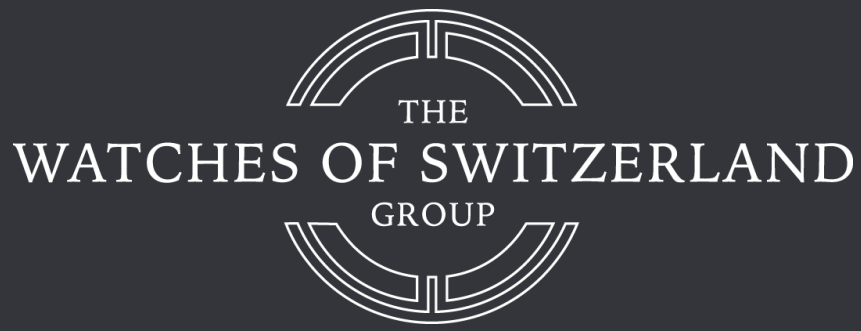




WATCHES OF SWITZERLAND GROUP PLC

FAIR TAX MARK STATEMENT

THE WATCHES OF SWITZERLAND GROUP

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FAIR TAX MARK STATEMENT OF THE WATCHES OF SWITZERLAND GROUP PLC – JUNE 2026

The Watches of Switzerland Group (the 'Group') is the UK's largest luxury watch retailer, operating in the UK, US and Europe comprising six prestigious brands; Watches of Switzerland (UK and US), Mappin & Webb (UK), Goldsmiths (UK), Mayors (US), Betteridge (US), Deutsch & Deutsch (US), Analog:Shift (US) and Hodinkee (US). The Group owns the exclusive distribution rights for Roberto Coin in the USA, Canada, Central America and the Caribbean.

The group completed the acquisition of Deutsch & Deutsch on 22 January 2026. Deutsch & Deutsch is a family-owned luxury watch and jewellery retailer that has been operating in Texas, US since the 1920s. The business is an authorised distributor of Rolex, Roberto Coin, Cartier, OMEGA, TUDOR, TAG Heuer, Breitling and IWC Schaffhausen.

As at 27 April 2025, the Watches of Switzerland Group had 208 showrooms across the UK, US and Europe including 94 dedicated mono-brand boutiques in partnership with Rolex, OMEGA, TAG Heuer, Breitling, TUDOR, Audemars Piguet, Grand Seiko, BVLGARI and FOPE and has a leading presence in Heathrow Airport with representation in Terminals 2, 3, 4 and 5 as well as seven retail websites.

The Watches of Switzerland Group is proud to be the UK's largest retailer for Rolex, OMEGA, Cartier, TAG Heuer and Breitling watches.

The Group Registered Office is in the UK at Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT. This address is used for warehousing and logistics activities and the main UK support offices are located at Carlton Park, King Edward Avenue, Narborough, Leicester, LE19 0AL.

TAX STRATEGY

As a global luxury retailer, the Group takes its corporate, social, and environmental responsibilities very seriously and is committed to acting with honesty and integrity in all business dealings. With respect to taxation, the Group acts in accordance with the separately published Annual Tax Strategy which includes the following fundamental principles:

1. The Group acts with integrity and transparency in all tax matters and complies fully with both the letter and spirit of all relevant tax laws. The Group will not use marketed or abusive tax avoidance schemes.
2. Any transactions undertaken by the Group have a legitimate commercial purpose and are not led by artificial tax planning considerations. The Group does not utilise tax havens for the purposes of tax avoidance or financial secrecy.
3. The Group complies with the OECD Transfer Pricing Guidelines, following the arm's length principle and seeks to ensure that profits are declared in the jurisdictions where the economic substance arises.
4. The Group does not accept the facilitation of tax evasion.
5. The Group pro-actively engages with Tax Authorities in a constructive, honest, timely and professional manner.

Responsibility for ensuring adherence to the Tax Strategy rests with the Chief Financial Officer, Anders Romberg, supported by the Head of Tax, Rebecca Hurford. The Group confirms in this Statement that it has complied with the published Tax Strategy during the financial year ended 27 April 2025 and 3 May 2026.

REPORTING

The Annual Report and Financial Statements of the Watches of Switzerland Group PLC are freely available at UK Companies House, or on our corporate website.

All subsidiary companies are included in the consolidated financial statements of the Watches of Switzerland Group PLC and are tax resident in their country of incorporation.

An extract from the UK Country-By-Country Reporting (CbCR) for the year ended 27 April 2025 is included below showing the tax jurisdictions where revenues, profits and current tax arise, and employees and tangible assets are located:

Tax Jurisdiction	Revenues (GBP)			Profit/(loss) before income tax (GBP)	Income tax paid (on cash basis) (GBP)	Income tax accrued - current year (GBP)	Stated capital (GBP)	Accumulated earnings (GBP)	Number of employees*	Employee remuneration	Tangible assets other than cash and cash equivalents** (GBP)
	Unrelated Party	Related Party	Total								
United Kingdom	860,978,105	16,922,543	877,900,648	17,715,661	11,273,782	9,552,415	286,630,969	1,235,766,547	2,187	95,729,014	343,512,154
United States of America	786,208,496	0	786,208,496	54,854,869	17,994,873	16,475,522	22,599,200	228,026,192	675	72,764,196	385,410,066
Guernsey***	5,557,640	860,815	6,418,455	4,836,207	509,219	0	140,000	5,017,721	8	323,581	2,911,846
Sweden	2,169,808	0	2,169,808	(121,233)	0	0	4,157	307,067	8	440,458	0
Denmark	1,996,223	0	1,996,223	(1,536,972)	0	0	4,579	1,055,802	9	563,220	2,573,510
Ireland	640,729	0	640,729	(248,447)	0	0	1	296,687	6	251,438	439,174
Netherlands	0	0	0	590,282	0	0	1	(582,196)	0	0	0
Germany	197,539		197,539	(174,038)	0	0	22,365	(2,799,556)	1	31,228	0

*FTE average number of employees

** Tangible assets and stock excluding cash and cash equivalents

*** Current tax on Guernsey profits is included in the UK row above (as a CFC charge). The cash tax paid in 2025 for Guernsey represents tax payable on revised assessments for 2019 – 2022 issued in relation to the retail store in Guernsey.

All amounts disclosed above are calculated using the CbCR definitions and therefore Revenues include the sale of products, interest income and dividend income.

The Guernsey entity is a captive insurance company and the profitability reported in the current year primarily reflects insurance underwriting results and investment income arising from its insurance activities, rather than profits generated from the provision of goods or services through a local operating presence. As such, the absence of employees and significant tangible assets in Guernsey is consistent with the nature of the entity's activities, which are managed in accordance with the group's operating model and regulatory requirements. The profits of the Guernsey company are also subject to the UK's Controlled Foreign Company (CFC) rules and are therefore taxed at 25% in the UK as part of the group's overall UK tax position (see Current Tax Reconciliation). There is no tax benefit arising from this company being located in Guernsey.

The Group announced in its Q4 FY24 Trading Update in May 2024 that it was exiting the mainland European market in order to refocus investment on the UK and US. As a result, the subsidiary companies in the Netherlands did not recognise any revenues in the year ended 30 April 2025, as they were in the process of closure and liquidation. The Group never commenced retail trading in the Netherlands and the profit reported in the Netherlands arose from the reversal of an onerous lease provision and related IFRS 16 accounting adjustment. This provision had been recognised as an expense in the prior year and was released as a credit in FY25, resulting in an accounting profit despite the absence of trading revenue.

No taxes are accrued or paid in the European companies due to their significant pre-tax trading losses.

The entities disclosed as 'non-trading' on page 267 of the 2025 Annual Report are disclosed as such as a result of this European exit and the intention is that they will be liquidated.

All overseas entities (excluding the Guernsey insurance entity mentioned above) are incorporated for legitimate retail trading activities (with physical stores open or planned for opening at the point of incorporation).

The Group has a retail store in Guernsey which is operated as a Branch of Watches of Switzerland Company Limited, a UK company. Whilst the rate of corporation tax in Guernsey is usually 0%, there are special rules which apply a 20% rate to taxable profits of 'Large Corporate Retailers'. For the periods from 2019-2022, the Guernsey Tax Authorities had incorrectly failed to apply these rules to the Group and had issued 'nil' tax assessments. In FY25, the Group was contacted by the Guernsey Tax Authorities to explain the oversight and to provide corrected tax assessments totalling £509,219. The Group paid the assessments upon receipt.

The Group has legal entities in Guernsey and Ireland which are considered 'Low Tax Jurisdictions' as their standard corporation tax rate is lower than 15%. As outlined above, these entities are incorporated for legitimate commercial purposes and not to take advantage of the low tax rate in these countries.

UNCERTAIN TAX POSITIONS

As part of the 2024 acquisition of Roberto Coin Inc. and its subsidiaries, the Group inherited an uncertain tax position of \$625k relating to pre-acquisition state corporate income tax filings. This uncertain tax position arose prior to the Group's ownership of Roberto Coin Inc. and was therefore accounted for as part of the acquisition accounting undertaken when the Group acquired 100% of the share capital in May 2024.

In accordance with the purchase price allocation, the corresponding entry was recognised within goodwill rather than through the Group's tax expense. Accordingly, the uncertain tax position has not impacted the Group's tax charge in the income statement and was instead reflected through reserves as part of the acquisition accounting. No other uncertain tax positions are held within the Group.

Total Tax Reconciliation

	UK (including Guernsey) (£)	US (£)	Sweden (£)	Denmark (£)	Ireland (£)	Netherlands (£)	Germany (£)	Total (£)
Profit before tax	22,551,868	54,854,869	(121,233)	(1,536,972)	(248,447)	590,282	(174,038)	75,916,329
Tax at the CT rate of 25%	5,637,967	13,713,717	(30,308)	(384,243)	(62,112)	147,570	(43,510)	18,979,082
Permanent differences [1]	1,853,540	122,956	10,488	4,223	12	(8,955)	547	1,982,811
Permanent differences - exceptional [2]	0	87,829	0	147,213	0	(4,767)	0	230,275
Overseas tax rate differential [3]	0	737,239	5,334	46,109	31,056	(35,417)	(9,097)	775,224
CT/DT rate difference of current year DT movements [4]	0	69,297	0	0	0	0	0	69,297
Prior Year Adjustment [5]	215,150	(276,404)	0	0	0	0	0	(61,254)
Deferred Tax not recognised [6]	0	0	14,486	186,698	31,043	(98,432)	52,060	185,856
Total tax charge per accounts	7,706,657	14,454,635	0	0	0	0	0	22,161,291

[1] Primarily relates to customer hospitality, certain legal fees and depreciation on assets not qualifying for tax relief which are non-deductible costs for corporate tax purposes.

[2] Non-deductible exceptional costs relate to legal fees for acquisitions and exit from Europe

[3] The tax reconciliation above has been prepared using the 25% Group tax rate. There is therefore a reconciling item for those countries which have a differing tax rate

[4] The current-year deferred tax movement caused by differences or changes in tax rates

[5] Prior year adjustments arising from differences to the draft tax provision to the final return

[6] Deferred tax asset relating to tax losses that is not recognised because there isn't sufficient expected future taxable profit to utilise losses

CURRENT TAX RECONCILIATION

	UK	US	Sweden	Denmark	Ireland	Netherlands	Germany	Group Total
Statutory tax rate	25.0%	21.0%	20.6%	22.0%	12.5%	19.0%	30.2%	
Profit before tax	£22,551,868	£54,854,869	(£121,233)	(£1,536,972)	(£248,447)	£590,282	(£174,038)	£75,916,329
Expected tax at standard rate for territory	£5,637,967	£11,519,522	(£24,974)	(£338,134)	(£31,056)	£112,154	(£52,603)	£16,822,876
Impact of:								
Non-deductible expenses – recurring [1]	£664,395	£58,018	£10,488	£4,223	£12	(£8,955)	£547	£728,728
Non-deductible expenses – exceptional [2]	-	-	-	£147,213	-	(£4,767)	-	£142,446
Non-qualifying depreciation and impairment of fixed assets [3]	£1,220,057	£69,755	-	-	-	-	-	£1,289,811
Use of brought forward tax losses [4]	(£420,996)	(£529,970)	-	-	-	-	-	(£950,966)
State corporate income taxes [5]		£3,655,543	-	-	-	-	-	£3,655,543
Current tax benefit of deferred tax temporary differences [6]	£2,450,992	£1,702,654	(£13,028)	£164,129	£4,085	(£108,838)	£22,188	£4,222,183
Prior year adjustment [7]	£1,312,158	(£291,983)	-	-	-	-	-	£1,020,175
Tax losses not recognised [8]	-	-	£27,514	£22,569	£26,959	£10,406	£29,868	£117,316
Total current tax	£10,864,573	£16,183,538	£0	£0	£0	£0	£0	£27,048,112

[1] Primarily relates to customer hospitality, certain legal fees and depreciation on assets not qualifying for tax relief which are non-deductible costs for corporate tax purposes.

[2] Non-deductible exceptional costs relate to legal fees for acquisitions and exit from Europe

[3] This represents the accounting charge recognised in the income statement for depreciation and impairment of fixed assets that is non deductible for corporation tax purpose.

[4] These are tax losses from previous accounting periods that are being used to reduce the current year's taxable profits.

[5] Relates to income taxes levied by states in jurisdictions where the group operates. These taxes are additional to the main corporate income tax and therefore increases the overall current tax charge.

[6] Net impact of temporary differences between accounting carrying values and tax bases of assets and liabilities, resulting in both increases and decreases to the current tax charge.

[7] Prior year adjustments arising from differences to the draft tax provision to the final return

[8] Tax losses incurred during the period for which no current tax benefit has been recognised, as they are not available for utilisation against current year taxable profits.