributors in Brazil from outside the country.
(3) The net sales figure for the “Other” geographic location includes sales in Argentina, Colombia, Panama, Peru, Uruguay and sales to third-party distributors outside of Brazil.
(4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Net sales in Chile decreased by US$2.1 million, or 11.2% (-19.8% constant currency), during the six months ended June 30, 2021 compared to the same period in the previous year. Net sales in Mexico increased by US$1.9 million, or 23.3% (+13.2% constant currency), year-on-year.

Compared to the first half of 2019, net sales in Chile and Mexico decreased by 50.7% (-47.0% constant currency) and by 62.7% (-60.9% constant currency), respectively.

Cost of Sales and Gross Profit

Cost of sales decreased by US$12.2 million, or 3.0%, to US$393.7 million (representing 49.2% of net sales) for the six months ended June 30, 2021 from US$405.8 million (representing 50.6% of net sales) for the six months ended June 30, 2020.

Gross profit increased by US$9.3 million, or 2.3%, to US$405.8 million for the six months ended June 30, 2021 from US$396.5 million for the six months ended June 30, 2020. Gross profit margin increased to 50.8% for the six months ended June 30, 2021 from 49.4% for the corresponding period in the previous year. The expiration of the Generalized System of Preferences program in the United States ("GSP") in January 2021 has resulted in increased duty costs on goods imported to the United States from countries that were beneficiaries of GSP, which has negatively impacted gross profit margin by US$6.5 million, or 80 basis points. The devaluation of many currencies to the US Dollar has also had a negative impact on gross profit margin. The Group has leveraged its long-standing relationships with suppliers to mitigate the effects of cost increases and is implementing price increases in certain markets to offset the resulting margin pressure.

Distribution Expenses

Distribution expenses decreased by US$81.7 million, or 20.0%, to US$326.4 million (representing 40.8% of net sales) for the six months ended June 30, 2021 from US$408.1 million (representing 50.9% of net sales) for the six months ended June 30, 2020. Distribution expenses, and distribution expenses as a percentage of net sales, both decreased primarily due to actions taken by management to reduce the fixed and variable cost structure of the business. See Management Discussion and Analysis - Impact of COVID-19 for further discussion. When compared to the first half of 2019, distribution expenses decreased by 45.6% for the six months ended June 30, 2021.

Marketing Expenses

The Group spent US$28.7 million on marketing during the six months ended June 30, 2021 compared to US$44.5 million for the six months ended June 30, 2020, a decrease of US$15.8 million, or 35.6%. As a percentage of net sales, marketing expenses decreased by 190 basis points to 3.6% for the six months ended June 30, 2021 from 5.5% for the six months ended June 30, 2020. When compared to the first half of 2019, marketing expenses decreased by 72.2%, and as a percentage of net sales decreased by 230 basis points from 5.9% for the six months ended June 30, 2019. The Group has continued to tightly manage its advertising expenses in an effort to help conserve cash and to mitigate the effects of the COVID-19 Impacts on the Group's business.

General and Administrative Expenses

General and administrative expenses decreased by US$5.6 million, or 5.2%, to US$102.3 million (representing 12.8% of net sales) for the six months ended June 30, 2021 from US$107.9 million (representing 13.5% of net sales) for the six months ended June 30, 2020. The decrease in general and administrative expenses, and general and administrative expenses as a percentage of net sales, reflects actions taken by management to reduce the fixed and variable cost structure of the business, including headcount reductions and other savings initiatives, to help mitigate the negative impacts on the Group's profitability caused by COVID-19. See Management Discussion and Analysis - Impact of COVID-19 for further discussion. Such savings were partially offset by the return of certain expenses that had been temporarily suspended at the onset of the pandemic including certain employee compensation costs. When compared to the first half of 2019, general and administrative expenses decreased by 10.2% for the six months ended June 30, 2021.

Impairment Charges

The following table sets forth a breakdown of the non-cash 1H 2021 Impairment Charges for the six months ended June 30, 2021 and the non-cash 1H 2020 Impairment Charges for the six months ended June 30, 2020.

(Expressed in millions of US Dollars)		Six Months Ended June 30, 2021	2020
Impairment charges recognized on:	Functional Area	**1H 2021 Impairment Charges**	1H 2020 Impairment Charges
Goodwill		**14.4**	496.0
Tradenames and other intangible assets		**10.3**	236.0
Lease right-of-use assets	Distribution	**5.5**	113.9
Property, plant and equipment	Distribution	**—**	31.2
Total impairment charges		**30.2**	877.2

In accordance with International Accounting Standards ("IAS") 36, *Impairment of Assets* ("IAS 36"), the Group is required to evaluate its intangible assets with indefinite lives at least annually or when an event has occurred or circumstances change that would more likely than not reduce the recoverable amount of a cash generating unit ("CGU") below its carrying value. The Group is also required to perform a review for impairment indicators at the end of each reporting period on its tangible and intangible assets with finite useful lives. If there is any indication that an asset may be impaired, the Group must estimate the recoverable amount of the asset or CGU.

1H 2021 Impairment Charges

Based on an evaluation of loss-making stores during the six months ended June 30, 2021, and also due to reduced traffic and under-performance caused by the COVID-19 pandemic, the Group determined that the carrying amounts of certain retail stores, which represent individual CGUs, exceeded their corresponding recoverable amounts. During the six months ended June 30, 2021 the Group recognized non-cash impairment charges totaling US$5.5 million on lease right-of-use assets.

Further, in June 2021, the Group classified the assets attributable to Speck, to held for sale. Speck designs and distributes slim protective cases for personal electronic devices that are marketed under the *Speck®* brand. Speck was sold on July 30, 2021. The Group recognized non-cash impairment charges during the six months ended June 30, 2021 totaling US$24.7 million related to impairments of goodwill and other intangible assets of this disposal group.

1H 2020 Impairment Charges

Due to the negative impacts resulting from the COVID-19 pandemic during the six months ended June 30, 2020, certain indefinite-lived intangible assets identified by the Group were tested for impairment. Based on valuations performed by a third-party specialist engaged by the Company, management determined that the carrying value of certain intangible assets exceeded their recoverable amounts, resulting in non-cash impairment charges recognized during the six months ended June 30, 2020 totaling US$732.0 million, comprised of US$496.0 million for goodwill and US$236.0 million for certain tradenames.

Further, based on an evaluation of loss-making stores during the six months ended June 30, 2020, and also due to reduced traffic and under-performance caused by the COVID-19 pandemic, the Group determined that the carrying amounts of certain retail stores, which represent individual CGUs, exceeded their corresponding recoverable amounts. During the six months ended June 30, 2020 the Group recognized non-cash impairment charges totaling US$145.2 million, comprised of US$113.9 million for lease right-of-use assets and US$31.2 million for property, plant and equipment, including leasehold improvements.

Restructuring Charges

The following table sets forth a breakdown of the restructuring charges for the six months ended June 30, 2021 and June 30, 2020.

(Expressed in millions of US Dollars)	Six Months Ended June 30, 2021	2020
Functional Area		
Restructuring charges attributable to distribution function	**0.8**	24.4
Restructuring charges attributable to general and administrative function	**5.2**	4.4
Total restructuring charges	**6.0**	28.8

During 2020 and the first half of 2021, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future in response to the COVID-19 Impacts. In conjunction with these cost saving actions and other initiatives, the Group recognized charges related to these restructuring activities (the "Restructuring Charges"). During the six months ended June 30, 2021 and June 30, 2020, the Group recognized Restructuring Charges of US$6.0 million and US$28.8 million, respectively. The Restructuring Charges consisted primarily of severance associated with permanent headcount reductions, store closure costs and certain other costs incurred to implement profit improvement initiatives. The Group continues to evaluate additional areas to further reduce operating expenses in response to the COVID-19 Impacts.

In June 2021, the Company established a brand development and sourcing hub in Singapore as part of a global restructuring initiative to enhance alignment of the Company's product development, brand management and supply chain operations across Asia. The establishment of this hub will enable the Company to design products closer to market while continuing to lead the industry in product development, innovation and sustainability for several key brands, including *Samsonite* and *American Tourister*. The Company will also leverage this hub to manage sourcing for Asia and the Middle East, while supporting and administering sourcing for North America and Latin America.

Other Income

The Group recorded other income of US$1.4 million and US$7.1 million for the six months ended June 30, 2021 and June 30, 2020, respectively. Other income for the first half of 2021 included gains from the disposal of assets and gains on lease exits/remeasurements of US$2.7 million upon exiting certain retail store locations, partially offset by US$1.4 million in miscellaneous other expense incurred during the period. Other income for the first half of 2020 included gains from the disposal of assets and gains on lease exits/remeasurements of US$8.0 million, including the receipt of key money upon exiting certain retail store locations.

Operating Loss

The following table presents the reconciliation from the Group's operating loss, as reported, to operating loss, as adjusted, for the six months ended June 30, 2021 and June 30, 2020.

OPERATING LOSS

	Six Months Ended June 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Operating loss, as reported	**(86.4)**	(1,062.9)	(91.9)%	(92.1)%
Impairment Charges	**30.2**	877.2	(96.6)%	(96.6)%
Restructuring Charges	**6.0**	28.8	(79.2)%	(79.1)%
Operating loss, as adjusted	**(50.2)**	(156.9)	(68.0)%	(69.3)%

Notes

(1) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

The Group incurred an operating loss of US$86.4 million for the six months ended June 30, 2021, compared to an operating loss of US$1,062.9 million for the corresponding period in the previous year. The Group incurred an operating loss of US$50.2 million for the six months ended June 30, 2021 when excluding the non-cash 1H 2021 Impairment Charges and Restructuring Charges recognized during the six months ended June 30, 2021, compared to an operating loss of US$156.9 million for the corresponding period in the previous year when excluding the non-cash 1H 2020 Impairment Charges and the Restructuring Charges recognized during the six months ended June 30, 2020.

Net Finance Costs

Net finance costs increased by US$55.8 million, or 119.5%, to US$102.4 million for the six months ended June 30, 2021 from US$46.7 million for the six months ended June 30, 2020. This increase was attributable to the non-cash charge of US$24.1 million to write-off the deferred financing costs primarily associated with the 2020 Incremental Term Loan B Facility, an increase in interest expense on loans and borrowings of US$15.2 million year-on-year as a result of increased borrowings during 2020 to ensure adequate liquidity as the Group navigated the challenges from COVID-19, a reduction in the change in fair value of redeemable non-controlling interest put options of US$14.5 million year-on-year and bank charges of US$7.8 million. The bank charges were comprised of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in the Indebtedness). The increase in net finance costs was partially offset by a decrease in net foreign exchange losses of US$4.5 million year-on-year and a decrease in interest expense on lease liabilities of US$2.3 million year-on-year.

The following table sets forth a breakdown of total finance costs for the six months ended June 30, 2021 and June 30, 2020.

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Recognized in profit or loss:		
Interest income	**1.8**	1.8
Total finance income	**1.8**	1.8
Interest expense on loans and borrowings	**(54.9)**	(39.7)
Write-off of remaining deferred financing costs associated with the 2020 Incremental Term Loan B Facility	**(24.1)**	—
Amortization of deferred financing costs associated with the Amended Senior Credit Facilities	**(4.3)**	(2.7)
Interest expense on lease liabilities	**(11.3)**	(13.6)
Change in fair value of put options	**1.0**	15.5
Net foreign exchange loss	**(2.4)**	(6.9)
Other finance costs(1)	**(8.2)**	(1.1)
Total finance costs	**(104.2)**	(48.5)
Net finance costs recognized in profit or loss	**(102.4)**	(46.7)

Note
(1) Other finance costs for the six months ended June 30, 2021 primarily consisted of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in Management Discussion and Analysis - Indebtedness).

Loss before Income Tax

The following table presents the reconciliation from the Group's loss before income tax, as reported, to loss before income tax, as adjusted, for the six months ended June 30, 2021 and June 30, 2020.

LOSS BEFORE INCOME TAX

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(2)
Loss before income tax, as reported	**(188.8)**	(1,109.6)	(83.0)%	(83.3)%
Impairment Charges	**30.2**	877.2	(96.6)%	(96.6)%
Restructuring Charges	**6.0**	28.8	(79.2)%	(79.1)%
Charges associated with debt borrowings and amendments(1)	**31.9**	—	n/a	n/a
Loss before income tax, as adjusted	**(120.8)**	(203.6)	(40.7)%	(42.1)%

Notes
(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the six months ended June 30, 2021 were attributable to the non-cash charge of US$24.1 million to write-off the deferred financing costs primarily associated with the 2020 Incremental Term Loan B Facility, and bank charges recognized on the consolidated statements of income (loss) of US$7.8 million, primarily consisting of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and

US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in Management Discussion and Analysis - Indebtedness).
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.
n/a Not applicable.

The Group incurred a loss before income tax of US$188.8 million for the six months ended June 30, 2021 compared to a loss before income tax of US$1,109.6 million for the corresponding period in the previous year. The Group incurred a loss before income tax of US$120.8 million for the six months ended June 30, 2021 when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with debt borrowings and amendments recognized during the six months ended June 30, 2021, compared to a loss before income tax of US$203.6 million for the corresponding period in the previous year when excluding the non-cash 1H 2020 Impairment Charges and the Restructuring Charges recognized during the six months ended June 30, 2020.

Income Tax Benefit

The Group recorded an income tax benefit of US$46.6 million for the six months ended June 30, 2021 compared to an income tax benefit of US$133.7 million for the six months ended June 30, 2020. The income tax benefit recorded during the first half of 2021 was due mainly to the US$188.8 million reported loss before income tax caused by the COVID-19 Impacts, restructuring activities, changes in reserves and changes in unrecognized deferred tax assets. The income tax benefit recorded during the first half of 2020 was due mainly to the US$1,109.6 million reported loss before income tax caused by the COVID-19 Impacts, changes in reserves and changes in unrecognized deferred tax assets.

The Group's consolidated effective tax rate for operations was 24.7% and 12.1% for the six months ended June 30, 2021 and June 30, 2020, respectively. The increase in the Group's effective tax rate during the first half of 2021 was mainly the result of changes in unrecognized deferred tax assets, changes in reserves and a tax benefit related to restructuring activities. Excluding taxes related to restructuring activities which generated a tax benefit of US$26.0 million during the period ended June 30, 2021, changes in unrecognized deferred tax assets, changes in reserves, and the non-cash impairment charge related to goodwill during the first half of 2020, which did not provide a tax benefit to the Group, the consolidated effective tax rate for operations would have been 27.6% for the six months ended June 30, 2021 and 23.2% for the six months ended June 30, 2020.

For interim reporting purposes, the Group applied the effective tax rate to profit (loss) before income tax for the interim period. The reported effective tax rate was calculated using a weighted average income tax rate from those jurisdictions in which the Group is subject to tax, adjusted for permanent book/tax differences, tax incentives, changes in tax reserves and changes in unrecognized deferred tax assets. The effective tax rate for each period was recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income (loss) for the period adjusted for certain discrete items for the period.

Profit (Loss)

Loss for the period

The following table presents the reconciliation from the Group's loss for the period, as reported, to loss for the period, as adjusted, for the six months ended June 30, 2021 and June 30, 2020.

LOSS FOR THE PERIOD

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Loss for the period, as reported	**(142.2)**	(975.9)	(85.4)%	(85.7)%
Impairment Charges	**30.2**	877.2	(96.6)%	(96.6)%
Restructuring Charges	**6.0**	28.8	(79.2)%	(79.1)%
Tax benefit associated with legal entity reorganization	**(26.0)**	—	n/a	n/a
Charges associated with debt borrowings and amendments[1]	**31.9**	—	n/a	n/a
Tax impact	**(14.7)**	(101.6)	(85.6)%	(85.7)%
Loss for the period, as adjusted	**(114.8)**	(171.5)	(33.0)%	(34.5)%

Notes
(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the six months ended June 30, 2021 were attributable to the non-cash charge of US$24.1 million to write-off the deferred financing costs primarily associated with the 2020 Incremental Term Loan B Facility, and bank charges recognized on the consolidated statements of income (loss) of US$7.8 million,

primarily consisting of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in Management Discussion and Analysis - Indebtedness).
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.
n/a Not applicable.

The Group incurred a loss for the six months ended June 30, 2021 of US$142.2 million compared to a loss for the six months ended June 30, 2020 of US$975.9 million. The Group incurred a loss for the six months ended June 30, 2021 of US$114.8 million when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement during the six months ended June 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the Intra-Group IP Realignment, compared to a loss for the six months ended June 30, 2020 of US$171.5 million when excluding the non-cash 1H 2020 Impairment Charges and the Restructuring Charges recognized during the six months ended June 30, 2020, both of which are net of the related tax impact.

Loss attributable to the equity holders

The following table presents the reconciliation from the Group's loss attributable to the equity holders, as reported, to loss attributable to the equity holders, as adjusted, for the six months ended June 30, 2021 and June 30, 2020.

LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Loss attributable to the equity holders, as reported	**(142.5)**	(974.0)	(85.4)%	(85.6)%
Impairment Charges	**30.2**	877.2	(96.6)%	(96.6)%
Restructuring Charges	**6.0**	28.8	(79.2)%	(79.1)%
Tax benefit associated with legal entity reorganization	**(26.0)**	—	n/a	n/a
Charges associated with debt borrowings and amendments[1]	**31.9**	—	n/a	n/a
Tax impact	**(14.7)**	(101.6)	(85.6)%	(85.7)%
Loss attributable to the equity holders, as adjusted	**(115.1)**	(169.7)	(32.2)%	(33.6)%

Notes
(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the six months ended June 30, 2021 were attributable to the non-cash charge of US$24.1 million to write-off the deferred financing costs primarily associated with the 2020 Incremental Term Loan B Facility, and bank charges recognized on the consolidated statements of income (loss) of US$7.8 million, primarily consisting of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in Management Discussion and Analysis - Indebtedness).
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.
n/a Not applicable.

The Group incurred a loss attributable to the equity holders of US$142.5 million for the six months ended June 30, 2021, compared to a loss attributable to the equity holders of US$974.0 million for the corresponding period in the previous year. For the six months ended June 30, 2021, the Group incurred a loss attributable to the equity holders of US$115.1 million when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement during the six months ended June 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the Intra-Group IP Realignment, compared to a loss attributable to the equity holders for the six months ended June 30, 2020 of US$169.7 million for the corresponding period in the previous year when excluding the non-cash 1H 2020 Impairment Charges and the Restructuring Charges recognized during the six months ended June 30, 2020, both of which are net of the related tax impact.

Basic and diluted loss per share

Basic and diluted loss per share was US$0.099 for the six months ended June 30, 2021, compared to basic and diluted loss per share of US$0.680 for the six months ended June 30, 2020. The weighted average number of shares utilized in the basic loss per share calculation was 1,434,954,537 shares for the six months ended June 30, 2021 compared to 1,432,657,591 shares for the six months ended June 30, 2020. The weighted average number of shares outstanding utilized in the diluted loss per share calculation was 1,434,954,537 shares for the six months ended June 30, 2021 compared to 1,432,657,591 shares for the six months ended June 30, 2020.

Basic and diluted loss per share, as adjusted, was US$0.080 for the six months ended June 30, 2021 when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement during the six months ended June 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the Intra-Group IP Realignment, compared to basic and diluted loss per share, as adjusted, of US$0.118 for the six months ended June 30, 2020 when excluding the non-cash 1H 2020 Impairment Charges and the Restructuring Charges recognized during the six months ended June 30, 2020, both of which are net of the related tax impact. The year-on-year improvement in basic and diluted loss per share, as adjusted, was primarily due to continued sales improvement due to governments relaxing social-distancing restrictions and markets around the world reopening due to a moderation in the severity of COVID-19, along with actions taken by management to reduce the fixed and variable cost structure of the business.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, improved by US$105.9 million to a loss of US$17.0 million for the six months ended June 30, 2021 compared to a loss of US$122.9 million for the six months ended June 30, 2020. Adjusted EBITDA margin was (2.1%) for the six months ended June 30, 2021 compared to (15.3%) for the six months ended June 30, 2020 due primarily to continued sales improvement due to governments relaxing social-distancing restrictions and markets around the world reopening due to a moderation in the severity of COVID-19, along with actions taken by management to reduce the fixed and variable cost structure of the business. See Management Discussion and Analysis - Impact of COVID-19 for further discussion.

Adjusted EBITDA for the second quarter of 2021 improved by US$139.3 million to a gain of US$11.5 million compared to a loss of US$127.8 million for the second quarter of 2020. Adjusted EBITDA margin was 2.6% for the second quarter of 2021 compared to (63.5)% for the second quarter of 2020. The US$11.5 million Adjusted EBITDA gain during the second quarter of 2021 follows an Adjusted EBITDA loss of US$28.5 million during the first quarter of 2021. Adjusted EBITDA decreased by US$33.3 million to a loss of US$28.5 million for the three months ended March 31, 2021, compared to earnings of US$4.9 million for the three months ended March 31, 2020. Adjusted EBITDA margin was (8.0%) for the three months ended March 31, 2021 compared to 0.8% for the three months ended March 31, 2020, due primarily to the COVID-19 Impacts.

The following table presents the reconciliation from the Group's loss for the period to Adjusted EBITDA for the six months ended June 30, 2021 and June 30, 2020:

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Loss for the period	**(142.2)**	(975.9)	(85.4)%	(85.7)%
Plus (Minus):				
Income tax benefit	**(46.6)**	(133.7)	(65.1)%	(65.5)%
Finance costs	**104.2**	48.5	114.9 %	113.2 %
Finance income	**(1.8)**	(1.8)	(3.4)%	(4.0)%
Depreciation	**25.2**	35.5	(29.1)%	(31.6)%
Total amortization	**77.6**	105.5	(26.5)%	(28.3)%
EBITDA	**16.4**	(921.8)	(101.8)%	(101.7)%
Plus (Minus):				
Share-based compensation expense	**4.3**	3.3	30.9 %	35.4 %
Impairment Charges	**30.2**	877.2	(96.6)%	(96.6)%
Restructuring Charges	**6.0**	28.8	(79.2)%	(79.1)%
Other adjustments[1]	**(1.4)**	(7.1)	(80.9)%	(65.4)%
Amortization of lease right-of-use assets	**(61.2)**	(89.5)	(31.7)%	(33.5)%
Interest expense on lease liabilities	**(11.3)**	(13.6)	(17.1)%	(18.1)%
Adjusted EBITDA[2]	**(17.0)**	(122.9)	(86.2)%	(86.3)%
Adjusted EBITDA margin	**(2.1)%**	(15.3)%		

Notes

(1) Other adjustments primarily comprised 'Other income (expenses)' per the consolidated statements of income (loss).

(2) Adjusted EBITDA, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense as a result of the Group's adoption of IFRS 16, *Leases* ("IFRS 16") to account for operational rent expenses.
(3) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

The following tables present reconciliations from loss for the period to Adjusted EBITDA on a regional basis for the six months ended June 30, 2021 and June 30, 2020:

	Six months ended June 30, 2021					
(Expressed in millions of US Dollars)	**North America**	**Asia**	**Europe**	**Latin America**	**Corporate**	**Total**
Loss for the period	**(31.8)**	**(28.7)**	**(23.2)**	**(8.7)**	**(49.9)**	**(142.2)**
Plus (Minus):						
Income tax expense (benefit)	**(8.3)**	**3.8**	**(6.4)**	**(0.1)**	**(35.6)**	**(46.6)**
Finance costs	**6.1**	**3.8**	**4.5**	**1.6**	**88.1**	**104.2**
Finance income	**(0.0)**	**(0.3)**	**(0.1)**	**(0.0)**	**(1.4)**	**(1.8)**
Depreciation	**8.3**	**8.0**	**7.5**	**1.2**	**0.1**	**25.2**
Total amortization	**28.1**	**26.0**	**16.9**	**5.2**	**1.5**	**77.6**
EBITDA	**2.4**	**12.7**	**(0.8)**	**(0.8)**	**2.9**	**16.4**
Plus (Minus):						
Share-based compensation expense	**(2.5)**	**(1.5)**	**(1.0)**	**(0.1)**	**9.4**	**4.3**
Impairment Charges	**4.6**	**5.5**	**—**	**—**	**20.1**	**30.2**
Restructuring Charges	**0.9**	**1.7**	**0.5**	**—**	**2.9**	**6.0**
Inter-company charges (income)[1]	**28.2**	**26.2**	**8.2**	**1.9**	**(64.5)**	**—**
Other adjustments[2]	**0.3**	**(0.2)**	**(0.7)**	**(1.8)**	**1.0**	**(1.4)**
Amortization of lease right-of-use assets	**(23.3)**	**(18.2)**	**(14.4)**	**(5.1)**	**(0.1)**	**(61.2)**
Interest expense on lease liabilities	**(5.9)**	**(2.4)**	**(2.1)**	**(0.9)**	**(0.0)**	**(11.3)**
Adjusted EBITDA[3]	**4.6**	**23.9**	**(10.2)**	**(6.8)**	**(28.5)**	**(17.0)**
Adjusted EBITDA margin	**1.4 %**	**7.8 %**	**(7.8)%**	**(18.7)%**	***nm***	**(2.1)%**

Notes
(1) Inter-company charges (income) by region include intra-group royalty income/expense and other cross-charges that eliminate in consolidation.
(2) Other adjustments primarily comprised 'Other income (expenses)' per the consolidated statements of income (loss).
(3) Adjusted EBITDA, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense as a result of the Group's adoption of IFRS 16 to account for operational rent expenses.
nm Not meaningful.

	Six months ended June 30, 2020					
(Expressed in millions of US Dollars)	North America	Asia	Europe	Latin America	Corporate	Total
Loss for the period	(560.8)	(127.5)	(75.2)	(35.7)	(176.7)	(975.9)
Plus (Minus):						
Income tax benefit	(41.0)	(13.7)	(21.8)	(1.1)	(56.2)	(133.7)
Finance costs	7.4	3.1	5.7	6.3	26.0	48.5
Finance income	(0.1)	(0.2)	(0.1)	0.0	(1.4)	(1.8)
Depreciation	12.1	10.8	10.0	2.1	0.5	35.5
Total amortization	34.7	36.1	25.9	7.4	1.4	105.5
EBITDA	(547.7)	(91.3)	(55.5)	(20.9)	(206.4)	(921.8)
Plus (Minus):						
Share-based compensation expense	(1.6)	0.7	(0.3)	0.1	4.3	3.3
Impairment Charges	516.0	75.1	40.5	11.8	233.8	877.2
Restructuring Charges	9.1	2.7	14.3	1.5	1.1	28.8
Inter-company charges (income)(1)	22.5	21.5	5.0	0.7	(49.8)	—
Other adjustments(2)	(0.3)	(0.4)	(7.1)	(0.1)	0.8	(7.1)
Amortization of lease right-of-use assets	(30.1)	(28.4)	(23.5)	(7.4)	(0.1)	(89.5)
Interest expense on lease liabilities	(7.4)	(2.2)	(3.0)	(1.0)	(0.0)	(13.6)
Adjusted EBITDA(3)	(39.5)	(22.3)	(29.5)	(15.3)	(16.3)	(122.9)
Adjusted EBITDA margin	(12.3)%	(7.9)%	(18.7)%	(38.9)%	*nm*	(15.3)%

Notes
(1) Inter-company charges (income) by region include intra-group royalty income/expense and other cross-charges that eliminate in consolidation.
(2) Other adjustments primarily comprised 'Other income (expenses)' per the consolidated statements of income (loss).
(3) Adjusted EBITDA, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense as a result of the Group's adoption of IFRS 16 to account for operational rent expenses.
nm Not meaningful.

The Company has presented EBITDA, Adjusted EBITDA and Adjusted EBITDA margin because it believes that, when viewed with its results of operations as prepared in accordance with IFRS and with the reconciliation to profit (loss) for the period, these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the trends impacting its business. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are important metrics the Group uses to evaluate its operating performance and cash generation.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS financial measures and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to profit (loss) for the period in the Company's consolidated statements of income (loss). These measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Company's results of operations as reported under IFRS.

Adjusted Net Loss

Adjusted Net Loss, a non-IFRS measure, was US$103.7 million for the six months ended June 30, 2021, compared to an Adjusted Net Loss of US$173.1 million for the six months ended June 30, 2020 due to the COVID-19 Impacts. Adjusted basic and diluted loss per share, non-IFRS measures, were a loss of US$0.072 per share for the six months ended June 30, 2021, compared to an adjusted basic and diluted loss per share of US$0.121 for the six months ended June 30, 2020. Adjusted basic and diluted loss per share are calculated by dividing Adjusted Net Loss by the weighted average number of shares used in the basic and diluted loss per share calculations, respectively.

Adjusted Net Loss for the second quarter of 2021 improved by US$98.2 million to an Adjusted Net Loss of US$36.4 million compared to an Adjusted Net Loss of US$134.5 million for the second quarter of 2020. The US$36.4 million Adjusted Net Loss during the second quarter of 2021 follows an Adjusted Net Loss of US$67.4 million during the first quarter of 2021. Adjusted Net Loss decreased by US$28.8 million to an Adjusted Net Loss of US$67.4 million for the three months ended March 31, 2021, compared to an Adjusted Net Loss of US$38.6 million for the three months ended March 31, 2020.

The following table presents the reconciliation from the Group's loss attributable to the equity holders to Adjusted Net Loss for the six months ended June 30, 2021 and June 30, 2020:

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Loss attributable to the equity holders	**(142.5)**	(974.0)	(85.4)%	(85.6)%
Plus (Minus):				
Change in fair value of put options included in finance costs	**(1.0)**	(15.5)	(93.6)%	(93.6)%
Amortization of intangible assets	**16.4**	16.0	2.6 %	1.1 %
Charges associated with debt borrowings and amendments[1]	**31.9**	—	n/a	n/a
Impairment Charges	**30.2**	877.2	(96.6)%	(96.6)%
Restructuring Charges	**6.0**	28.8	(79.2)%	(79.1)%
Tax benefit associated with legal entity reorganization	**(26.0)**	—	n/a	n/a
Tax adjustments[2]	**(18.7)**	(105.5)	(82.3)%	(82.5)%
Adjusted Net Loss[3]	**(103.7)**	(173.1)	(40.1)%	(41.4)%

Notes

(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the six months ended June 30, 2021 were attributable to the non-cash charge of US$24.1 million to write-off the deferred financing costs primarily associated with the 2020 Incremental Term Loan B Facility, and bank charges recognized on the consolidated statements of income (loss) of US$7.8 million, primarily consisting of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in Management Discussion and Analysis - Indebtedness).

(2) Tax adjustments represent the tax effect of the reconciling line items as included in the consolidated statements of income (loss) based on the applicable tax rate in the jurisdiction where such costs were incurred.

(3) Represents Adjusted Net Loss attributable to the equity holders of the Company.

(4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

n/a Not applicable.

The Company has presented Adjusted Net Loss and adjusted basic and diluted loss per share because it believes these measures help to give securities analysts, investors and other interested parties a better understanding of the Company's underlying financial performance. By presenting Adjusted Net Loss and the related adjusted basic and diluted loss per share calculations, the Company eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact reported loss attributable to the equity holders.

Adjusted Net Loss and adjusted basic and diluted loss per share are non-IFRS financial measures and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to loss attributable to the equity holders or basic and diluted loss per share presented in the Company's consolidated statements of income (loss). Adjusted Net Loss and the related adjusted basic and diluted loss per share calculations have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Company's results of operations as reported under IFRS.

Liquidity and Capital Resources

The primary objectives of the Company's capital management policies are to safeguard its ability to continue as a going concern, to provide returns for the Company's shareholders, and to fund capital expenditures, normal operating expenses, working capital needs and the payment of obligations (see Management Discussion and Analysis - Impact of COVID-19 for further discussion). The Group's primary sources of liquidity are its cash flows from operating activities, invested cash, available lines of credit and, subject to shareholder approval, the Company's ability to issue additional shares. The Company believes that its existing cash and estimated cash flows, along with current working capital, will be adequate to meet the foreseeable future operating and capital requirements of the Group at least through August 31, 2022.

Net cash flows used in operating activities amounted to US$1.5 million for the six months ended June 30, 2021 compared to net cash flows used in operating activities of US$173.0 million for the six months ended June 30, 2020, reflecting tight expense management and cash controls. The decrease in cash flows used in operating activities year-on-year primarily reflects a US$115.7 million improvement in changes in working capital and a US$15.6 million reduction in income taxes paid, both as compared to the six months ended June 30, 2020.

For the six months ended June 30, 2021, net cash flows used in investing activities were US$6.0 million and were primarily related to US$4.6 million of capital expenditures for property, plant and equipment. The Group selectively added new retail locations, remodeled certain existing retail locations and made investments in machinery and equipment. For the six months ended June 30, 2020, net cash flows used in investing activities were US$21.5 million and were primarily related to US$18.0 million of capital expenditures for property, plant and equipment, including a warehouse expansion project in India that began in 2019. During 2020 and continuing into the first half of 2021, the Group took and continues to take meaningful measures to limit its capital expenditures in response to the impacts on the Group's business from the COVID-19 pandemic.

Net cash flows used in financing activities were US$425.3 million for the six months ended June 30, 2021 and were largely attributable to the prepayment of US$325.0 million principal amount of borrowings under the Amended Senior Credit Facilities. The Group prepaid US$125.0 million principal amount of its outstanding borrowings under its Amended Term Loan A Facility (as defined in the Management Discussion and Analysis - Indebtedness) and US$100.0 million principal amount of its outstanding borrowings under its Amended Revolving Credit Facility. The Group prepaid US$100.0 million in principal in conjunction with the borrowing of the 2021 Incremental Term Loan B Facility (as further described in the Management Discussion and Analysis - Indebtedness). Net cash flows used in financing activities also included US$82.0 million in payments on lease liabilities. Net cash flows provided by financing activities were US$1,323.1 million for the six months ended June 30, 2020 and were largely attributable to funds received through a term loan B borrowing in an aggregate principal amount of US$600.0 million, as well as from additional borrowings of US$810.3 million (USD equivalent at the applicable exchange rate on the borrowing date) provided through the Amended Revolving Credit Facility.

The Group had US$1,058.2 million in cash and cash equivalents as of June 30, 2021, compared to US$1,495.0 million as of December 31, 2020. Cash and cash equivalents are generally denominated in the functional currency of the respective Group entity.

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of June 30, 2021 and December 31, 2020:

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
Amended Term Loan A Facility	**650.0**	785.0
Term Loan B Facility	**544.9**	548.2
2020 Incremental Term Loan B Facility	**—**	597.0
2021 Incremental Term Loan B Facility	**495.5**	—
Amended Revolving Credit Facility	**718.6**	822.2
Total Amended Senior Credit Facilities	**2,409.0**	2,752.4
Senior Notes(1)	**415.0**	427.5
Other borrowings and obligations	**51.0**	50.6
Total loans and borrowings	**2,874.9**	3,230.5
Less deferred financing costs	**(14.9)**	(39.9)
Total loans and borrowings less deferred financing costs	**2,860.0**	3,190.6

Note
(1) The value of the Senior Notes, when translated from Euros into US Dollars, will change relative to the fluctuation in the exchange rate between the Euro and US Dollar at stated points in time.

The Group's various debt obligations are described in detail below.

Senior Credit Facilities Agreement

On April 25, 2018 (the "Closing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amended and restated credit and guaranty agreement (the "Credit Agreement") with certain lenders and financial institutions. The Credit Agreement provided for (1) a US$828.0 million senior secured term loan A facility (the "Term Loan A Facility"), (2) a US$665.0 million senior secured term loan B facility (the "Term Loan B Facility" and, together with the Term Loan A Facility, the "Term Loan Credit Facilities") and (3) a US$650.0 million revolving credit facility (the "Revolving Credit Facility"). The credit facilities provided under the Credit Agreement as it has been amended from time to time since the Closing Date are referred to herein as the "Senior Credit Facilities."

Interest Rate and Fees
Under the terms of the Credit Agreement:

(a) in respect of the Term Loan A Facility and the Revolving Credit Facility, (i) prior to March 16, 2020 (the "Second Amendment Closing Date"), the interest rate payable was based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings and (ii) after the Second Amendment Closing Date, the interest rate payable was set with effect from the Second Amendment Closing Date until the delivery of the consolidated financial statements for the fiscal quarter ended June 30, 2020 at LIBOR plus 1.375% per annum (or a base rate plus 0.375% per annum) and thereafter is based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings (subject to the terms of the Third Amended Credit Agreement (as described below)); and

(b) in respect of the Term Loan B Facility, the interest rate payable was set at LIBOR plus 1.75% per annum with a LIBOR floor of 0.00% (or a base rate plus 0.75% per annum) (subject to the terms of the Third Amended Credit Agreement as described below).

In addition to paying interest on the outstanding principal amount of borrowings under the Senior Credit Facilities, the borrowers pay customary agency fees and a commitment fee in respect of the unutilized commitments under the Revolving Credit Facility. The commitment fee is payable with effect from the Second Amendment Closing Date until the delivery of the consolidated financial statements for the fiscal quarter ended June 30, 2020 was 0.20% per annum and the commitment fee payable thereafter may step up based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings, as applicable (subject to the terms of the Third Amended Credit Agreement as described below).

Amortization and Final Maturity
Prior to the Second Amendment Closing Date, the Term Loan A Facility required scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans under the Term Loan A Facility made during each of the first and second years, with a step-up to 5.0% annual amortization during each of the third and fourth years and 7.5% annual amortization during the fifth year, with the balance due and payable on the fifth anniversary of the Closing Date.

The Second Amended Credit Agreement (as defined below) requires scheduled quarterly payments commencing on the first full fiscal quarter ended after the Second Amendment Closing Date, with an annual amortization of 2.5% of the original principal amount of the loans under the Amended Term Loan A Facility (as defined below) made during each of the first and second years, with a step-up to 5.0% annual amortization during each of the third and fourth years and 7.5% annual amortization during the fifth year, with the balance due and payable on the fifth anniversary of the Second Amendment Closing Date.

The Term Loan B Facility requires scheduled quarterly payments equal to 0.25% of the original principal amount of the loans under the Term Loan B Facility, with the balance due and payable on the seventh anniversary of the Closing Date.

There is no scheduled amortization of the principal amounts of the loans outstanding under the Revolving Credit Facility. Any principal amount outstanding under the Amended Revolving Credit Facility is due and payable on the fifth anniversary of the Second Amendment Closing Date.

Guarantees and Security
The obligations of the borrowers under the Senior Credit Facilities are unconditionally guaranteed by the Company and certain of the Company's existing direct or indirect wholly-owned material restricted subsidiaries organized in Luxembourg, Belgium, Canada, Hong Kong, Hungary, Mexico, the United States and Singapore, and are required to be guaranteed by certain future direct or indirect wholly-owned material restricted subsidiaries, organized in such jurisdictions (except Singapore) (the "Credit Facility Guarantors"). All obligations under the Senior Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of the borrowers and the Credit Facility Guarantors (including the Shared Collateral (as defined below)).

Certain Covenants and Events of Default
The Senior Credit Facilities contain a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and each of its restricted subsidiaries to: (i) incur additional indebtedness; (ii) pay dividends or distributions on its capital stock or redeem, repurchase or retire its capital stock or its other indebtedness; (iii) make investments, loans and acquisitions; (iv) engage in transactions with its affiliates; (v) sell assets, including capital stock of its subsidiaries; (vi) consolidate or merge; (vii) materially alter the business it conducts; (viii) incur liens; and (ix) prepay or amend any junior debt or subordinated debt.

In addition, the Credit Agreement requires the Company and its subsidiaries to meet certain quarterly financial covenants. Commencing with the fiscal quarter ended September 30, 2018, the Company and its subsidiaries were required to maintain (i) a pro forma total net leverage ratio of not greater than 5.50:1.00, which ratio decreased to 5.25:1.00 for test periods ending in 2020, 5.00:1.00 for test periods ending in 2021 and will decrease to 4.50:1.00 for test periods ending in 2022 and thereafter; provided that such maximum pro forma total net leverage ratio is subject to a step up of 0.50x from the otherwise applicable ratio, up to a pro forma total net leverage ratio not to exceed 6.00:1.00 for the six fiscal quarter period following the fiscal quarter in which a permitted acquisition has been consummated, and (ii) a pro forma consolidated cash interest coverage ratio of not less than 3.00:1.00 (collectively, the "Financial Covenants"). The Financial Covenants only apply for the benefit of the lenders under the Amended Term Loan A Facility and the lenders under the Amended Revolving Credit Facility. The Company's requirement to comply with the Financial Covenants has been temporarily suspended during the Suspension Period pursuant to the Third Amended Credit Agreement (see below for further discussion). The Credit Agreement also contains certain customary representations and warranties, affirmative covenants and provisions relating to events of default (including upon a change of control).

Second Amended Credit Agreement

On the Second Amendment Closing Date, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Credit Agreement (the "Second Amended Credit Agreement"). The Second Amended Credit Agreement provides for (1) an amended US$800.0 million senior secured term loan A facility (the "Amended Term Loan A Facility") and (2) an amended US$850.0 million revolving credit facility (the "Amended Revolving Credit Facility"). Under the Second Amended Credit Agreement, the maturity for both the Amended Term Loan A Facility and the Amended Revolving Credit Facility were extended by approximately two years, with the remaining amounts outstanding under both facilities due to be paid in full on the fifth anniversary of the Second Amendment Closing Date. Interest on the borrowings under the Amended Term Loan A Facility and the Amended Revolving Credit Facility began to accrue on the Second Amendment Closing Date.

The Amended Term Loan A Facility requires scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans under the Amended Term Loan A Facility during each of the first and second years, with a step-up to 5.0% annual amortization during each of the third and fourth years and 7.5% annual amortization during the fifth year. If, on the date that is 91 days prior to the maturity date of the Term Loan B Facility, more than US$50.0 million of the Term Loan B Facility has not been repaid or refinanced pursuant to the terms provided for in the Second Amended Credit Agreement, then the Amended Term Loan A Facility and the Amended Revolving Credit Facility shall mature on the date that is 90 days prior to the maturity date of the Term Loan B Facility.

Under the terms of the Second Amended Credit Agreement, the interest rate payable on the Amended Term Loan A Facility and the Amended Revolving Credit Facility was reduced with effect from the Second Amendment Closing Date until the delivery of the financial statements for the first full fiscal quarter commencing on or after the Second Amendment Closing Date from an adjusted rate equal to LIBOR plus 1.50% per annum (or a base rate plus 0.50% per annum) to a rate equal to LIBOR plus 1.375% per annum (or a base rate plus 0.375% per annum), and thereafter is based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings. The interest rate payable on the Amended Term Loan A Facility and the Amended Revolving Credit Facility was subsequently increased on a temporary basis pursuant to the Third Amended Credit Agreement (see below for further discussion).

The Second Amended Credit Agreement did not affect the terms of the Term Loan B Facility.

The borrowers pay customary agency fees and a commitment fee equal to 0.20% per annum in respect of the unutilized commitments under the Amended Revolving Credit Facility, which commitment fee may step up based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings, as applicable commencing with the first full fiscal quarter ended after the Second Amendment Closing Date. Such commitment fee was temporarily increased pursuant to the Third Amended Credit Agreement (see below for further discussion).

Third Amended Credit Agreement

On April 29, 2020, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Second Amended Credit Agreement (the "Third Amended Credit Agreement"). The terms of the Third Amended Credit Agreement further strengthened the Company's financial flexibility in order to navigate the challenges from COVID-19. Under the terms of the Third Amended Credit Agreement:

(1) The Company's requirement to test the maximum total net leverage ratio and minimum interest coverage ratio under its Financial Covenants was suspended from the beginning of the second quarter of 2020 through the end of the second quarter of 2021 (the "Suspension Period"). Following the Suspension Period, the Company

will resume testing compliance with the total net leverage ratio and interest coverage ratio covenants beginning with the end of the third quarter of 2021.

(2) During the Suspension Period, the Company is required to comply with a minimum liquidity covenant of US$500.0 million and the Group is subject to additional restrictions on its ability to incur indebtedness and make restricted payments and investments.

(3) During the Suspension Period, the interest rate applicable to the Amended Term Loan A Facility and the Amended Revolving Credit Facility is equal to LIBOR plus 2.00% per annum with a LIBOR floor of 0.75% and the commitment fee in respect of the unutilized commitments under the Amended Revolving Credit Facility is 0.35% per annum.

(4) The Company may elect to reinstate the pre-amendment covenants and pricing terms prior to the end of the Suspension Period.

(5) From September 30, 2021 until March 31, 2022, the Company may at its election use Consolidated Adjusted EBITDA (as defined in the Third Amended Credit Agreement) from the first two quarters of 2019 and fourth quarter of 2019 (instead of actual Consolidated Adjusted EBITDA from the fourth quarter of 2020 and the first two quarters of 2021) to calculate compliance with the Financial Covenants under the Third Amended Credit Agreement. So long as the Company uses Historical EBITDA to calculate compliance with the Financial Covenants, the minimum liquidity covenant and the Suspension Period pricing terms will remain in effect. The applicable amounts of the Historical EBITDA were further amended by the Fifth Amended Credit Agreement (as described below).

2020 Incremental Term Loan B Facility

On May 7, 2020 (the "2020 Incremental Term Loan B Facility Closing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Third Amended Credit Agreement (the "Fourth Amended Credit Agreement"). The Fourth Amended Credit Agreement provided for an additional term loan B facility in an aggregate principal amount of US$600.0 million (the "2020 Incremental Term Loan B Facility"), which was borrowed by certain indirect, wholly-owned subsidiaries of the Company on the 2020 Incremental Term Loan B Facility Closing Date. The 2020 Incremental Term Loan B Facility was issued with original issue discount with an issue price of 97.00%. The proceeds from the borrowing under the 2020 Incremental Term Loan B Facility were used to (i) provide the Group with additional cash resources (which could be used for general corporate purposes and for working capital needs) and (ii) pay certain fees and expenses in connection thereto.

Interest Rate and Fees

Interest on the borrowings under the 2020 Incremental Term Loan B Facility began to accrue on the 2020 Incremental Term Loan B Facility Closing Date. Under the terms of the 2020 Incremental Term Loan B Facility, the interest rate was equal to LIBOR plus 4.50% per annum with a LIBOR floor of 1.00% (or a base rate plus 3.50% per annum).

Amortization and Final Maturity

The 2020 Incremental Term Loan B Facility required scheduled quarterly payments equal to 0.25% of the original principal amount of the loans thereunder beginning with the fiscal quarter ended September 30, 2020, with the balance due and payable on April 25, 2025.

Fifth Amended Credit Agreement

On June 7, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Fourth Amended Credit Agreement (the "Fifth Amended Credit Agreement"). Under the terms of the Fifth Amended Credit Agreement, if during the period from September 30, 2021 until March 31, 2022 the Company elects to use the Historical EBITDA for the purpose of calculating the maximum total net leverage ratio and minimum interest coverage ratio under the Financial Covenants, the Historical EBITDA for each of the quarters ended December 31, 2020, March 31, 2021 and June 30, 2021 will be increased by an amount equal to US$65.7 million (the "Add-back Amount").

The Add-back Amount was determined based on the annualized run-rate fixed cost savings from the Company's comprehensive cost reduction program that was implemented during 2020. The Fifth Amended Credit Agreement further strengthened the Company's financial flexibility to navigate its business through the challenges from the COVID-19 pandemic.

2021 Incremental Term Loan B Facility

On June 21, 2021 (the "2021 Incremental Term Loan B Facility Closing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Fifth Amended Credit Agreement with certain lenders and financial institutions (the "Sixth Amended Credit Agreement"). The Sixth Amended Credit Agreement provides for a term loan B facility (the “2021 Incremental Term Loan B Facility”) in the principal amount of US$495.5 million, which was borrowed by certain indirect, wholly-owned subsidiaries of the Company on the 2021 Incremental Term Loan B Facility Closing Date. The 2021 Incremental Term Loan B Facility was issued with original issue discount with an issue price of 99.75%.

The gross proceeds from the borrowing under the 2021 Incremental Term Loan B Facility and existing cash on hand were used to (i) to prepay in full the outstanding principal and interest under the 2020 Incremental Term Loan B Facility and (ii) pay certain commissions, fees and expenses in connection thereto. In connection with the prepayment of the US$595.5 million principal amount of the Group’s outstanding borrowings under the 2020 Incremental Term Loan B Facility, the Group paid the lenders thereunder a fee equal to approximately US$6.0 million, which represented 1.00% of the aggregate principal amount of the 2020 Incremental Term Loan B Facility that was prepaid as required under the terms of the Fourth Amended Credit Agreement.

Interest Rate and Fees

Interest on the borrowings under the 2021 Incremental Term Loan B Facility began to accrue on the 2021 Incremental Term Loan B Facility Closing Date. Under the terms of the 2021 Incremental Term Loan B Facility, the interest rate is equal to LIBOR plus 3.00% per annum with a LIBOR floor of 0.75% (or a base rate plus 2.00% per annum).

Amortization and Final Maturity

The 2021 Incremental Term Loan B Facility requires scheduled quarterly payments equal to 0.25% of the original principal amount of the loans thereunder beginning with the fiscal quarter ending September 30, 2021, with the balance due and payable on April 25, 2025.

Optional Prepayment

If the Group prepays the 2021 Incremental Term Loan B Facility in whole or in part on or before the date which is six months after the 2021 Incremental Term Loan B Facility Closing Date, the Group will be required to pay to the lenders a fee equal to 1.00% of the aggregate principal amount of the 2021 Incremental Term Loan B Facility that is prepaid.

Minimum Liquidity Covenant

The 2021 Incremental Term Loan B Facility requires the Company to comply with a minimum liquidity covenant of US$200.0 million through the third quarter of 2021, stepping down to US$100.0 million thereafter until repayment in full of the 2021 Incremental Term Loan B Facility.

Other Terms

Except as described above, the other terms of the 2021 Incremental Term Loan B Facility are the same as the terms of the Term Loan B Facility.

Amended Revolving Credit Facility

On March 20, 2020, the Company borrowed US$810.3 million (US Dollar equivalent at the applicable exchange rate on the borrowing date) under the Amended Revolving Credit Facility to ensure access to the Group’s liquidity given the uncertainties and challenges caused by the COVID-19 pandemic. In June 2021, the Group prepaid US$100.0 million principal amount of its outstanding borrowings under its Amended Revolving Credit Facility. As of June 30, 2021, US$126.8 million was available to be borrowed on the Amended Revolving Credit Facility as a result of US$718.6 million of outstanding borrowings and the utilization of US$4.6 million of the facility for outstanding letters of credit extended to certain creditors. As of December 31, 2020, US$23.4 million was available to be borrowed under the US$850.0 million Amended Revolving Credit Facility as a result of US$822.2 million of outstanding borrowings and utilization of US$4.5 million of the facility for outstanding letters of credit extended to certain creditors.

Deferred Financing Costs

In conjunction with the borrowing under the 2021 Incremental Term Loan B Facility, the Group incurred US$3.5 million of deferred financing costs. All such costs have been deferred and are being offset against loans and borrowings. The deferred financing costs are being amortized using the effective interest method over the life of the Senior Credit Facilities and the 2021 Incremental Term Loan B Facility. The amortization of deferred financing costs, which is included in interest expense, amounted to US$4.3 million and US$2.7 million for the six months ended June 30, 2021 and June 30, 2020, respectively.

Upon the closing of the borrowing under the 2021 Incremental Term Loan B Facility, the Group recognized a non-cash charge of US$24.1 million to write-off the remaining balance of the previously existing deferred financing costs related to the 2020 Incremental Term Loan B Facility.

Interest Rate Swaps

The Group maintains interest rate swaps to hedge a portion of its interest rate exposure under the floating-rate Senior Credit Facilities by swapping certain US Dollar floating-rate bank borrowings with fixed-rate agreements. On September 4, 2019, the Group entered into interest rate swap agreements that became effective on September 6, 2019 and will terminate on August 31, 2024. The notional amounts of the interest rate swap agreements decrease over time. As a result of the Group's interest rate swaps, LIBOR has been fixed at approximately 1.208% with respect to an amount equal to approximately 25% of the principal amount of the Amended Senior Credit Facilities at June 30, 2021, which reduces a portion of the Company's exposure to interest rate increases. The interest rate swap agreements have fixed payments due monthly that commenced September 30, 2019. The interest rate swap transactions qualify as cash flow hedges. As of June 30, 2021, the interest rate swaps were marked-to-market, resulting in a net liability position to the Group in the amount of US$12.3 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss). As of December 31, 2020, the interest rate swaps were marked-to-market, resulting in a net liability position to the Group in the amount of US$21.2 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss).

€350.0 Million 3.500% Senior Notes Due 2026

On April 25, 2018 (the "Issue Date"), Samsonite Finco S.à r.l., a wholly-owned, indirect subsidiary of the Company (the "Issuer"), issued €350.0 million aggregate principal amount of its 3.500% senior notes due 2026 (the "Senior Notes"). The Senior Notes were issued at par pursuant to an indenture (the "Indenture"), dated the Issue Date, among the Issuer, the Company and certain of its direct or indirect wholly-owned subsidiaries (together with the Company, the "Guarantors").

Maturity, Interest and Redemption

The Senior Notes will mature on May 15, 2026. Interest on the aggregate outstanding principal amount of the Senior Notes accrues at a fixed rate of 3.500% per annum, payable semi-annually in cash in arrears on May 15 and November 15 each year.

After May 15, 2021, the Issuer may redeem all, or from time to time a part, of the Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period commencing on May 15 of the years set forth below:

Year	Redemption Price
2021	101.750 %
2022	100.875 %
2023 and thereafter	100.000 %

In the event of certain events defined as constituting a change of control, the Issuer may be required to make an offer to purchase the Senior Notes.

Guarantee and Security

The Senior Notes are guaranteed by the Guarantors on a senior subordinated basis. The Senior Notes are secured by a second-ranking pledge over the shares of the Issuer and a second-ranking pledge over the Issuer's rights in the proceeds loan in respect of the proceeds of the offering of the Senior Notes (the "Shared Collateral"). The Shared Collateral also secures the borrowings under the Sixth Amended Credit Agreement on a first-ranking basis.

Certain Covenants and Events of Default

The Indenture contains a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and its restricted subsidiaries (including the Issuer) to: (i) incur or guarantee additional indebtedness, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem the capital stock or subordinated debt of the Company or its restricted subsidiaries, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of inter-company loans and advances, (viii) engage in mergers or consolidations and (ix) impair the security interests in the Shared Collateral. The Indenture also contains certain customary provisions relating to events of default.

Other Loans and Borrowings

Certain consolidated subsidiaries of the Company maintain credit lines and other loans with various third-party lenders in the regions in which they operate. Other loans and borrowings are generally variable rate instruments denominated in the functional currency of the borrowing Group entity. These credit lines provide short-term financing and working capital for the day-to-day business operations of certain Group entities, including overdraft, bank guarantees, and trade finance facilities. The majority of the credit lines included in other loans and borrowings are uncommitted facilities. The total aggregate amount of other loans and borrowings was US$48.3 million and US$47.8 million as of June 30, 2021 and December 31, 2020, respectively.

The following represents the contractual maturity dates of the Group's loans and borrowings as of June 30, 2021 and December 31, 2020:

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
On demand or within one year	**86.1**	80.6
After one year but within two years	**56.8**	47.8
After two years but within five years	**2,732.0**	2,674.6
More than five years	**—**	427.5
	2,874.9	3,230.5

Cross-currency Swaps

The Group maintains cross-currency swaps which are used to hedge currency risk associated with currency fluctuation between the Euro and US Dollar and between the Japanese Yen and US Dollar.

In April 2019, the Group entered into cross-currency swaps which have been designated as net investment hedges. The hedges consist of a US$50.0 million notional loan amount between the Euro and US Dollar and a US$25.0 million notional loan amount between the Japanese Yen and US Dollar. The Group benefits from the interest rate spread between the two markets to receive fixed interest income over the five-year contractual period. As of June 30, 2021, the cross-currency swaps qualified as net investment hedges and the monthly mark-to-market is recorded to other comprehensive income (loss). As of June 30, 2021, the cross-currency swaps were marked-to-market, resulting in the notional loan between the Euro and US Dollar to be in a net liability position to the Group in the amount of US$1.5 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss), and the notional loan between the Japanese Yen and US Dollar to be in a net asset position to the Group in the amount of US$1.1 million, which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income (loss). As of December 31, 2020, the cross-currency swaps were marked-to-market, resulting in the notional loan between the Euro and US Dollar to be in a net liability position to the Group in the amount of US$2.7 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss), and the notional loan between the Japanese Yen and US Dollar to be in a net liability position to the Group in the amount of US$0.5 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss).

Hedging

The Company's non-U.S. subsidiaries periodically enter into forward contracts related to the purchase of inventories denominated primarily in US Dollars which are designated as cash flow hedges. Cash outflows associated with these derivatives as of June 30, 2021 are expected to be US$40.7 million within one year.

Other Financial Information

Working Capital Ratios

Inventory Analysis

The following table sets forth a summary of the Group's average inventories, cost of sales and average inventory turnover days for the six months ended June 30, 2021 and June 30, 2020:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Average inventories[(1)]	**423.2**	581.4
Cost of sales	**393.7**	405.8
Average inventory turnover days[(2)]	**196**	261

Notes
(1) Average inventories equal the average of net inventory at the beginning and end of a given period.
(2) Average inventory turnover days for a given period equals average inventory for that period divided by cost of sales for that period and multiplied by the number of days in the period.

The Group's average inventories decreased in the first half of 2021 (US$390.4 million as of June 30, 2021 compared to US$455.9 million as of December 31, 2020) compared to the first half of 2020 (US$575.5 million as of June 30, 2020 compared to US$587.3 million as of December 31, 2019). Average inventory turnover days decreased due to reduced inventory levels.

Trade and Other Receivables

The following table sets forth a summary of the Group's average trade and other receivables, net sales and turnover days of trade and other receivables for the six months ended June 30, 2021 and June 30, 2020:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Average trade and other receivables[1]	**152.4**	270.0
Net sales	**799.5**	802.3
Turnover days of trade and other receivables[2]	**35**	61

Notes

(1) Average trade and other receivables equal the average of net trade and other receivables at the beginning and end of a given period.

(2) Turnover days of trade and other receivables for a given period equals average trade and other receivables for that period divided by net sales for that period and multiplied by the number of days in the period.

The Group's average trade and other receivables decreased in the first half of 2021 (US$163.8 million as of June 30, 2021 compared to US$141.0 million as of December 31, 2020) compared to the first half of 2020 (US$144.1 million as of June 30, 2020 compared to US$396.0 million as of December 31, 2019). The trade and other receivables turnover days decreased due to improved collections on outstanding trade and other receivables balances year-on-year.

Trade receivables as of June 30, 2021 are on average due within 60 days from the date of billing.

Trade and Other Payables

The following table sets forth a summary of the Group's average trade and other payables, cost of sales and turnover days of trade and other payables for the six months ended June 30, 2021 and June 30, 2020:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Average trade and other payables[1]	**401.4**	531.1
Cost of sales	**393.7**	405.8
Turnover days of trade and other payables[2]	**186**	239

Notes

(1) Average trade and other payables equal the average of trade and other payables at the beginning and end of a given period.

(2) Turnover days of trade and other payables for a given period equals average trade and other payables for that period divided by cost of sales for that period and multiplied by the number of days in the period.

The Group's average trade and other payables decreased in the first half of 2021 (US$390.0 million as of June 30, 2021 compared to US$412.9 million as of December 31, 2020) compared to the first half of 2020 (US$386.3 million as of June 30, 2020 compared to US$675.9 million as of December 31, 2019). The trade and other payables turnover days decreased primarily due to due to reduced inventory levels and the timing of payments.

Trade payables as of June 30, 2021 are on average due within 105 days from the invoice date.

Gearing Ratio

The following table sets forth the Group's loans and borrowings (excluding deferred financing costs), total equity and gearing ratio as of June 30, 2021 and December 31, 2020:

(Expressed in millions of US Dollars)	**June 30, 2021**	December 31, 2020
Loans and borrowings (excluding deferred financing costs)	**2,874.9**	3,230.5
Total equity	**551.2**	669.0
Gearing ratio[1]	**521.6 %**	482.9 %

Note

(1) Calculated as total loans and borrowings (excluding deferred financing costs) divided by total equity.

The gearing ratio increased due to the reduction in total equity due to the net loss attributable to equity holders recognized for the six months ended June 30, 2021, partially offset by the decrease in loans and borrowings as discussed in note 15 to the consolidated interim financial statements.

Contractual Obligations

The following table summarizes scheduled maturities of the Group's contractual obligations for which cash flows are fixed and determinable as of June 30, 2021:

(Expressed in millions of US Dollars)	Total	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loans and borrowings	**2,874.9**	**86.1**	**56.8**	**2,732.0**	**—**
Open inventory purchase orders	**257.0**	**239.0**	**18.0**	**—**	**—**
Future minimum contractual payments under lease liabilities	**541.7**	**154.4**	**123.8**	**186.6**	**76.9**
Future minimum payments under short-term and low-value leases	**2.6**	**2.6**	**—**	**—**	**—**
Total	**3,676.2**	**482.1**	**198.6**	**2,918.6**	**76.9**

As of June 30, 2021, the Group did not have any material off-balance sheet arrangements or contingencies except as included in the table summarizing its contractual obligations above.

Contingent Liabilities

Details of contingent liabilities are set out in note 18 to the consolidated interim financial statements.

Subsequent Events

Details of the events occurring subsequent to June 30, 2021 are set out in note 25 to the consolidated interim financial statements.

Other Information

Total current assets were US$1,754.2 million and US$2,174.3 million, and total assets less current liabilities were US$3,891.8 million and US$4,430.9 million, as of June 30, 2021 and December 31, 2020, respectively.

Strategic Review and Full-year Prospects

Financial results of the Group during the first six months of 2021 were as follows:

Financial Results

Key Group metrics for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 were as follows:

- Net sales were US$799.5 million for the six months ended June 30, 2021, compared to US$802.3 million for the six months ended June 30, 2020, a decrease of 0.4% (-3.2% constant currency). The Group has experienced improved sales trends due to governments relaxing social-distancing restrictions and markets around the world reopening due to reductions in the severity of the COVID-19 pandemic. Net sales decreased by 54.5% (-54.6% constant currency) compared to the corresponding period in 2019.
- Gross profit margin increased to 50.8% for the six months ended June 30, 2021 from 49.4% for the corresponding period in the previous year. The expiration of GSP in January 2021 has resulted in increased duty costs on goods imported to the United States from countries that were beneficiaries of GSP, which has negatively impacted gross profit margin by US$6.5 million, or 80 basis points. The devaluation of many currencies to the US Dollar has also had a negative impact on gross profit margin. The Group has leveraged its long-standing relationships with suppliers to mitigate the effects of cost increases and is implementing price increases in certain markets to offset the resulting margin pressure.
- The Group spent US$28.7 million on marketing during the six months ended June 30, 2021 compared to US$44.5 million for the six months ended June 30, 2020, a decrease of US$15.8 million, or 35.6%. As a percentage of net sales, marketing expenses decreased by 190 basis points to 3.6% for the six months ended June 30, 2021 from 5.5% for the six months ended June 30, 2020. The Group has continued to tightly manage its advertising expenses in an effort to help conserve cash and to mitigate the effects of the COVID-19 Impacts on the Group's business.
- During the six months ended June 30, 2021 the Group recognized non-cash 1H 2021 Impairment Charges of US$30.2 million. Of this amount, US$5.5 million was attributable to lease right-of-use assets due to the under-performance of certain retail locations. During June 2021, the Group classified the assets attributable to Speck to held for sale. Speck was sold on July 30, 2021. The Group recognized non-cash impairment charges during the six months ended June 30, 2021 totaling US$24.7 million related to impairments of goodwill and other intangible assets of this disposal group. Due to the negative impacts resulting from the COVID-19 pandemic during the six months ended June 30, 2020, certain indefinite-lived intangible assets identified by the Group were tested for impairment. Total non-cash 1H 2020 Impairment Charges of US$877.2 million, comprised of (i) US$496.0 million for goodwill, (ii) US$236.0 million for certain tradenames and, based on an evaluation of loss-making stores, (iii) US$113.9 million

for the write-off of lease right-of-use assets and (iv) US$31.2 million for the write-off of certain property, plant and equipment, including leasehold improvements was recognized.

- During 2020 and the first half of 2021, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future in response to the COVID-19 Impacts. In conjunction with these cost saving actions and other initiatives, the Group recognized the Restructuring Charges. During the six months ended June 30, 2021 and June 30, 2020, the Group recognized Restructuring Charges of US$6.0 million and US$28.8 million, respectively. The Restructuring Charges consisted primarily of severance associated with permanent headcount reductions, store closure costs and certain other costs incurred to implement profit improvement initiatives.
- The Group incurred an operating loss of US$86.4 million for the six months ended June 30, 2021, compared to an operating loss of US$1,062.9 million for the corresponding period in the previous year. The Group incurred an operating loss of US$50.2 million for the six months ended June 30, 2021 when excluding the non-cash 1H 2021 Impairment Charges and Restructuring Charges recognized during the six months ended June 30, 2021, compared to an operating loss of US$156.9 million for the corresponding period in the previous year when excluding the non-cash 1H 2020 Impairment Charges and the Restructuring Charges recognized during the six months ended June 30, 2020.
- The Group incurred a loss for the six months ended June 30, 2021 of US$142.2 million compared to a loss for the six months ended June 30, 2020 of US$975.9 million. The Group incurred a loss for the six months ended June 30, 2021 of US$114.8 million when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement during the six months ended June 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the Intra-Group IP Realignment, compared to a loss for the six months ended June 30, 2020 of US$171.5 million when excluding the non-cash 1H 2020 Impairment Charges and the Restructuring Charges recognized during the six months ended June 30, 2020, both of which are net of the related tax impact.
- The Group incurred a loss attributable to the equity holders of US$142.5 million for the six months ended June 30, 2021, compared to a loss attributable to the equity holders of US$974.0 million for the corresponding period in the previous year. For the six months ended June 30, 2021, the Group incurred a loss attributable to the equity holders of US$115.1 million when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement during the six months ended June 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the Intra-Group IP Realignment, compared to a loss attributable to the equity holders for the six months ended June 30, 2020 of US$169.7 million for the corresponding period in the previous year when excluding the non-cash 1H 2020 Impairment Charges and the Restructuring Charges recognized during the six months ended June 30, 2020, both of which are net of the related tax impact.
- Adjusted EBITDA, a non-IFRS measure, improved by US$105.9 million to a loss of US$17.0 million for the six months ended June 30, 2021 compared to a loss of US$122.9 million for the six months ended June 30, 2020. Adjusted EBITDA margin was (2.1%) for the six months ended June 30, 2021 compared to (15.3%) for the six months ended June 30, 2020. Adjusted EBITDA for the second quarter of 2021 improved by US$139.3 million to a gain of US$11.5 million compared to a loss of US$127.8 million for the second quarter of 2020. Adjusted EBITDA margin was 2.6% for the second quarter of 2021 compared to (63.5)% for the second quarter of 2020.
- The Group used US$1.5 million of cash in operating activities during the six months ended June 30, 2021 compared to US$173.0 million of cash used in operating activities for the corresponding period in the previous year. As of June 30, 2021, the Group had cash and cash equivalents of US$1,058.2 million and outstanding financial debt of US$2,874.9 million (excluding deferred financing costs of US$14.9 million), resulting in a net debt position of US$1,816.7 million compared to a net debt position of US$1,735.5 million as of December 31, 2020. As a result of the Group taking meaningful actions during 2020 to reduce its fixed cost base and marketing expenditures, improve working capital and put a virtual freeze on capital expenditures in response to the COVID-19 Impacts, total cash burn was (US$91.9) million during the first half of 2021 compared to (US$288.9) million during the first half of 2020. The year-on-year improvement in cash burn was primarily due to the cost reductions implemented in 2020 and continued tight expense management during the first half of 2021. The Company continues to remain focused on cash preservation by tightly managing capital expenditures, marketing activities and discretionary spending. Total liquidity as of June 30, 2021 was US$1,185.0 million versus US$1,518.3 million as of December 31, 2020. The decrease in liquidity was primarily due to the prepayment of US$325.0 million principal amount of borrowing under the Amended Senior Credit Facilities during the first half of 2021.
- On June 7, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Fifth Amended Credit Agreement. Under the terms of the Fifth Amended Credit Agreement, if during the period from September 30, 2021 until March 31, 2022 the Company elects to use the Historical EBITDA for the purpose of calculating the maximum total net leverage ratio and minimum interest coverage ratio under the Financial Covenants, the Historical EBITDA for each of the quarters ended December 31, 2020, March 31, 2021 and June 30, 2021 will be increased by an amount equal to US$65.7 million. The Fifth Amended Credit Agreement further

strengthened the Company's financial flexibility to navigate its business through the challenges from the COVID-19 pandemic.

- On June 21, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Sixth Amended Credit Agreement which provides for the 2021 Incremental Term Loan B Facility in the principal amount of US$495.5 million, which was borrowed by the Group on June 21, 2021 and, together with US$100.0 million of cash on the balance sheet, was used to repay the aggregate US$595.5 million principal amount then outstanding under the 2020 Incremental Term Loan B Facility. The interest rate applicable to the Group's borrowings under the 2021 Incremental Term Loan B Facility is currently 175 basis points lower than the interest rate that was applicable under the 2020 Incremental Term Loan B Facility.
- On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck for an aggregate cash consideration of US$36.0 million. The consideration is subject to customary adjustments for net debt and working capital. Additional contingent cash consideration of US$4.0 million will become payable in the event Speck's net sales for the year ending December 31, 2021 are not less than US$107.0 million. The net proceeds from the sale will be used to repay a portion of the outstanding borrowings under the Company's Amended Revolving Credit Facility.

Investment in Advertising and Promotion

The Group spent US$28.7 million on marketing during the six months ended June 30, 2021 compared to US$44.5 million for the six months ended June 30, 2020, a decrease of US$15.8 million, or 35.6%. As a percentage of net sales, marketing expenses decreased by 190 basis points to 3.6% for the six months ended June 30, 2021 from 5.5% for the six months ended June 30, 2020. When compared to the first half of 2019, marketing expenses decreased by 72.2%, and as a percentage of net sales decreased by 230 basis points from 5.9% for the six months ended June 30, 2019. The Group has continued to tightly manage its advertising expenses in an effort to help conserve cash and to mitigate the effects of the COVID-19 Impacts on the Group's business.

Introduction of new and innovative products to the market

The Group continued to focus on innovation and ensuring that its products reflect local consumer tastes in each region. Innovation and a regional focus on product development are key drivers of sales growth and are the means to deliver quality and value to the Group's customers.

Future Prospects

The Group's medium to long-term growth strategy will continue as planned, with a focus on the following:

- Ensure the Company's well-diversified family of brands attracts consumers at all price points in both the travel and non-travel luggage, bag and accessories categories.
- Increase the proportion of net sales from the Company's direct-to-consumer e-commerce channel.
- Focused investment in marketing to support the Company's brands and initiatives.
- Continue to leverage the Company's regional management structure, distribution expertise and marketing engine to extend its brands into new markets and penetrate deeper into existing channels.
- Continue to invest in research and development to develop lighter and stronger new materials, advanced manufacturing processes, exciting new designs, as well as innovative functionalities that deliver real benefits to consumers.
- Continue to incorporate the Company's ESG philosophy into its core business practices through "Our Responsible Journey" to lead the industry in sustainability and treat all stakeholders with fairness and respect in line with the Company's long-standing guiding principle, "Do unto others as you would have them do unto you."

The Company aims to increase shareholder value through sustainable revenue and earnings growth and free cash flow generation.

Near-term Focus:

- Ensuring the safety and well-being of the Group's employees, customers and partners continues to be a top priority of the Company.
- The Group has taken significant actions to preserve cash and reduce its fixed cost base and will strive to maintain this lower cost structure as the impacts of COVID-19 recede and the Group's sales continue to recover.
- Executing on the Group's recovery plan to ensure re-opening is done in the most cost-effective, safe and efficient way to ensure the Company emerges strongly with an improving profit margin profile while growing its market share as the world starts to travel again.
- Recognizing that many of the Group's restructuring actions have impacted its employees, it is important to keep the Group's teams energized and empowered to navigate through the travel disruption and emerge as a stronger organization.

- With its global platform, diverse set of product categories and leading and complementary brands offering products tailored to each region's preferences, the Company is well-positioned to benefit as day-to-day activities return to normal and global travel disruptions end.
- The Group will continue its commitment to sustainability and innovation, which are key long-term strategies for the Company.
- With significant liquidity of approximately US$1.2 billion at June 30, 2021 and meaningful reduction in cash burn, the Company is confident that it has sufficient capacity to navigate the ongoing challenges from the COVID-19 pandemic.

Corporate Governance and Other Information

Directors

At June 30, 2021, the composition of the Board of Directors (the "Board") of the Company was as follows:

Executive Director ("ED")

Kyle Francis Gendreau
Chief Executive Officer

Non-Executive Director ("NED")

Timothy Charles Parker
Chairman

Independent Non-Executive Directors ("INED")

Paul Kenneth Etchells
Jerome Squire Griffith
Keith Hamill
Tom Korbas
Bruce Hardy McLain (Hardy)
Ying Yeh

At June 30, 2021, the Board committees were as follows:

Audit Committee/Review of Accounts

The Board has established an Audit Committee and has adopted written terms of reference that set forth the authority and duties of the committee. The Audit Committee consists of three members, namely Mr. Paul Kenneth Etchells (Chairman of the Audit Committee) (INED), Mr. Keith Hamill (INED) and Ms. Ying Yeh (INED).

In compliance with Rule 3.21 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules"), at least one member of the Audit Committee possesses appropriate professional qualifications in accounting or related financial management expertise in discharging the responsibilities of the Audit Committee.

All members have sufficient experience in reviewing audited financial statements as aided by the auditors of the Company whenever required.

The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and risk management and internal control systems, to monitor the integrity of the Company's consolidated financial statements and financial reporting, and to oversee the audit process.

The Audit Committee has reviewed the interim report of the Group as of and for the six months ended June 30, 2021 with the Board. The interim financial information has also been reviewed by the Group's external auditors.

Nomination Committee

The Board has established a Nomination Committee and has adopted written terms of reference that set forth the authority and duties of the committee. The Nomination Committee consists of three members, namely Mr. Timothy Charles Parker (Chairman of the Nomination Committee) (NED), Mr. Paul Kenneth Etchells (INED) and Ms. Ying Yeh (INED).

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, to make recommendations to the Board with respect to any changes to the composition of the Board, and to assess the independence of the INEDs. When identifying suitable candidates, the Nomination Committee shall (where applicable and appropriate) use open advertising or the services of external advisers and consider candidates from a wide range of backgrounds on merit and against objective criteria. The Nomination Committee's policy for evaluating and nominating any candidate for directorship includes considering various criteria, including character and integrity, qualifications (including professional qualifications), skills, knowledge and experience and diversity aspects under the Board's diversity policy, potential contributions the candidate can make to the Board and such other matters that are appropriate to the Company's business and succession plan.

Remuneration Committee

The Board has established a Remuneration Committee and has adopted written terms of reference that set forth the authority and duties of the committee. The Remuneration Committee consists of four members, namely Mr. Keith Hamill (Chairman of the Remuneration Committee) (INED), Mr. Paul Kenneth Etchells (INED), Mr. Bruce Hardy McLain (Hardy) (INED) and Ms. Ying Yeh (INED).

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration, as well as to determine the specific remuneration package of the ED and certain members of senior management.

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance. The Company recognizes that sound corporate governance practices are fundamental to the effective and transparent operation of the Company and to its ability to protect the rights of its shareholders and enhance shareholder value.

The Company has adopted its own corporate governance manual, which is based on the principles, provisions and practices set out in the Corporate Governance Code (as in effect from time to time, the "CG Code") contained in Appendix 14 of the Listing Rules.

The Company complied with all applicable code provisions set out in the CG Code throughout the period from January 1, 2021 to June 30, 2021.

Risk Management and Internal Control

The Board is responsible for ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board has delegated to the Audit Committee the responsibility for reviewing the effectiveness of the Group's risk management and internal control systems. The Company's management, under the oversight of the Board, is responsible for the design, implementation and monitoring of the Company's risk management and internal control systems.

A discussion about the impact of the COVID-19 pandemic to the Group's results of operations and financial condition is disclosed in Management Discussion and Analysis - Impact of COVID-19.

Changes in Information of Directors

A summary of changes in information concerning certain Directors of the Company that are required to be disclosed pursuant to Rule 13.51(B)(1) of the Listing Rules is as follows:

- Mr. Timothy Charles Parker will step down as Chair of the National Trust in October 2021.
- On April 16, 2020, the Company announced that in connection with an audit in Germany of value-added taxes paid or payable by certain Group entities with respect to sales of *Tumi*-branded products during the period 2015 through 2018, the Company had been advised that the Bochum Tax Office for Criminal Tax Matters and Tax Investigation, Criminal and Fines Matters Office in Germany had commenced, or would commence, a criminal tax investigation against certain current or former directors and officers of such entities, including Mr. Kyle Francis Gendreau. Such matter has been resolved. No criminal tax investigation was commenced with respect to Mr. Gendreau and no proceedings were brought against Mr. Gendreau in relation to such matter.

Company Secretaries and Authorized Representatives

Mr. John Bayard Livingston and Ms. Chow Yuk Yin Ivy ("Ms. Chow") are the joint company secretaries of the Company while Mr. Kyle Francis Gendreau and Ms. Chow are the Company's authorized representatives (pursuant to the Listing Rules).

Directors' Securities Transactions

The Company has adopted its own policies (the "Trading Policy") for securities transactions by directors and relevant employees who are likely to be in possession of unpublished inside information of the Group on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they complied with the required standards set out in the Trading Policy during the six months ended June 30, 2021.

Share Award Scheme

On September 14, 2012, the Company's shareholders adopted the Company's Share Award Scheme (as amended from time to time), which will remain in effect until September 13, 2022. The purpose of the Share Award Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. Awards under the Share Award Scheme may take the form of either share options or restricted share units ("RSUs"), which may be granted at the discretion of the Remuneration Committee to executive directors of the Company and its subsidiaries, managers employed or engaged by the Group, and/or employees of the Group.

As of July 31, 2021 (the "Latest Practicable Date"), the maximum aggregate number of shares in respect of which awards may be granted pursuant to the Share Award Scheme is 17,373,643 shares, representing approximately 1.2% of the issued share capital of the Company at that date. An individual participant may be granted awards pursuant to the Share Award Scheme in respect of a maximum of 1% of the Company's total issued shares in any 12-month period. Any grant of awards to an individual participant in excess of this limit is subject to independent shareholder's approval.

Share-based compensation cost of US$4.3 million and US$3.3 million was recognized in the consolidated statements of income (loss), with a corresponding increase in equity reserves, for the six months ended June 30, 2021 and June 30, 2020, respectively.

Share Options

The exercise price of share options is determined at the time of grant by the Remuneration Committee in its absolute discretion, but in any event shall not be less than the higher of:

a) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant;
b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
c) the nominal value of the shares.

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity when such awards represent equity-settled awards, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For equity-settled share-based payment awards with market performance conditions or non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Holders of vested share options are entitled to buy newly issued ordinary shares of the Company at a purchase price per share equal to the exercise price of the options. The fair value of services received in return for share options granted is based on the fair value of share options granted measured using the Black-Scholes valuation model. The fair value calculated for share options is inherently subjective due to the assumptions made and the limitations of the model utilized. Shares underlying an award of share options that forfeit ("lapse") without the issuance of such shares upon the exercise of such options may be available for future grant under the Share Award Scheme.

Expected volatility is estimated taking into account the historic average share price volatility. The expected cash distributions are based on the Group's history and expectation of cash distribution payouts.

On June 17, 2021, the Company granted premium-priced share options exercisable for 14,348,844 ordinary shares to the executive director of the Company and members of the senior management team with an exercise price of HK$20.76 per share, which represented an approximately 20% premium over the closing price of the Company's shares on the date of grant. Such options are subject to graded ("*pro rata*") vesting over a four-year period from the date of grant, with 25% of the options vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Such options have a 10-year term.

The following inputs were used in the measurement of the fair value at grant date of the share-based payment for the share options exercisable for 14,348,844 shares that were granted on June 17, 2021:

Fair value at grant date	**HK$8.08**
Share price at grant date	**HK$17.30**
Exercise price	**HK$20.76**
Expected volatility (weighted average volatility)	**54.2%**
Option life (expected weighted average life)	**6.25 years**
Expected cash distributions	**0.0%**
Risk-free interest rate (based on government bonds)	**0.7%**

Particulars and movements of share options during the six months ended June 30, 2021 were as follows:

	Number of share options								
Name / category of grantee	**As of January 1, 2021**	**Granted during the period**	**Exercised during the period**	**Lapsed during the period**	**As of June 30, 2021**	**Date of grant**	**Exercise period**	**Exercise price per share (HK$)**	**Closing price immediately preceding the date of grant (HK$)**
Directors									
Timothy Parker	2,368,749	—	—	—	2,368,749	January 8, 2013	January 8, 2014 - January 7, 2023	17.36	16.90
Timothy Parker	1,821,615	—	—	—	1,821,615	January 7, 2014	January 7, 2015 - January 6, 2024	23.30	23.30
Kyle Gendreau	2,506,600	—	—	—	2,506,600	January 7, 2015	January 7, 2018 - January 6, 2025	23.31	23.30
Kyle Gendreau	216,683	—	—	—	216,683	January 7, 2015	January 7, 2016 - January 6, 2025	23.31	23.30
Kyle Gendreau	1,230,464	—	—	—	1,230,464	May 6, 2016	May 6, 2017 - May 5, 2026	24.91	24.00
Kyle Gendreau	952,676	—	—	—	952,676	May 26, 2017	May 26, 2018 - May 25, 2027	31.10	30.45
Kyle Gendreau	1,336,988	—	—	—	1,336,988	October 11, 2018	October 11, 2019 - October 10, 2028	27.06	25.95
Kyle Gendreau	1,544,980	—	—	—	1,544,980	June 17, 2019	June 17, 2020 - June 16, 2029	16.04	16.18
Kyle Gendreau	7,346,180	—	—	—	7,346,180	November 18, 2020	November 18, 2021 - November 17, 2030	15.18	11.90
Kyle Gendreau	—	5,481,920	—	—	5,481,920	June 17, 2021	June 17, 2022 - June 16, 2031	20.76	17.40
Tom Korbas	32,351	—	—	—	32,351	January 7, 2014	January 7, 2015 - January 6, 2024	23.30	23.30
Tom Korbas	714,182	—	—	—	714,182	January 7, 2015	January 7, 2016 - January 6, 2025	23.31	23.30
Total Directors	**20,071,468**	**5,481,920**	**—**	**—**	**25,553,388**				

Name / category of grantee	Number of share options: As of January 1, 2021	Granted during the period	Exercised during the period[1]	Lapsed during the period	As of June 30, 2021	Date of grant	Exercise period	Exercise price per share (HK$)	Closing price immediately preceding the date of grant (HK$)
Others									
Employees	1,492,584	—	—	(106,166)	1,386,418	January 8, 2013	January 8, 2014 - January 7, 2023	17.36	16.90
Employee	108,522	—	—	—	108,522	July 1, 2013	July 1, 2014 - June 30, 2023	18.68	18.68
Employees	2,753,274	—	—	(147,099)	2,606,175	January 7, 2014	January 7, 2015 - January 6, 2024	23.30	23.30
Employees	5,539,043	—	—	(273,822)	5,265,221	January 7, 2015	January 7, 2016 - January 6, 2025	23.31	23.30
Employees	3,906,005	—	—	—	3,906,005	January 7, 2015	January 7, 2018 - January 6, 2025	23.31	23.30
Employees	9,483,763	—	—	(1,102,841)	8,380,922	May 6, 2016	May 6, 2017 - May 5, 2026	24.91	24.00
Employees	4,190,013	—	—	(1,976,547)	2,213,466	May 6, 2016	May 6, 2019 - May 5, 2026	24.91	24.00
Employee	62,160	—	—	—	62,160	May 11, 2016	May 11, 2017 - May 10, 2026	24.23	24.05
Employee	74,979	—	—	—	74,979	June 16, 2016	June 16, 2017 - June 15, 2026	23.19	22.45
Employees	9,917,451	—	—	(1,240,431)	8,677,020	May 26, 2017	May 26, 2018 - May 25, 2027	31.10	30.45
Employees	4,520,261	—	—	(447,473)	4,072,788	October 11, 2018	October 11, 2019 - October 10, 2028	27.06	25.95
Employee	1,194,180	—	—	—	1,194,180	December 4, 2018	December 4, 2019 - December 3, 2028	25.00	25.00
Employees	6,938,665	—	(3,094)	(551,498)	6,384,073	June 17, 2019	June 17, 2020 - June 16, 2029	16.04	16.18
Employees	170,712	—	—	—	170,712	November 22, 2019	November 22, 2020 - November 21, 2029	16.62	16.44
Employees	10,587,456	—	—	(1,290,828)	9,296,628	November 18, 2020	November 18, 2021 - November 17, 2030	15.18	11.90
Employees	—	8,866,924	—	—	8,866,924	June 17, 2021	June 17, 2022 - June 16, 2031	20.76	17.40
Total Employees	**60,939,068**	**8,866,924**	**(3,094)**	**(7,136,705)**	**62,666,193**				
Total	**81,010,536**	**14,348,844**	**(3,094)**	**(7,136,705)**	**88,219,581**				

Note
(1) The weighted average closing price of the shares immediately before the date of exercise by the participants was HK$18.38.

Restricted Share Units ("RSUs")

The Company may, from time to time, grant RSUs, including time-based RSUs ("TRSUs") and performance-based RSUs ("PRSUs"), to certain key management personnel and other employees of the Group. The vesting of the RSUs is subject to the continuing employment of the grantee and, in the case of PRSUs, to the Company's achievement of pre-established performance goals. The closing market price of the Company's shares on the date of grant is used to determine the grant date fair value. If the performance-based award incorporates a market condition, the grant-date fair value of such award is determined using a Monte Carlo simulation. These fair values are recognized as expense over the requisite service period, net of estimated forfeitures, based on expected attainment of pre-established performance goals for PRSUs with market conditions, or the passage of time for TRSUs. Actual distributed shares are calculated upon conclusion of the service and performance periods.

No RSUs were granted during the six months ended June 30, 2021 and June 30, 2020.

Time-based Restricted Share Units

TRSUs granted by the Company are subject to *pro rata* vesting over a three-year period, with one-third of such TRSUs vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Expense for TRSUs is based on the closing market price of the Company's shares on the date of grant, discounted by the present value of expected future dividends, and is recognized ratably over the vesting period, net of expected forfeitures.

Particulars and movements of TRSUs during the six months ended June 30, 2021 were as follows:

	Number of TRSUs						
Name / category of grantee	**As of January 1, 2021**	**Granted during the period**	**Vested and converted to ordinary shares during the period**	**Lapsed during the period**	**As of June 30, 2021**	**Date of grant**	**Vesting period**
Directors							
Kyle Gendreau	101,247	—	—	—	101,247	October 11, 2018	Remaining 1/3 of TRSUs will vest on October 11, 2021
Kyle Gendreau	201,650	—	(100,825)	—	100,825	June 17, 2019	Remaining 1/3 of TRSUs will vest on June 17, 2022
Total Directors	**302,897**	**—**	**(100,825)**	**—**	**202,072**		

	Number of TRSUs						
Name / category of grantee	**As of January 1, 2021**	**Granted during the period**	**Vested and converted to ordinary shares during the period**	**Lapsed during the period**	**As of June 30, 2021**	**Date of grant**	**Vesting period**
Others							
Employees	856,670	—	—	(61,748)	794,922	October 11, 2018	Remaining 1/3 of TRSUs will vest on October 11, 2021
Employee	154,254	—	—	—	154,254	December 4, 2018	Remaining 1/3 of TRSUs will vest on December 4, 2021
Employees	1,873,194	—	(861,891)	(149,412)	861,891	June 17, 2019	Remaining 1/3 of TRSUs will vest on June 17, 2022
Employees	72,096	—	—	—	72,096	November 22, 2019	Remaining 2/3 of TRSUs will vest on each of November 22, 2021 and November 22, 2022
Total Employees	**2,956,214**	**—**	**(861,891)**	**(211,160)**	**1,883,163**		
Total	**3,259,111**	**—**	**(962,716)**	**(211,160)**	**2,085,235**		

Performance-based Restricted Share Units

PRSUs vest in full on the third anniversary of the date of grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the vesting date, and only to the extent certain pre-established cumulative performance targets are met. Expense related to PRSUs with non-market performance criteria is recognized ratably over the performance period, net of estimated forfeitures, based on the probability of attainment of the related performance targets. The potential number of shares that may be issued upon vesting of the PRSUs ranges from 0% of the target number of shares subject to the PRSUs, if the minimum level of performance is not attained, to up to 200% of the target number of shares subject to the PRSUs, if the level of performance is at or above the predetermined maximum achievement level. For PRSUs subject to market conditions, the expense is recognized over the vesting period based on the fair value as determined on the grant date utilizing a Monte Carlo simulation.

Particulars and movements of PRSUs (at target level vesting) during the six months ended June 30, 2021 were as follows:

	Number of PRSUs							
Name / category of grantee	**As of January 1, 2021**	**Initial or target number of shares for PRSUs granted during the period**	**Change due to performance condition achievement**	**Vested during the period**	**Lapsed during the period**	**As of June 30, 2021**	**Date of grant**	**Vesting period(1)**
Directors								
Kyle Gendreau	607,478	—	—	—	—	607,478	October 11, 2018	PRSUs will vest on October 11, 2021
Kyle Gendreau	604,945	—	—	—	—	604,945	June 17, 2019	PRSUs will vest on June 17, 2022
Total Directors	**1,212,423**	**—**	**—**	**—**	**—**	**1,212,423**		

	Number of PRSUs							
Name / category of grantee	**As of January 1, 2021**	**Initial or target number of shares for PRSUs granted during the period**	**Change due to performance condition achievement**	**Vested during the period**	**Lapsed during the period**	**As of June 30, 2021**	**Date of grant**	**Vesting period(1)**
Others								
Employees	482,226	—	—	—	(91,154)	391,072	October 11, 2018	PRSUs will vest on October 11, 2021
Employee	157,448	—	—	—	—	157,448	December 4, 2018	PRSUs will vest on December 4, 2021
Employees	635,623	—	—	—	(94,280)	541,343	June 17, 2019	PRSUs will vest on June 17, 2022
Total Employees	**1,275,297**	**—**	**—**	**—**	**(185,434)**	**1,089,863**		
Total	**2,487,720**	**—**	**—**	**—**	**(185,434)**	**2,302,286**		

Note
(1) Subject to satisfaction of applicable performance targets.

In the Company's circular to shareholders dated September 3, 2018 relating to, among other things, the grant of PRSUs, the Company stated that the final number of shares which will vest under the PRSUs will vary depending on the level of achievement of performance conditions applicable to the PRSUs, thereby ensuring that the actual payout is linked to the Company's performance. The Remuneration Committee determined that in relation to the PRSUs which were granted in October and December 2018, the performance conditions are based on (i) fiscal year 2018 to 2020 three-year adjusted earnings per share ("EPS") compound annual growth rate ("CAGR") (with a 50% weighting) and (ii) fiscal year 2018 to 2020 three-year relative total shareholders' return ("TSR") (with a 50% weighting). Relative TSR measures the Company's TSR to the TSR of a benchmark group, consisting of the Company's peer group companies.

As the actual fiscal year 2018 to 2020 three-year cumulative adjusted EPS CAGR was below the 90% threshold, and the actual fiscal year 2018 to 2020 three-year relative TSR performance was also below the threshold level, none of the outstanding PRSUs granted by the Company in October and December 2018 will vest and such PRSUs will therefore lapse during 2021 on the three-year anniversary of the grant dates for such PRSUs.

Shares underlying an award of share options, TRSUs or PRSUs that lapse without the issuance of such shares upon vesting of such award may be available for future grant under the Share Award Scheme.

Human Resources and Remuneration

As of June 30, 2021, the Group had approximately 8,800 employees worldwide. The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice, employee performance and the financial performance of the Group.

Dividends and Distributions to Equity Holders

The Company will evaluate its distribution policy and distributions made (by way of the Company's ad hoc distributable reserve, dividends or otherwise) in any particular year in light of its financial position, the prevailing economic climate and expectations about the future macro-economic environment and business performance. The determination to make distributions will be made upon the recommendation of the Board and the approval of the Company's shareholders and will be based upon the Group's earnings, cash flow, financial condition, capital and other reserve requirements and any other conditions which the Board deems relevant. The payment of distributions may also be limited by legal restrictions and by the Credit Agreement, the Indenture or other financing agreements that the Group may enter into in the future. Under the terms of the Third Amended Credit Agreement, the Company is not permitted to pay any cash distributions to its shareholders until it delivers to its lenders the compliance certificate required under the Credit Agreement following the end of the third quarter of 2021.

Due to the continuing uncertainties about the extent and duration of the COVID-19 pandemic and its impacts on the Company for the balance of 2021, no cash distribution has been or will be made to the Company's shareholders in 2021.

Issue, Purchase, Sale, or Redemption of the Company's Listed Securities

During the six months ended June 30, 2021, the Company issued 3,094 ordinary shares at a weighted-average exercise price of HK$16.04 per share in connection with the exercise of vested share options that were granted under the Company's Share Award Scheme. During the six months ended June 30, 2021, the Company issued 962,716 ordinary shares upon the vesting of TRSUs granted under the Company's Share Award Scheme. There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the six months ended June 30, 2021.

Publication of Interim Results and Interim Report

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.samsonite.com). The interim report for the six months ended June 30, 2021 will be dispatched to the shareholders and published on the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

By Order of the Board
SAMSONITE INTERNATIONAL S.A.
Timothy Charles Parker
Chairman

Hong Kong, August 18, 2021

As of the date of this announcement, the Executive Director is Kyle Francis Gendreau, the Non-Executive Director is Timothy Charles Parker and the Independent Non-Executive Directors are Paul Kenneth Etchells, Jerome Squire Griffith, Keith Hamill, Tom Korbas, Bruce Hardy McLain (Hardy) and Ying Yeh.