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This announcement is an advertisement for the purposes of the Prospectus Rules of the Financial Conduct Authority (“**FCA**”) and not a prospectus (or prospectus equivalent) and not an offer of securities for sale nor a solicitation of an offer to acquire or a recommendation to sell or buy securities in any jurisdiction, including in or into the United States, Australia, Canada or Japan.

Neither this announcement, nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors should not subscribe for or purchase any ordinary shares (the “**Shares**”) referred to in this announcement except on the basis of information contained in a prospectus in its final form (the “**Prospectus**”) that may be published by Jewel UK Midco Limited (or a parent company thereof) (the “**Company**”, and together with its subsidiaries and subsidiary undertakings, the “**Group**” or “**Watches of Switzerland Group**”) in due course in connection with a possible offer of Shares in the Company and the possible admission of such Shares to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange plc. A copy of any Prospectus published by the Company will, if published, be available for inspection from the Company’s registered office at Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT, United Kingdom and on the Company’s website at <http://www.thewosgroupplc.com>.

**9 May 2019**

## **Jewel UK Midco Limited**

### **Confirmation of Intention to Float on the London Stock Exchange**

Following the announcement by Jewel UK Midco Limited, the parent company of The Watches of Switzerland Group Limited (together with its subsidiaries and subsidiary undertakings, the “**Group**” or “**Watches of Switzerland Group**”) on 2 May 2019 regarding the publication of a registration document, Watches of Switzerland Group today confirms its intention to proceed with an initial public offering (the “**IPO**” or the “**Offer**”) and certain details of the offer. Jewel UK Midco Limited (or a parent company thereof) (the “**Company**”) intends to apply for admission of its Shares to the premium listing segment of the Official List of the Financial Conduct Authority (“**FCA**”) and to trading on the main market of the London Stock Exchange (the “**LSE**”) (“**Admission**”).

The Pathfinder Prospectus is expected to be distributed by the Company on or around 22 May 2019. The final offer price in respect of the Offer (the “**Offer Price**”) will be determined following a book-building process, with Admission currently expected to occur in early June 2019.

**Brian Duffy, CEO of Watches of Switzerland Group said:**

*“I am very pleased to confirm our intention to float Watches of Switzerland Group on the London Stock Exchange. Our transformation is complete, the Group is now the UK’s leading luxury watch retailer and has successfully entered the significant, but underdeveloped US market. I am very excited for what lies ahead and the opportunity to take our growth strategy to the public markets.”*

### **Confirmation of Offer Details**

- The intention is for the Shares to be admitted to the premium listing segment of the Official List of the FCA and would be admitted to trading on the main market for listed securities of the LSE
- The intention is for the Offer to comprise an offer of new Shares to be issued by the Company (to raise gross proceeds of approximately £155 million) and an offer of existing Shares to be sold by

certain existing shareholders. In addition, it is expected that up to a further 15% of the Offer will be made available pursuant to an over-allotment option

- The Company intends to use the net proceeds from the issue of new Shares pursuant to the Offer to reduce current leverage to approximately £120 million of net debt<sup>1</sup> following Admission, which equates to 1.56x Adjusted EBITDA pre-exceptional costs and non-underlying items for LTM January 2019
- The Group believes that the Offer will further support the Group's growth plans by:
  - enabling the Group to reduce its current leverage
  - further enhancing the Group's profile and brand recognition with customers, suppliers and employees
  - providing the Company with a more permanent capital structure and access to a wider range of capital-raising options
  - further improving the ability of the Group to recruit, retain and incentivise key management and employees
  - creating a liquid market in the Shares for existing and future shareholders
- Immediately following Admission, the Company intends to have a free float of at least 25% its issued share capital and expects that it would be eligible for inclusion in the FTSE UK indices
- Each of the Company, its directors and selling shareholders will agree to customary lock-up arrangements in respect of their Shares for a period of time following Admission
- The Company has engaged Barclays Bank PLC, acting through its Investment Bank ("**Barclays**") and Goldman Sachs International ("**Goldman Sachs**") to act as Joint Global Co-ordinators, Joint Bookrunners and Joint Sponsors, and BNP PARIBAS ("**BNP PARIBAS**") and Investec Bank plc ("**Investec**") to act as Joint Bookrunners. N.M. Rothschild & Sons Limited ("**Rothschild & Co**") is acting as Financial Adviser to the Company

### **Enquires:**

#### **Watches of Switzerland Group**

investor.relations@thewosgroup.com

- Brian Duffy (CEO), Anders Romberg (CFO)

#### **Finsbury (public relations adviser to Watches of Switzerland Group)**

+44 (0) 207 251 3801

- Charles O'Brien, Edward Simpkins

#### **Joint Global Co-ordinators, Joint Bookrunners and Joint Sponsors**

##### **Barclays**

+44 (0) 207 623 2323

- Tom Johnson, Gavriel Lambert, Lawrence Jamieson

##### **Goldman Sachs**

+44 (0) 207 774 1000

- Richard Cormack, Duncan Stewart, Sara Hanlon

#### **Financial Adviser to the Company**

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<sup>1</sup> Being total borrowings excluding capitalised borrowing costs less cash and cash equivalents (which includes restricted cash)

- Adam Young, Manfredi Corsini, Noel Monro

## Joint Bookrunners

BNP PARIBAS

Investec

## Important Legal Information

The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, has been approved by Barclays Bank PLC and Goldman Sachs International solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).

The information contained in this announcement is for background purposes only and does not purport to be full or complete, nor does this announcement constitute or form part of any invitation or inducement to engage in investment activity. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. The contents of this announcement are not to be construed as legal, financial or tax advice.

This announcement and the information contained herein is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada, Japan or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for, or otherwise invest in, securities to any person in any jurisdiction, including the United States, Australia, Canada, Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Shares referred to herein may not be offered or sold in the United States unless registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or offered in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. The Offer and sale of Shares referred to herein has not been and will not be registered under the Securities Act or under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Shares referred to herein may not be offered or sold in Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan. There will be no public offer of the Shares in the United States, Australia, Canada, Japan, or elsewhere.

In any member state of the European Economic Area (“**EEA**”) outside of the United Kingdom (each, a “**Relevant Member State**”), this announcement and any offer if made subsequently is, and will be, directed only at persons who are “qualified investors” (“**Qualified Investors**”) within the meaning of the Prospectus Directive (Directive 2003/71/EC and any amendments thereto, including Directive 2010/73/EU), and any implementing measures in each Relevant Member State (the “Prospectus Directive”).

This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These statements reflect beliefs of the Directors (including based on their expectations arising from pursuit of the Group’s strategy) as well as assumptions made by the Directors and information currently available to the Group.

Although the Directors consider that these beliefs and assumptions are reasonable, by their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Group's actual financial condition, results of operations or prospects to be materially different from any future financial condition, results of operations or prospects expressed or implied by such statements. Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation that trends or activities underlying past performance will continue in the future. No representation is made or will be made that any forward-looking statements will be achieved or will prove to be correct.

In addition, this announcement contains information concerning the Group's industry and its market and business segments generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the industry, and the Group's market and business segments, will develop. These assumptions are based on information currently available to the Group. If any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While the Group does not know what effect any such differences may have on the Group's business, if there are such differences, they could have a material adverse effect on the Group's future results of operations and financial condition.

Each of the Company, Barclays Bank PLC, Goldman Sachs International, BNP PARIBAS and Investec Bank plc (together the "**Banks**"), and their respective affiliates as defined under Rule 501(b) of Regulation D of the Securities Act ("**affiliates**"), expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements contained in this announcement and disclaims any obligation to update its view of any risks or uncertainties described herein or to publicly announce the results of any revisions to the forward-looking statements made in this announcement, whether as a result of new information, future developments or otherwise, except as required by law.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.

Any subscription or purchase of Shares in the Offer should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the Offer. The information in this announcement is subject to change. Before subscribing for or purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement shall not, form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The Company may decide not to go ahead with the IPO and there is therefore no guarantee that Admission will occur. You should not base your financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

Persons considering making investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning a possible offer. The value of Shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.

None of the Banks, nor any of their respective affiliates, their respective directors, officers or employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for the contents of, or makes any representations or warranties, express or implied, as to the accuracy, fairness or completeness of the information presented or contained in this announcement (or whether any information has been omitted from this announcement) or any other information relating to the Company, its subsidiaries and their associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. Accordingly, each of the Banks and their respective affiliates, their respective directors, officers or employees, and any other

person acting on their behalf expressly disclaims, to the fullest extent possible, any and all liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this announcement, whether in tort, contract or otherwise which they might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith.

Each of the Banks is acting exclusively for the Company and the Principal Selling Shareholder and no-one else in connection with the Offer. They will not regard any other person as their respective clients in relation to the Offer and will not be responsible to anyone other than the Company and the Principal Selling Shareholder for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offer, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

Each of Barclays Bank PLC, Goldman Sachs International and Investec Bank plc is authorised by the Prudential Regulation Authority (“**PRA**”) and regulated by the PRA and the Financial Conduct Authority (the “**FCA**”) in the United Kingdom and BNP PARIBAS is lead supervised by the European Central Bank (“**ECB**”) and the Autorité de Contrôle Prudentiel et de Résolution (“**ACPR**”) (and its London Branch is authorised by the ECB, the ACPR and the PRA and subject to limited regulation by the FCA and the PRA).

In connection with the Offer, each of the Banks and any of their respective affiliates, acting as investors for their own accounts or for the accounts of clients, may take up a portion of the Shares as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts, or for the accounts of clients, in such Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in the Prospectus, once published, to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by any of the Banks and any of their respective affiliates acting in such capacity. In addition, the Banks and any of their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which they may from time to time acquire, hold or dispose of Shares. None of the Banks nor any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

In connection with the Offer, Goldman Sachs International (as “**Stabilising Manager**”), may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares up to a maximum of 15 per cent. of the total number of the Shares or effect other transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a period of no more than 30 calendar days after the date of commencement of conditional dealings of the Shares on the London Stock Exchange. Such transactions may be effected on the London Stock Exchange, in the over-the-counter markets or otherwise. There is no obligation on the Stabilising Manager to undertake stabilisation transactions. Such transactions, if commenced, may be discontinued at any time without prior notice and must be brought to an end no later than 30 calendar days after the date of commencement of conditional dealings of the Shares on the London Stock Exchange (the “**Stabilisation Period**”). In no event will measures be taken to stabilise the market price of the Shares above the Offer Price. Save as required by law, the Stabilising Manager does not intend to disclose the extent of any stabilisation transactions under the Offer.

For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allocations and/or from sales of Shares effected by it during the Stabilisation Period, one or more of the Selling Shareholders is expected to grant to it an option (the “**Over-allotment Option**”), pursuant to which the Stabilising Manager may purchase or procure purchasers for up to a maximum of 15 per cent. of the total number of Shares available in the Offer, at the Offer Price. The Over-allotment Option is exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the expiry of the Stabilisation Period. Any Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares in the Offer and will form a single class for all purposes with the other Shares.

## Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that such Shares are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (b) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Banks will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.