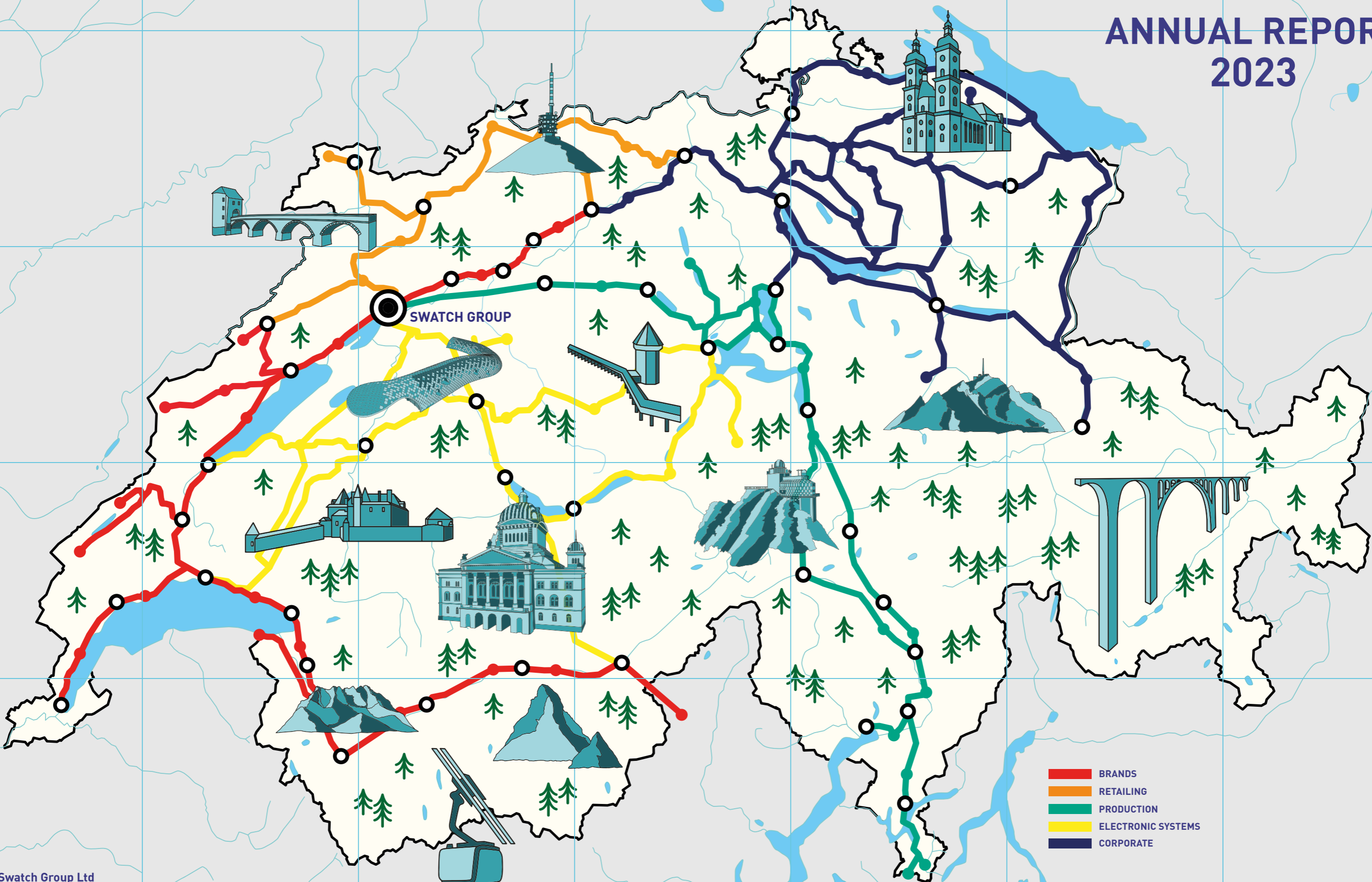


# ANNUAL REPORT 2023



- BRANDS
- RETAILING
- PRODUCTION
- ELECTRONIC SYSTEMS
- CORPORATE

The Swatch Group Ltd

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2501 Biel/Bienne, Switzerland  
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Swatch Group's Annual Report and Compensation Report are published in French, German and English. Pages 113 to 192 as well as the Compensation Report are originally published in German. This original version is binding.

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# MESSAGE FROM THE CHAIR

## LADIES AND GENTLEMEN, DEAR FELLOW SHAREHOLDERS,

The 2023 financial year once again developed very positively for our Swatch Group.

Despite the strong Swiss franc, this is a truly good result that we can all be proud of: good for our employees and good for our loyal sustainably-minded shareholders, but also very good for our customers worldwide, who rely on our innovative, high-quality Swiss Made products, regardless of the segment.

The world is full of conflicts that are fueling uncertainty and, as a result, dangerously strengthening the Swiss franc. However, we at Swatch Group are not letting this distract us from our long-term strategic path. We continue to focus fully on production in Switzerland, on innovation – over 180 new patents were added in the past financial year – and on a strong presence with our own subsidiaries in every market. A good example of this is India, where we have been established as a pioneer for 20 years. In everything we do, we never focus opportunistically on just one area, but always remain broadly positioned in all segments. And, of course, we are also continuing to expand our own retail business, ideally with our own properties.

In addition to the figures and the financial results, which I will present to you, I would also like to emphasize the emotional aspect of these achievements. When hundreds of thousands of men and women around the world queue up to buy our products, as they do at Swatch, it fills every employee, from apprentice to manager, with pride and everyone identifies with the organization. This is the very definition of the culture of a company.

Swatch Group achieved a remarkable result in 2023. Group profit rose by 8.1% to 890 million Swiss francs, and the Group increased sales by 5.2% to just under

7900 million Swiss francs. At constant exchange rates, sales even rose by 12.6%. The massively negative exchange rate effects amounted to 554 million Swiss francs and impacted our revenue by 7.4%. I would like to comment briefly on this point.

In Switzerland, the issue of the strong Swiss franc is no longer making headlines. That is unfortunate. After all, the competitiveness of the country, the future of Switzerland as an industrial location, the preservation of thousands of jobs in our country and the innovative capacity of the businesses based here are at stake. Since 2015, when the minimum euro exchange rate was discontinued, the Swiss franc has continued to strengthen. There is no recovery in sight. By comparison: if we were to use the exchange rate from 2014, our turnover would be 9500 million Swiss francs.

However, the Group sees its task not only to generate more sales and profit, but also to create jobs and thus open up positive prospects in the regions in which we operate. In Switzerland, over 800 additional employees were hired in the past financial year. At the same time, more than 220 apprentices took the opportunity to start working for us. Internationally, 739 new colleagues joined our ranks.

And we have not only grown in terms of personnel. Last year, the Group invested over 300 million Swiss francs in innovative new production equipment and state-of-the-art technologies. For example, we invested around 20 million Swiss francs in a clean room for watches with solar cells – a Group technology that is used most notably for the new Tissot T-Touch Connect Sport. There are no comparable facilities in Europe. In addition, EM Microelectronic invested over 60 million Swiss francs in production facilities to fulfill a major multi-year order in the medical sector.

It fills us with pride that we continue to manufacture great, innovative and high-quality products in our factories in Switzerland – and above all that we continue to invest in our beautiful country. This is one reason for the Swiss map on the cover of the Annual Report, which symbolically illustrates the network of our brands and various companies.

I would also like to highlight our commitment to sustainable development. Swatch Group takes its responsibility towards the environment and society very seriously. We have achieved important goals in terms of waste reduction, the sustainable use of resources, and the promotion of fair working conditions. These achievements demonstrate our long-term commitment to sustainability and our positive contribution to society. We firmly believe that as a company we have a responsibility to play a proactive role in preserving our planet for future generations.

The topics of Switzerland and the environment are well presented in our Sustainability Report and are particularly close to our hearts.

Our co-shareholders are also very important to us. That is why the Swatch Group Board of Directors will propose an 8.3% higher dividend at the Annual General Meeting on May 8, 2024, i.e. 1.30 Swiss francs per registered share and 6.50 Swiss francs per bearer share.

In general, I can assure you: We still have ambitious plans. We will continue to invest in the development of exceptional products, listen to our customers, and anticipate market trends. Even more importantly, we are creating new markets with new customers, as demonstrated by Swatch's collaborations with Omega and Blancpain. An ambitious vision for the future



sets us apart, and I am convinced that with your ongoing support and loyalty, Swatch Group will continue to grow.

I would like to take this opportunity once again to thank all of our employees, our management, my colleagues on the Executive Board, and you, our fellow shareholders, for your commitment and support. This success is only possible when we all work together!

**Nayla Hayek**  
Chair of the Swatch Group Board of Directors

# OPERATIONAL ORGANIZATION

as at December 31, 2023

## SWATCH GROUP BRANDS AND COMPANIES

| WATCHES  | RETAILING   | PRODUCTION   | ELECTRONIC SYSTEMS   | CORPORATE   |
|--|---|--|--|---|
| <b>Prestige and Luxury Range</b><br>Breguet<br>Harry Winston<br>Blancpain<br>Glashütte Original<br>Jaquet Droz<br>Léon Hatot<br>Omega<br><hr/> <b>High Range</b><br>Longines<br>Rado<br>Union Glashütte<br><hr/> <b>Middle Range</b><br>Tissot<br>Balmain<br>Certina<br>Mido<br>Hamilton<br><hr/> <b>Basic Range</b><br>Swatch<br>Flik Flak<br><hr/> | <b>Tourbillon</b><br><hr/> <b>Hour Passion</b><br><hr/> | <b>Watches</b><br>ETA<br>Meco<br>CHH Microtechnique<br>Nivarox-FAR<br>Comadur<br>Rubattel et Weyermann<br>MOM Le Prélet<br>Universo<br>Manufacture Ruedin<br>Lascor<br>Novi<br>The Swatch Group Assembly<br><hr/> <b>Jewelry</b><br>Dress Your Body (DYB)<br><hr/> | <b>EM Microelectronic</b><br><hr/> <b>Renata</b><br><hr/> <b>Micro Crystal</b><br><hr/> <b>Swiss Timing and ST Sportservice</b><br><hr/> | <b>Swatch Group Research and Development</b><br>Asulab<br>Moebius<br>CDNP<br><hr/> <b>ICB Ingénieurs Conseils en Brevets</b><br><hr/> <b>Swatch Group Quality Management</b><br><hr/> <b>Swatch Group Services</b><br>European Distribution Center<br>Swatch Group Logistics<br>Swatch Group Information Technologies<br>Swatch Group Corporate Customer Service<br>Real Estate Development<br><hr/> <b>Swatch Group Immeubles</b><br><hr/> <b>Belenos Clean Power</b><br><hr/> |

# ORGANIZATION AND DISTRIBUTION IN THE WORLD

as at December 31, 2023

## SWATCH GROUP SUBSIDIARIES

| EUROPE  | AMERICAS  | OCEANIA   | FAR EAST  | MIDDLE EAST                          |
|---|---|-----------|---|--------------------------------------|
| Austria<br>Belgium<br>France<br>Germany<br>Greece<br>Italy<br>Luxemburg<br>The Netherlands<br>Nordic Countries (Denmark, Finland, Norway, Sweden)<br>Poland<br>Russia<br>Spain<br>Switzerland<br>Turkey<br>United Kingdom and Ireland | Canada<br>Mexico<br>USA,<br>Caribbean and Latin America | Australia | China<br>Hong Kong<br>India<br>Japan<br>Macau<br>Malaysia<br>Singapore<br>South Korea<br>Taiwan<br>Thailand | United Arab Emirates<br>Saudi Arabia |

In countries where Swatch Group has no actual distribution subsidiary, the company is represented by local distributors.

# BOARD OF DIRECTORS

as at December 31, 2023



**NAYLA HAYEK**  
CHAIR OF THE BOARD OF DIRECTORS

**Company Secretary**  
Jennifer Meyer-Kluge

**Auditors**  
PricewaterhouseCoopers  
St. Jakobs-Strasse 25  
4052 Basel  
Switzerland

**Administrative Headquarters**  
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**Registered Offices**  
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2000 Neuchâtel  
Switzerland



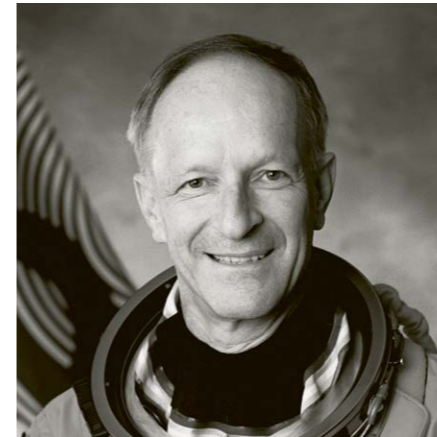
**ERNST TANNER**  
VICE-CHAIRMAN



**DANIELA AESCHLIMANN**



**NICK HAYEK**



**PROF. DR. H.C. CLAUDE NICOLLIER**



**DR. JEAN-PIERRE ROTH**

The function descriptions and responsibilities of the Board of Directors members at December 31, 2023 are outlined in the Corporate Governance chapter on pages 121 and 122 of the present Annual Report.

# EXECUTIVE GROUP MANAGEMENT BOARD

as at December 31, 2023



**NICK HAYEK**  
PRESIDENT OF THE GROUP MANAGEMENT BOARD



**FLORENCE OLLIVIER-LAMARQUE**



**RAYNALD AESCHLIMANN**



**PIERRE-ANDRÉ BÜHLER**



**MARC A. HAYEK**



**DR. THIERRY KENEL**



**DR. PETER STEIGER**



**FRANÇOIS THIÉBAUD**

# EXTENDED GROUP MANAGEMENT BOARD

as at December 31, 2023



**MIREILLE KOENIG**



**MATTHIAS BRESCHAN**



**SYLVAIN DOLLA**



**DANIEL EVERTS**



**FADI GHALAYINI**



**LIONEL A MARCA**



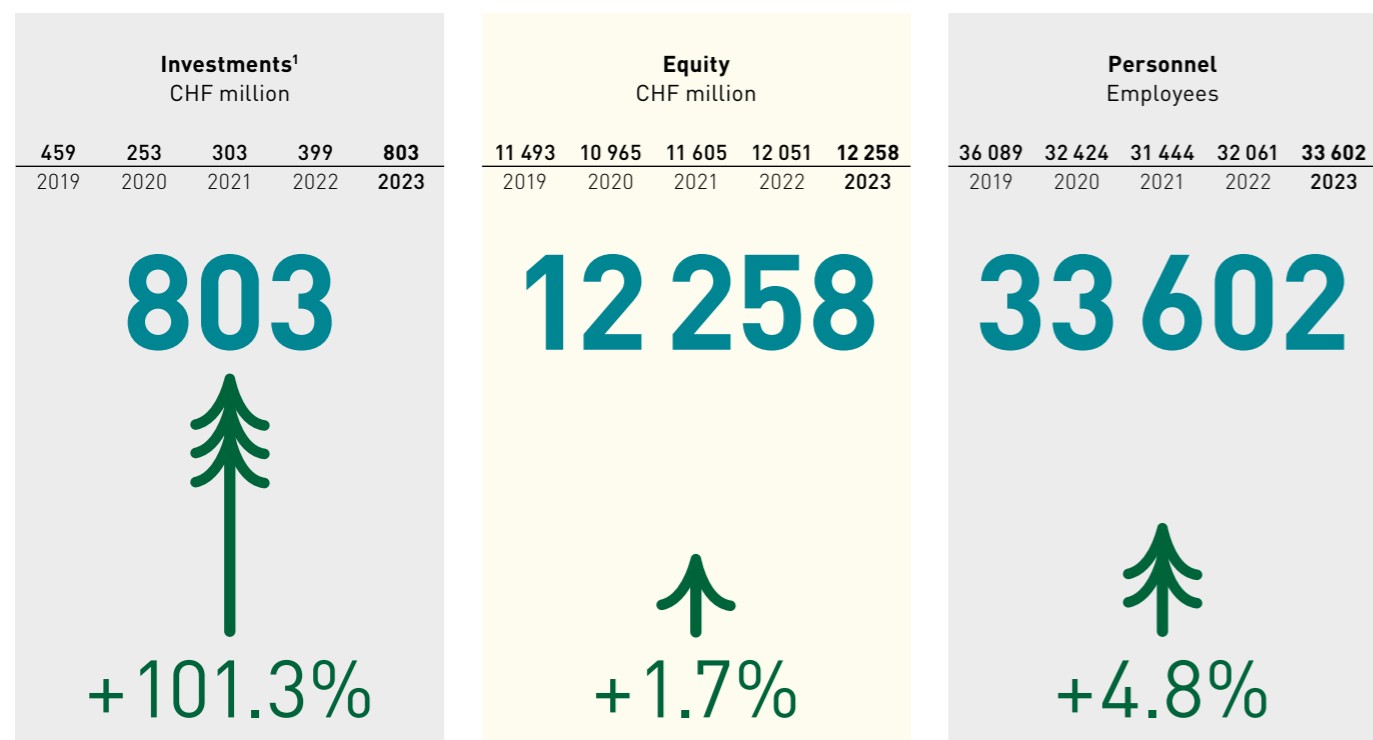
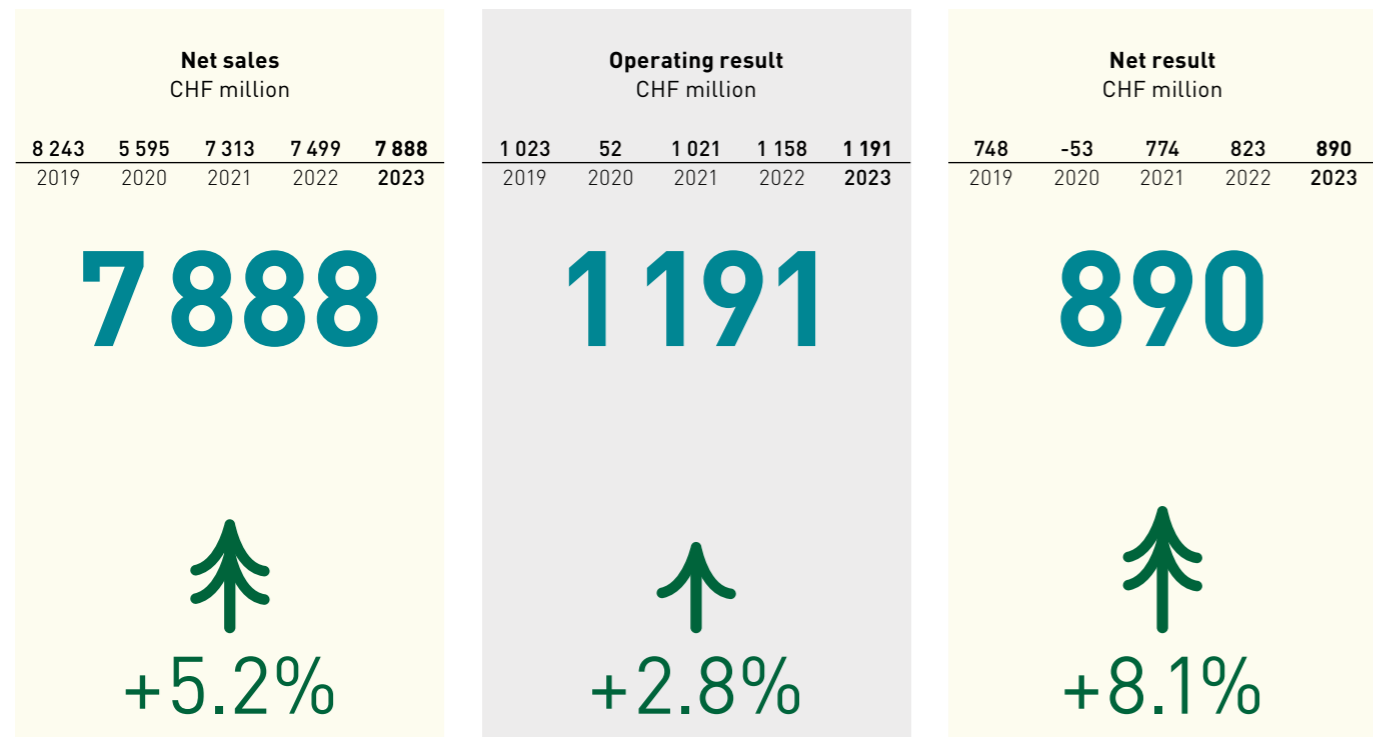
**CALOGERO POLIZZI**



**DR. MICHEL WILLEMIN**

The function descriptions and responsibilities of the members of the Executive Group Management Board and of the Extended Group Management Board at December 31, 2023 are outlined in the Corporate Governance chapter on pages 124 to 126 of the present Annual Report.

DEVELOPMENT OF SWATCH GROUP



<sup>1</sup>) Investments in property, plant and equipment, in intangible assets and in other non-current assets according to statement of cash flows.



ART & PHILANTHROPY

# ART & PHILANTHROPY



BREGUET



HARRY WINSTON

Swatch Group always has its finger on the pulse of the times. Our brands, companies and subsidiaries constantly set trends in their respective fields, all over the world and with tireless passion. It is precisely this passion that we proudly support, not only in the professional arena but also in other areas, whether in art and culture or in a relentless commitment to humanity, nature, and the environment. In 2023, our brands' dedication to a wide range of artistic initiatives and philanthropic causes was impressive indeed.

**Breguet** again collaborated with Frieze, a major player in the world of contemporary art. Argentinian artist Pablo Bronstein completed his ambitious year-long project of decking out the brand's exhibition booths with his baroque imagery. Breguet also teamed up with South Korean visionary curator Somi Sim, whose exhibitions in New York, Seoul and London explored the relationship between Man and Time.



BLANCPAIN

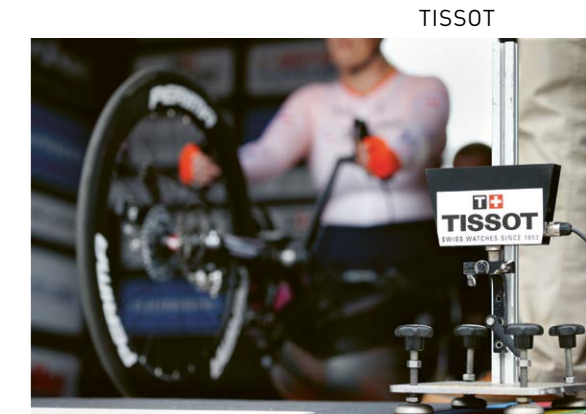
**Harry Winston** proudly continued its support for the Harlem Academy in New York City, Japan's Chance for Children, the San Francisco Conservatory of Music, the Wallis Annenberg Center for the Performing Arts in Los Angeles, and Junior Achievement Worldwide, as well as KNOWAutism and the Asia Society Texas Center. In its home city, Harry Winston remained dedicated to the Central Park Conservancy.

As part of its long-standing Ocean Commitment, **Blancpain** again joined forces with the Mokarran Protection Society and the Gombessa Expeditions team in French Polynesia and continued to work with photographer and marine biologist Laurent Ballesta. Blancpain presented the Female Fifty Fathoms Award in the Ocean Photographer of the Year competition for the third straight year.

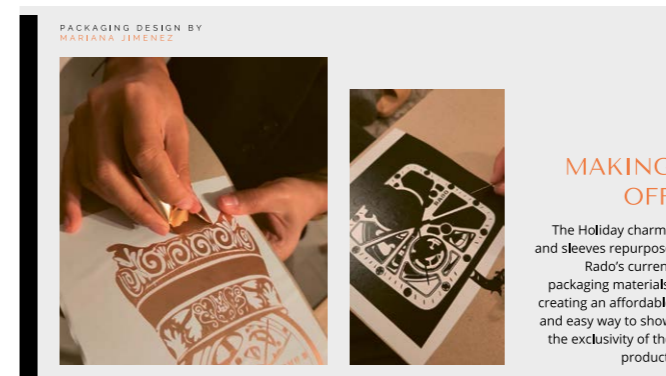
The **Jaquet Droz** Room in Neuchâtel's Museum of Art and History features three renowned automata created in La Chaux-de-Fonds between 1768 and 1774; one was crafted by founder Pierre Jaquet-Droz. In 2023, Jaquet Droz's partnership with the Académie de Meuron again positioned two visionary organizations at the heart of the artistic landscape, enabling the support of students and art studios.



OMEGA



TISSOT



RADO

**Omega** continued its work with Orbis International's Flying Eye Hospital, which fights preventable blindness and vision loss around the world. The brand also remained committed to its partnerships with Live Ocean and Yann Arthus-Bertrand's GoodPlanet Foundation. Omega again partnered with ClearSpace and Privateer, two organizations resolutely focused on sustainability in space.

**Longines** supports young sporting talent. In each World Cup season, the Rising Ski Stars award honors these masters of the slopes and in 2023, Longines presented the awards to Sweden's Hanna Aronsson-Elfman and, for the second time in a row, to Norway's Lucas Braathen. The brand's ongoing partnership with equestrian sports includes the Longines FEI Rising Star Award, which in 2023, went to show jumper Mimi Gochman.

In 2023, **Rado** celebrated its passions for art and design when it introduced the Rado Scholarship Fund for a student at the Miami campus of the Istituto Marangoni. The inaugural winner, Mariana Jimenez, impressed the judges with her innovative packaging design concept. Rado presented the prize to the Columbian designer at its booth at Untitled Art Miami Beach.



CERTINA

In 2023, **Tissot** embraced the GO STAR PROJECT, an initiative led by physician and enthusiastic biker Dr. Jörg Peltzer. He and his colleagues raised funds for each kilometer cycled in Ethiopia, which funded 1300 surgical procedures in Jimma. Tissot presented each cyclist with a personalized T-Touch Connect Sport watch, whose specially engraved case backs celebrated their accomplishment.

Since 2018, **Certina** has taken pride in its partnership with the non-profit Sea Turtle Conservancy. In 2023, it again joined forces with the organization to campaign for the protection of sea turtles. The year's highlight was the "Tour de Turtles", which not only provides valuable research into the migration routes of turtles but also raises public awareness regarding the conservation of this extraordinary species.





MIDO



SWATCH



FLIK FLAK



THE SWATCH ART PEACE HOTEL

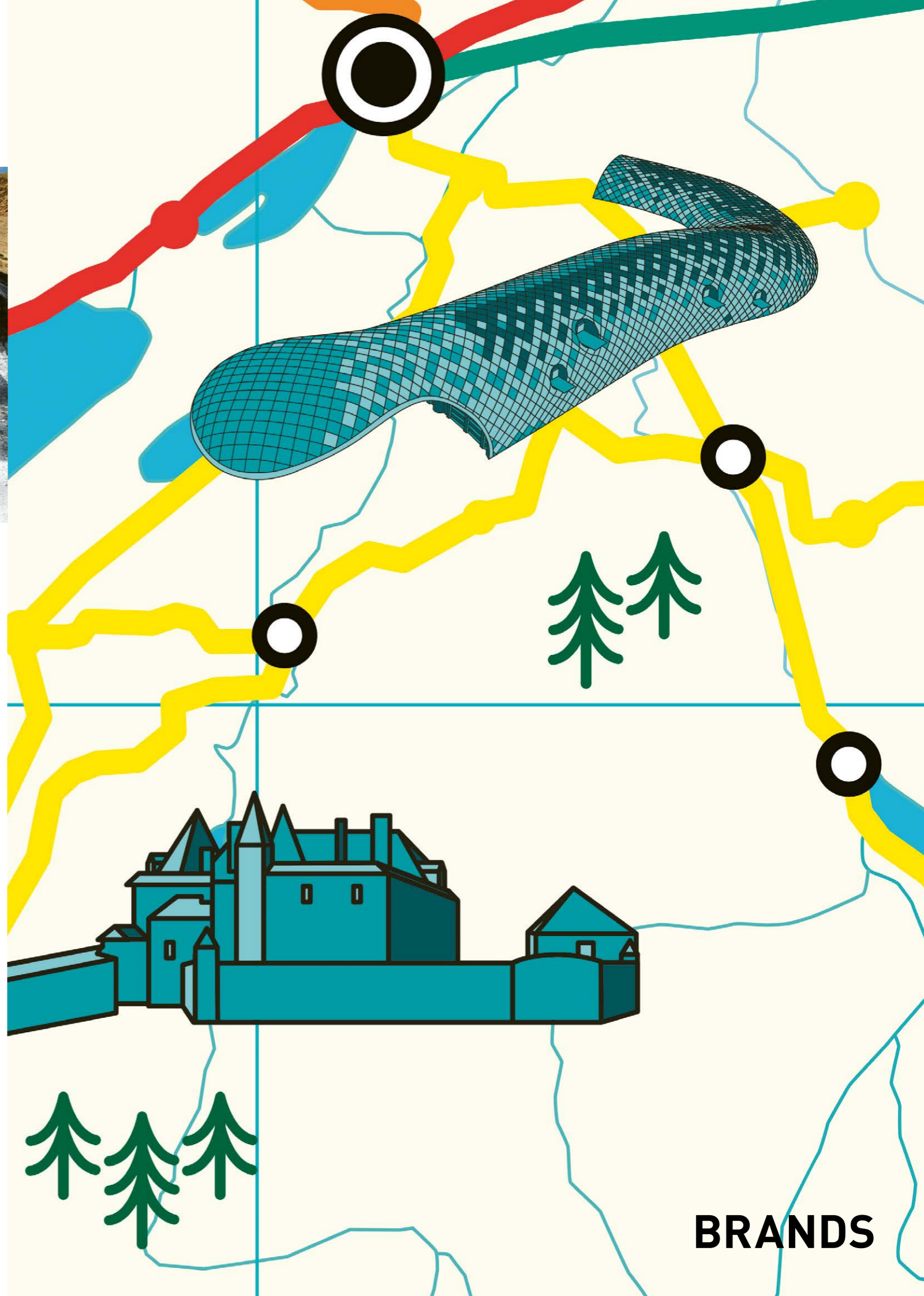
Over the last fifteen years, **Mido's** philanthropic endeavors have prioritized the well-being and aspirations of children. In November, it supported the Shanghai United Foundation's "Treasure Home" project, which creates a safe, suitable community space for children, promotes their personal development, and enables them to become driving forces for positive change.

**Hamilton** has long had a close working relationship with the world's best prop masters, production designers, costume designers and directors, the professionals who make great movies so memorable. In 2023 – as they have since 2006 – the Hamilton Behind the Camera Awards honored these talents at a star-studded event in Hollywood.

**Swatch's** link to art can be traced back to the brand's very beginnings and in 2023, the innovative Art Journey saw it partnering with multiple institutions, celebrating movements from Renaissance art to Surrealism and more. In one impressive canvas, the Kenyan desert, Saype's two monumental land frescoes brought the MoonSwatch's universe to life and joyously expressed Swatch's playful audacity.

Since 2011, the **Swatch Art Peace Hotel** has welcomed artists-in-residence in Shanghai and by the end of 2023, it had hosted 510 artists from 56 countries. In fact, the year also welcomed the platform's increased presence in Switzerland with relevant new partnerships at the Zurich Art weekend and at the Arty Show Biel festival in Swatch Group's hometown.

**Flik Flak** encouraged the development of young artistic talent in a collaboration with stationery manufacturer Faber-Castell.



BRANDS

# A YEAR FULL OF “EMOCEANS”



BLANCPAIN X SWATCH: BIOCERAMIC SCUBA FIFTY FATHOMS

## A tribute to a watchmaking icon: Bioceramic Scuba Fifty Fathoms

In a move that once again underscored Swatch's innovative spirit, the brand unveiled a second groundbreaking collaboration with a high-end watchmaker. This time, Swatch joined forces with Blancpain to reinterpret the Fifty Fathoms, the archetype of modern diver's watches, conceived by a diver for divers, and celebrating its 70th anniversary.

The Fifty Fathoms has been a beacon of underwater exploration since its inception. This visionary partnership not only celebrates the heritage of two iconic brands but also showcases Swatch's commitment to pushing the boundaries of watchmaking.

Swatch honors the Fifty Fathoms with five new models, all while staying true to itself in a fun, playful way. Named Bioceramic Scuba Fifty Fathoms, the collection references the brand's own diver's watches, the SCUBA line. The watches in this non-limited collection faithfully reproduce all the Fifty Fathoms hallmarks: superior water resistance, outstanding legibility, mechanical movement, secured rotating bezel and anti-magnetic protection, thanks to its Nivachron™ hairspring produced by the sister company Nivarox-FAR. Blancpain and Swatch drew their inspiration from the deep seas, with each model named after one of our



MODELS FROM THE ART JOURNEY COLLECTION:  
REMEMBERING JEAN-MICHEL BASQUIAT

## SWATCH BIOCERAMIC WHAT IF?



beloved planet's five oceans: Arctic Ocean, Pacific Ocean, Atlantic Ocean, Indian Ocean and Antarctic Ocean.

Excitement for the collaboration was stoked by a meticulously orchestrated, three-phase advertising campaign launched in September. The campaign was amplified by exclusive PR previews, generating a spectacular domino effect in the worldwide press and on social media. Upon release, the Bioceramic Scuba Fifty Fathoms Collection drew enthusiasts to points of sale worldwide, with queues mirroring the excitement of a cultural happening.

## The MoonSwatch mission continues

In its second orbit, the MoonSwatch continued to captivate the world, maintaining stellar levels of interest. The year's Mission to Moonshine™ Gold events were a celestial spectacle, drawing large crowds at each point of sale. Every month since March, the Mission to the Moon model featured a unique seconds hand that was inspired by the magic of each full moon and made of Omega's Moonshine™ Gold. In August, in honor of the blue moon, the second full moon of the month, the Mission to Neptune model also featured a unique seconds hand bringing the total number of models to 11 by year's end. Swatch's "rolling planets" tour has continued to journey far and wide, bringing the MoonSwatch experience to iconic

locales across Europe, Asia and the US. With more than 300 stops, the tour has an indelible impression on MoonSwatch enthusiasts and newcomers alike.

An unexpected and extraordinary part of the journey continued in the vast canvas of the Kenyan desert, where the artistry of Saype brought the MoonSwatch universe to life with two monumental land frescoes echoing the MoonSwatch's spirit of exploration and the childlike wonder of gazing at the stars. This collaboration, too, celebrated the dream of traversing the celestial realm with the playful audacity that is at the heart of Swatch's philosophy.

#### Swatch and Art, a timeless love story

Swatch's passion for art took a whole new direction during the year with the Art Journey, an evolution of the museum journey series initiated in 2018. For the first time, this innovative project saw Swatch collaborating with multiple art institutions on one collection, highlighting iconic art movements from Renaissance art to Surrealism and more, marking a significant expansion of the brand's cultural footprint.

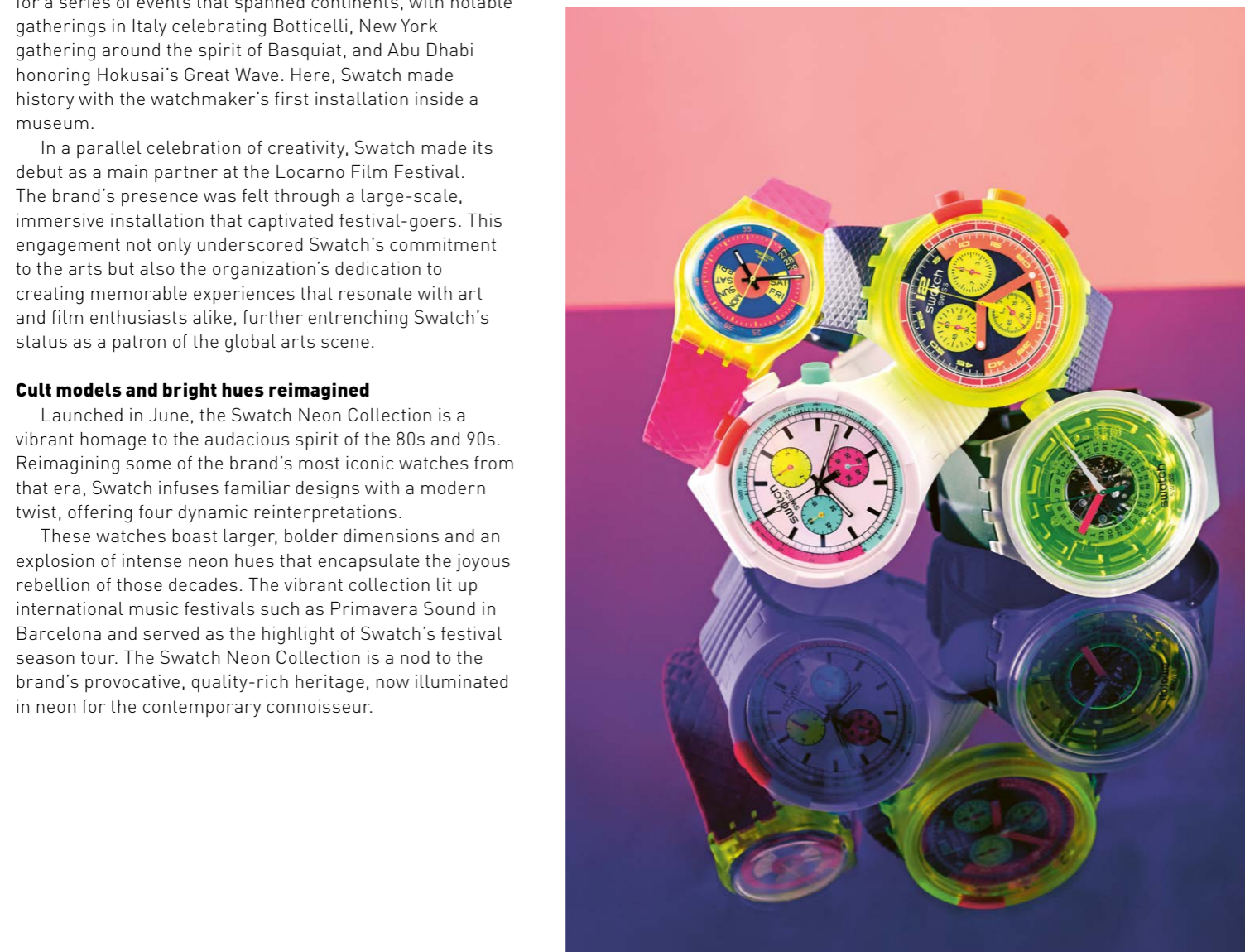
The global PR launch in Lisbon, Portugal, set the stage for a series of events that spanned continents, with notable gatherings in Italy celebrating Botticelli, New York gathering around the spirit of Basquiat, and Abu Dhabi honoring Hokusai's Great Wave. Here, Swatch made history with the watchmaker's first installation inside a museum.

In a parallel celebration of creativity, Swatch made its debut as a main partner at the Locarno Film Festival. The brand's presence was felt through a large-scale, immersive installation that captivated festival-goers. This engagement not only underscored Swatch's commitment to the arts but also the organization's dedication to creating memorable experiences that resonate with art and film enthusiasts alike, further entrenching Swatch's status as a patron of the global arts scene.

#### Cult models and bright hues reimaged

Launched in June, the Swatch Neon Collection is a vibrant homage to the audacious spirit of the 80s and 90s. Reimagining some of the brand's most iconic watches from that era, Swatch infuses familiar designs with a modern twist, offering four dynamic reinterpretations.

These watches boast larger, bolder dimensions and an explosion of intense neon hues that encapsulate the joyous rebellion of those decades. The vibrant collection lit up international music festivals such as Primavera Sound in Barcelona and served as the highlight of Swatch's festival season tour. The Swatch Neon Collection is a nod to the brand's provocative, quality-rich heritage, now illuminated in neon for the contemporary connoisseur.



SWATCH NEON COLLECTION

#### What if... Swatch had gone square?

Swatch's Bioceramic What If? Collection, launched on Swiss National Day, reimagines a pivotal moment in history. It's 1982, and Swatch stands at a crossroad: to shape the brand's revolutionary watch as round or square, a choice that carved a path of round-faced success.

But now the Bioceramic What If? Collection dares to dream differently and celebrates the square prototype envisioned by Swatch's pioneering engineers. Thanks to the innovative Bioceramic material, the once-unattainable sharp lines and robust cases are now a reality, merging past vision with present innovation.

The launch was propelled by a viral ad campaign featuring the dynamic energy of Swatch Proteam athletes Pat Burgener, Mami Tezuka and Andy Anderson. Swatch employees also sparked curiosity by adorning their LinkedIn profile pictures with a square motif, weaving a narrative of mystery and innovation that only Swatch could imagine.



TM & © 20th Television

THE SIMPSONS:  
SECONDS OF SWEETNESS



BIOCERAMIC AND STAINLESS STEEL: BIG BOLD IRONY

#### BIG BOLD IRONY debuts with a heart of Bioceramic

Swatch once again pushed boundaries with the unveiling of the groundbreaking BIG BOLD IRONY Collection, ingeniously combining Bioceramic with stainless steel for the very first time. Launched with flair, these watches embody boldness and are crafted to accentuate the wearer's innate confidence and style.

The two-stage launch campaign initially showcased lacquered models with vibrant bi-compressed straps, followed by the sleek sophistication of new stainless-steel variants with sunbrushed dials. Each phase was amplified by an extensive media campaign, solidifying BIG BOLD IRONY as both a conversation piece and a symbol of Swatch's innovation.

#### Toons and timepieces make an epic collaboration

A beacon of pop culture since 1983, Swatch has now collaborated with the iconic animated series *The Simpsons*, a union that embodies fun and unconventionality and aligns perfectly with Swatch's vibrant legacy. Since its inception in 1989, *The Simpsons* has redefined entertainment, infusing subversive humor and wit into the fabric of pop culture, while setting a benchmark of innovation in television.

Released in November and starting with a fun and provocative take on Homer's favorite snack, The Simpsons Collection caters to both Swatch aficionados and *The Simpsons* fans with watches that encapsulate the show's essence. A celebration of shared values and timeless appeal, the collaboration marks another chapter in Swatch's storied relationship with cultural icons.

### Stellar craftsmanship meets historical majesty

In 2023, Swatch continued to celebrate the art of individuality with Swatch X You, offering a canvas for personal expression through watches infused with creative sparks from notable collaborations. Teaming up with the European Space Agency (ESA), they launched a series of six celestial-inspired designs, transforming cosmic marvels thousands of light-years away into unique timepieces.

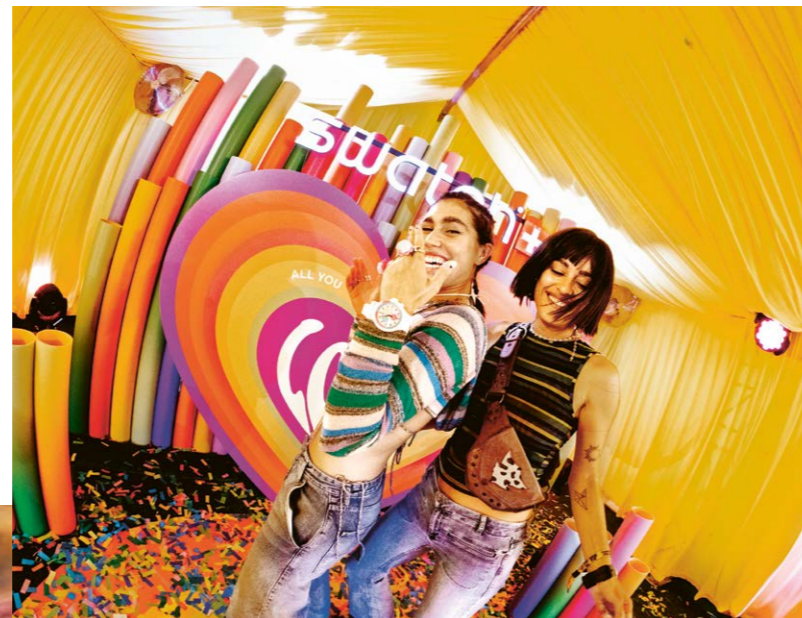
Equally enchanting, the partnership with the Château de Versailles commemorated its 400th anniversary with Swatch X You designs and ready-to-wear models inspired by the rich history and grandeur of this iconic landmark. Characters from history, architectural grandiosity and the opulent gardens of Château de Versailles constitute the essence of the designs, allowing wearers to adorn themselves with a piece of history.



SWATCH X YOU

### Celebrating music across the globe

In a symphony of color and creativity, Swatch's love for music took center stage for the second consecutive year with the vibrant Flower Power House at festivals across the globe. From the lively beats of Primavera Sound in Barcelona to the electrifying energy of Waterbomb Seoul and the urban sound of Openair Frauenfeld in Switzerland, Swatch infused each event with its spirited Swatch Neon Collection.



PRIMAVERA SOUND FESTIVAL IN BARCELONA

As festivalgoers reveled under the Spanish sun from May 31 to June 4, influencers gathered to celebrate and showcase the exuberance of the Swatch Neon Collection. The Flower Power House blossomed in South Korea from June 23-25, with innovative brand constructions and captivating water fountains adding to the spectacle. The Swiss leg, held from July 6-9, added a touch of whimsy with an on-stage mock wedding, uniting music lovers between main acts.

#SwatchLovesMusic isn't just a hashtag. It's a movement — a festive journey that unites fans and Swatch in a harmonious celebration of music's universal language.

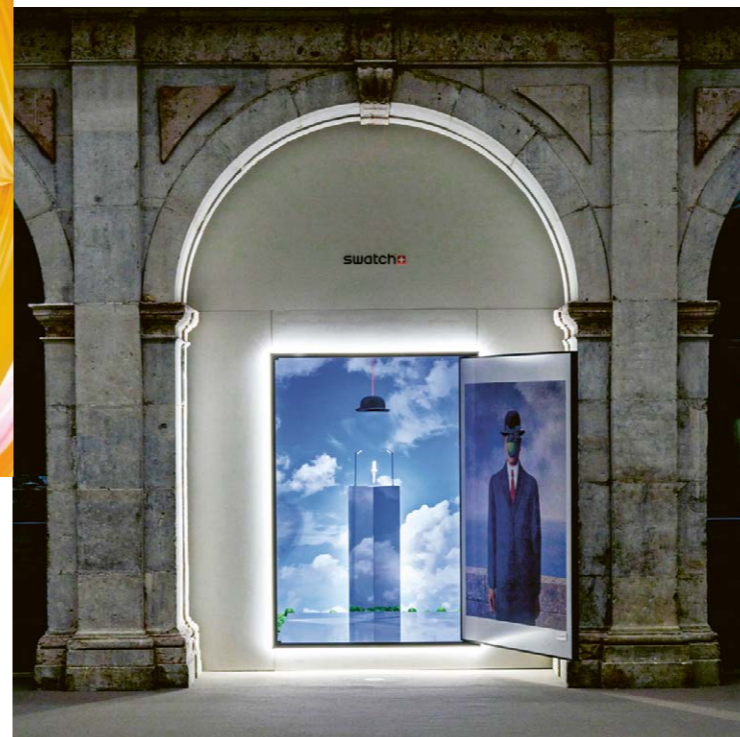
### Elevating action sports

The year marked the start of Swatch as the proud title sponsor of Swatch Nines, a thrilling event that sidesteps competition in favor of creativity and self-expression. At this epic celebration, the world's top talents come together to redefine the limits of what is possible in their respective sports.

In Schilthorn, Switzerland, the winter session of Swatch Nines witnessed Swatch Proteam athletes and course architects collaborating to sculpt the innovative jump features of an amazing snow park. This partnership fueled unparalleled creativity, driving the progression of snow sports to unprecedented levels.

Come summer, Germany's Green Hill Bikepark hosted the Swatch Nines MTB. A constellation of Swatch Proteam stars and international talents converged to design an exhilarating course. Blending slopestyle's audacious airs

### PR LAUNCH OF THE ART JOURNEY COLLECTION, LISBON



SWATCH NINES SNOWPARK ON THE SCHILTHORN

with freestyle's technical prowess, this event propelled mountain biking into a new era of artistry and athleticism.

Swatch reignited the Swiss brand's passion for BMX as the title sponsor of the Battle of Hastings for the first time. Held at Source Park, the event's innovative format, teaming up the world's top BMX athletes to compete across varied setups, reflects Swatch's dedication to originality and the BMX community. With festival vibes and live streaming, Swatch's presence honored the event and energized the BMX scene.

### Swatch's retail presence grows worldwide

In 2023, Swatch magnified the organization's global retail footprint, embracing both new horizons and cherished comebacks.

In China, Nanjing welcomed a new Swatch store, boasting the exclusive integration of a rolling planet car within the retail space. In Japan, a new point of sale was unveiled in Kyoto, and the Ginza store joyously reopened its doors. The brand rekindled its presence in India with the opening of new stores in Mumbai, New Delhi and Bangalore.

The expansion continued in the Netherlands, adding a new presence on Amsterdam's most exclusive shopping street, P.C. Hoofstraat, and enriching Spain's retail landscape with a newly opened store in Barcelona. The European market also witnessed Swatch's growth with new openings in France, Italy and the UK. The brand-new Swatch store in London is located in Harvey Nichols Knightsbridge, one of the city's top shopping destinations. Further afield, Swatch's retail presence grew in Australia with new stores in Brisbane and Perth, while Hong Kong welcomed the K11 pop-up and store as well as a new point of sale at ifc mall. In the United States, San Diego and Orlando proudly presented new store openings, showcasing Swatch's enduring legacy and commitment to attainable Swiss-made watches.

[www.swatch.com](http://www.swatch.com)



# A YEAR OF INNOVATION AND COLOR



A STUDY IN SUMMER BLUE: THE SEAMASTER COLLECTION



SEAMASTER AQUA TERRA

## CREATION

### Speedmaster Super Racing

The Speedmaster Super Racing, marking another pioneering moment in Omega's watchmaking history, was introduced as the world's first watch to feature the revolutionary Spirite™ System. The system is built with a new patent-pending spiral that allows for ultra-fine rate adjustments, making it possible to achieve a certified precision of only 0/+2 seconds a day.

It is also a great looking Speedmaster with a design that pays tribute to the 10th anniversary of the Omega Seamaster Aqua Terra >15 000 GAUSS, released in 2013. Unique features include a black ceramic bezel ring with the famous tachymeter scale in yellow *grand feu* enamel, a yellow and black striped small seconds hand, and a honeycomb pattern on the dial.

### Seamaster in Summer Blue

One of the biggest Omega celebrations in 2023 was for the new Seamaster in Summer Blue collection. To showcase the theme of "Precision at Every Level", 11 watches were created, encompassing some of the most famous designs in Seamaster history, from the iconic Seamaster 300 through to the ultra-unique Ploprof.

## TRENDS

In 2023, Omega's year centered around cutting-edge technology and vibrant new designs. This theme began in the earliest days of January, when the revolutionary Spirite™ System was announced and released inside a groundbreaking new Speedmaster.

From there, things took a colorful turn, with the Aqua Terra Shades and Seamaster in Summer Blue collections, each defined by their distinctive dials and expressive choices for customers.

2023 was also a year for celebration. Not only did Omega host a number of international events to welcome its newest timepieces, but there was also an impressive range of sporting highlights, including the one-year countdown to the Olympic Games Paris 2024.

As ever, there was so much iconic Omega DNA to feel inspired by. This was perfectly encapsulated by the *Planet Omega* exhibition, which opened in New York at the conclusion of the year. A comprehensive display of what makes this brand so special.



SPEEDMASTER SUPER RACING WITH SPIRITE™



OMEGA AND GUESTS CELEBRATE SEAMASTER IN MYKONOS

Each timepiece was produced with a Summer Blue dial, using a gradient of lighter or darker tones to reflect the water-resistance of each model. All the timepieces also included a commemorative caseback, with a Seamaster logo depicting Poseidon and two seahorses.

**PRESENCE**  
**Aqua Terra in London**

In one of the year's most colorful moments, a new Aqua Terra Shades collection was launched with a variety of vibrant dials – encompassing unique tones such as Atlantic Blue, Lagoon Green, and Terracotta – all inspired by the natural transition from ocean to earth.

To celebrate the release, Omega brought a burst of rich color to London, hosting a special event at Somerset House. Brand ambassadors Zoë Kravitz, Zhou Dongyu, and Eddie Redmayne arrived as the evening's special guests, while the venue was transformed into a multisensory experience based around the nine unique colors of the collection. Surprises were unveiled around every corner, as guests were able to roam through nine dedicated installations of art, performance, taste, and sound.

**Seamaster in Mykonos**

The sparkling Aegean Sea was the destination of choice for Omega's Seamaster celebration in summer of 2023. Hosted in Mykonos, it was a chance to unveil the brand's 11 new watches in Summer Blue. The event welcomed special guests including George Clooney and Naomi Harris, as well as the explorer Victor Vescovo, and sailors Blair Tuke and Peter Burling – who gave in-depth talks on ocean exploration and conservation. In keeping with the marine-inspired theme, the idyllic occasion concluded with a candlelit dinner on the beach.

To support the Seamaster in Summer Blue launch, Omega brought a cool wave of style to some of the most exclusive coastal locations in the world. Throughout the summer, four pop-up Seamaster Boutiques were opened to the public, in destinations including Mykonos (Greece), Forte dei Marmi (Italy), Saint-Tropez (France), and San Diego (USA). Each store brought the essence of the ocean to life, and presented a selection of vintage Seamaster timepieces, as well as the year's new models.

**INTERNATIONAL MARKETS**

**United Kingdom**

The UK's highlight in 2023 was *Her Time House* – a temporary space celebrating Omega's history of women's watchmaking. Presented in a relaxing and restorative setting in the heart of Mayfair, the installation featured an impressive watch exhibition, along with meditations and music, and an incredible roof terrace overlooking Hyde Park. Brand ambassadors Zoë Kravitz, Kiko Mizuhara, and Zhou Dongyu each visited the venue to explore the beauty, heritage, and precision on display.

**USA**

The story of Omega was brought to New York City in 2023, as the brand opened its *Planet Omega* exhibition at the Chelsea Factory. Showcasing the unique DNA of the brand, the exhibition revealed many notable timepieces from past and present, including the wristwatches worn by Elvis Presley and John F. Kennedy. The full exhibition was split into six areas, including Sport and Olympic Games, Space, Ocean, James Bond, Precision, and Friends. Several ambassador-led events were held across the opening dates, including those with Nicole Kidman, Daniel Craig, Cindy Crawford and Kaia Gerber, Charlie Duke, and Nicole Stott.



CINDY CRAWFORD AND KAIA GERBER, PLANET OMEGA EXHIBITION, NYC



PLANET OMEGA EXHIBITION, CHELSEA FACTORY, NYC

ZHOU DONGYU, EDDIE REDMAYNE AND ZOË KRAVITZ BRING COLOR AND STYLE TO LONDON



**Hong Kong**

Omega was proud to open two new Boutiques in Hong Kong in 2023, situated in the heart of the Queen's Road Central shopping area, as well as the spectacular harbor-side K11 Musea. To inaugurate each of these stunning stores, the actress and Omega ambassador, Han So-hee, played a central role during the opening celebrations. As well as taking an exclusive tour of the boutiques' stylish interiors, she also appeared on stage during a dedicated evening event.

**SPORT**

**Countdown to Paris 2024**

As Official Timekeeper of the Olympic and Paralympic Games, Omega began the one-year countdown to Paris 2024 by unveiling its official Countdown Clock at Port de la Bourdonnais – near the familiar beams of Paris’s most iconic landmark, the Eiffel Tower.

Omega used the opportunity to welcome two Paralympic athletes to its brand ambassador family, including fencer Beatrice “Bebe” Vio and triathlete Alexis Hanquiquant. It was also the perfect moment to reveal the new Seamaster Diver 300M Paris 2024 Edition, made with touches of 18K Moonshine™ Gold and unique details including a commemorative caseback with a mirror-polished Paris 2024 logo in 18K Moonshine™ Gold.

**Omega Masters**

For the 22nd time since 2001, Omega held the title sponsorship at the Omega Masters at the Crans-sur-Sierre Golf Club in Switzerland. Before the official tournament, Omega invited a group of celebrity guests to play in the annual Pro-Am event, including the American actors Luke Wilson, Aimee Garcia, Greg Kinnear and Chace Crawford, former rugby player Thom Evans, and British swimmer Tom Dean.

The brand also hosted a special celebration in Cry D’Er, welcoming guests from across Asia, including Omega ambassadors Hyun Bin and Kiko Mizuhara. Several friends of Omega also attended, including the model-turned-actress, Louise Wong, and the socialite and model, Ayla Sham Yuet. There was also a performance from Omega brand ambassador Bastian Baker, one of Switzerland’s most celebrated singing talents.

SWISS STAR BASTIAN BAKER  
AT THE OMEGA MASTERS GALA EVENT



SOUTH KOREAN ACTOR HYUN BIN  
IN CRANS MONTANA



OLYMPIC GAMES PARIS 2024 COUNTDOWN CLOCK



NICOLE KIDMAN, PLANET OMEGA EXHIBITION, NYC

**Other Sports**

In 2023, Omega timed the 20th World Aquatics Championships in Fukuoka, Japan, and supported its own swimming ambassadors competing for victory. In preparation for the America's Cup in Barcelona in 2024, Omega also unveiled the Seamaster Planet Ocean Deep Black ETNZ Edition – launched during the preliminary Regatta in Vilanova. While in athletics, the brand was on hand at this year's Wanda Diamond League competition as the Official Timekeeper for all of the 14 meets across the world.

**OTHER MARKETING**

**Social Media**

Omega's global community of social media followers rose to almost 9.3 million people in 2023, a leap of more than 1.4 million compared to the previous year. Instagram continues to be the leading Omega channel in western markets, while WeChat has the most followers in Asia. TikTok is a new channel that has a growing engagement across all regions.

THE HONG KONG K11 MUSEA OMEGA BOUTIQUE



**OMEGA'S WORTHWHILE CAUSES**

**Fighting Avoidable Blindness and Vision Loss**

On board its Flying Eye Hospital, Orbis International fights preventable blindness and vision loss around the world, performing millions of medical treatments and training new eye care professionals. Since 2011, Omega has supported the organization with funding and dedicated Orbis watches, as well as documentaries featuring ambassadors such as Cindy Crawford, Kaia Gerber, and Daniel Craig. The most defining symbol of the partnership is the cuddly teddy bears that Omega provides to every young patient undergoing treatment. In 2023, Orbis held a three-week surgical training program in Zambia, where there is a desperate need for high-quality eye care.

OMEGA HER TIME HOUSE, LONDON: KIKO MIZUHARA



HER TIME HOUSE IN LONDON'S MAYFAIR

**Continued Support**

Omega remains committed to its ongoing partnerships with other worthwhile organizations. These include Live Ocean, led by Omega's sailing ambassadors Blair Tuke and Peter Burling, who are campaigning for a healthier ocean, as well as GoodPlanet, founded by Yann Arthus-Bertrand, which shares Omega's passion for environmental protection. In space, Omega is still partnering with both ClearSpace and Privateer, two organizations that are resolutely committed to sustainability in space.

[www.omegawatches.com](http://www.omegawatches.com)

DANIEL CRAIG, PLANET OMEGA EXHIBITION, NYC





## 2023: THE YEAR OF RENEWAL



CLASSIQUE 7637 RÉPÉTITION MINUTES DIAL IN GRAND FEU ENAMEL

### TRENDS

For Breguet, 2023 was a time of renewal. At the beginning of the year, the brand's visual identity was revamped with a new advertising campaign highlighting the beauty of its timepieces. Today, Breguet wishes to invite its customers – its finest ambassadors – to continue its legacy through a new slogan: "Make History with us". This also serves as a reminder that Breguet watches have been worn by many illustrious figures who have made history for almost 250 years.

This revitalization also extended to the visual concept of the Breguet boutiques, whose welcoming design, with an abundance of transparency and light, creates a warm atmosphere that invites customers to immerse themselves in the brand's universe. The new concept showcases Breguet's savoir-faire through a number of distinctive features, such as *guilloché* (hand engraving on a rose engine lathe), not only in the dedicated lathes on display at the entrance or the motifs on the carpets, but also in the fluting of its cases, picked up on select pieces of furniture. The concept will gradually be extended to all the brand's boutiques.



CLASSIQUE 7637 RÉPÉTITION MINUTES MOVEMENT IN GOLD, HAND-ENGRAVED

### CREATION

#### CLASSIQUE 9075 – Lunar New Year Edition 2023: Year of the Rabbit

The kind, sensitive, optimistic nature of the Rabbit Chinese Zodiac sign inspired the brand's artisans to create an eight-piece series in its Classique line, a model dedicated to women. Its 18-carat white gold dial combines the skills of the brand's artisans in hand-engraving to create the silhouettes, along with enameling, as the dial is coated in blue and white enamel featuring six cheerful rabbits against a background of fluffy white clouds.

#### CLASSIQUE PHASE DE LUNE 9085 – Valentine's Day Edition

Breguet celebrated Valentine's Day with a poetic, elegant model. Against a mother-of-pearl backdrop delicately hand-engraved on a rose engine lathe by artisans in L'Orient (Vallée de Joux), rubies and Breguet numerals alternate around the dial to mark the passing of time. This model comes in an elegant box with two easily interchangeable alligator leather straps, one red and the other white.

#### CLASSIQUE 7327 – Perpetual Calendar

This new model reflects the very essence of the brand: a timepiece that is simple to use for its wearer, yet complex in terms of its realization. The complication displays the exact date, taking into account the variable length of the months and

the leap-year cycle. To achieve this, the movement has a mechanical "memory" of four years, or 1461 days. The mechanism is generally based on a gearing system from the hours wheel and a large central lever that activates the entire movement on a daily basis. This timepiece is equipped with Caliber 502.3.P. At only 4.5 mm thick, it remains one of Breguet's thinnest movements.

#### Type XX – 2057 & 2067 – A strong comeback

Breguet has launched a new Type XX collection featuring two models equipped with a new, entirely in-house-made movement that required four years of development. The self-winding Caliber 728 for the civilian version and Caliber 7281 for the military model both feature a vertical clutch, a column wheel, silicon and a 60-hour power reserve. As for the two watches themselves: the Type 20 Chronograph 2057 military version and the Type XX Chronograph 2067 civilian model differ in several respects. On the former, inspired by the 1100 units delivered to the French Air Force, the Arabic numerals on the dial and the triangle on the bezel are luminescent and mint green, as are all the hands. The 30-minute counter at 3 o'clock is now larger than the running seconds displayed at 9 o'clock, while a date window has been added between 4 and 5 o'clock. The bezel is non-graduated and bidirectional.

The civilian model is inspired by timepieces from the 1950s and 1960s. The dial features three counters: a 15-minute counter



NEW TYPE XX COLLECTION WITH THE CIVILIAN VERSION AND THE MILITARY MODEL





CLASSIQUE PHASE DE LUNE 9085 VALENTINE'S DAY EDITION WITH TWO INTERCHANGEABLE STRAPS

at 3 o'clock, a 12-hour counter at 6 o'clock and a small seconds subdial at 9 o'clock. The Arabic numerals, the triangle and the graduated bezel are coated with an ivory luminescent treatment.

Finally, the steel case of both models measures 42 mm in diameter.

#### CLASSIQUE 7637 – Minute Repeater

As early as 1783, Abraham-Louis Breguet created the first minute repeater watches whose striking mechanism was a gong spring rather than the bell that had universally been used previously. Today, Breguet pays tribute to him with a new mechanical masterpiece. The 567.2 movement is equipped with a chiming mechanism featuring hammers and a gong spring to sound the time. The various materials used in its design were required to have obvious acoustic qualities, and all the components needed to be small enough to fit into the modest dimensions of the case. The minimalist dial of the 7637 also required special expertise in the form of the *grand feu* enamel technique. It can take several weeks to produce a single dial in the desired shade.

#### MARINE TOURBILLON 5577

The tourbillon, the most emblematic of the Breguet founder's inventions, which was officially patented on 26 June 1801, stars in a new model from the Marine collection. The 42.5 mm case houses self-winding Caliber 581. This new 330-component ultra-thin Breguet movement is only 3 mm thick and its finishing is revealed through the sapphire crystal caseback. The barrel drum is adorned with a compass rose, and characteristic surface decorations typical of the Marine line are also featured, including a straight-ribbed motif.

CLASSIQUE 9075  
LUNAR NEW YEAR EDITION,  
ENAMEL DIAL AND  
HAND-ENGRAVED RABBITS



#### CLASSIQUE TOURBILLON 3358

The Manufacture added two 3358 references to its Classique collection. These timepieces dazzle as much with the beauty of their dials as with the watchmaking mechanism they house. A shower of diamonds appears to fall on the midnight-blue pearled and varnished mother-of-pearl dial of the white gold model. A myriad of white gold stars – sandblasted, polished, some adorned with a diamond – add depth to the dial. The rose gold case of the second model sparkles with 281 diamonds, with those between 3 and 9 o'clock arranged in a curved setting, while the gems inside the chapter ring are set using the snow setting technique. The dial of each timepiece is, of course, enhanced by a tourbillon visible from both the front and back of the case. Finally, both watches are equipped with the 187D manual-winding movement, ensuring a 50-hour power reserve.

#### PRESENCE

##### Type XX in the spotlight

VIP customers, collectors, partners and media travelled from around the world to Paris to experience an exceptional day and evening marking the launch of the new Type XX collection.

The day began at the National Air and Space Museum of France at Le Bourget airport. In this legendary location, which was created in 1919, visitors were able to discover different areas devoted to the history of this iconic collection, with the first section featuring some 25 historic watches.

Visitors were then taken to two workshops: one was dedicated to the discovery of the new caliber as well as that of the older Type XX generations, while the other highlighted the distinctive decorations present on the new Caliber 728. Invitees were also able to test their watchmaking skills in various workshops.

Guests also had the opportunity to lunch under the famous Concorde, which, as it happens, was equipped with Breguet Type 11 aircraft clocks. This extraordinary day was crowned by a gala evening as Breguet welcomed its guests to the Petit Palais where, during this high-flying meal, guests were finally able to discover the new Type XX collection. The 300 guests then had the opportunity to try on and admire the new 2057 and 2067. A perfect way to end the evening... in style!

Some of these historical pieces were then flown around the world to be presented – along with the latest additions to the collection – at exclusive events and roadshows: China, Japan, the USA, Italy and France were just some of the stops along the way.



MARINE TOURBILLON EXTRA-FLAT, AVAILABLE IN ROSE GOLD AND PLATINUM

**South Korea: 3D Billboard**

During Frieze Seoul, Breguet South Korea took over the K-Pop Square at the Coex Centre, the largest LED Screen in the heart of Seoul. The innovative 3D OOH Campaign, which featured the new Type XX Collection, attracted a large number of visitors to the Breguet Booth at Frieze Seoul Art Fair.

**England: Partnership with the Royal Albert Hall**

In keeping with its various art, culture and heritage patronages, Breguet has become the official partner to the Royal Albert Hall. Over its 150-year history, this venerable institution has hosted numerous cultural and artistic events and welcomed illustrious figures as diverse as Winston Churchill, Albert Einstein, Ella Fitzgerald and the Beatles. This commitment further strengthens the brand's presence in the world of institutions hosting the finest artistic events, such as New York's Carnegie Hall and Madrid's Teatro Real.

**France: Reopening of the National Maritime Museum, Paris**

As a patron of the French Ministry of Culture, Breguet has funded the creation of a room dedicated to the scientific means of determining bearings at sea through the ages, featuring marine chronometer No. 5072 made in 1817-1818 in the workshops of Abraham-Louis Breguet. At the time, marine chronometers were of paramount importance to fleets, as they were quite simply indispensable for calculating longitude at sea. Breguet devoted himself to his role as *Horloger de la Marine* (Chronometer-maker to the French Royal Navy) rigorously and enthusiastically; from then on, the greatest expeditions were carried out with Breguet "marine clocks", and the company supplied the French Navy for almost 150 years.

**Boutique openings**

After several months of renovation, the Boutique on Zurich's Bahnhofstrasse celebrated its reopening on September 14. At the same time, the brand opened a new boutique in Hong Kong's Central business district as well as one in the city of Nanjing. It also completed its Shanghai Langham flagship store. The Breguet Boutiques' network comprises 37 stores worldwide.

[www.breguet.com](http://www.breguet.com)

NEW BREGUET BOUTIQUE HONG KONG'S CENTRAL DISTRICT



ARTISTIC CONCEPT "RESISTING TIME" IMAGINED BY SOMI SIM DECORATES BREGUET'S PRESENCE AT FRIEZE ART FAIRS



UNVEILING OF THE COLLECTION TYPE XX AT AN EPHEMERAL EXHIBITION AT PARIS-LE BOURGET AIRPORT



BREGUET BOUTIQUE ON THE BAHNHOFSTRASSE IN ZURICH

# A YEAR OF REGAL EXCELLENCE

## HIGHLIGHTS

Under the direction of Chief Executive Officer, Nayla Hayek, in 2023, the House of Harry Winston celebrated its regal heritage, as a Brand rooted in an unwavering commitment to the rarest, most exceptional jewels in the world. Further propelling its position as the preeminent jeweler, the House focused its efforts on expanding and enhancing its global presence, with both online and offline activities, investing in exceptional gemstones and new collections that underscore its legacy, hosting meaningful events that brought the beauty of the House to new audiences, and executing creative marketing campaigns that demonstrated the breadth of its exceptional jewelry and timepieces.



THE HOUSE'S SPRING 2023 MARKETING CAMPAIGN



A HIGH JEWELRY SAPPHIRE AND DIAMOND NECKLACE

For the House, 2023 began in the very same place as its origins – New York City. New suites were introduced to its tony New York Collection, which looks to the beauty of Mr. Winston's beloved city for fresh perspective on extraordinary high jewelry designs. Views from the top and an ode to the architectural leitmotif that adorns Manhattan, the Art Deco movement, as well as the natural phenomenon that is known as Manhattanhenge lent inspiration to the House's newest high jewelry offerings. Manhattanhenge is when the rising and setting sun peers perfectly through the city's east-to-west streets, casting a brilliant orange glow throughout the sky. Harry Winston's interpretation captures the sun's beautiful hues with pear-shaped and round brilliant diamonds interlaced with pear-shaped spessartites in a fluid pattern that mimics the beams of natural light. The New York Collection continues to serve as a pillar for the House, reinforcing its rich New York City identity, as well as its love and admiration for the beauty of nature.



THE HEIRESS NECKLACE FROM ROYAL ADORNMENTS

## HARRY WINSTON EMERALD TIMEPIECE



THE COUNTESS NECKLACE FROM ROYAL ADORNMENTS

Following this tribute, the House moved into wedding season, celebrating the idea of *Together Ever After*, weaving the House's role in great love stories with the individual love stories of its clients around the world. The campaign shimmered with all the brilliance of true love itself, and as Mr. Harry Winston always believed, these stories were marked with even more brilliant diamonds. One of the signature engagement ring styles of the House, the HW Logo Collection, expanded with new earstuds and diamond solitaire pendants transforming this collection into an instant classic. The signature setting features two logotypes, "H" and "W" representing the brand initials, which support a round brilliant-cut diamond center stone.

Continuing its love of nature, the House's annual spring-themed marketing campaign took audiences to a larger, and more brilliant than life, tea party within the Winston Maze, where every twist and turn revealed a beautiful, bejeweled surprise. The campaign brought online and offline activities together in perfect harmony with in-salon décor, out of home activations in

high traffic locations, and a digital promotion that brought the Brand to new audiences globally. Guests entered a whimsical land of lush green gardens, blossoming flowers, and natural wonders, where sparkling lilies bloomed, splendid sunflowers basked in the light, and one-of-a-kind creations took center stage. The Spring season also welcomed new variations to the House's commemorative Forget-Me-Not Collection, adding a floral variation on a classic straight-line diamond necklace and contemporary twin motif rings in pink and blue sapphires.

As the summer months approached, the House used the season to mark the 25th Anniversary of its Ocean Collection. Designated as the sport collection of the House, the Ocean Collection proposes a variety of masculine and feminine models combining glamour and functionality. In 2023, the House unveiled an Ocean timepiece with an entirely new dial configuration. Still espousing the codes of the Ocean collection, this latest model alters its course and offers a beguiling asymmetrical layout for the phases of the moon, the time and the date. Embellished with

shimmering mother-of-pearl and a sea spray of diamonds, the Ocean Date Moon Phase is destined to become a classic. In addition to introducing new novelties, the House also celebrated the occasion with dedicated events globally, and a compelling campaign that brought the nautical inspiration behind the collection to life.

When you are known as the "King of Diamonds," it is only natural to develop a collection inspired by the many great stories of the House that are linked to royalty. Bringing the kings and queens of all gemstones full court, the House unveiled Royal Adornments, a high jewelry collection of one-of-a-kind suites that bridge inspiration from the exquisite royal renderings of the past, with a contemporary approach. The collection consists of colorful suites, which all draw references to important jewels of royal provenance that have passed through the hands of Harry Winston. Linking the past to the present has been an element of Winston design for generations, as a way to preserve the creative aesthetic and the timeless commitment to quality and craftsmanship first instilled by its founder. Royal Adornments continues this tradition, with each design recalling an element of the House's royal history – celebrating its storied past with modern jewels designed for today's most celebrated occasions. The collection was presented during the year with regional events across the globe.

As the year came to an end, the House looked to make this holiday season, and every one thereafter, shine even brighter, with a whimsical train ride through a wintery Winston wonderland – spreading love and cheer to all of its nearest and dearest, far and wide.

## THE WINSTON EXPRESS



**PRESENCE**

**Salon Openings**

In 2023, the House of Harry Winston opened its seventh retail location in mainland China. The new salon in Nanjing deepened the House's roots in a city that is known for its rich history and culture and expanded its presence throughout the region. In addition, the House completed beautiful renovations that married its legacy with contemporary design, in its Shanghai Xintiandi Flagship, as well as in its Taipei Regent Salon in Taiwan.



THE OCEAN  
TIMEPIECE  
CAMPAIGN

**Events**

In November, Harry Winston unveiled for the first time a high jewelry and timepiece brand exhibition in Beijing, China. The exhibition, entitled Harry Winston Rare Jewels of the World, took audiences on a journey through the Brand's history, blending its past and the present through archival imagery, estate pieces and an incredible assortment of exceptional, one-of-a-kind high jewelry creations, including the Royal Adornments Collection. The exhibition provided an unparalleled look at the glamour and innovation behind the House, starting with the early days of Mr. Winston and leading into dedicated galleries that highlighted the attributes that make the House unique and extraordinary today – from the evolution of the Winston Cluster, to timepieces, and its enduring reputation as "Jeweler to the Stars" and the "King of Diamonds". Also on display was the remarkable Winston Pink Legacy Diamond Ring and the mesmerizing Rockefeller-Winston Emerald Ring. The exhibition reflected the importance of Harry Winston as the premier jewelry brand and why today, the House remains the ultimate destination for the rarest and most exquisite jewels in the world.



SAN FRANCISCO CONSERVATORY OF MUSIC

**Philanthropy**

Harry Winston continued to support leading organizations in local communities through the Harry Winston Brilliant Futures™ Charitable Program. In 2023, Harry Winston furthered its support for Chance For Children in Japan, the San Francisco Conservatory of Music, and the Wallis Annenberg Center for the Performing Arts in Los Angeles, California. With support from The Harry Winston Hope Foundation in 2023, longstanding New York partner, Harlem Academy, was able to serve more under-resourced, high potential students at its new state of the art school building. Thanks to its "Harry Winston Hope Foundation Science Lab", students benefit from an engaging science curriculum building a strong foundation of skills for high school and career pathways.

Harry Winston also continued its commitment to two leading organizations in Houston, Texas – KNOWAutism and Asia Society Texas Center. Harry Winston served as a lead funder of KNOWAutism's fundraising gala, raising \$900,000 to ensure that families with limited financial resources have access to quality care and resources for their children, and served as a Platinum Sponsor of Asia Society Texas Center's 11th annual Tiger Ball, raising over \$1.5 million for programs serving children, families, and educators in Houston.

HARRY WINSTON'S SHANGHAI XINTIANDI SALON



In addition, Harry Winston's global education partner, Junior Achievement Worldwide, was honored to receive a second Nobel Peace Prize nomination for its impact in equipping young people from diverse backgrounds with the skillsets and mindsets to build thriving communities. Harry Winston's support helped more than 12 million young people build a brighter future.

In 2023 Harry Winston entered a multi-faceted partnership with the Central Park Conservancy in New York City, whose mission is to maintain the iconic Central Park as a respite from the pace and pressures of city life for all. Harry Winston's sponsorship of three flagship events raised funding to support Central Park and its many programs that serve children and families.

[www.harrywinston.com](http://www.harrywinston.com)

# 2023: A YEAR OF CELEBRATIONS

## TRENDS

2023 was an extremely rich year for Blancpain in terms of image as well as new timepieces, events and partnerships.

Cementing the brand's new visual identity, the year kicked off with the campaign featuring the slogan *There is eternity in every Blancpain*. Deeply committed to preserving the planet and passing on watchmaking knowledge from one generation to the next, the Manufacture's main collections reflected the four classical elements, Earth, Fire, Water, and Air, whose association with eternity can be traced back millennia. The Villeret collection – which draws its historic DNA from the roots and ancestral expertise of the Manufacture – expresses itself through the Earth element and symbolizes the value of authenticity. The Ladybird collection – reflecting Blancpain's pioneering role in the history of women's watches with the finest mechanical movements – is inspired by the Fire element and represents a passion for the extraordinary. The Fifty Fathoms collection – a catalyst for initiatives on behalf of the oceans – is born of the Water element and embodies the spirit of conservation. Finally, the Air Command collection identifies with the Air element and is inspired by its own legendary history. Blancpain's lively and immersive new website complements the visual identity and offers visitors an authentic brand experience.



FIFTY FATHOMS 70TH ANNIVERSARY ACT 3



LAURENT BALLESTA PHOTOGRAPHY: THE VALLEY OF 200 VOLCANOES

Coinciding with the launch of this campaign, the start of the year saw the opening of the festivities marking the 70th anniversary of the Fifty Fathoms, the first genuine diver's watch. Divided into three acts, the international celebrations saw the creation of three timepieces. The first (Act 1) is anchored in the present and honors the contemporary Fifty Fathoms. The second (Act 2) is future-focused and introduced an innovation dedicated to technical diving. The third (Act 3) pays tribute to a 1950s model that is now highly sought-after among collectors. In 2023, Blancpain also turned the spotlight on women's watches with the Ladybird Colors collection. These colorful and elegantly gem-set timepieces are an ode to the renewal of spring and to the gentle days of summer. Finally, Blancpain enjoyed visibility well beyond its target audience thanks to its collaboration with Swatch, which took the form of five Bioceramic Scuba Fifty Fathoms mechanical watches celebrating our planet's oceans.

## CREATION

### Fifty Fathoms 70th Anniversary Act 1

The anniversary year began with the introduction of the model paying tribute to the first contemporary Fifty Fathoms launched in 2003. Also launched as a limited edition of three series for the EMEA, Asia-Pacific and Americas regions, it was produced in 70-piece runs for each one. Featuring a black dial with luminous indications, this steel timepiece with its exclusive contemporary 42 mm diameter is fitted with Blancpain's characteristic unidirectional bezel featuring a domed sapphire insert. Beating inside Act 1 is the robust Caliber 1315, a must-have movement since its launch in 2007.



FIFTY FATHOMS  
 70TH ANNIVERSARY ACT 1



IMAGE FROM MERCHE LLOBERA, FEMALE FIFTY FATHOMS AWARD WINNER

**Fifty Fathoms 70th Anniversary Act 2 – Tech Gombessa**

This diving tool introduced a new line dedicated to technical diving. The 47 mm grade 23 titanium timepiece equipped with a helium valve is a first in the world of diving thanks to its unidirectional rotating bezel capable of measuring times of up to three hours. Co-developed by Marc A. Hayek and Gombessa project founder Laurent Ballesta, this patented innovation is designed for rebreather diving and offers scope for lengthy underwater immersions.

**Ladybird Colors**

Blancpain introduced two models in several different hues to its new Ladybird Colors line with small seconds and moon phases. Housed in a 34.9 mm 18K white or red gold case, they offer a technical approach to watchmaking and feature colorful printed Roman numeral hour-markers matching the shade of the strap.

**Fifty Fathoms 70th Anniversary Act 3**

The third and final act of the anniversary year pays tribute to the only timepiece to meet the needs of combat swimmers in the late 1950s and early 1960s: the Fifty Fathoms MIL-SPEC, which

was adopted by the main armed forces of the time including the U.S. Navy. Crafted in patented 9K Bronze Gold and featuring the signature moisture indicator, the new model remains true to its heritage, with a case retaining the original 41.3 mm diameter, a similar color code and the vintage Blancpain logotype. Powered by a Caliber 1154.P2 resistant to magnetic fields of 1000 gauss, this anniversary model is issued in a 555-piece edition and fitted with a recycled-fiber NATO strap.

**PRESENCE**

**Fifty Fathoms 70th Anniversary**

The year was marked by events linked to the Fifty Fathoms anniversary. The Fifty Fathoms 70th Anniversary Act 2 – Tech Gombessa was presented on the Rangiroa atoll in French Polynesia, where Blancpain is supporting the Tamataroa mission to study the great hammerhead shark, headed by the Mokarran Protection Society and Gombessa Expeditions. On this occasion, the international press and VIP clients had the privilege of testing the watch during an autonomous diving session with a closed-circuit rebreather. A livestreamed presentation hosted by Marc A. Hayek was also broadcast worldwide and watched by 600 guests in various brand boutiques.



LADYBIRD COLORS: LIVING UP TO ITS NAME



POP-UP STORE IN LUXEMBOURG





MARC A. HAYEK LEADS BLANCPAIN OCEAN COMMITMENT PANEL DISCUSSION IN CANNES

Act 3 was a tribute to the origins of the collection and this third anniversary model was unveiled during a weekend in Cannes, France, where the very idea of the Fifty Fathoms was born. At the event, international media, retailers and VIP clients had the opportunity to attend a Blancpain Ocean Commitment panel discussion with Marc A. Hayek and several high-level partners. Guests also tried their hand at diving and snorkeling. The highlight of the weekend was the launch of the Fifty Fathoms 70th Anniversary Act 3 on the Island of Sainte-Marguerite, which took the 330 guests back to the Cannes of the 1950s.

#### Blancpain Ocean Commitment

The year got off to a flying start for the Blancpain Ocean Commitment, as the Mokarran Protection Society and the Gombessa team once again joined forces in French Polynesia for the Tamataroa project. Initiated in 2021, this three-year initiative supported by Blancpain aims to study the great hammerhead shark with a view to developing protection protocols along its migratory route. The Manufacture is also supporting the thesis being researched by Tatiana Boube, scientific coordinator of the Mokarran Protection Society and doctoral student at the University of French Polynesia, and dedicated to the study of this animal.

2023 also marked the anniversary of the Gombessa Expeditions, founded by Laurent Ballesta and Blancpain in 2013. To mark the occasion, the Manufacture launched a spectacular video clip retracing ten years of technical innovations in support of scientific research. Two recent expeditions – *The Fire under the Sea* and *Angelsharks & Picarel's Breeding Grounds* – were also the theme of dedicated vlogs. Setting the crowning touch to 2023, Laurent Ballesta once again won the Grand Title award at the highly prestigious

CANNES DIVING EXPERIENCE WITH MARC A. HAYEK



Wildlife Photographer of the Year competition, as well as the prize in the flagship "Portfolio" category.

As main partner of the Ocean Photographer of the Year competition, Blancpain presented the Female Fifty Fathoms Award for the third consecutive year, with the 2023 edition honoring Spanish photographer Merche Llobera. Through this distinction, the Manufacture wishes to encourage women photographers to share their vision of the underwater world, acting as beacons of inspiration.

In the wake of World Oceans Day, Blancpain took the opportunity to highlight its conservation work with the Biopixel Oceans Foundation on the Great Barrier Reef. Three films showcase the efforts made to restore the reefs, preserve the green turtles of Raine Island and discover more about the migration of whale sharks.

The Manufacture also took part in *The Economist's* World Ocean Summit in Lisbon, Portugal. As a founding partner, Blancpain has been working since 2012 to find solutions that meet both sustainability-related and economic needs.

In terms of partnerships, the Blancpain Ocean Commitment collaborations continued in several forms. In the Philippines, alongside the Sulubaañ Environmental Foundation, the Sea Academy Project proved a success thanks to the official establishment of three additional marine protected areas voted for by local communities. Buoyed by this success, the Manufacture is now supporting the construction of a research center in Shark Fin Bay, which will be able to accommodate scientists, academics and researchers from 2024 onwards.

Blancpain also pursued its cooperation with PADI, the professional scuba diving training association, through the *Adopt the Blue™* project aimed at protecting 30% of the oceans by 2030. More than 1800 sites have already been adopted by amateur and professional scuba divers for research and protection purposes.

#### Art of Living

Building on a rich history of working with Michelin-starred chefs spanning almost 40 years, Blancpain continued to weave ties with the world of gastronomy in 2023, notably with numerous chefs around the world. Among them were Michelin-starred French chefs Glenn Viel and Christopher Coutanceau, who officiated at the launch of the Fifty Fathoms 70th Anniversary Act 3, much to guests' delight.

As a global partner of the *Michelin Guide*, the Manufacture took part in nearly 30 Michelin star award ceremonies worldwide. These events were an opportunity for Blancpain to present the Mentor Chef Award and the Young Chef Award in recognition of culinary excellence.

#### Blancpain on the world stage

Various Fifty Fathoms-related events enlivening the 2023 calendar were celebrated by Blancpain across the world. In addition to the livestreamed international presentation of Act 2 – Tech Gombessa, numerous roadshows dedicated to this collection were held, enhancing recognition of both the collection and the Manufacture in Singapore, Malaysia, Japan and China. In Thailand, the iconic diver's watch was presented through the new brand identity: *There is eternity in every Blancpain*. In Taiwan, the Taipei 101 skyscraper hosted a pop-up store dedicated to the Act 3 watch, with the aim of raising Blancpain's profile among the younger generation. The United States also promoted the brand and the history of the Fifty Fathoms collection at the WatchTime New York watch fair.



BOUTIQUE OPENING IN SHENZHEN

Blancpain also reiterated its support for the Bocuse d'Or Suisse in 2023. As partner and official timekeeper of the Swiss Bocuse d'Or Academy since 2004, the Manufacture was on hand at the final of this prestigious gastronomic competition, where it presented a timepiece with a personalized oscillating weight to the winner.

The Manufacture de Haute Horlogerie once again worked alongside Relais & Châteaux – an association of more than 580 of the world's most prestigious hotels and restaurants – on communication campaigns aimed at their respective customers and partners.



RENOWNED JUDGES AT THE BOCUSE D'OR SUISSE COMPETITION

The world of the oceans also featured prominently in events linked to the Blancpain Ocean Commitment. Spain organized photographic exhibitions in Madrid and Ibiza to raise public awareness of the beauty and fragility of this world.

To celebrate the launch of the new Ladybird Colors models, a number of events took place internationally. In Switzerland, the new creations were unveiled at a preview staged in an art gallery and attended by Marc A. Hayek. Germany presented the collection during a summer cocktail party at the boutique, preceded by a guided tour of the floral exhibition at Munich's Kunststhal.

On the gastronomy front, the markets were active at the *Michelin Guide* star award ceremonies, with Italy and the Middle East presenting the Chef Mentor Award and the Young Chef Award respectively.

Blancpain's points of sale expanded in Asia with the opening of seven additional boutiques in Hong Kong, Japan, South Korea and China.

[www.blancpain.com](http://www.blancpain.com)

# STEP INTO THE FUTURE



SENATOR CHRONOMETER TOURBILLON LIMITED EDITION

## TRENDS

Glashütte Original continued its positive development in 2023. The brand expanded its prestige presence with the opening of new boutiques – including its second own-name boutique in South Korea – and selective distribution. In addition, online activities continued to gain importance thanks to a new e-boutique and dynamic social media presence. This enabled the brand to tap into new target groups and consolidate its position, particularly in Europe, the USA and China.

In 2023, Glashütte Original caused a particular stir with the second part of the *Proud to be the Original* multi-channel campaign, dedicated to its brand identity with tailor-made commercials and creative storytelling. In addition, a new Manufacture film and the accompanying #ManufactureSunday offered an exciting look behind the scenes at Glashütte Original.

The brand's timepieces remained at the center of all activities, with fascinating new products on show in 2023.

## CREATION

### Senator Chronometer Tourbillon

Issued in a 50-piece limited edition, the Senator Chronometer Tourbillon with a platinum case is a technological *haute horlogerie* feat: with the unique flyback tourbillon, Glashütte Original designers have achieved a stunning new take on the flying tourbillon. When the crown is pulled out to the first position, a vertical clutch stops the balance spring and locks the tourbillon cage. When the crown is pulled out to the next position and held there, the cage swings upwards until the seconds hand at the tip of the cage stops at zero. This unique construction was awarded two patents.

### Senator Excellence

Glashütte Original continued its success story with the Senator Excellence line. Two new interpretations of the perpetual calendar model and the version with panorama date and moonphase respectively were added to the collection, once again setting new standards with red gold or stainless steel cases: All Senator Excellence models have to demonstrate their prowess in an in-house test procedure that extends over 24 days.

## PanoInverse Limited Edition

The new limited-edition PanoInverse opens up magnificent insights and views. A finely laser-engraved, black rhodium-plated skyline stretches across the surface of the three-quarter plate and the butterfly bridge: On the front of the watch, it can be seen from a bird's eye view, while on the back, a close-up reveals numerous surprising details. Thanks to a sapphire crystal and a partially skeletonized movement, the wearer's own wrist is visible through the watch and becomes a compelling part of the tableau.

## PRESENCE

Glashütte Original caused a further stir in 2023 with a variety of events, campaigns and promotions in its various markets. Particular attention was paid to the popular PanoMaticLunar, which has shaped Glashütte Original's identity for two decades and which celebrated a milestone anniversary.

In Germany, customers gathered for an exclusive summer evening in Dresden. In an elegant setting on the banks of the Elbe, guests had an opportunity to discover the annual edition of the Sixties Chronograph and make new contacts.

In October, the Glashütte Manufacture had a booth at the popular WatchTime watch fair in New York, where it attracted a great deal of interest from visitors and further awareness of the brand.

In China, key opinion leaders had an opportunity to experience the many facets of Glashütte Original first-hand. As part of a tailor-made customer experience program, Glashütte Original invited visitors to the brand boutique in Shanghai. An exclusive presentation of new products, along with a fashion show, rounded off the event. In addition, the brand opened its first own e-boutique on WeChat in January 2023 and launched a special limited-edition model.

[www.glashuette-original.com](http://www.glashuette-original.com)

KLUB KOBALT, DRESDEN



SEAQ IN STEEL WITH DIAMOND-SET BEZEL

## DISRUPTIVE LEGACY, A STRATEGY COMES TO LIFE



THE ROLLING STONES AUTOMATON – ONLY WATCH

### TRENDS

For Jaquet Droz, 2023 was an opportunity to embed its strategy, *JD 8.0: A Disruptive Legacy* – a vision drawn from the brand's roots, designed to be a convergence of innovation and art – to create resolutely disruptive and one-of-a-kind pieces designed by and for collectors. A work of art now goes beyond the boundaries of the gallery or the private sphere, and is now displayed on the wrist.

The brand consolidated its foundations while focusing even more than before on its craftsmen and artists, notably through Studio 8, combining personalized contact and a digital immersion. In doing so, Jaquet Droz has asserted its vision and desire to offer its collectors a unique, immersive experience: "Create your own, as unique as you are".

Following the successful collaboration with the Rolling Stones, the brand has already prepared new synergies.

### CREATION

#### Automaton Rolling Stones – Only Watch

Jaquet Droz gave a new face to its Rolling Stones automaton, creating a playful object that evokes a childlike sense of wonder. A first disc beneath the off-center hours and minutes houses the Stones' hand-crafted instruments, while a second disc surrounds this stage and is set in motion at the touch of a button. The iconic tongue associated with the legendary rock band rises, falls, and moves from left to right. The rotation of the colorful spiral creates an optical illusion similar to a child's spinning top. Each hand-painted color corresponds to the Only Watch 2023 color chart. The luminescent stylized tongue in the center is reminiscent of a nightlight in a child's bedroom.



POCKET WATCH – PARROT REPEATER

### Tourbillon Skelet Sapphire – Rainbow Set

In 2023, the brand unveiled its Tourbillon Skelet Sapphire Rainbow Set model. With a million configurations offered to every collector, Jaquet Droz takes its Philosophy of the Unique to the extreme with the Tourbillon Skelet Sapphire. In addition to the almost infinite choice of combinations, Jaquet Droz proposes countless setting possibilities. Any shade of ruby, sapphire, diamond or emerald can be set by hand on the bridges or indexes of the Tourbillon Skelet Sapphire.

### Tourbillon Skelet Ceramic – Skull Pointillism

A new expression of life, time and the art that connects them. Jaquet Droz introduced a disruptive and creative timepiece embodying its Philosophy of the Unique, with a miniature pointillist-painted skull. This is an unprecedented technique that seals the union of art and *haute horlogerie*, with more than 3000 paint dots individually applied, sometimes with a single-hair brush, for a one-of-a-kind timepiece that can never be duplicated.

### Día de los Muertos – A tribute to skulls

In November, Jaquet Droz celebrated the “Día de los Muertos” (Day of the Dead) with an explosion of color! The Mexican tradition is full of joy, dancing, colorful outfits and all the traditions that bring the festivities to life! Jaquet Droz honored this special event, where time seems to stand still, with a skull featuring multiple variations celebrating the beauty of being alive.



TOURBILLON SKELET SAPPHIRE – RAINBOW SET

### VARIATIONS OF TOURBILLON SKELET SKULL



CREATE YOUR OWN  
AS UNIQUE AS YOU ARE

### Parrot Repeater pocket watch

Uniting most of Jaquet Droz's expertise, artists and artisans joined forces to create an exceptional timepiece: the Parrot Repeater pocket watch. This veritable authentic work of art is unique and depicts a naturalist-style painting, perpetuating the art of wonder invented by its founder almost 300 years ago.

### PRESENCE

#### Winter Aviation Summit

Well-known as one of the major events in its sector in Switzerland, the Winter Aviation Summit in Vevey brought together the key players in private aviation. In 2023, participants had the chance to discover the latest Jaquet Droz innovations and visit the Manufacture afterwards.

### Superyacht Cup, Palma

Elegance and sustainability are the best way to describe the J-Class yachts that sailed off the coast of Palma de Mallorca (Spain) for the Superyacht Cup. For the second year running, Jaquet Droz was the regatta's watchmaking partner, introducing its timepieces to the owners of every yacht.

### Monaco Yacht Show

An emblematic event combining excellence and innovation, the Monaco Yacht Show is positioned as the must-attend international meeting place for the luxury yachting sector. Jaquet Droz was present aboard a 40-meter superyacht to showcase its latest innovations to boat owners and other prestigious guests.

### From the Hamptons to Saint-Tropez

Jaquet Droz was also an official partner to two events organized by *Boat International* magazine, and took part in a cocktail reception for some 30 owners of yachts over 40 meters long, at the historic Pridwin Hotel in the Hamptons. The brand was also present at an exceptional evening organized as part of the legendary Voiles de Saint-Tropez event aboard the *Talitha*, an 80-meter superyacht dating from 1930.

### Yann Nury's La Résidence, New York City

During an intimate evening in an atypical setting, Jaquet Droz organized an exceptional dinner for ten collectors, in collaboration with Fashion Concierge and Chef Yann Nury.

[www.jaquet-droz.com](http://www.jaquet-droz.com)



THE SUPERYACHT CUP IN PALMA, SPAIN

## ELEGANCE IN EVERY DETAIL



LONGINES LEGEND DIVER

### TRENDS

Longines enjoyed great success in 2023. In the fall, the brand introduced its new collection, Mini DolceVita, globally, with impressive fanfare, from New York, Sydney, and London to Chengdu. Longines Ambassadors of Elegance Jennifer Lawrence, Zhao Liying and Suzy, as well as many other celebrities, were on hand to celebrate the launch of the watch, which perfectly reflects the brand's quiet luxury and contemporary elegance.

An eventful year, 2023 also included the launch of the Longines Spirit Flyback and Longines Pilot Majetek collections, both heirs to the brand's pioneering spirit. The Longines Legend Diver, HydroConquest and Conquest lines were updated with new models combining technical performance and timeless style.

The winged hourglass brand also kept busy in the world of sport, timing the year's leading equestrian and alpine skiing competitions.

Longines made major headway in its digital transformation in 2023. In May, it launched its new website – a showcase featuring innovative design, optimized performance and a new shopping experience.

The brand also continued to expand its network of mono-brand boutiques with more than a dozen new openings in Asia, America and Europe. Several points of sale around the world were completely renovated.

### CREATION

#### Mini DolceVita

With its subdued look, classic styling and modern yet timeless aesthetic variations, the Mini DolceVita perfectly reflects Longines' understated luxury and contemporary elegance. Offered in an impressive array of colors and configurations, this jewel-watch features a 21.50 mm x 29 mm stainless steel case and is available with or without diamond settings.

#### Longines Spirit Flyback

The Longines Spirit collection was enhanced with a chronograph watch featuring a flyback function, invented by the brand in 1925. Available in steel and titanium, the new Longines Spirit Flyback, a worthy celebration of adventurers past and present, illustrates the pioneering spirit that has always driven the brand.



AMBASSADOR OF ELEGANCE JENNIFER LAWRENCE



LONGINES FLAGSHIP HERITAGE FEATURING MOONPHASE COMPLICATION

#### Longines Pilot Majetek

With the Longines Pilot Majetek, the brand has brought back an iconic pilot's model. The bi-directional fluted bezel mounted on a cushion-shaped steel case underscores its vintage character, recalling the 1935 watch on which it is based. The new timepiece combines a spirit of adventure and a historical dimension with today's aesthetic and technical codes.

#### Longines Spirit Zulu Time

The winged hourglass brand launched a new version of the Longines Spirit Zulu Time model introduced in the 2022 Longines Spirit collection. With its 39 mm stainless steel case, the new watch perfectly complements its big sister. Featuring a GMT function, invented by the brand at the beginning of the last century, it follows in the footsteps of Longines precision instruments worn by the world's most intrepid pioneers on their legendary exploits.

#### Flagship Heritage

Since the 1950s, the Flagship Heritage models' elegance has made the collection a timeless reference. In 2023, Longines added three new versions to the line, each 38.5 mm in diameter and boasting a moonphase complication. They combine technical prowess, aesthetics and a tribute to the collection's historic models.



LONGINES PILOT MAJETEK

**HydroConquest GMT**

Still setting the pace in sports watches, the HydroConquest line has added new models featuring refined design and an exclusive Longines GMT movement. Combining two of the winged hourglass brand's hallmarks – technical excellence and elegance – the new versions were inspired by the world of water sports while drawing on Longines' historic expertise in developing watches with multiple time zones.

**Longines Legend Diver**

This watch is immediately recognizable by its two crowns and internal rotating bezel. One of the brand's most iconic watches, the Longines Legend Diver resurfaced this year, faithfully based on the original 1959 model. This 39 mm diver's watch is available with a black or blue dial.

**Conquest**

Longines expanded the Conquest line launched in 1954, its first registered-name watch collection. The new generation of watches, with 34 mm and 41 mm-diameter cases, as well as 42 mm for the chronograph, is based on the line's original models with sleek indexes offering a balanced combination of sporty elegance and robustness for everyday use.

**PRESENCE**

**Equestrian sports**

Longines has been the Principal Partner, Official Timekeeper and Official Watch of the International Equestrian Federation (FEI) since 2013. The partnership includes official timekeeping for the series and final of the Longines FEI Jumping Nations Cup™, which in 2023, again took place in Barcelona. From 2024, it will be held in its new version, the Longines League of Nations™, in a more exclusive and attractive format. Longines is also the Official Timekeeper and Official Watch of the Longines FEI Jumping World Cup™ final and the Western European and North American league rounds. Committed to young sporting talent, the brand welcomed the impressive Swiss show jumper Edouard Schmitz to its family of athletes and in November, presented Longines FEI Rising Star Award to North American show jumping rider Mimi Gochman.

It is also the Title Partner, Official Timekeeper and Official Watch of the Longines Global Champions Tour (LGCT). Launched in Doha and calling at outstanding venues worldwide, the LGCT ended on a spectacular note in November with the Longines Global Champions Tour Super Grand Prix in Prague.

Longines was also the Official Timekeeper and Official Watch at the Prix de Diane Longines, Royal Ascot, the Dubai World Cup, the Qatar Prix de l'Arc de Triomphe, the Longines Hong Kong International Races, notable for their 140th anniversary in 2024, the Breeder's Cup World Championship and the Kentucky Oaks and Kentucky Derby, which will celebrate their 150th anniversary in 2024. In collaboration with the International Federation of Horseracing Authorities (IFHA), Longines presented the Longines World Racing Awards 2022 earlier in the year.

**Alpine skiing**

As the Partner, Official Timekeeper and Official Watch of the International Ski Federation (FIS), Longines timed all the women's and men's Alpine Skiing World Cup races as well as the finals of the 2022/2023 season in Soldeu, Andorra.

Longines Ski Athletes Mikaela Shiffrin and Marco Odermatt shined as the brilliant winners of both the overall and discipline rankings.

At the World Championships in Méribel-Courchevel (France), the brand, in close collaboration with the FIS, introduced its Longines Live Alpine Data timing and direct data transfer system for technical giant slalom competitions.

At the World Cup finals, Longines also presented its Rising Ski Stars Award to Sweden's Hanna Aronsson-Elfman and, for the second time in a row, to Norway's Lucas Braathen. It also welcomed two new talents to its Ski Athletes line-up: Italy's Lara Colturi competing for Albania and Switzerland's Alexis Monney.

**Markets**

Longines had an impressive presence in the global watch marketplace with boutique openings and high-profile events all over the world. It opened or reopened monobrand boutiques in, among other locations, Greater China, India, the Philippines, Mexico, Turkey and Austria. With several exhibitions and pop-up stores, such as the one on the German island of Sylt, Longines offered its customers a unique experience.

In addition to the official launches for the Mini DolceVita, Longines' new watches for 2023 were unveiled in style at events across the world, in such varied markets as Kuala Lumpur (Malaysia), Singapore, Macau, Taiwan, Thailand, South Korea, Spain, the Netherlands, Poland, and Canada.

Some of the year's standout moments included an exclusive event attended by over 200 watch aficionados aboard the Queen Mary in Long Beach (USA). In Australia, Longines welcomed Ambassador of Elegance Régé-Jean Page and local Friends of the Brand to Sydney to launch the Mini DolceVita and the Longines x Otis Hope Carey, a local collaboration with the famous Indigenous artist. And in China, an "Elegance is an attitude" Ladies' Timepiece Exhibition revisited the milestones from Longines' proud history of producing superb watches for women.

[www.longines.com](http://www.longines.com)



AMBASSADOR OF ELEGANCE REGÉ-JEAN PAGE AND INDIGENOUS ARTIST OTIS HOPE CAREY IN AUSTRALIA



HYDROCONQUEST GMT



ALPINE BRILLIANCE: LONGINES SKI ATHLETES MIKAELA SHIFFRIN AND MARCO ODERMATT



PRIX DE DIANE LONGINES 2023, CHANTILLY



LADIES' TIMEPIECE EXHIBITION, CHENGDU, CHINA

# FEEL THE MAGIC OF MATERIALS



BORN OF FIRE: THE RADO CAPTAIN COOK HIGH-TECH CERAMIC SKELETON DAZZLES WITH ITS IMPRESSIVE MATERIALS

## TRENDS

As if by magic, tiny elements and watch parts come together until a timepiece takes its shape. In the film, Rado transports the audience into a virtual world of materials that really do seem to have something magical about them. In reality, however, the production of high-tech ceramics or sapphire crystal looks more rational: extremely complex high-tech processes, which are constantly being developed and optimized in order to offer customers the perfect and long-lasting Rado experience, take place here.

Rado has been on the lookout for innovative materials and designs to create unique products since it was founded. This approach, which is unique in the industry, and the numerous milestones the brand has achieved have now been documented for the first time in a historical video. And the story continues: in 2023, Rado's outstanding expertise in materials continued to shine through in new products and pioneering reinterpretations such as Centrix, True Square, DiaStar Original, Captain Cook and Anatom.



THE RADO CENTRIX: ITS DESIGN IS MORE SENSUAL THAN EVER

The exceptional design of Rado watches is matched by equally impressive movement technology. Accordingly, the brand equips its timepieces with high-quality movements, some of which are exclusively manufactured, resulting in watches that last a lifetime. Rado followed through on this promise in 2023 and extended the standard warranty for all Rado watches from two to five years.

Rado also consistently focuses on quality improvement in its global distribution network. Thanks to this strong move, key international markets such as the Middle East and India in particular enjoyed extremely positive development. Quantum leaps were achieved in North and Central America, while Rado also gained significant market share in the saturated markets of Central Europe and Southeast Asia.

## CREATION

Rado invests immense effort in the research and development of materials. However, the trajectory that the company follows under the founding motto "If we can imagine it, we can make it. And if we can make it, we will!" leads time and again to watches that are sheer joy.

## Centrix

Simplicity is the soul of elegance and behind this elegant appearance lies the meticulous attention to detail that Rado has put into a comprehensive update of the Centrix collection. The new design is more sensual than ever while its gently curved lines are reminiscent of the dunes of a desert landscape. The high-tech ceramic



THE ART OF SKELETONIZATION AND THE UNMISTAKABLE DESIGN OF THE DIASTAR ORIGINAL

links provide an unrivalled wearing experience: pleasantly light yet extremely robust.

#### Anatom

An anatomical design, which follows the natural shape of the wrist, catapulted the Anatom model into the realm of the horological avant-garde, right from its premiere 40 years ago. The combination of a domed sapphire crystal and a square case has been characteristic of Rado for decades. In its new version made from high-quality Rado materials in the form of high-tech ceramic and sapphire crystal, the Anatom is more cutting-edge than ever.

#### Rado True Square Skeleton

Under the Art of Skeletonization banner, Rado brings together a series of models with skeletonized dials revealing decorated automatic movements both from the front and through the transparent back, thus impressively demonstrating Rado's mechanical expertise.

The dial of the angular Rado True Square Skeleton is arranged on two levels and reveals the inside of the watch through cleverly placed die-cuts.

#### DiaStar Original Skeleton

The skeletonized version of the legendary DiaStar Original, which celebrated its diamond jubilee in 2022, features a fascinating detail: the front sapphire crystal is faceted with a square motif. The wide Ceramos™ bezel forms the visual frame, giving the characteristic oval case its unmistakable appearance.

#### Captain Cook High-Tech Ceramic Skeleton

Plasma high-tech ceramic, warm rose gold tones and a smoke-colored sapphire crystal that reveals the technology inside: with the Captain Cook High-Tech Ceramic Skeleton, Rado has created a watch featuring impressive materials.

#### Rado True Thinline x Great Gardens of the World

In 2023, Rado began a new chapter in its collaboration with the Great Gardens of the World organization and presented three more watches in the True Thinline collection of the same name, which draws its inspiration from nature. The dials on these automatic watches, made in high-tech ceramic, incorporate elements from three rare tree species: the Hawaiian Loulu-Lelo palm, the Chilean Araucaria and the Yemeni dragon's blood tree, all of which inspired the design.

#### PRESENCE

As an international watch brand, Rado is at home all over the world and has an impressive presence around the globe.

With the glittering lights of the Eiffel Tower and several landmarks designed by the great architect Le Corbusier, Paris provided the perfect backdrop for the presentation of the Rado True Square Thinline Les Couleurs™ Le Corbusier. The three limited-edition timepieces made of high-tech ceramic pay homage to Le Corbusier's influential theory of color, which he called Architectural Polychromy.

Rado is now present at one of Taiwan's top addresses. The newly opened boutique is located in the spectacular Taipei 101



BOLLYWOOD STAR HRITHIK ROSHAN AT THE DUBAI BOUTIQUE OPENING

skyscraper and invites customers to immerse themselves in the fascinating world of Rado in an elegant lounge atmosphere.

In South Korea, Rado welcomed Ji Chang-wook as a new member of the brand ambassador family. This charismatic actor is known far beyond the borders of his home country and appeared on behalf of Rado in Malaysia at the end of the year. His Chinese colleague and Rado brand ambassador Jin Chen enchanted the Rado team during a visit to Switzerland along with her audience at a glamorous event in China. Bollywood star Hrithik Roshan, a Rado partner for many years, was a guest at an event in Dubai. He has already appeared on-screen with celebrated film star Katrina Kaif, the versatile actress who was welcomed by Rado as a new brand ambassador in 2023.

Just in time for the start of the grass court tennis season, Rado presented the Rado Captain Cook x Cameron Norrie Limited Edition in tennis white and green colors at the exclusive British Hurlingham Tennis Club. The top British player worked with the Rado team to design this watch, which features numerous nods to his sport. Rado also presented its third joint watch with Ashleigh Barty at the Australian Open earlier this year. The Australian tennis legend will remain an ambassador for the watch brand after the end of her active career and has channeled all her creativity into the design of the True Square limited edition.

Rado's tennis commitment in 2023 also included its presence as a partner and timekeeper of numerous ATP tournaments, including legendary venues such as the Mexican Open Abierto Mexicano Acapulco, the Erste Bank Open in Vienna, the Swiss Indoors in Basel and the Mubadala Citi DC Open in Washington. For almost four decades, Rado and tennis have formed a perfect symbiosis based on shared core values.

This also applies to another sport with which Rado entered into a new sports partnership in 2023, becoming the first official timekeeper to support the England and Wales Cricket Board. England's national sport inspires fans and players well beyond the country's borders and has developed into a global event. For Rado, it offers a fitting sports stage, as the watch brand is also motivated by the values that define cricket: passion, team spirit and the courageous testing of limits – without fear of setbacks.

[www.rado.com](http://www.rado.com)

NEW SPORTS PARTNERSHIP:  
RADO IS THE FIRST OFFICIAL TIMEKEEPER OF THE  
ENGLAND AND WALES CRICKET BOARD



THE RADO TRUE SQUARE X ASH BARTY IS THE THIRD COLLABORATION WITH THE AUSTRALIAN TENNIS LEGEND



# 130 YEARS OF EXTRAORDINARY GERMAN WATCHMAKING



1893 JOHANNES DÜRRSTEIN EDITION CHRONOGRAPH ANNIVERSARY LIMITED EDITION,  
INSPIRED BY THE ORIGINAL POCKET WATCH FROM THE 1920S

## TRENDS

For Union Glashütte, 2023 was dedicated to celebrating the 130th anniversary of its founding. To kick off the anniversary year, the brand invited guests on a two-day cruise on the Rhine, presented its new products, and, with various workshops on products, marketing and digitalization, demonstrated how tradition and innovation are closely linked. Union Glashütte also presented the special Johannes Dürrstein Edition Chronograph Anniversary Edition. It is equipped with an exclusive hand-wound movement inspired by a unique pocket watch dating back to the 1920s. The brand ended the year with a special exhibition on its extraordinary history at the German Watch Museum in Glashütte.

Union Glashütte enjoyed a successful year in 2023, during which its product portfolio was further refined.

## CREATION

### Belisar Date Sport Pro

With the Belisar Date Sport Pro, Union Glashütte set a sporty, professional tone, expanding its water sports activities with this new sports timepiece featuring water resistance to 30 bar (300 meters). Union Glashütte is increasingly active in kitesurfing, a new platform that perfectly complements the brand's existing focus on vintage watches. In recent years, kitesurfing has developed into a spectacular and trendy sport that is practiced extensively on German coastlines.

### Noramis Date Limited Edition Deutschland Klassik 2023

The Noramis Date Limited Edition Deutschland Klassik 2023 is the first in a trilogy focusing on iconic classic car wheel rims. The dial of this 200-piece limited edition is inspired by a well-known example with small screw connections reminiscent of wheel nuts. The 3D effect allows the matt rim to stand out against the highly polished black dial of this collector's item.

### 1893 Johannes Dürrstein Edition Chronograph

In 2023, Union Glashütte celebrated its 130th anniversary. Despite introducing impressive innovations over the course of time, Union Glashütte produces watches that are not only renowned worldwide for their quality but also attractively priced. To mark this special occasion, the brand presented an anniversary watch limited to 300 pieces. The 1893 Johannes Dürrstein Edition Chronograph is a tribute to the very rarely produced pocket watch chronographs of yesteryear. This chronograph is powered by a specially developed hand-wound movement with an indexless regulation system and a silicon balance spring.



NORAMIS DATE LIMITED EDITION  
DEUTSCHLAND KLASSIK 2023

## PRESENCE

Classic car rallies are not just an important communication platform for Union Glashütte, as iconic vehicles from the golden age of the automobile industry are particularly close to the heart of the Made in Germany brand. The Paul Pietsch Classic (ten year) and the Sachsen Classic (20 year) anniversaries were thus even greater causes for celebration.

Another highlight in 2023 was the route chosen for the ADAC Deutschland Klassik through Saxony and Glashütte. During an exclusive stop at Union Glashütte, participants were given an insight into production as well as a noteworthy presentation of the limited edition dedicated to the rally.

Regional races were added to the rallies, including the popular Gaisbergrennen and the Silvretta Classic in Austria.

Union Glashütte ended the year with a select exhibition on the history of the brand at the German Watch Museum in Glashütte, where visitors were able to undertake a journey through the brand's history and admire the anniversary watch.

## Markets

Strategic expansion in China continued according to plan in 2023 and points of sale in 22 cities gradually ensured nationwide distribution. Brand image was enhanced in selected cities through flagship stores. In Germany, the domestic market, distribution was optimized both qualitatively and regionally and intensive work was carried out with specialist retail partners on brand and product expertise. Union Glashütte's own e-commerce continued to develop positively.

[www.union-glashuette.com](http://www.union-glashuette.com)



UNION GLASHÜTTE'S POPULAR KITESURFER CAMPAIGN

# ALWAYS FOCUSING FORWARD

## TRENDS

For Tissot, 2023 was characterized by strategic growth and progressive initiatives, underscored by a brand campaign that marked a step toward a more assertive and distinctive identity. At the heart of this evolution was the popular PRX line, particularly the ice blue version, which experienced extraordinary demand, emerging as a top seller on e-commerce platforms and contributing to an impressive increase in online and offline traffic.

Tissot's dedication to enhancing its brand image through high-quality materials significantly boosted its market presence. In the United States, partnerships like the one with the NBA broadened Tissot's appeal, attracting global celebrities and expanding market share.

The year also saw Tissot refocus on retail, with the opening of new boutiques in key locations such as Covent Garden in London and Nanjing Road East in Shanghai, emphasizing the brand's dedication to delivering a world-class experience globally.

## CREATION

In terms of product innovation, 2023 was a landmark year for Tissot. The rejuvenation of the Chemin des Tourelles collection through attention to detail showcased the brand's watchmaking expertise and rich heritage, amplified by market-adapted campaigns featuring Chinese ambassadors Liu Yifei and Simon Gong, as well as South Korean star Lee Dong Wook.

The reintroduction of the Sideral from Tissot's archives highlighted the brand's playful spirit and appealed to watch enthusiasts seeking distinction and uniqueness. At the same time, the launch of the PRX 35mm Powermatic 80, responding to customer demands, underscored Tissot's customer-centric philosophy. The unexpected releases of the gold and ice blue versions, followed by

a digital model, emphasized the commitment to increasing innovation and freshness.

Finally, the continued investment in solar technology with the new T-Touch Connect Sport marked a significant stride toward technological advancement. This is not merely a new watch for Tissot: the iconic and unique T-Touch collection, standing as a very special product line for the brand, is truly a statement, mixing watchmaking and technology.

THE NEW TISSOT T-TOUCH CONNECT SPORT



PRX CITY EVENT IN QINGDAO, CHINA



PRX LINE-UP EXTENSIONS  
IN GOLD AND ICE BLUE

## PRESENCE

The year was punctuated with significant collaborations and events. The Tissot Grand Prix of Portugal stood out as a key moment. Not only was Tissot naming partner but the new MotoGP™ format, the Tissot Sprint, was introduced, proposing more drama, thrills and show on the Saturday of each Grand Prix. This was the moment Enea Bastianini was revealed as brand ambassador, unveiling in turn the new Tissot T-Race MotoGP™ watch launched for the occasion.

In the world of cycling, the announcement of an extended partnership with ASO for the Tour de France reinforced Tissot's strong presence and had implications for the foreseeable future.

As for basketball, the NBA Paris Game and the FIBA Basketball World Cup were among the major highlights, underlining Tissot's global appeal among millions of basketball lovers.

Ambassadors played a pivotal role in unveiling new collections and also in raising brand awareness by participating in store openings such as the boutique in Interlaken, Switzerland, inaugurated by the likes of Korean actor Lee Dong Wook and Schwingen [Swiss wrestling] champion Matthias Sempach.



TISSOT'S SWISS AMBASSADORS AT THE T-TOUCH CONNECT SPORT LAUNCH EVENT

#### Global market insights

Tissot experienced robust growth in global markets, with several regions reporting impressive increases. This success was driven not only by the brand's commitment to quality and craftsmanship, but also by strategic expansions in retail and effective, innovative marketing. These initiatives enhanced the customer experience and broadened appeal among a diverse global audience.

In 2023, as always, Tissot demonstrated its resilience, adaptability, and focus on achieving new heights, making better products, and developing distinctive marketing initiatives, further increasing its desirability. Looking forward, Tissot remains dedicated to innovation, delivering quality, and celebrating significant life milestones through its distinguished yet accessible timepieces.

#### EVENTS

##### PRX City Event in Qingdao, China

From September 22 to October 8, Tissot showcased its innovative spirit in Qingdao, China with the PRX City Event, which featured a newly designed booth, inspired by the campaign, offering a fresh and impactful visual experience to attendees. The booth's activities, coupled with strategic traffic-driving initiatives to stores, online interactions, and PR communications, created comprehensive exposure for the brand. The up-and-

coming Chinese actor and Tissot's new Brand Ambassador, Simon Gong, was also one of the event's highlights.

##### NBA All-Star Game

During the NBA All-Star Game in Salt Lake City, USA, Tissot seized the opportunity to create its own space that catered to fan engagement and retail support, highlighting the brand and products for fans both locally and nationally. The All-Star Weekend increased overall brand awareness, drove brand preference and consideration, and solidified Tissot as a leader in NBA-focused conversations.

Over the two days, Tissot hosted four different activations for NBA fans in the Style Lounge, attracting over 650 for meet and greet opportunities. Damian Lillard, NBA All-Star and Tissot Ambassador, as well as Carlos Boozer and Deron Williams, former Jazz players and NBA All-Stars, stopped by to sign a few autographs and spend some time with fans, brightening up their days, leaving smiles on their faces and creating special memories for everyone. Tissot extended its in-market presence through an OOH media buy in Salt Lake City, which included wraps on TRAX (Utah's public tram system). The creative featured the new Tissot SuperSport Basketball edition, which had just launched and resulted in an estimated three million impressions during All-Star Week.



FIRST-EVER PODIUM OF THE NEWLY INTRODUCED TISSOT SPRINT DURING THE TISSOT PORTUGUESE GP

DAMIAN LILLARD'S MEET AND GREET WITH TISSOT, DURING THE NBA ALL-STAR WEEKEND



OFFICIAL TIMEKEEPER OF THE TOUR DE FRANCE

##### Switzerland – T-Touch Connect Sport – Launch Event

In a Zurich gym transformed into a small innovation hub, Tissot's launch event for the T-Touch Connect Sport allowed guests to discover and test the new model. The event, adorned with campaign messages and sport activities, provided an immersive experience into the craftsmanship and usability of the watch. Tissot's CEO, engineers, and watchmakers shared insights and demonstrated the watch's features. Local ambassadors and friends of the brand were invited, sharing event content on social media, thereby amplifying its reach. The T-Touch Connect Sport began its journey in Switzerland, setting the stage for its global expansion in 2024.

##### France – Sports Activations

In May, Tissot co-organized – with Domingo and online media specialist Webedia – the first live basketball match on the Twitch streaming platform. Teams led by ambassadors Tony Parker and Domingo, athlete Kevin Mayer, the First Team, and influencers Ragnar and Prime participated in this sporty evening. The event, held in Levallois-Perret, attracted 4000 spectators, around 113000 unique and simultaneous viewers, and over a million views on Twitch.

On another note and as the official timekeeper of the prestigious Tour de France, Tissot welcomed over 300 clients to tour villages, organized VIP journalist shoots, and hosted its cycling and sports influencers during the Tour. Additionally, the event was a chance to engage over a hundred end customers in cycling challenges in front of Tissot boutiques, competing to win the official Tour de France watch.

[www.tissotwatches.com](http://www.tissotwatches.com)

# READY-TO-WEAR WATCHES FOR ANY TIME OF DAY OR NIGHT

BE BALMAIN, THE NEW WOMEN'S COLLECTION,  
BOTH CHIC AND SPORTY



## TRENDS

Stimulated by the reinforcement of its new product strategy, Balmain demonstrated its wonderful creative strength with a new moonphase range called Be Balmain. New creations set with diamonds or featuring new dials in trendy colors were also launched. Once again, all these new models captivated a wide audience.

In 2023, an extremely dynamic advertising campaign, completely in line with the brand's codes, was launched.

Balmain watches have steadily gained international recognition in the mid-range segment, becoming a must-have brand among Swiss Made women's watches. The new men's timepieces have also contributed to the increase in sales in this price category.

## CREATION

### Be Balmain, the new sporty-chic women's collection

The Be Balmain line affirms its character through a subtle balance between the brand's trademark refinement and more technical lines. Featuring a moonphase display, the various models are available in steel as well as in two-tone versions blending steel and either pink or yellow PVD coating.

Custom-designed for this collection, the stars and moon appear in tone-on-tone harmony with the bezel and central part of the bracelet.

### Balmain de Balmain, the sparkle of diamonds

Balmain is reviving its tradition with new watches adorned with diamonds.

The bezels of these elegantly feminine timepieces are set with 56 finely sculpted Top Wesselton quality white diamonds totaling 0.22 carats. This magnificent coronet of precious stones endows these watches with their delicate character, entirely aligned with Balmain's aesthetic codes.

### Balmain introduces color to its Madrigal collection

New colors were introduced to complete Balmain's Madrigal collection with a completely re-conceptualized and redesigned dial. Altogether, five totally contemporary dial colors are available: ice blue, silver-gray, deep green, dark blue, and brown for the two-tone version, which combines steel and pink PVD.

Equipped with a latest-generation Swiss chronograph movement, the new Madrigals come with a plain or two-tone steel bracelet.

## PRESENCE

### Major events and market activities

Dedicated training courses for sales teams were organized in the main markets. These helped strengthen ties between the brand and its partners, and contributed to a consistent brand image internationally.

The Instagram account was an important communication channel, with regular publications and stories presenting the new releases and flagship models in Balmain's collections. Various campaigns with influencers were also carried out.

All countries enjoyed strong growth and gained market share, thanks in particular to a quality presence in points of sale.

MODEL EIRINI, WITH A STRONG CHARACTER  
AND MOONPHASE INDICATOR



THE SPARKLE OF DIAMONDS FOR THE NEW BALMAIN DE BALMAIN



The Swiss market increased its visibility in various cities, including Geneva, where it displayed a giant advertisement – over thirty meters long – in the Mont-Blanc car park, as well as month-long promotions in Geneva and Zurich airports.

India and the Middle East performed particularly well, becoming key players for the brand.

In the Netherlands, Balmain gained market share by expanding its customer base through the opening of new high-quality points of sale. New products were presented at an exclusive event in March.

In France, several new points of sale were opened, and the brand is continuing its ascent in this key market. Various partnerships also enabled Balmain to elevate its profile.

Finally, online sales on the e-commerce site continued to grow, particularly in the United States, Canada, India, Sweden and Germany.

[www.balmainwatches.com](http://www.balmainwatches.com)

# COUNT ON ME



THE DS SUPER PH1000M: A SENSATION ABOVE AND BELOW THE WATER

## TRENDS

Certina continued its upward trajectory into its 135th anniversary year. This was in no small part down to product innovations such as the DS Super PH1000M, which showcased the brand's technical prowess, particularly in the field of diver's watches and waterproof watches. Other highlights included models inspired by historical timepieces and the new DS-7 sports watch collection. Through strategic partnerships, the brand was able to expand its involvement in the emerging trend racquet sport of padel, increasing brand awareness in the process. Certina continued to focus on expansion, not least in the area of e-commerce: two new online shops were opened in the past year, in Norway and Sweden.

## CREATION

### DS Action Diver 43 mm

Certina's standout product of the year is a striking timepiece clad entirely in black. A legitimate diver's watch, the DS Action Diver 43 mm is water-resistant up to 30 bar (300 meters), and makes a veritable style statement.

### DS-7

The new DS-7 collection is a celebration of the colorful diversity of sport. This new family presents a wide range of dynamic timepieces whose modern design adds a young and fresh twist to the Certina tradition of sports watches.

### DS+

The innovative DS+ was expanded further. In 2023, Certina launched extra watch cases and straps for the modular



ON EVERY COURT AT THE PADEL COPA IN ROTTERDAM

concept, plus a new kit consisting of a watch head, straps and cases, all in black.

### DS Action 34.5 mm

The new DS Action 34.5 mm combines maritime flair with down-to-earth precision and reliability. A petite diameter meets sporty design; satin-finished steel meets shiny accents; and modern demands meet traditional mechanics.

### DS Super PH1000M

The DS Super PH1000M dates back to a diver's watch from 1970. Today, it is succeeded by a limited edition with an orange-colored dial and an unlimited version in black, powered by an automatic movement with an 80-hour power reserve.

## PRESENCE

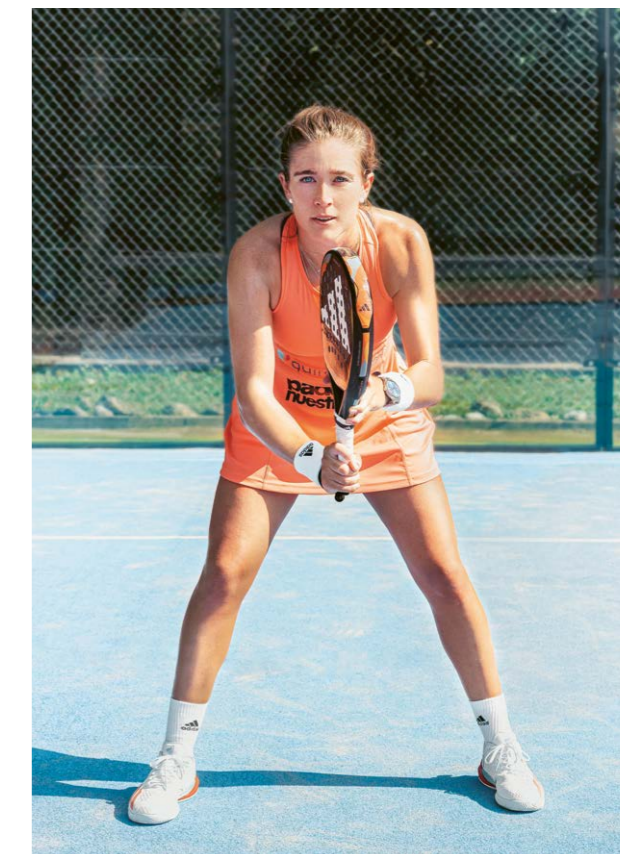
The Certina brand continued its role as timekeeper for the FIS Cross-Country World Cup and the Ski Classics competition series. The brand also strengthened its support of the trend sport of padel and introduced a new brand ambassador, Spain's Marta Ortega, who is one of the best in this discipline.

In the markets, Certina was at the heart of the action with a variety of events and campaigns. In Norway, retailers and media from the Nordic countries had the chance to discover the latest products at an event during the FIS Cross-Country World Cup in Holmenkollen. In the Swiss market, a large number of product launches and training sessions were staged on the padel court or even directly on the cross-country ski trail. Overall, padel provided an opportunity for dynamic launches of new products, as well as exclusive events and high-profile sponsorship partnerships in numerous markets, including the UK, Belgium, Austria, Poland and France. In the Netherlands, the Padel Copa provided the perfect backdrop for an international press event to launch the DS-7 collection. In Germany, there were two causes for celebration: The DS+ was named the number one "Trendsetter Men's Watch of 2023" in the readers' poll run by *Armbanduhren* magazine, and the brand was also made the official timekeeper of the new BOSS German Padel Open.

But sports events were not the only opportunity for conversations with and about Certina. In China, the brand's youthful image was emphasized through an integrated communication campaign under the slogan *Unlimited Party*. In Denmark, the relationship with retailers was strengthened through close dialogue and an event at one of the country's biggest festivals. In the USA, the brand remained on its upward trajectory and continued to focus heavily on e-commerce.

[www.certina.com](http://www.certina.com)

MARTA ORTEGA, SPANISH PADEL STAR AND CERTINA BRAND AMBASSADOR



THE CERTINA DS-7 COLLECTION: CELEBRATING THE DIVERSITY OF SPORT

# INSPIRED BY NEW VISIONS

## TRENDS

It's all about inspiration! Such is the new leitmotif that has guided Mido in its exploration of new horizons for the creation of innovative timepieces that are ever more exceptional, uniquely designed, technologically advanced, high quality and, above all, affordable. The brand proudly displayed this through a campaign featuring hero products on modern, dynamic visuals. In China, celebrated actor Allen Ren became the brand's new ambassador. For the past four years, Mido has been the Official Performance Partner to the breathtaking Red Bull Cliff Diving World Series. In 2023, prodigious British diver Aidan Heslop also joined the Mido family as a friend of the brand.

## CREATION

### Multifort

The revival of a cult shape designed by Mido 50 years ago, the TV-shaped case returned to pay homage to the Multifort collection. The magnificent gradient dial of the Multifort TV Big Date offers perfect legibility both day and night. The typical Mido signature, the large date window, dominates at 12 o'clock. The formidable latest-generation Caliber 80 automatic movement is equipped with a high-tech Nivachron™ balance spring, a guarantee of remarkable resistance to shocks and magnetism.



MULTIFORT TV BIG DATE

### Ocean Star

With its irresistible neo-vintage allure, vivid colors and cutting-edge technology, the new Ocean Star Decompression Worldtimer takes connoisseurs to new horizons. Featuring its original decompression plate and GMT function with a world time bezel, Mido has continued to build on the success of a legendary timepiece with two striking special editions.

### Baroncelli

The new Baroncelli Chronograph Moonphase is a modern embodiment of the brand's excellent craftsmanship. Chronograph, moon phases and calendar: its display provides a wealth of information, as poetic as it is practical, on a dial featuring bluish tones and subtle finishes. A navy-blue, textured rubber strap proves that its timeless charm remains in tune with the times, capable of reinventing itself again and again.

### Commander

The first Commander for women! The uniquely designed Commander Lady Blue plays on the timeless DNA of this iconic collection born in 1959 and that has enjoyed uninterrupted success ever since. The "baby blue" dial color endows the model with infinite softness, enlivened by a tourbillon-shaped satin finish.

### PRESENCE

Four major events were organized for the flagship launch of the Multifort TV Big Date. On June 14, the European press gathered in Turin at the Museum of Italian Radio and Television, RAI. Guests were invited to enter the small screen and discover the history of television, as well as that of the TV-shaped case, which first appeared at Mido in 1973. At the end of June, Asian media were immersed in an ultra-modern TV atmosphere in Thailand, surrounded by famous ambassador Kim Soo Hyun and numerous influencers. In August, Shanghai's fashionable XinTianDi NanLi district welcomed an unusual pop-up offering

## ROADSHOW IN SHENZHEN, CHINA



Mido customers a one-month experience. Its exceptional inauguration featured brand-new ambassador Allen Ren at a major press event. In September, a final immersive journey between 1973 and 2023 took place in Mexico, in the company of many friends of the brand and popular influencers.

For the first time, South Korea organized a tailor-made cliff diving activation. Aimed at a select press audience, this high-flying event took place September 13 on Seoul's Yanghwa Bridge in Yeouido.

[www.midowatches.com](http://www.midowatches.com)



BARONCELLI CHRONOGRAPH MOONPHASE

# HAMILTON AND CINEMA

## TRENDS

Since 1932, when Hamilton made its screen debut, the strong bond with Hollywood has been amplified with each collaboration. From then on, Hamilton has worked with filmmakers in three different ways: providing watches from its current collection, sourcing vintage watches from collectors, or developing prop watches. In 2023, Hamilton explored each of these in a single year for the first time. In January, the Chinese movie *The Wandering Earth II* was released, and a custom-made Hamilton prop watch was developed to express the filmmaker's vision. In June, the world saw *Indiana Jones and the Dial of Destiny*. In this final installment of the iconic franchise, Indiana Jones, portrayed by Harrison Ford, wore the iconic Boulton watch. Soon afterward, one of the most eagerly anticipated movies of the year, *Oppenheimer*, featured six vintage Hamilton watches on the wrists of the three main characters: J. Robert Oppenheimer (Cillian Murphy), Kitty Oppenheimer (Emily Blunt), and Lieutenant General Leslie Groves (Matt Damon).

## KHAKI FIELD EXPEDITION



JAZZMASTER FACE-2-FACE III

## CREATIONS

### Jazzmaster Face-2-Face III

Since its release in 2013, the Jazzmaster Face-2-Face has pioneered new watchmaking landscapes for Hamilton. Combining flair and sophistication, the latest Face-2-Face III model highlights the concept of a double-sided dial.

### Jazzmaster Performer

Known for its perfect balance of classic appearance and innovative craftsmanship, the Jazzmaster collection was enriched with the sporty-chic Jazzmaster Performer family, boasting distinct details and sleek design. The new collection offers 11 different models in 34 mm, 38 mm and 42 mm.

### Khaki Navy Frogman

Sturdy, reliable and maritime-ready, the Hamilton Khaki Navy Frogman Automatic is now available in a 41 mm case, striking an ideal blend of function and style. Faithful to the line's technical performance and distinctive look, the new compact iteration is a ready-for-duty tool watch with a versatile appeal.

### Khaki Field Titanium

Hamilton's iconic military inspired Khaki Field Titanium is now even more versatile. Available in two new models, matt black and brushed titanium, each color is offered in two sizes, with the brushed titanium version including a matching bracelet.

### Khaki Field Expedition

Known for its exceptional ruggedness and functionality, Hamilton's Khaki Field collection is evolving with the new Khaki Field Expedition line, adventure-ready timepieces equipped with a compass to guide you to even the most remote destinations. Combining the collection's best features, the Khaki Field Expedition brings new functionalities and design elements along with a refreshed style for outdoorsmen and adventure seekers alike.

## GLOBAL KHAKI FIELD EXPEDITION LAUNCH IN ZERMATT



## Boulton Macaron

An instant classic since its debut in the 1940s, the Boulton is instantly recognizable thanks to its unique curved case shape that blends tonneau and rectangular lines. In 2023, the collection was reimagined in four vibrant hues, each inspired by a beloved flavor of macaron: Vanilla, Lavender, Pistachio and Lemon.

## PRESENCE

In 2023, Hamilton enhanced its global presence at more than two dozen markets around the world. Here are some of the year's highlights.

### Khaki Field Expedition pre-launch event in Canada

Hamilton launched a new Advocacy Strategy to strengthen its outdoor and adventure positioning. 15 global content creators from the adventure field were invited to discover the new Khaki Field Expedition collection during a real expedition in Banff National Park in Canada.

### Global Khaki Field Expedition launch in Zermatt

140 guests from 23 different markets met in Zermatt for the global Khaki Field Expedition launch. Journalists, retailers and watch influencers discovered the new collection in Zermatt's breathtaking nature before anyone else. The three-day event included helicopter flights with Hamilton partner Air Zermatt, hikes and a spectacular launch dinner.

### Festive campaign launch event in Finland

To support Hamilton's holiday campaign, 13 global content creators were invited to Finland to discover the seasonal watch selection. Their posts reached over 12 million people within one week and created a great buzz for the brand on social media channels.

[www.hamiltonwatch.com](http://www.hamiltonwatch.com)



CUSTOM-MADE WATCH FOR THE WANDERING EARTH II

# AROUND THE WORLD IN MANY WAYS

## TRENDS

In 2023, Flik Flak, the world's favorite kids' watch, secured its market leader position. Good performance in Europe was accompanied by above-average growth in Asia, Oceania and the USA. The brand's e-commerce activity remained a strong sales driver around the world.

## CREATION

Globetrotting was on young agendas everywhere, with the launch of a highly successful series of Destination Watches. These are sold only at the specific destination in selected Swatch stores, making them extra special for tourists. Flik Flak took time travel from Switzerland to Paris, London, Italy, Berlin, and New York, with the promise of more places to come in 2024. Each Destination Watch doubled as the perfect souvenir gift and as a ticket to travel through the imagination.

MIRACULOUS: LADYBUG & CAT NOIR, THE MOVIE



FLIK FLAK APP - THE ADVENTURE OF TIME



FLIK FLAK BACK TO SCHOOL

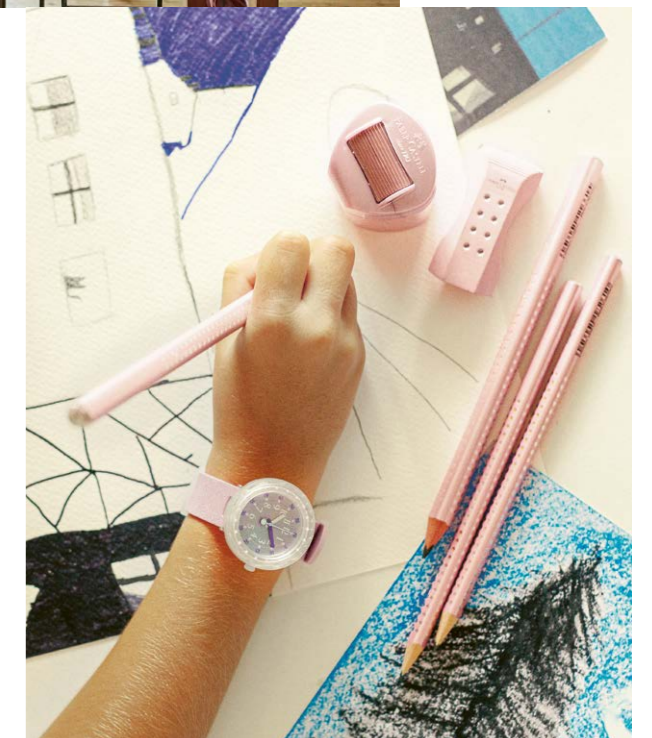
The Flik Flak app, The Adventure of Time, was also on the move this year. Available in more than 10 languages, on Android and iOS, this gaming-centered educational app aims to make time-learning tasks as enjoyable, entertaining and interactive as possible. It integrates 36 dynamic levels with mini games to support kids in learning to tell the time like a champion. Kids will be dazzled by the augmented reality component as they whiz through the games, and they can even personalize Flik and Flak with the avatar feature.

## PRESENCE

Flik Flak always loves a good movie – as well as keeping existing and wannabe superheroes on time. In 2023, the brand was proud to celebrate the launch of *Ladybug & Cat Noir: The Movie*, with two new Flik Flak watches. Named after Marinette and Adrien, the heroes of the global pop-culture phenomenon, they were worn by the characters on screen. Both Swiss-made timepieces proved to be prepared for their wearers' adventures, whether they were hanging off Notre Dame in Paris, or from a tree in their local park. Flik Flak also made it onto the red carpet with its presence at the movie's world premiere in Paris.

Learning to tell the time got a unique creative signature in a special collaboration with stationery manufacturer Faber-Castell. Two Flik Flak x Faber-Castell product sets contained a watch, two pencils and an eraser to equip young imaginations for many hours of inspiration. These were wrapped up in special packaging that presented an abstract artwork in itself.

[www.flikflak.com](http://www.flikflak.com)



FLIK FLAK X FABER CASTELL



## IN PURSUIT OF EXCELLENCE

An exceptional selection of timepieces and fine jewelry awaited Tourbillon Boutiques' clients in a warm, welcoming environment where attention to detail and individualized service contributed to the year's success. The collaboration with some of Swatch Group's most exciting brands – including Breguet, Harry Winston, Blancpain, Glashütte Original, Jaquet Droz, Omega, and Swatch – again proved to be an invaluable asset. Along with clients' experiences in Tourbillon's boutiques, the year was rich in activities and events.

Breguet opened its doors in May to a select group of connoisseurs who not only discovered the beauty of the most intricate creations but also enjoyed the legendary elegant hospitality for which the Maison is known.

In January, Blancpain and Tourbillon invited special guests to the Manufacture in Le Brassus, where they had the opportunity to discover breathtaking watchmaking creations and taste wines from the Lavaux region. The year's highlight, though, was an unforgettable once-in-a-lifetime freediving experience in Montreux under the guidance of champion Gianluca Genoni.

Glashütte Original welcomed collectors from Tourbillon Amsterdam to its manufacture in August, giving them the opportunity to discover the mysteries behind the brand's art of watchmaking. In June, Jaquet Droz's guests from Lausanne marveled at the brand's legendary combination of unbridled imagination and artistic expertise.

TOURBILLON LUGANO



Omega invited VIP clients to the Bobsleigh World Cup in St. Moritz in February, Athletissima in Lausanne in June, a golf tournament in Bad Ragaz in August, and the Omega European Masters in Crans-Montana. Clients from Lugano visited Omega's manufacture in April and enjoyed an up-close look at the precision, technology and design that have always defined the brand.

Among the outstanding timepieces purchased from Tourbillon Boutiques in 2023 were a Breguet Marine Tourbillon, Harry Winston's Ocean Biretrograde Black & White, a Villeret Tourbillon 8 Day Power Reserve by Blancpain, a Glashütte Original PanoLunar Tourbillon in platinum, a Tourbillon Ivory Enamel from Jaquet Droz, and an Omega Speedmaster in Canopus Gold.

[www.tourbillon.com](http://www.tourbillon.com)

CENA SOTTO LE STELLE,  
TOURBILLON LUGANO



## CUSTOMER EXPERIENCE COMES FIRST



HOURL PASSION BOUTIQUE  
AT CASTEL ROMANO DESIGNER  
OUTLET IN ROME

In 2023, Hour Passion, Swatch Group's multi-brand concept specializing in the retailing of watches and jewelry from the basic to the prestige and luxury ranges, continued to grow, achieving a level of performance greater than that of the pre-pandemic period.

Boosted by the resumption of international flights, Zurich, Geneva and Nice airports, as well as those in Rome, Milan and Berlin, once again welcomed large numbers of travelers from around the world. This situation benefited Hour Passion boutiques and Swatch stores at Paris and Berlin airports. In Switzerland, distinctive themed pop-up stores stirring passengers' curiosity enabled brands to showcase new collections.

Hour Passion has also continued to develop its outlets concepts, which are livelier than ever. Although operating in two distinct networks – one in outlets and the other in airports – the retail brand is focusing on a similar in-store experience for all its boutiques.

Hour Passion has continued to develop its architectural concept to create a high-quality sales space that is as functional as it is welcoming.

Numerous creative online and offline marketing campaigns were carried out throughout the year to attract and retain a wide and varied customer base. Meanwhile, sales effectiveness was driven by knowledgeable and committed sales advisors, the result of intense and dynamic training campaigns deployed throughout the year.

Hour Passion is thus positioned as a premium partner in fast-growing brand villages and airports.



HOURL PASSION BOUTIQUE  
AT LA VALLÉE VILLAGE IN PARIS

In 2023, two new boutiques were opened in Niagara Falls (Canada) and Cheshire Oaks (UK). The French boutique at Paris La Vallée Village has been renovated. The Castel Romano store in Italy was relocated and enlarged to unveil the most innovative version of the concept.

By the end of 2023, the Hour Passion network comprised some 70 outlets and airport stores in 19 countries across Europe, Asia and North America.

[www.hourpassion.com](http://www.hourpassion.com)

# SWATCH ART PEACE HOTEL



THE SWATCH ART PEACE HOTEL, SHANGHAI

The Swatch Art Peace Hotel continued to enjoy great success in 2023, thanks to a full house throughout the year. The community continued to grow and in September, the residence welcomed its 500th artist since the project started in 2011. By the end of the year, it had hosted more than 510 artists representing a total of 56 countries. Consistent with the project's mission, artists committed themselves to carrying on the Swatch Art Peace Hotel's spirit of openness and inclusivity and exploring new territories and languages.

Throughout the year, communication activities and exhibitions were initiated around the world, all aimed at raising interest in and awareness of this unique project. Within this framework in 2023, the Swatch Art Peace Hotel was the focus of a number of events with new partners. In Shanghai, a new collaboration was inaugurated with the Cervantes Institute, where from April to June the exhibition "Yes we CAN: City, Art and Nature" took place,



EXHIBITION AT THE SWATCH ART PEACE HOTEL

creating a cross-cultural dialogue through the works of 16 former artists-in-residence belonging to the Spanish or Chinese cultures. In the same month, the Swatch Art Peace Hotel entered PHOTOFAIRS Shanghai for the first time, presenting "Dialogues", a selection of photographers and video makers from the residence. Building further on the spirit of openness and hospitality of the Swatch Art Peace Hotel, from July to October, in the newly renovated spaces on the fifth floor, the building opened its doors for "Transcend time, Transcend space" with the works from 27 talents who had previously been part of the residency program. More than 3000 people visited the show during its four-month run. In order to strengthen the Swatch Art Peace Hotel's presence on social media within China, a new content strategy



ARTIST ANN YAN FROM ENGLAND IN HER STUDIO

was developed for WeChat and a new account was opened on Xiaohongshu (Little Red Book).

During the year, the third edition of "Swatch Art Peace Hotel virtual residency" was developed to include selected artists who could not travel to China. Mentored by former resident Alec Von Barger, six artists from around the world experienced a new way to interact and experiment, with a common thread: draw a colorful message of inclusivity, diversity and respect. The vibrant, inspiring and provocative artworks resulting from this experience were the focus of the "Love is Love" exhibition held during the Locarno Film Festival at BaseCamp, the campus for young creatives between the ages of 18 and 30 from around the world.



CELEBRATION OF THE 500TH ARTIST-IN-RESIDENCE

ARTIST JIANNAN WU FROM CHINA IN HIS STUDIO



In fact, 2023 was also an important year thanks to the Swatch Art Peace Hotel's increased presence in Switzerland with relevant new partnerships. In June, the Zurich Art Weekend welcomed as part of its official program, "Art from the world", an exhibition organized by the Swatch Art Peace Hotel showcasing a variety of artistic techniques, from fabric to photography, painting and sculpture. Each part of the exhibit featured the work of former residents in Shanghai. In the fall, the streets of Biel hosted Swatch Art Peace Hotel artists from Switzerland, China, Austria and the Netherlands for Arty Show Biel, the annual



ARTIST FAN XUANCHEN FROM CHINA IN HER STUDIO

festival that brings art to urban spaces by transforming shop windows in exhibition venues. Also in the fall, the Swatch Art Peace Hotel supported former Swiss resident Nici Jost in the realization of "Mika", an exhibition project about art, technology and astrophysics. Throughout 2023, the Swatch Art Peace Hotel kept its energy level high, remaining as inspiring, enriching, and inviting as it has been since it opened in 2011.

[www.swatch-art-peace-hotel.com](http://www.swatch-art-peace-hotel.com)

# CITÉ DU TEMPS

## THE OMEGA MUSEUM

It was another special year for the Omega Museum at its Cité du Temps location, with visitor numbers reaching record levels.

For visitors to Biel, the Omega Museum is the ultimate way to explore the stories and passions that have defined the brand since 1848. The on-site boutique also gives everyone a chance to purchase the newest watches and see how the designs of yesterday have been transformed for today's collections.

If you've always imagined yourself as an Olympic Games athlete, you can try your skills on a nine-meter track, where Omega's Scan'O'Vision MYRIA photofinish camera will capture you crossing the finish line.

You can then see over 100 years of women's watchmaking in the Museum's "Her Time" exhibition. It charts the evolution of Omega's ladies' watches, from early Lépine pendants through to "secret jewelry watches" and today's latest creations.

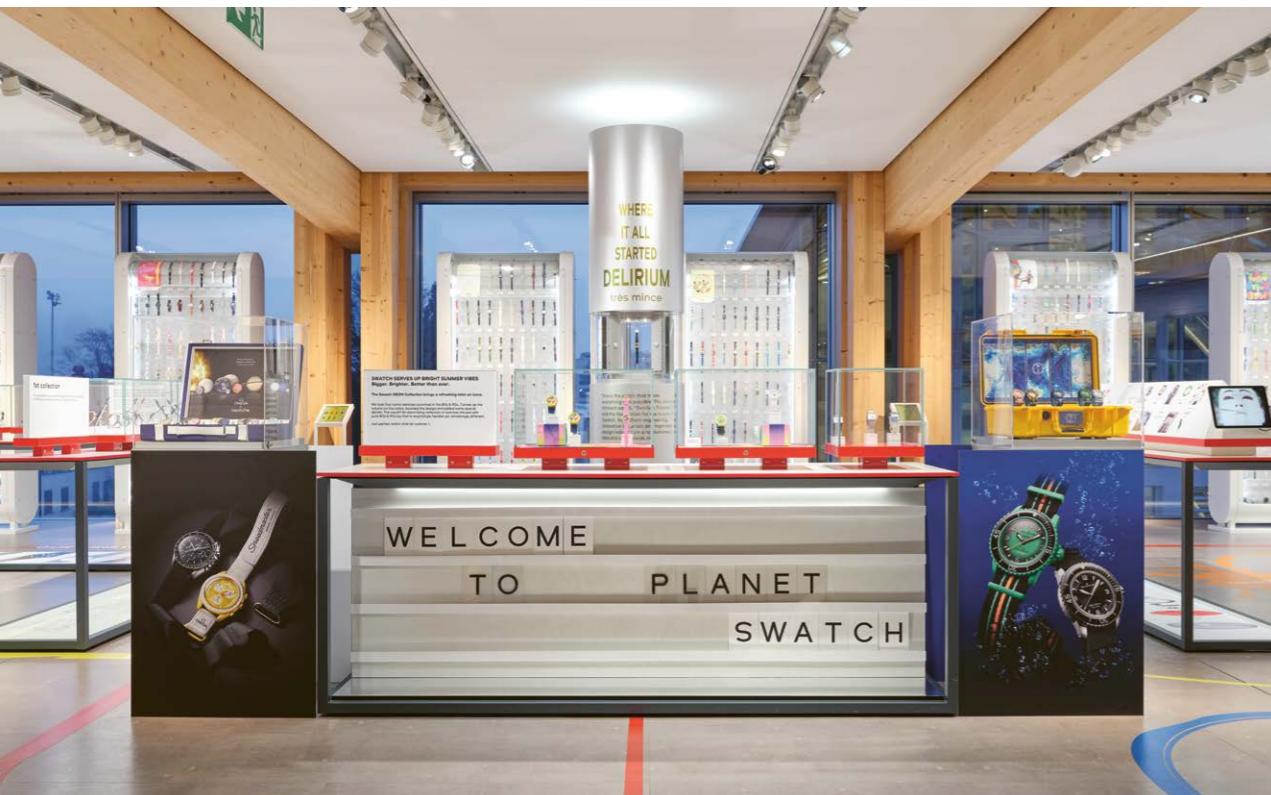
With a lunar surface and a Lunar Rover parked nearby, guests can explore Omega's fascinating space story, and of course, if you want to get a closer look at the Speedmaster, the Museum houses a giant walk-in version of the watch.

There's also a chance to see the timepieces worn by James Bond since 1995, and also step inside the magic of Co-Axial technology, to see exactly what makes Omega watches unlike any others on Earth.



OMEGA MUSEUM, CITÉ DU TEMPS, BIEL/BIENNE





PLANET SWATCH, CITÉ DU TEMPS, BIEL/BIENNE

### PLANET SWATCH A journey through time and creativity

At PLANET SWATCH on the second floor of Cité du Temps, visitors are immersed in a vibrant world that defies the conventional museum experience. This playful “non-museum” serves as both a contemporary showroom and a historical archive, celebrating Swatch’s key role in rejuvenating the Swiss watch industry.

Art, video and other media come together here to complement a part of the Swatch collection with over 6000 watches on display. Visitors are free to explore, following colorful paths through the worlds of art, sports, history and innovation.

PLANET SWATCH is a feast for the imagination. Exhibits showcase Art Specials by renowned artists, iconic prototypes, and special editions tied to global events and holidays. While Swatch’s latest collections always take center stage, the entire space is a testament to creativity. Guests can take inspiration from their visit and design their own unique watch at the Swatch X You installation or make a quick purchase at the one-of-a-kind Swatch Drive-Thru store.

#### From art to innovation

In 2023, PLANET SWATCH took creativity to the streets with a space dedicated to watches inspired by street art, a collaboration with artists from Biel and beyond. As part of the project, the website streetarttour.ch offered a deep dive into Biel’s vibrant graffiti scene, while also encouraging a visit to Cité du Temps.

The exhibit also welcomed the stunning Bioceramic Scuba Fifty Fathoms Collection, displayed opposite the iconic Bioceramic MoonSwatch Collection. Other fresh additions



include the Art Journey, Swatch NEON and Bioceramic What If? Collections, each a unique lens into Swatch’s boundless imagination.

A real showstopper is the interactive quiz. Visitors can now embark on a treasure hunt of ten questions, with the answers scattered throughout the museum. All who complete the quiz get a chance to win a Swatch or Flik Flak watch in a monthly prize draw.

With all this excitement, the “non-museum” shattered records, with over 6000 visitors in August alone – and the journey to PLANET SWATCH continues.

[www.citedutemps.com](http://www.citedutemps.com)



**PRODUCTION**

## ETA SA

For ETA, 2023 was characterized by the global success of the Swatch brand. A reinforcement of resources in the broadest sense of the term enabled the company to meet the high demand for several collections while maintaining its high quality standards.

ETA developed five new colors in patented bioceramics for the Blancpain X Swatch Bioceramic Scuba Fifty Fathoms collection. The desirability of the collection, which is equipped with the mechanical movement SISTEM51, also had repercussions on component production, as well as on the assembly of the movement and watch head, at a time when market demand for the MoonSwatch collection was still very strong.

Production of the SISTEM51 movement once again rose sharply in just a few months. Produced through a fully automated production process, this movement features a non-magnetic Nivachron™ balance spring and a 90-hour power reserve as well as factory-set laser precision of between -5 and +15 seconds per day.

The integration at ETA of the dial production activities of the former Rubattel et Weyermann factory in Grenchen has greatly facilitated exchanges and coordination. The various ETA sites involved in these products worked together to accelerate the availability of the collection in the markets. Three other Swatch collections were also launched: Bioceramic What If?, the collection celebrating the brand's 40th anniversary; BIG BOLD IRONY; and The Simpsons.



Swatch's workload did not limit ETA's development of other product lines. Witness the Omega Speedmaster Super Racing Co-Axial Master Chronometer movement, which marks a milestone in chronometric performance with the addition of the Spirite™ regulating system. This unique silicon balance-spring shape enables a peerless precision rating of between 0 and +2 seconds per day (Omega 9920/ETA A22.202). For Longines, a chronometer and split-seconds chronograph movement was developed for the Spirit Flyback model (L791/ETA A08.261) in addition to a movement with small seconds at 6 o'clock, developed for the Longines Pilot Majetek (L893/ETA A31.501). Meanwhile, the C07 movement was issued in two new customized adaptations, bringing a new look to the Tissot Gentleman Powermatic 80 Open Heart (ETA C07.601) and the Certina DS Skeleton (Powermatic 80.631/ETA C07.631).

Among the activities in the field of quartz and connected movements, two exclusives were developed for the Tissot brand.

A quartz movement with digital display was designed to bring life to the new PRX Digital (DGT 2040/ETA K19), offering numerous functions such as date, dual time zone and chronograph. Another highlight at the end of the year was the launch of the new Tissot T-Touch Connect Sport (ETA E33.001). This entirely new movement significantly reduces the diameter of the final watch to 43 millimeters. Furthermore, it embeds the new heart rate measurement functionality while retaining excellent solar recharging performance.

ETA also contributed to the training of many young apprentices, preparing them for their entry into the world of work in the various trades associated with watch production.



**LASCOR**

In 2023, Lascor consolidated its position as the preferred supplier of buckles and bracelets for Swatch Group's Luxury, Prestige and High Range brands. Throughout the year, employee training and research on nickel-free steel technologies continued. The imminent arrival of new production machines will ensure improved productivity and quality. Together, these strategic investments will allow Lascor to meet its current and future challenges with confidence.

The company's philosophy was embodied in the creation of the Blancpain Fifty Fathoms bracelet, crafted in a special medical grade 23 titanium alloy. The material, which is a purer version of grade 5 titanium, is used primarily in medical applications, and has lower concentrations of oxygen, nitrogen and iron. The three-link bracelet features a patented length adjustment system, with screws placed on the inner face of the links rather than on the sides, where they are normally positioned. Secured by a triple folding clasp, it is fitted on a watch intended for professional divers.

**CHH MICROTECHNIQUE**

For CHH Microtechnique, the start of 2023 was marked by the arrival of a new CEO and the establishment of a new management team, whose aim was to provide the company with new and forward-looking momentum. A clear, transparent vision was developed to guide the company's strategic plan, allowing it to respond as quickly as possible to the demands of its customers.

Following the team's move to the new building, major projects continued and/or came to fruition, such as the retrofitting of the machines in the gear cutting workshop by 2025, the modernization of the assembly workshop, the installation of ten new bar turning machines, and a robotized transfer machining center for steel parts. Another major project, the commissioning of a state-of-the-art electroplating line, was also launched.

During the year, the benchmark manufacturer of high-end watch components actively contributed to the production of three new calibers for Swatch Group's Prestige brands, notably Breguet and Blancpain, while adapting its activities to meet the growing needs of the Omega brand.

2023 marked the start of a new chapter in the history of CHH Microtechnique with the relocation of all its employees, previously located at six different sites, into its new production facility in Le Brassus. The 15000 m<sup>2</sup> industrial space has been designed to facilitate production flows while enhancing responsiveness and competitiveness.

CHH Microtechnique continues to pursue its development, with the primary focus on maintaining quality and safeguarding its expertise.

**MECO**

The year under review saw Mecco consolidate the actions undertaken in 2018 to achieve excellent service rates in terms of quality and logistics.

The company set about finalizing the industrialization of a new process for manufacturing stamped parts and stamping tools. As a result, all steel and titanium parts can be machined using a more reliable, automated, flexible process.

At the same time, the arrival of the first automatic machines demonstrated the success of Mecco's teams in integrating new technologies, particularly for hot stamping. The retrofitting of bar-turning machines also continued with the acquisition of high-performance machines, mainly organized as product lines.

The move towards a programming center began with the standardization of programs, enabling the optimization of cutting parameters, tool life and work capacity through the implementation of high-performance calculation software.

Following five years of intensive work with brands, Mecco has begun to industrialize its manufacturing processes through ambitious technical projects in to order improve the design and quality of its products.

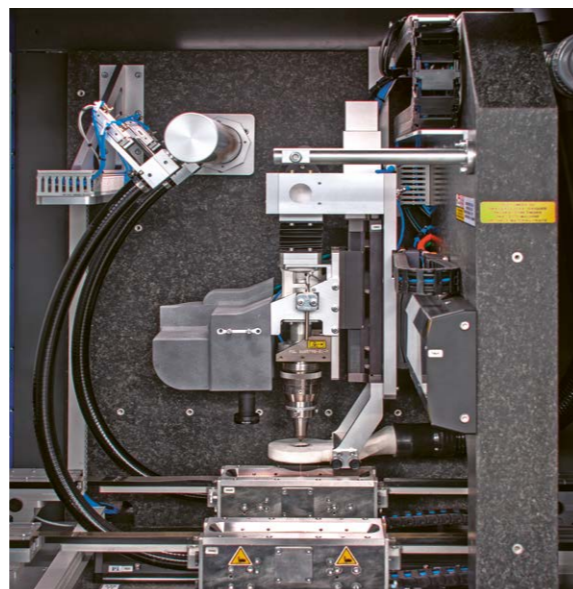
**UNIVERSO**

For Universo, 2023 proved to be both intense and positive across every business sector. Steadily rising demand for all its products – combined with a number of innovative technical challenges – called on each aspect of the company’s synergies, with Universo’s available skillsets successfully enabling a gradual growth in productivity. Universo also increased its production resources through several major investments, notably in new technologies.

The incredible ongoing success of the MoonSwatch had a major impact on the development of several new hands, mainly through the use of Omega’s Moonshine™ Gold alloy. At the same time, true to its culture of innovation, the company once again dedicated part of its know-how to the challenge of designing and producing original watch hands at the request of various watchmakers.

In terms of sustainability, Universo pursued its efforts to reduce its ecological footprint by installing photovoltaic panels on all the roofs of its La Chaux-de-Fonds industrial site, covering a total surface area of almost 6400 m². This large-scale installation will significantly reduce CO₂ emissions, as well as the company’s dependence on external energy suppliers.

In 2023, Universo continued to support training. The graduation of all seven of its final-year apprentices, in five different professions, validated the important training work carried out within the company, with the support of the Swatch Group Training Center, in order to perpetuate its professions through quality succession.



**NIVAROX-FAR**

The year under review was filled with industrial events for Nivarox-FAR, starting with a project to industrialize all the products to be manufactured in lead-free materials. This will continue until 2026, with the introduction of new materials for all oscillating and escapement parts.

Another area of focus was non-magnetic components, for which Swatch Group brands have ever-increasing needs that are leading Nivarox-FAR to increase its production capacity. The manufacturing processes for silicon parts (especially balance-springs) and LiGA parts (escapements in particular) will be brought together in a new building, whose construction began in 2023 on the EM Microelectronic site in Marin.

Over the year, Omega continued its quest for optimized chronometry by developing, in collaboration with ETA, Asulab and Nivarox-FAR, a regulated balance wheel which regulates the watch using a new silicon balance spring that incorporates the Spirate™ function. Thanks to this system, Omega’s chronometers feature certified accuracy of 0 to +2 seconds per day.



By comparison, a COSC-certified chronometer requires -4 to +6 seconds precision per day.

Another major industrial event was the increase in production of SISTEM51 movements for the launch of the Blancpain X Swatch Bioceramic Scuba Fifty Fathoms watch. This major project led to the redeployment of automated lines at the Nivarox-FAR factory in Boncourt for manufacturing the escapement and the regulated balance, as well as for assembling the escapement module.

Nivarox-FAR has also welcomed a solar cell line dedicated to Swatch Group brands – and Tissot in particular – to the Rubattel and Weyermann building in La Chaux-de-Fonds. The aim is to design, at Swatch Group’s request, a battery-free watch that runs on solar energy thanks to the photovoltaic cells in its dial.

In the storm of 24 July 2023, which devastated towns in Neuchâtel’s mountains, the Nivarox-FAR plant at Crêt-du-Loctel was particularly hard hit. Thanks to the teamwork of all concerned, however, the site was able to resume operations four days later, while ensuring the safety of its employees.

Nivarox-FAR continued its efforts to reduce CO₂ emissions by optimizing energy management for all production facilities and modernizing its infrastructure. Substantial investment enabled the Villeret site to be connected to district heating, while the Fontaines site is focused on achieving zero fossil fuel energy by the end of 2024.

Training remains one of Nivarox-FAR’s priorities. Once again this year, all of its apprentices successfully graduated.





**RUBATTEL ET WEYERMANN**

Rubattel et Weyermann experienced a year of intense activity in 2023. It began with a major changeover to the ERP (Enterprise Resource Planning) system, whose implementation, rollout, and management enabled better management of flows, workloads, and capacities.

To keep pace with growth, the company continued to improve its manufacturing processes, making major investments to strengthen several of its sectors, in terms of both human and production resources. Examples include CNC and laser machining operations as well as the PVD (physical vapor deposition) process, an area in which Rubattel et Weyermann has been busy developing new colors.

These new capabilities all contributed to the implementation of technologies protected by several patents, as well as to the creation of various dials dedicated to the 75th anniversary of Omega's Seamaster collection. The decoration – such as that of the Ultra Deep Summer Blue model, whose dial is an exact representation of Challenger Deep, the deepest point in the Mariana Trench – stems from an unprecedented mathematical calculation based on a complex cluster of coordinates.

**MOM LE PRÉLET**

The continuous efforts made by MOM Le Prélet during 2023 enabled the company to stabilize its production volumes while maintaining the level of quality required for Swatch Group Prestige brands. Moving towards vertical integration, the firm was able to bring certain gem setting operations in-house, thereby acquiring complete control of the production process. Enameling continues to thrive and the period ahead promises to be busy, reflecting the growing interest in this traditional technique.

With a view to migrating to a new ERP system, scheduled to go live at the end of 2024, MOM Le Prélet has initiated a change management process to ensure a smooth and efficient transition for users from the old to the new system.

The year under review also saw increased collaboration with Asulab in various areas, notably on subjects related to dial protection and research into new colors. Numerous new projects were launched, supporting the creativity developed within the brands. MOM Le Prélet's commitment to innovation and quality remains unwavering. The company is enthusiastic about the prospect of consistently bringing even more to its partners and customers.

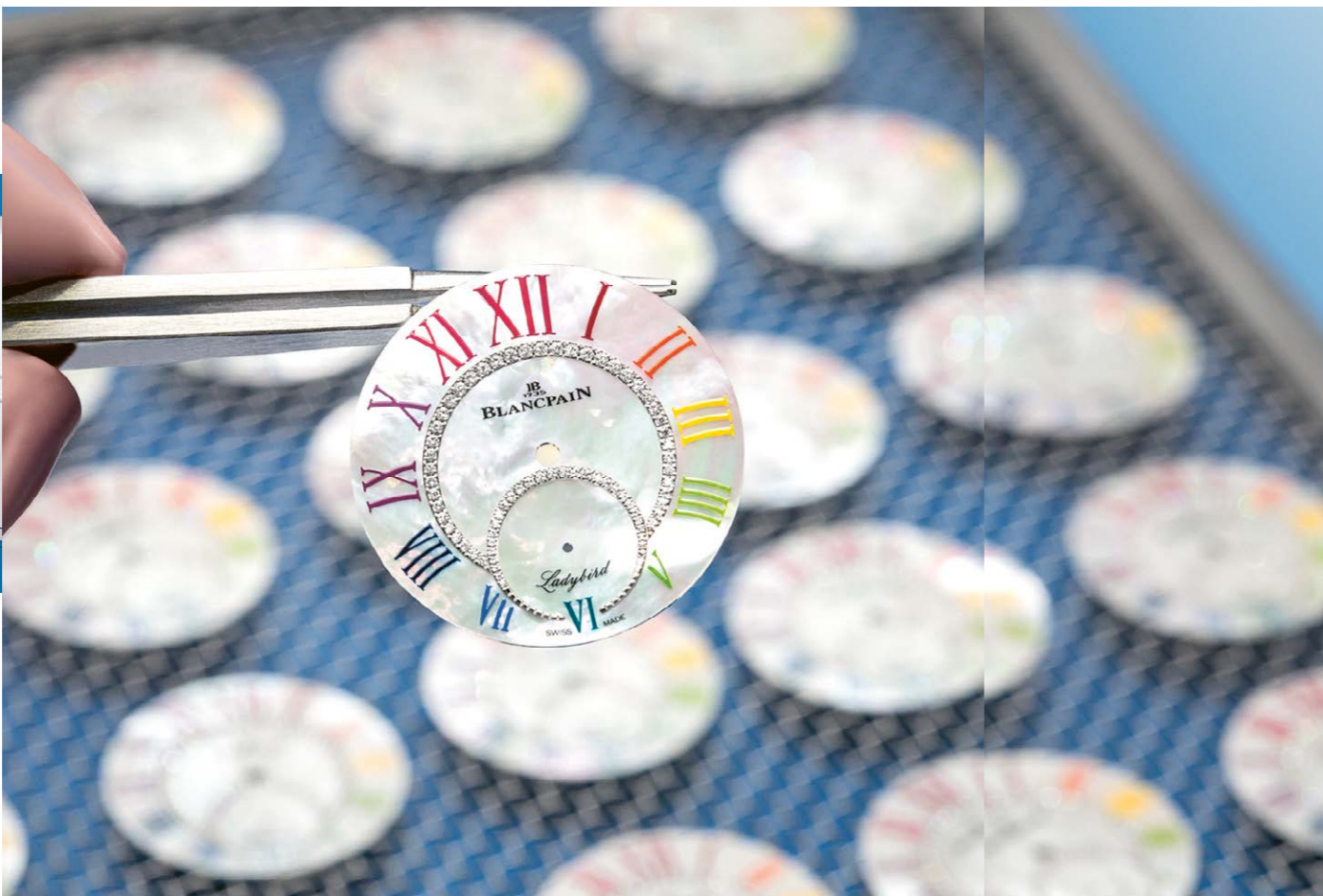
**MANUFACTURE RUEDIN**

In 2023, Manufacture Ruedin was able to respond to significant demand from Swatch Group brands. Its role in supporting the design of their new products was put to great use.

As is the case every year, developments on behalf of Omega were extremely significant. The Jura-based company contributed to the new color variations for the Seamaster Planet Ocean Ultra Deep model in steel and to the new green ceramic interpretation of the Constellation model. A great deal of effort was also devoted to the Seamaster models launched to mark the collection's 75th anniversary.

For Longines, the focus was on the Spirit Flyback Titanium and the Spirit Zulu Time models in steel. Considerable energy was also devoted to the new Conquest and HydroConquest collections. With Rado, Manufacture Ruedin collaborated on the new Centrix 2023 in its automatic and quartz versions, as well as on the new edition of the DiaStar Original Skeleton.

In June, Manufacture Ruedin took possession of its new administrative building. The investment strategy is a disruptive force notably involving ongoing acquisitions of new technologies that are essential to the company's development. Manufacture Ruedin remains confident about the future, thanks to the skills of its staff and its agility.





### COMADUR

Thanks to financing from Swatch Group, Comadur continued to invest in all of its production lines for sapphire, ceramic and micro-components in 2023. The company introduced the production of nickel-free stainless steel components as well, using powder technology to meet the expectations of Swatch Group brands.

This led to a sharp increase in demand at the Boncourt plant, so the central production facilities were expanded and optimized. A showroom was also set up on this site in collaboration with Rado to showcase and highlight all the expertise involved in the highly specific production of ceramics, from zirconium oxide powder to the final product.

In terms of exclusive new timepieces, Blancpain deserves a special mention for celebrating the 70th anniversary of its legendary Fifty Fathoms with new models featuring ceramic and sapphire components. Comadur took part in the Omega Seamaster Summer Blue Collection, which was released to mark the 75th anniversary of the Seamaster 300. The company developed two new enamel colors – blue and yellow – for the ceramic bezels of the Summer Blue collection and the Omega Speedmaster Super Racing model respectively.

Together with Longines, the company continued the development of new ceramic bezel versions, including those for the Spirit Flyback. With Rado, Comadur opened another chapter in the use of high-tech materials for the realization of iconic models, notably in the Centrix and True Square Thinline collections.



### NOVI

As part of the Assembly Profit Center, in collaboration with The Swatch Group Assembly, Novi places its priority on prestige and luxury brands, with a special focus on Blancpain, to consistently improve quality and brand service. Ensuring continuity on Omega's assembly service, Novi has enhanced its quality and efficiency through a lean manufacturing project, organized in cooperation with the prestigious Kaizen Institute.

It also started collaboration for its enameling activities, including, for example, the medallions for the case backs of Longines watches and the small seconds subdial counters for Omega.

With the aim of expanding the services offered to the brands, Novi improved its unsold watches review as well as its jewelry polishing. It also enlarged the capacity of stock maintenance.

In 2023 a building renovation began and, to offer an ever-improving service, digital processes were also reviewed.

Finally, together with The Swatch Group Assembly, an internal program for sustainable development – A Better Time – was implemented, which will be the backbone for the company's future activities.



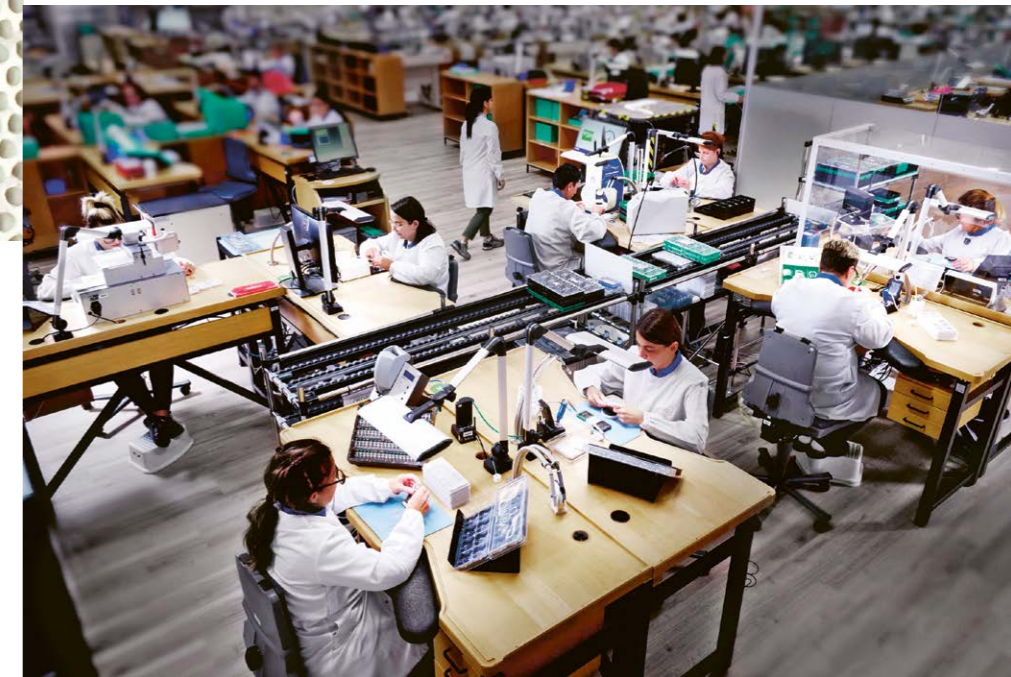
### THE SWATCH GROUP ASSEMBLY

The mission of The Swatch Group Assembly (TSGA), Swatch Group's Ticino-based assembly company, is to offer its clients services that go beyond their expectations in terms of flexibility, quality and innovation.

Accordingly, 2023 was a major investment year for TSGA, which focused its efforts first and foremost on a complete headquarters renovation project. Better lighting and ventilation systems in the departments, in line with the new Swatch Group standards, new and renovated areas for production, logistics and storage, along with renovated security structures, will allow the company to perform at its best.

All projects are managed with an eye toward sustainability, as a new internal program for sustainable development – A Better Time – was also implemented during the year, pushing the company increasingly toward a future in step with the times. In the same vein, investment involved the well-being of operational staff, through training courses on ergonomics and departmental stretching activities to improve health and safety in the workplace.

In terms of process, the main ongoing project is a new model for applying lean manufacturing principles, aimed at reducing lead time, improving collaboration and increasing employee satisfaction.



**DRESS YOUR BODY (DYB)**

In 2023, DYB continued to strengthen its activities in the setting, machining and stamping of watch components, but also increased its strengths in the field of grand feu enameling.

Omega's Speedmaster 38 mm collection was a highly educational experience for DYB, as it required the development of very high-quality setting and finishing capabilities. DYB's collaboration with Omega extended into the field of arts and crafts as well, for example with the finishing of specific decorations in beveling, as well as enameling of watch case components. DYB also continued its production partnership with the brand in the area of jewelry.

During the year, DYB intensified its relationship with Longines in the production of enamel medallions for the Flagship Heritage and Conquest Heritage product lines. Large-scale projects such as the worldwide launch of new gem-set timepieces enjoyed great success with the new models in the Mini DolceVita collection, for which DYB undertook the milling and setting of these delicate pieces.

Industrialization increased around micromachines, for which new acquisitions are underway to expand the machine fleet. DYB also strengthened its skills and resources in the field of precious metal investment casting, a process by which molten metal replaces the wax model in a plaster mold. DYB increased its know-how through this activity while consolidating trust-based relationships with its customers.

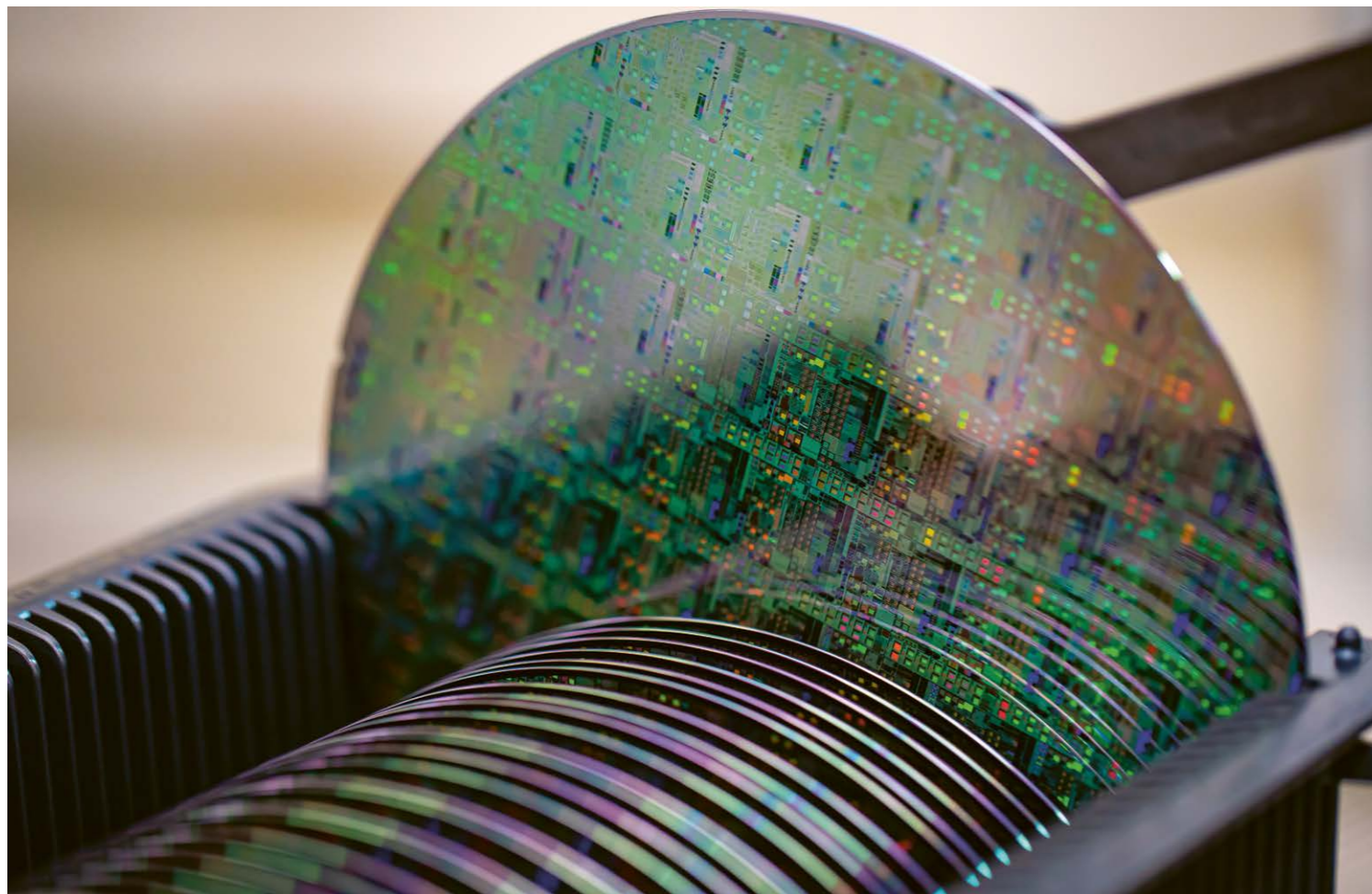
Support for the Breguet, Harry Winston, Blancpain and Jaquet Droz brands also continued throughout 2023 on various development projects and exceptional small series.

In parallel with its activities, and as part of its Sustainability project, DYB pursued its efforts to save energy by installing solar panels. These have been in operation since July and will have a significant impact in this area.



## ELECTRONIC SYSTEMS / CORPORATE BELENOS





### EM MICROELECTRONIC

The semiconductor market evolved in 2023, with some relief in the overall demand due to overstock in the industry and a worldwide economic slowdown, causing volatility in the supply and demand situation. Thanks to its balanced business and customer portfolio and the long-term visibility compared to industry standards, EM Microelectronic managed to fulfill all its commitments, generating an all-time high in terms of revenue.

While the global demand for its products still exceeded the installed capacity, there were significant fluctuations between product lines throughout the year. Thanks to the planning system improvements carried out for the past two years, EM was able to adapt to these fluctuations and to maximize its manufacturing throughput.

A significant production capacity increase for the back-end testing in Switzerland was completed in 2023 thanks to robust Swatch Group investment support, allowing EM more flexibility in serving its customers' needs. With its growing business and increasing supply chain stability concerns in a market fueled by geopolitical issues, this Swiss-based manufacturing footprint is an essential element in offering long-term stability to customers in key markets.

In 2023, EM Microelectronic continued to support the Swatch Group electronic components needs in numerous flagship programs such as the MoonSwatch and Hamilton PSR, and experienced continuous growth in the medical device space, with its very successful Bluetooth® Low Energy (BLE) ICs setting the benchmark in applications such as continuous glucose monitoring (CGM) for diabetes patients.

The human interface devices (HID) segment was subject to significant market volatility due to post-Covid adjustments, which stabilized towards the end of the year. The year 2024 is expected to resume the growth trajectory in this field, with several new products hitting the market and reaching full deployment scale.

Another growth area was identification in hospital environments, whether for medical devices and consumables, or indoor location services for patients, visitors and equipment. EM is present in this space with both active and passive solutions, serving multiple world-class hospital facilities via several partners.

The 2024 outlook indicates a continued volatility in the market, on a slight overall growth trajectory. EM expects its latest round of production capacity increase in its front-end fab in Switzerland to deliver its first results by increasing the overall flexibility in meeting its commitments to its customers while supporting the launch of new products.

### RENATA

Battery markets had a turbulent year in 2023. The effects of supply bottlenecks, which had already been experienced, particularly in the semiconductor industry in 2022, were felt early on.

Due to the limited shelf life of batteries, customers in the replacement market sought to reduce full stocks quickly, and the markets – especially in Europe and the USA – were affected by high inflation and a loss of purchasing power.

In the USA, Renata had to react swiftly to a new law on the packaging of watch batteries, which temporarily brought the market to a standstill. Thanks to its modern packaging technologies, it was able to respond to the new requirements very quickly and resumed deliveries at the previous level in the last quarter.

Increased efforts in China proved to be very positive, with significant market gains being achieved, in contrast to the prevailing trend.

The second quarter onwards also saw a change in sentiment in the industrial sectors. Production was scaled back worldwide

and inventories were comprehensively corrected following the intensive inventory build-up in 2022 – a development that was also felt in the medical applications segment, which is becoming increasingly important for Renata.

Renata nonetheless successfully used the time to conclude long-term contracts. To this end, intensive investments were made in new technologies, such as high-current cells for both silver oxide and CR-type primary batteries. New additions to Renata's range include rechargeable button cells with particularly small diameters and special sealing technology, which will be delivered in 2024 for the first time.

Renata also successfully supported the sales launch of the new Tissot T-Touch Connect Sport with a customized rechargeable cell.

Extensive investments were also made in the field of machine technology: a new state-of-the-art packaging machine – the most efficient of its kind – guarantees the world's largest available production capacity for the watch-battery replacement market.

In 2024, various new facilities will commence operations at Renata, ushering in a new era of cutting-edge production technologies with a significant increase in capacity.



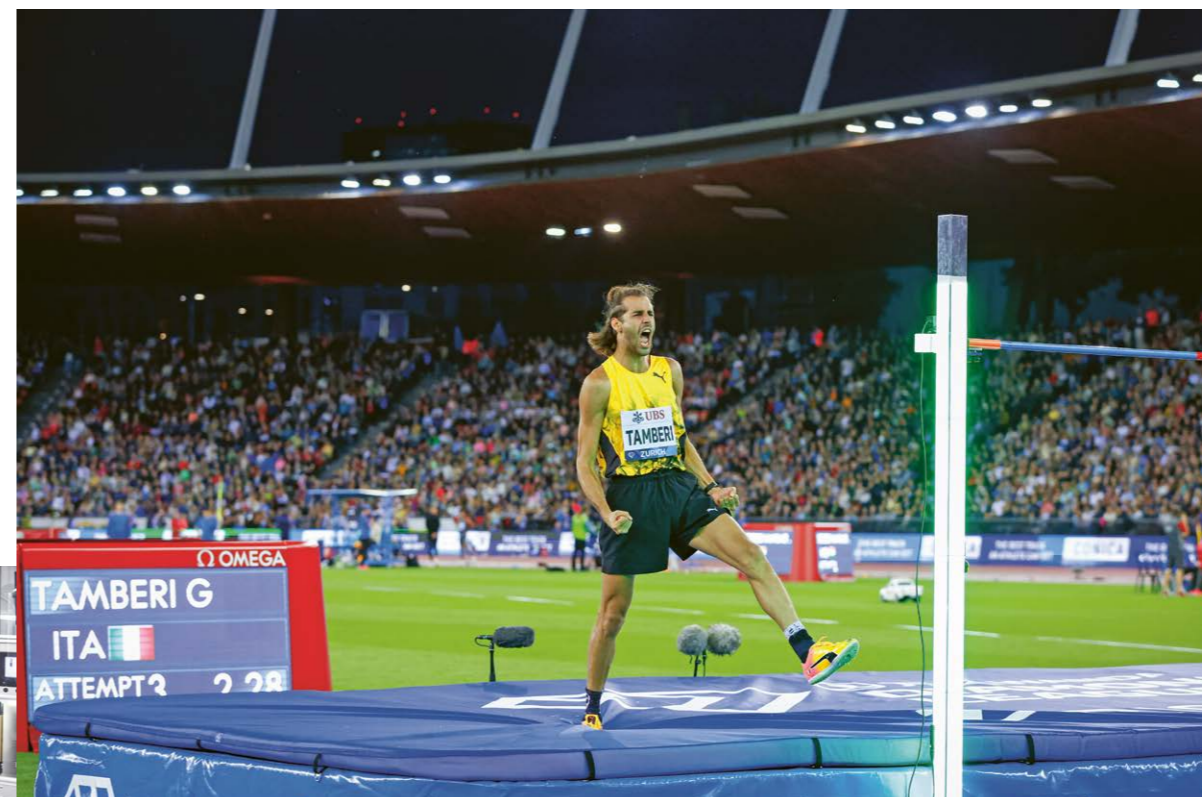
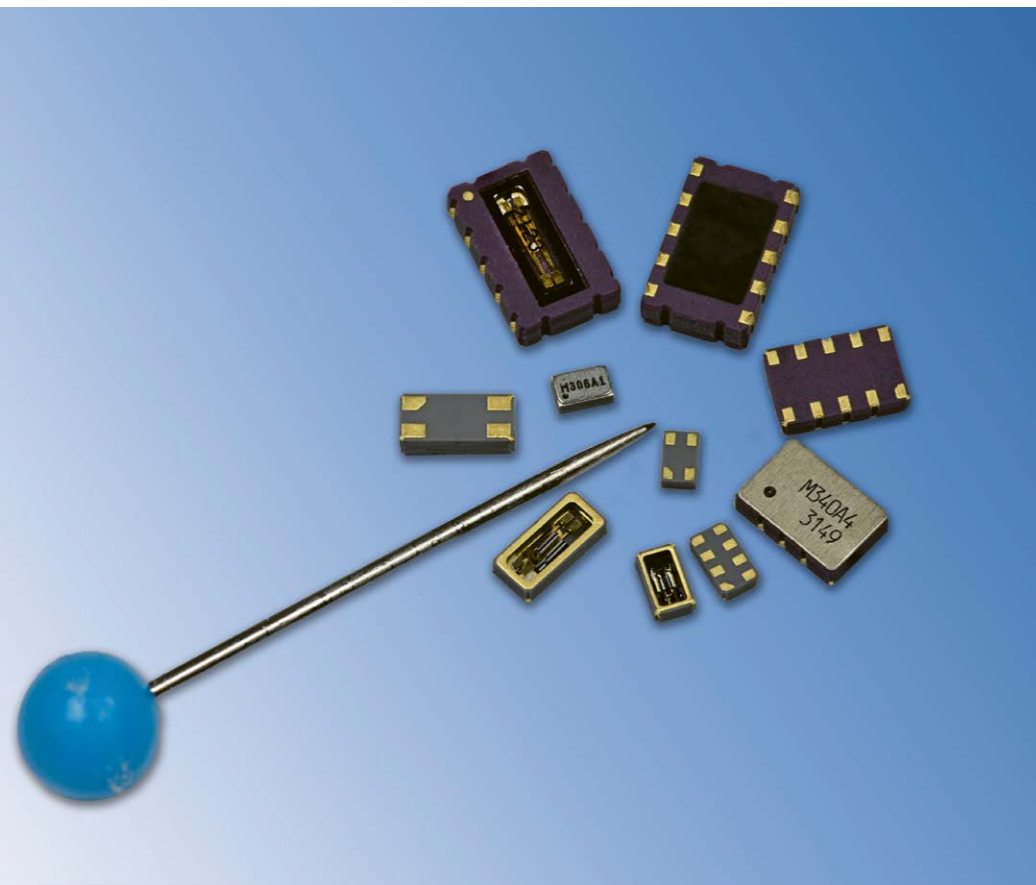
## MICRO CRYSTAL

Micro Crystal, a manufacturer of mass-produced quartz crystals, experienced a transitional year while consolidating its market position. Following the market boom in 2022 caused by the quartz shortage during the pandemic, the year 2023 marked a return to normal. Despite the relative downturn, Micro Crystal realized further growth in the sales of high value-added products such as the real-time clocks introduced in 2022.

For the past several years, the company has generated most of its sales revenue outside the watchmaking industry. Its product portfolio is used in the design of a wide variety of products, from medical implants to automotive and industrial electronics applications, as well as outdoor security cameras and other smart devices and uses related to IoT.

The company continued to innovate in the field of miniaturization and launched a new line of real-time clocks, which is 50% smaller than the previously offered products and currently holds the size record for a complete RTC module. In association with its sister company EM Microelectronic, which manufactures integrated circuits, Micro Crystal has the know-how required to mass-produce the tuning fork crystals needed to miniaturize these high-precision, low-power modules. Micro Crystal also invested heavily in production automation, particularly for the assembly of miniature quartz crystals and modules.

As the world's only manufacturer of mass-produced quartz crystals outside Asia, Micro Crystal continues to play an important strategic role in supplying top-quality Swiss Made products to Swatch Group brands. Its production capacity of several hundred million units per year enables it to remain competitive and at the cutting edge of technology.



## SWISS TIMING

For Swiss Timing, 2023 was a year of major World Championships. In July, the team went to Fukuoka (Japan) with Omega to time the World Aquatics Championships. In August, it was in Scotland with Tissot, where the UCI combined 13 Cycling World Championships into one mega-event. The FIBA Men's Basketball World Cup was contested in three host cities – Manila (Philippines), Jakarta (Indonesia), and Okinawa (Japan); Tissot and Swiss Timing were on every court. In October, Swiss Timing recorded the results at the World Artistic Gymnastic Championships in Antwerp (Belgium).

It also joined Tissot in the summer to time the prestigious Tour de France and the Vuelta a España. At the Diamond League series of elite track and field meets, Swiss Timing and Omega recorded the performances of each world-class athlete. October saw the return – after ten years – of the World Combat Games, where Swiss Timing provided its services in Saudi Arabia for the first time.

But there was much more on the calendar. Throughout the alpine ski season, Swiss Timing was on every slope with Longines. Winter sport season also included the Nordic disciplines with Certina and thrilling snowboard and freeskiiing competitions with Swatch.



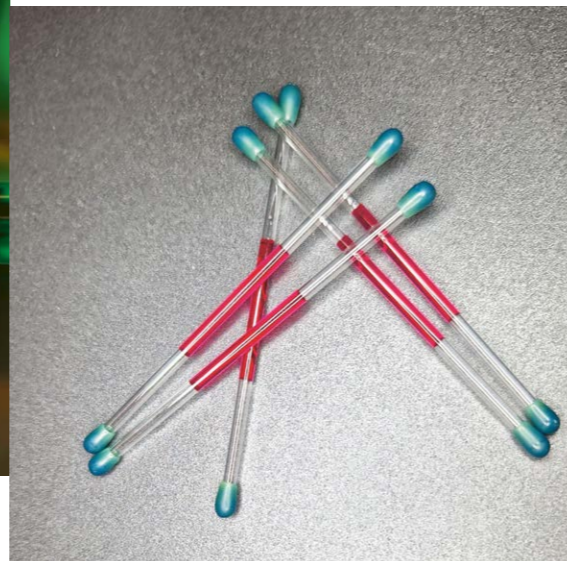
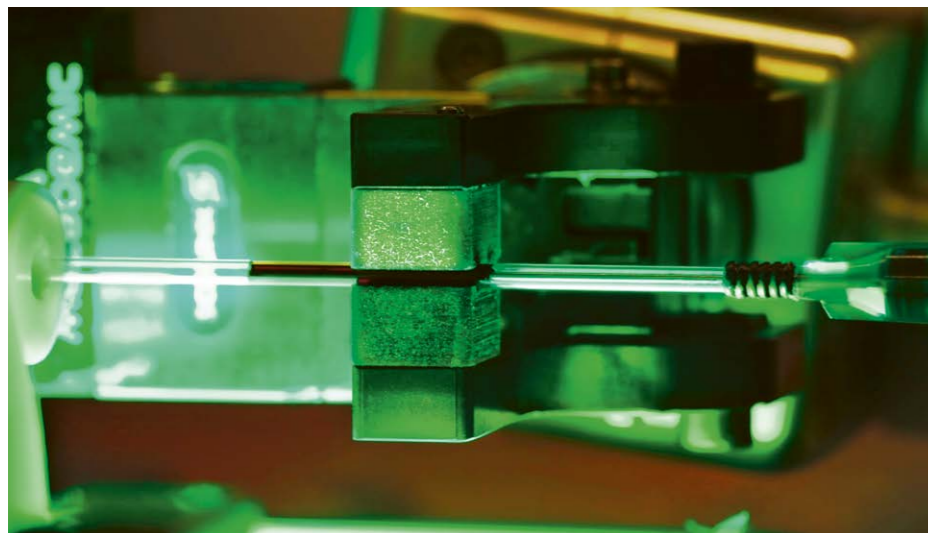
Every year, Swiss Timing delivers its world-class timing and results services but it also continues to design and introduce cutting-edge technology. In February, at the FIS Alpine World Ski Championships in Courchevel-Méribel (France), Swiss Timing and Longines unveiled the latest version of the Longines Live Alpine Data (LLAD) system, whose design and ergonomics were adapted to the technical disciplines. It debuted in Giant Slalom and delivered additional data and innovative graphics to TV viewers.

2023 was a pre-Olympic period and Swiss Timing, with Omega, prepared for the Paris edition at test events throughout the year. The Summer Games are just around the corner and Swiss Timing with Omega are up for the next adventure.

### SWATCH GROUP RESEARCH AND DEVELOPMENT LTD

The Swatch Group Research and Development Ltd, founded in 2005, encompasses the R&D divisions of Swatch Group and other divisions responsible for pilot production and special products.

In addition to these activities, it is also involved in the coordination of technological innovations for the various other Swatch Group companies.



### ASULAB DIVISION

As Swatch Group's central research and development laboratory, Asulab's main mission is the design of technically innovative watch products, subsystems and components, as well as the development of the cutting-edge technologies and processes required for their manufacture. In 2023, Asulab was once again able to share the benefit of its know-how and high-performance equipment with the brands and manufacturers for the realization of original products presented at events, as well as for the industrialization of new processes and components.

Asulab worked closely with the different Swatch Group entities, adapting its technical program to the product needs of the brands according to their priorities. The acquisition, renewal and implementation of skills and technologies are essential for Asulab to open up new opportunities. These objectives were achieved through partnerships with renowned research institutes in Switzerland and abroad.

The multidisciplinary skills in place within Asulab and the close collaboration with Swatch Group's internal partners enabled several new technologies to reach industrial maturity in the previous year.

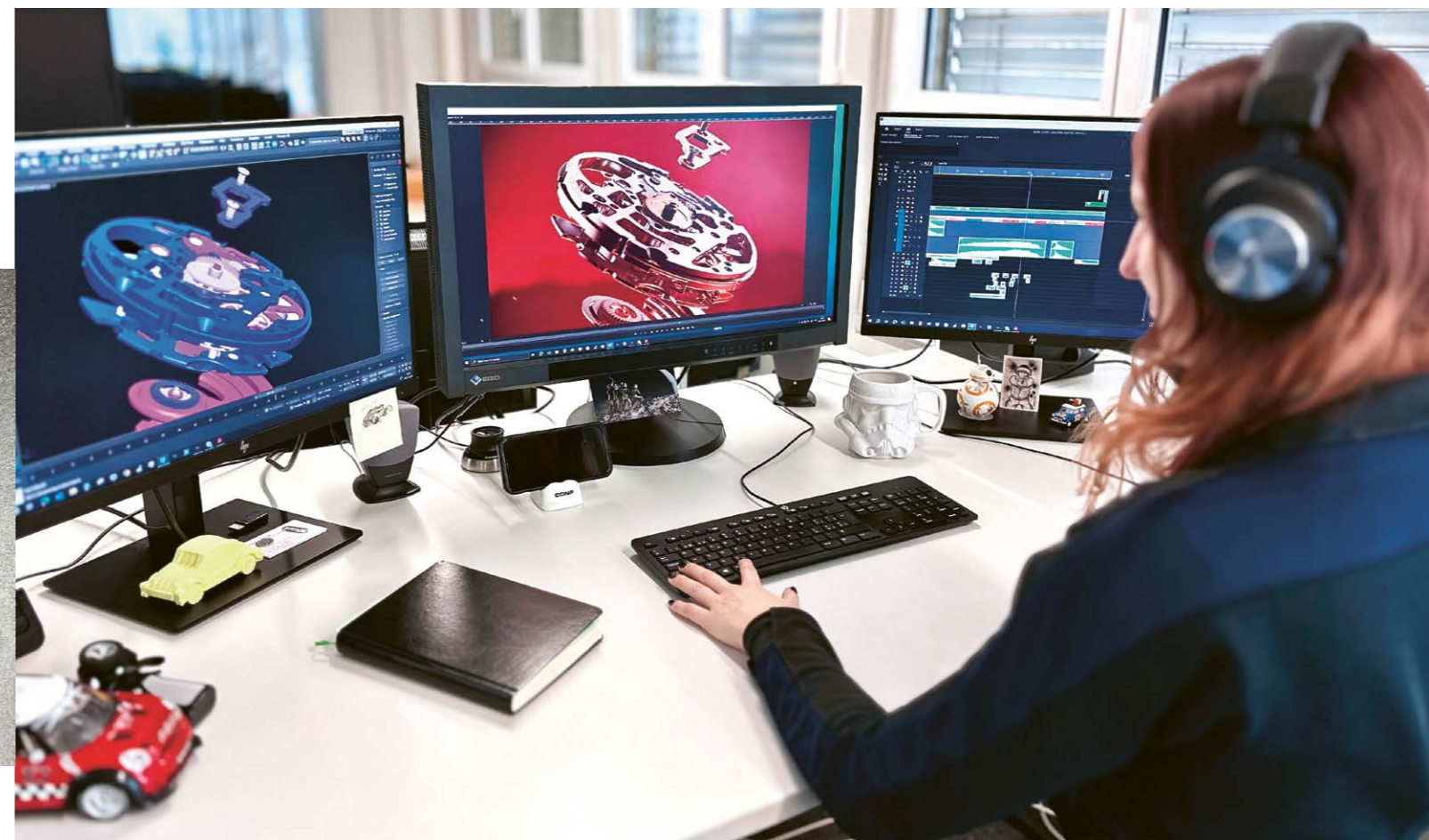
In 2023, Asulab developed high-performance technical solutions allowing for the marketing of original products for Omega, Longines and Hamilton. The active commitment of the producers involved in these projects contributed to the successful validation and industrialization of the solutions achieved.

Another highlight was the sign-off and production start-up of new competitive phosphorescent colored resins in several industrial units. Finally, extremely advanced electro-optical displays were presented to Swatch Group and should soon be incorporated in new electronic products.

Other significant innovations, notably in the development of new materials and processes that are both more sustainable and economical in the use of raw materials, have been completed, and could be industrialized for the brands and manufacturers in the years to come.

### MOEBIUS DIVISION

Moebius is a division of The Swatch Group Research and Development Ltd whose mission is to produce and market lubricants and epilames used in the microtechnology sector. These products are specially designed to meet the watch industry's specific technical requirements. In 2023, Moebius continued its development and innovation program in collaboration with Swatch Group companies, notably for the development of the LubeTracker, which makes it possible to monitor fluorescent oils easily and safely. Moebius is also working on a new type of packaging for lubricants intended for after-sales service centers. Small volumes of lubricants are packaged in capillary tubes to ensure that the product remains fresh and can be used without risk of contamination when placed in the oilers. As these are better suited to watchmakers' needs, they should also help to reduce lubricant waste.



### CDNP DIVISION (CENTRE DE DÉVELOPPEMENT DES NOUVEAUX PRODUITS)

In 2023, CDNP fully embraced and strengthened its role as an incubator of innovative technological solutions for Swatch Group brands and production companies, with the aim of accelerating the development of new products and their launch on the market.

The company's technical skills and its mastery of 3D printing enabled it to expand its modeling and technical design services for watch decoration, as well as its increasingly sophisticated production of models, prototypes and machined parts, thanks to the introduction of new 3D printers. Prototypists were kept very busy creating models and demonstrators for aesthetic and operational validation. The design of functional industrial parts led to the filing of several patents for the realistic rendering of watches, models and prototypes, as well as for the testing of materials. CDNP's ability to find solutions and to innovate has become essential, and increased collaboration between Swatch Group brands and companies in 2023 accelerated these developments.

The demand for professional 3D digital animations for new products continues to grow. These sophisticated instructional demonstrations are used to deliver emotional and informative content on e-commerce sites, social networks, in stores, and at training courses and events for new product launches.

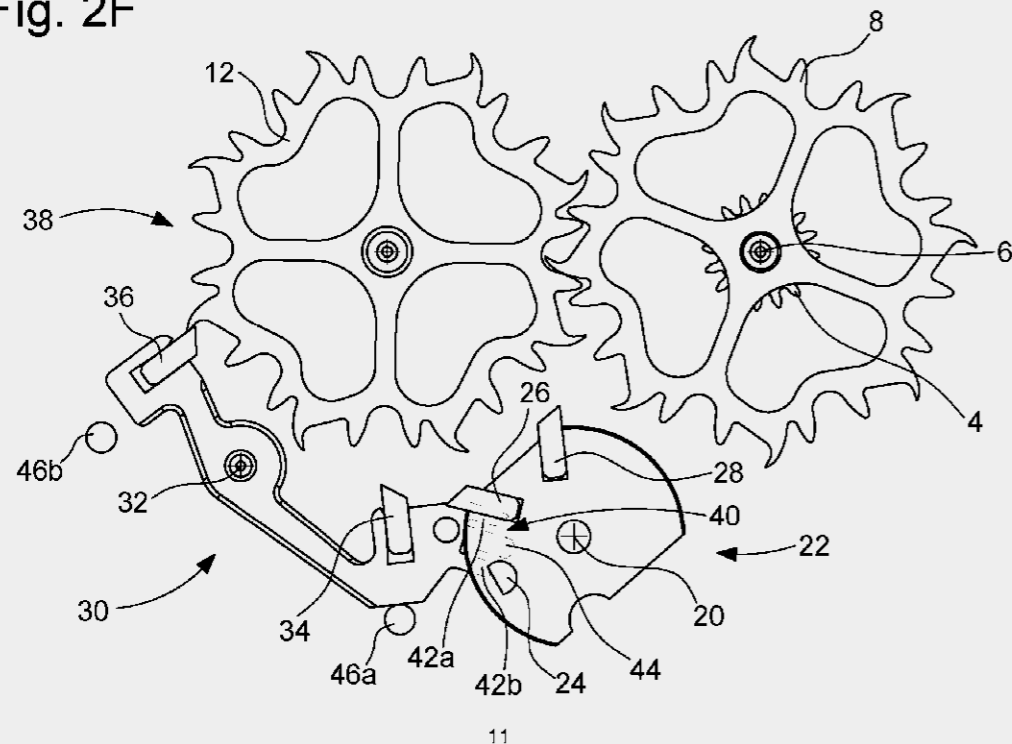
In 2023, CDNP engineers focused on finding packaging material solutions. A number of proposals with greater sustainability were developed, tested and submitted to the brands for their approval. These projects are in line with the company's eco-responsible policy.

CDNP continued to offer brands and production companies training courses on new products and 3D printing technologies. Courses like this are very important and enable the rollout of new technologies and products under the best possible conditions.

The company's role as an incubator for innovative application processes has been proven through the consolidation of the deployment of a new polishing technology, confirming CDNP's in-house expertise.

CDNP's responsiveness and flexibility, its skills and creative spirit, and its profound understanding of needs and products have made it a key partner for Swatch Group companies.

**Fig. 2F**



### ICB INGÉNIEURS CONSEILS EN BREVETS

ICB Ingénieurs Conseils en Brevets (ICB) is responsible for protecting Swatch Group's technical innovations, capitalizing on its technological expertise, monitoring markets and combating counterfeiting.

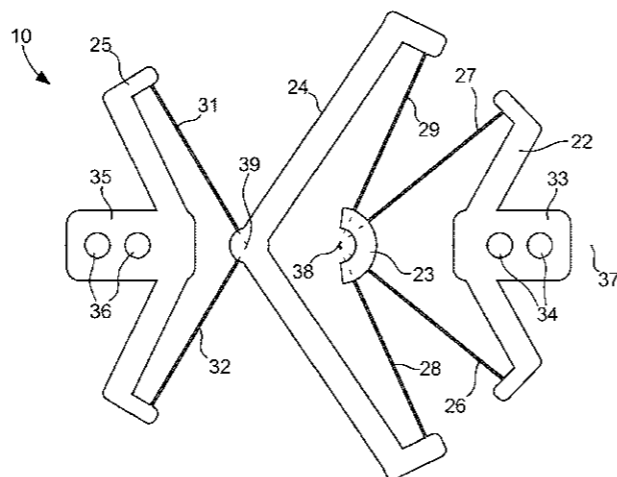
In 2023, ICB continued its ongoing invention harvesting efforts within the various Swatch Group companies and research and development divisions, with a view toward protecting its technological assets as effectively as possible. The filing of new patent applications to protect the Group's companies' innovations, as well as the related support activity, remained stable compared to previous years.

All those involved in research and development are continually made aware of the importance of patents in the strategy of an innovative company and the engineers and research teams from the different Swatch Group companies and ICB work in close collaboration with each other. This effective synergy was again particularly important in 2023 in both the watchmaking and non-watchmaking areas of the company.

Similarly, substantial efforts were made to support the brands' market penetration strategies. To this end, financial investments in obtaining patents in Switzerland and abroad for new products and developments were continued in a targeted manner, in order to cover the main markets and production sites.

In collaboration with Swatch Group's legal department, ICB continued to assist the Group's departments and companies in defending their rights, wherever and whenever necessary.

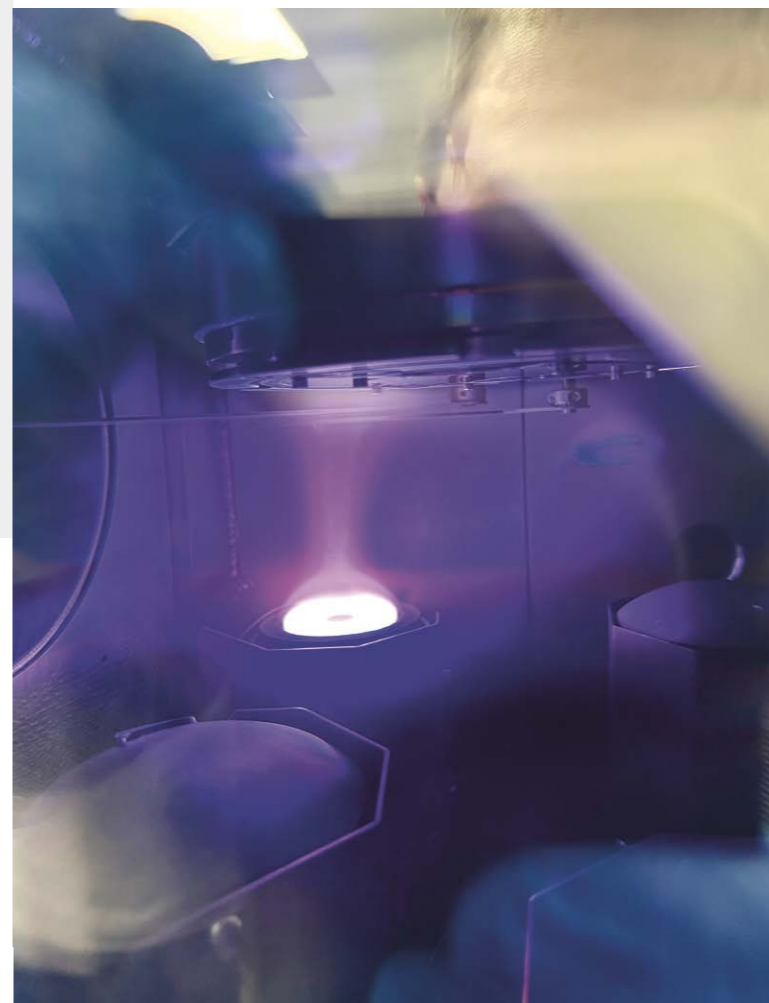
Finally, ICB's management successfully kept operating costs – particularly those related to the maintenance and acquisition of patent rights – under control.



### BELENOS

The EL-Lab electronics laboratory in Grenchen specializes in the development of electronic solutions for industry and makes its specific expertise available to the various departments of Belenos and the other Swatch Group companies. Belenos produces electronic products developed in small series on ETA production and assembly lines.

In 2023, ideas, concepts and patent applications were implemented and put into practice in the form of prototypes and test benches, including both hardware and software.



Over the past year, the EL-Lab electronics laboratory concentrated on testing the electrochemical behavior of the batteries developed in Muttenz. The company also supplied a chamber furnace for processing the ceramic cells at up to 1100 °C.

Alongside the development of new high-performance batteries, the laboratory implemented and tested various electronic solutions for monitoring and controlling battery cells using the battery management system. All the data collected are processed and utilized in a central electronic system.

Battery-related research and development work was increasingly focused on improving battery robustness, while maintaining the careful and economic use of materials and the gradual enhancement of competitiveness.

The system's high energy density requires the use of exceptionally high-performance electrolytes, which, in addition to the required efficiency, also ensure the longevity of the battery design. The electrolyte mixtures developed in conjunction with additional surface finishes showed improved robustness and enabled further advances in battery chemistry. Particular progress was made in the service life of the lithium metal anode, which makes a significant contribution to achieving the target specification in the area of energy density.

New physical and chemical methods for surface refinement were tested and successfully implemented.

Thanks to the selective investments in equipment and the recruitment and integration of new specialists, the competent and innovative team was able to develop and implement effective methods for new processes with innovative materials.

Collaboration with partners in Switzerland and abroad was intensified and made a significant contribution to gaining the innovative strength required to help Belenos develop its targeted technical solutions.

Important inventions were secured with patents. Other new developments are currently undergoing preliminary examination or have already been registered for patent protection.

### SWATCH GROUP IMMEUBLES

As in previous years, 2023 was marked by the determination of various owners and the property management team to reduce CO<sub>2</sub> emissions and pursue an energy transition aimed at achieving a carbon-neutral balance by 2050. Inflation and rising energy costs reinforced the need for swift action to contain the increase in heating and ancillary costs for tenants. In collaboration with landlords, Swatch Group Immeubles continued to upgrade its energy infrastructure, replacing several fossil-fuel boilers with new renewable energy boilers and district heating systems. At the same time, the new IT environment created by organizational changes in the property management department enabled the company to improve efficiency and to continue the development of Swatch Group Immeubles, much to the satisfaction of tenants and owners alike. The digitization of work processes also remained at the heart of the company's concerns and organizational objectives.

## DIVISION SWATCH GROUP LOGISTICS (SGL) AND DIVISION EUROPEAN DISTRIBUTION CENTER (EDC)

Swatch Group Logistics continued to support Swatch Group subsidiaries, brands and production companies throughout the world with its supply chain management activities. It notably focused on offering forward-looking solutions that meet customer expectations in terms of service levels, quality, traceability and communication.

In 2023, the production companies were able to meet the needs of the brands by using a collaborative platform and advanced planning tools to facilitate capacity and strategic stock management. Subsidiaries continued their efforts to optimize productivity in their own warehouses and provide first-class service by focusing on e-commerce.

Global inflation and rising fuel prices made transport difficult in 2023. However, thanks to stable figures and great agility in adapting routes and means of transport, it was generally possible to overcome these challenges. This situation led to the exploration of new approaches, such as working with local carriers in destination countries to achieve cost savings, particularly in key destinations such as China and the USA.

Capitalizing on information gathered by the e-commerce activity monitoring tool enabled the European Distribution Center (EDC) to define performance indicators based on various criteria. Depending on the results, proactive and reactive measures are applied by the after-sales service as well as by the EDC's operational teams. Extending the tool to all distribution channels will enable activities to be managed and controlled. International implementation is also underway.

The second area of focus was the continuous improvement of the distribution center's logistics processes, in close collaboration with the brands, the countries served and the strategic client base. Along the same lines, the EDC teams are laying the foundations for future structural, operational and organizational changes, in order to guarantee quality service while remaining flexible in the face of constant change.

## DIVISION SWATCH GROUP GEMS

The division Swatch Group Gems (SG Gems) is the diamond and gemstone purchasing center for Swatch Group brands, bringing together experts in gemology, logistics and purchasing. In 2023, the division also played an active role in the development of its customers' products, advising them on gemstone selection and sourcing, and making the most of its global knowledge of the market and gems. SG Gems provides Swatch Group brands with responsible sourcing at the best market conditions, while maintaining strict quality standards. Constantly striving to improve its services, SG Gems is a leader in its field and ensures its customers a very high level of integrity when it comes to diamond products on the market.

As is the case every year, the division benefited from the dedicated commitment of its employees, as demand for diamonds and precious stones remained buoyant in a market rendered complex by the geopolitical climate. Close collaboration with the key stakeholders, regular communication with suppliers, and meticulous control of the supply chain combined to enable SG Gems to maintain high product standards.

## DIVISION SWATCH GROUP CUSTOMER SERVICE TASK FORCE

The Customer Service Task Force plays a central role in supervising and actively supporting the various Swatch Group subsidiaries' customer service operations around the world. Staff are dedicated to the continuous improvement of processes, while the division's expertise ensures that the quality of the services offered matches the level of excellence expected by customers.

Following the reorganization of the Customer Service unit in Italy in 2022, a new IT system enhanced with an innovative workflow concept was deployed, thus expediting the delivery and enhancing the quality of services. Other projects followed in 2023, including the relocations of units in Australia and Turkey to new premises incorporating the same operational improvements.

In China, the creation of an in-house watchmaking "CS Contest" – a veritable Watchmaking Olympic Games – brought together all Customer Service professionals in an amicable competition promoting the exchange of professional knowledge and skills.

At the same time, significant progress was made in 2023 with the introduction of business intelligence (BI) tools, enabling teams to make informed decisions and optimize workflows, thereby consolidating the company's commitment to operational excellence and customer satisfaction.



## DIVISION SWATCH GROUP INFORMATION SECURITY

In 2023, the Information Security division effectively reinforced security measures for Swatch Group as well as in the various Swatch Group business units. Particular emphasis was placed on protecting them against threats associated with new and existing digital initiatives in production, finance, logistics, marketing, and human resources.

The division continued its ongoing analysis of cyber threats and monitored technological advances, enabling it to respond more rapidly and effectively to new challenges and emerging risks. Throughout the year, improvements were made in areas such as third-party risk management, operational technology security, application security, security audits, and incident detection and handling.

In line with the division's commitment to spreading a culture of information security within Swatch Group, the awareness program is continually enriched through dedicated workshops and multilingual e-learning. This comprehensive approach, combining user awareness training and technological safeguards, has proven crucial to the ongoing development of the company's security levels.

## DIVISION SWATCH GROUP INFORMATION TECHNOLOGIES

For the Swatch Group Information Technologies division, 2023 proved to be both a very positive and challenging year. In terms of projects, the Group Applications division provided extensive support to the in-country brands in the activation of e-commerce solutions and the ongoing improvement of retail and customer service solutions, as well as ERP replacement work. This was enabled by intensified collaboration between brands and countries. The IT Systems and Infrastructure division notably launched a program to standardize the IT infrastructures in all the subsidiaries. A special effort was made to increase data security by protecting it with a cyber vault-type solution. In addition, a public cloud access methodology was designed and deployed. Significant technological and organizational improvements were also implemented, mainly to support the digitization of production environments (Operation Technology).





### REAL ESTATE DEVELOPMENT DIVISION

Faced with the new challenges of climate change and sustainable development, the Real Estate Development division was very active, both in Switzerland and abroad, with Swatch Group companies.

The process of modernizing and refurbishing buildings and improving infrastructures continued, notably at Blancpain in Le Sentier (VD), Comadur in Boncourt (JU) and Les Brenets (NE), Dress Your Body in Corcelles-Cormondrèche (NE), EM Microelectronic in Marin (NE), Longines in Saint-Imier (BE), Manufacture Ruedin with the construction of a new energy-neutral administrative building in Bassecourt (JU), Nivarox-FAR in Crêt-du-Loche (NE) to restore the factory following the storm of 24 July 2023, in Fontaines (NE), and in Villeret (BE), Rado in Lengnau (BE), Tissot in Le Locle (NE), The Swatch Group Assembly in Genestrerio (TI), and in Biel (BE) both at Omega and Swatch Group Services.

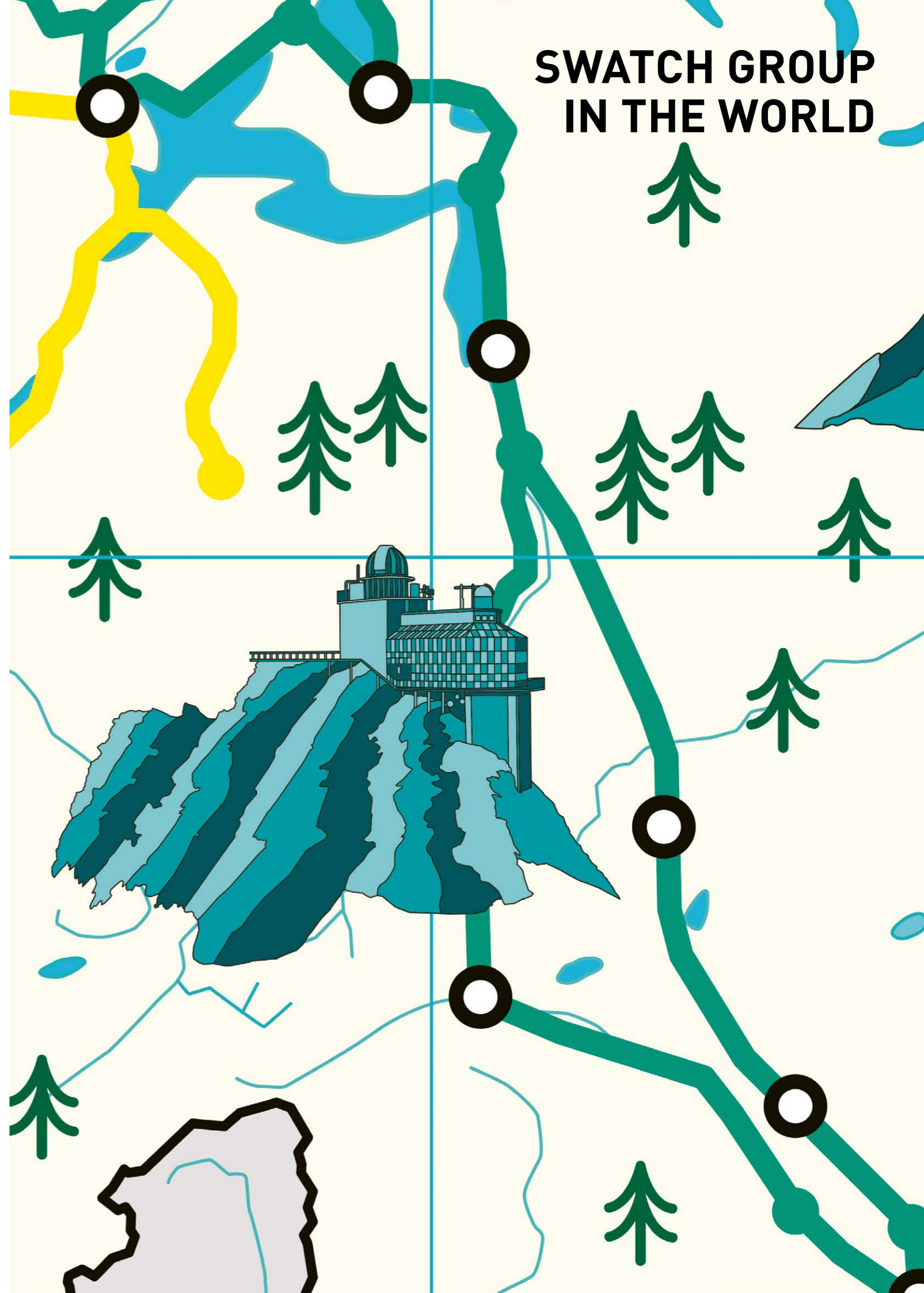
This work is part of a policy of constantly improving personal safety in the workplace, as well as maintaining production facilities. It also reflects a desire to optimize and verticalize production flows, to enhance production quality by improving infrastructures, and to support the company's policy of drastically reducing water, fossil fuel and electricity consumption. Replacing traditional energy sources with renewable energies remains a priority for the brands and production companies. The commissioning of photovoltaic installations increased significantly in 2023.

The Real Estate Development division provided consultancy, feasibility studies, and design development services to Swatch Group subsidiaries and brands.

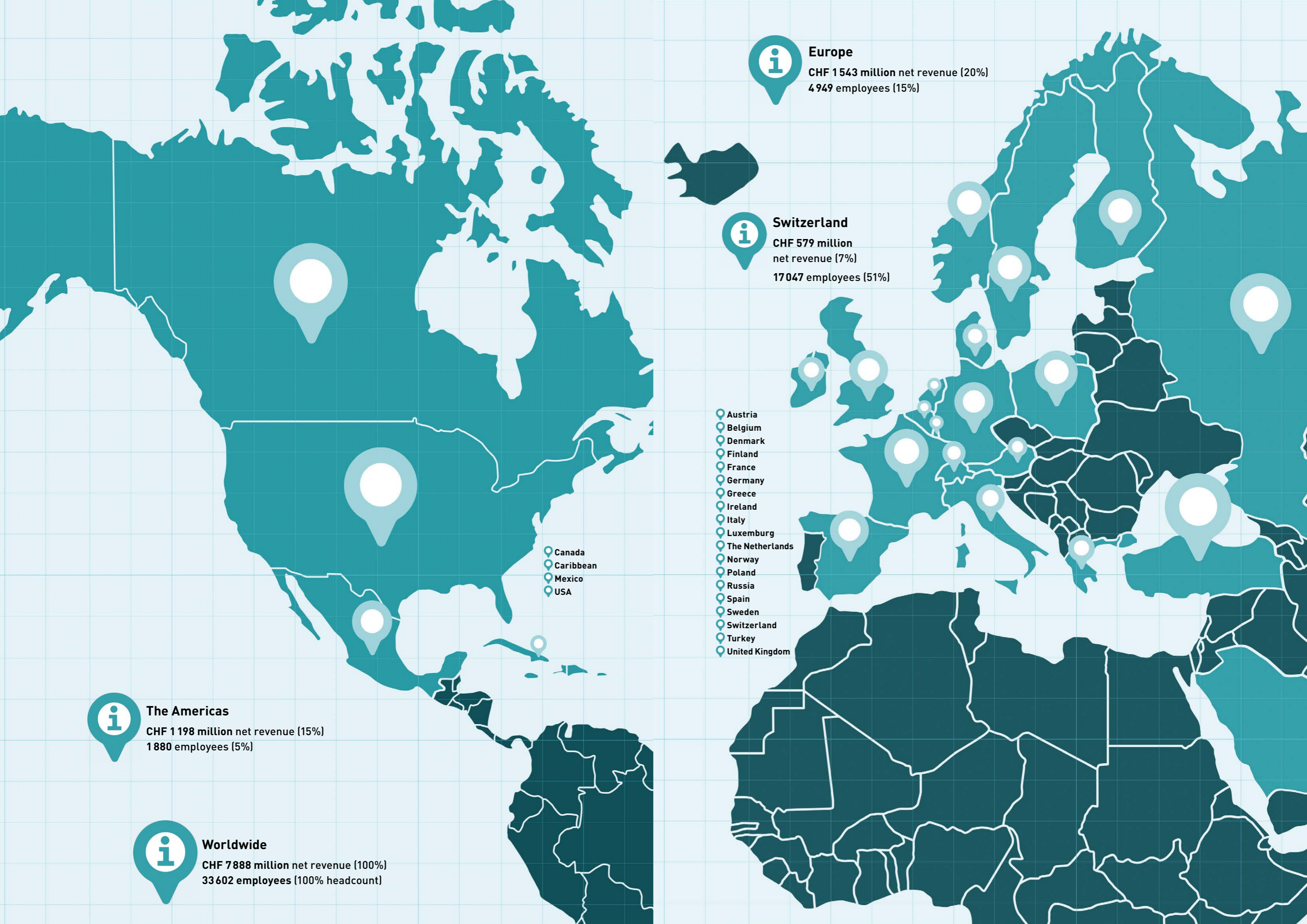
Abroad, new offices were opened for Harry Winston and prestige brands in New York City, as well as for Swatch Group brands in Riyadh.

Finally, the division's specialists were very active in developing or rejuvenating the vast network of boutiques for the most prestigious brands, including the Harry Winston sales salons in Nanjing, Shanghai and Taipei, as well as the brand's repair centers and services in Shanghai and Tokyo.

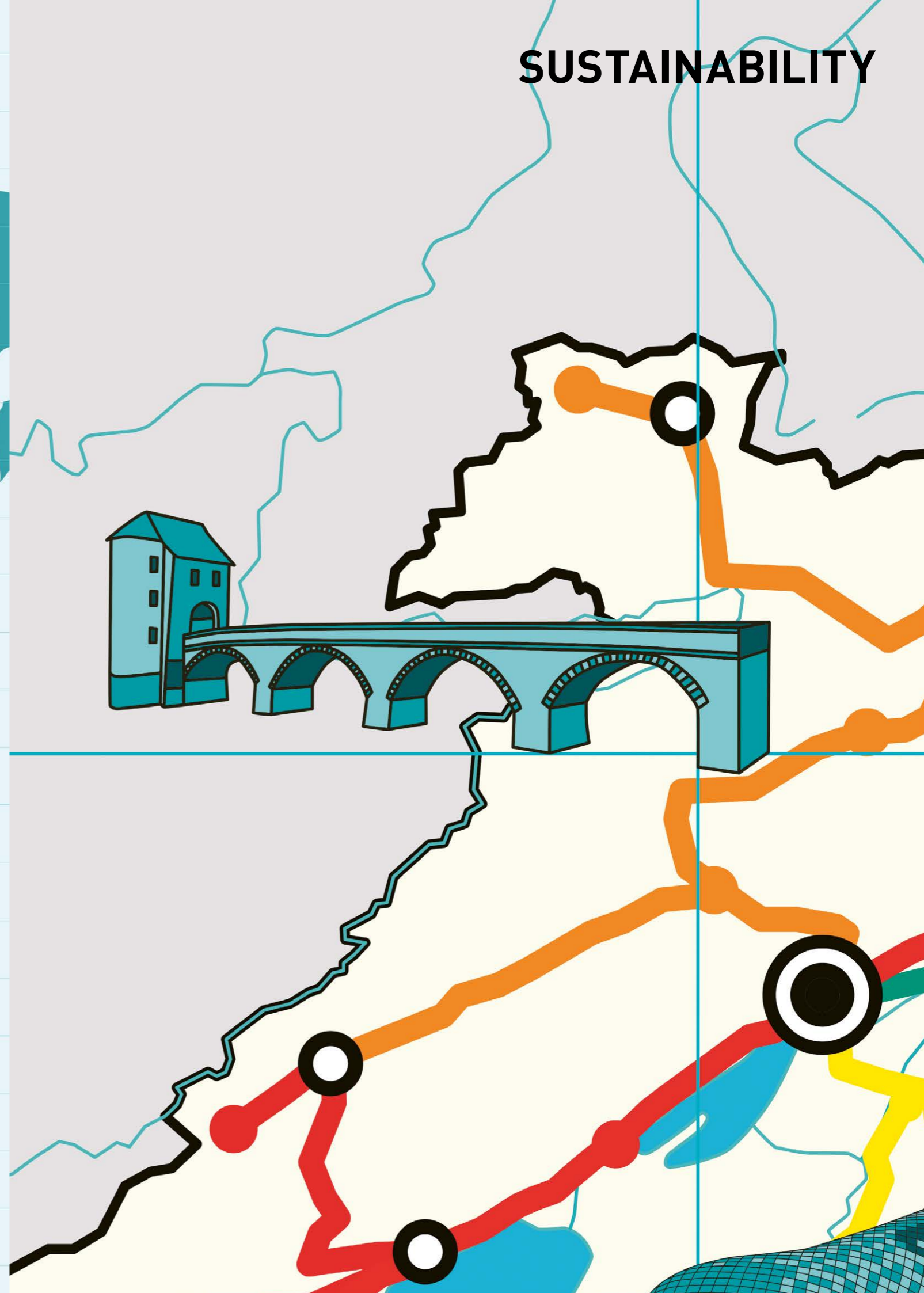
## SWATCH GROUP IN THE WORLD







# SUSTAINABILITY



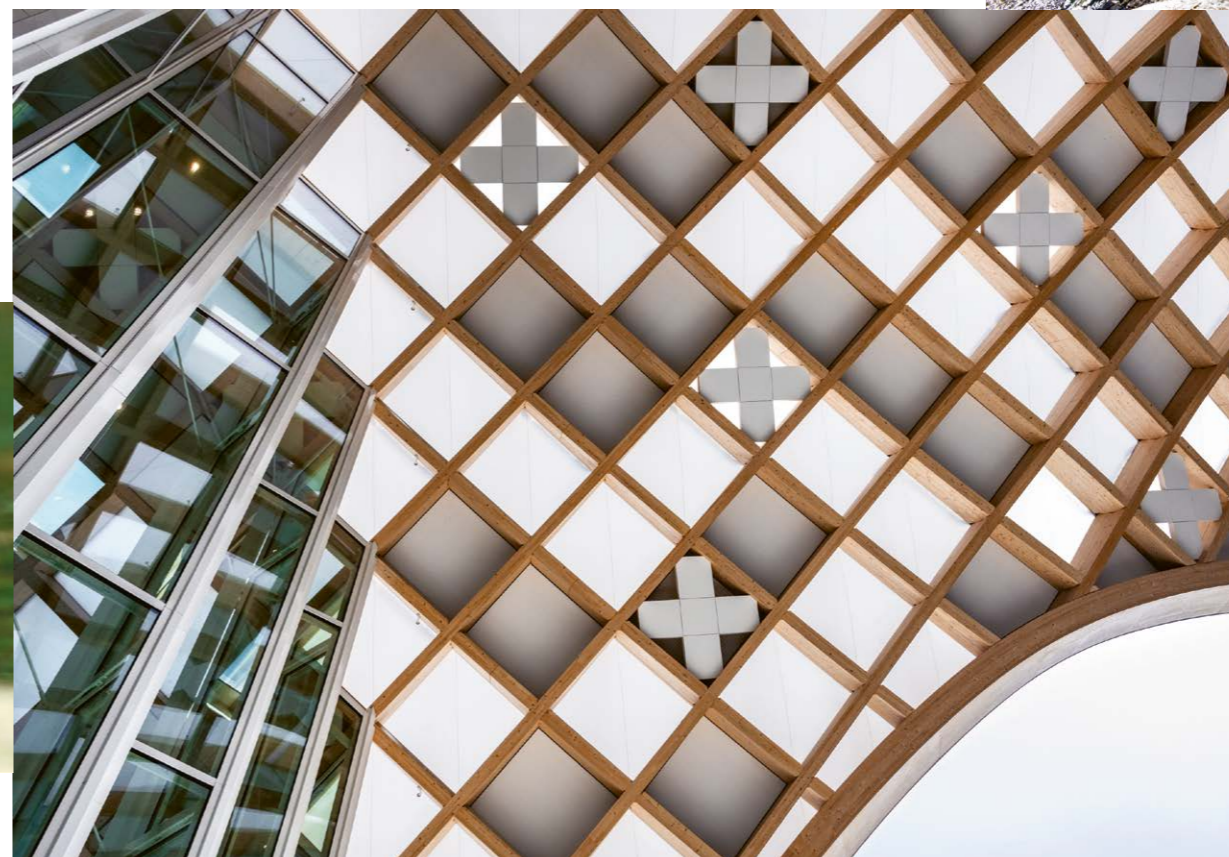
# SUSTAINABILITY



Responsible operations, responsible corporate governance, and sustainability have been integral parts of Swatch Group's corporate culture and philosophy for over 30 years. The sustainability report is more than just a retrospective of the targets that have been achieved and the initiatives that have been implemented. It also reflects, as every year, the added value being generated through Swatch Group's sustainability measures. The current balanced scorecard is taken as the new benchmark to define the further objectives to be reached and encourages continued investment and the achievement of even greater sustainability. We have therefore set ourselves long-term objectives, such as a commitment to Scope 1 and Scope 2 emission neutrality by 2050, with the awareness that the path to sustainability has to be realized step by step in order, ultimately, to achieve the defined objectives. To fulfill our ambitious vision and further anchor it at all levels, and to proceed in an even more structured and powerful manner, we not only expanded the sustainability team at the Group level in 2023 but also the entire sustainability community in our various entities.



With passion, commitment, and conviction, we are pursuing our path towards sustainability with actions every day, in all areas of our business, ever mindful of our responsibilities, particularly including our products' footprint but also the indirect impact of our operations. Environmental, ethical, and social criteria have always been an integral part of our corporate culture. Swatch Group is committed to the UN's Sustainable Development Goals (SDGs) and demonstrates how it contributes towards the achievement of these goals as a responsible company. To gain a better understanding of its overall impact, prioritize its actions in the most effective way possible, and take responsibility across the entire supply chain, Swatch Group, for the first time, evaluated the entirety of its greenhouse gas emissions in 2023 under Scopes 1, 2 and 3 of the Greenhouse Gas Protocol. These measures, among others, have been defined to guarantee the further implementation of Swatch Group's sustainability strategy. Swatch Group is also improving the circularity of its production and enhancing the awareness and training of its employees on complex issues surrounding sustainability, continuing its commitment to responsible sourcing and sustainable materials, and applying a zero-tolerance policy on corruption, modern slavery and child labor. We are positioning ourselves as an attractive and responsible employer that invests in apprenticeships and adopts a business model geared towards long-term, sustainable success.



Scan the QR code or visit [www.swatchgroup.com](http://www.swatchgroup.com) to read the sustainability report.



|  | DESCRIPTION  | SWATCH GROUP'S COMMITMENTS   |
|--|--|--|
|  | <b>Ensure healthy lives and promote well-being for all at all ages</b>   | <ul style="list-style-type: none"> <li>• Make the safety and health of employees the Group's highest priority</li> </ul>   |
|  | <b>Ensure inclusive and equitable high-quality education and promote lifelong learning opportunities for all</b>   | <ul style="list-style-type: none"> <li>• Train specialists in house through watchmaking schools and an extensive range of apprenticeship programs</li> <li>• Promote employee training and education</li> </ul>  |
|  | <b>Achieve gender equality and empower all women and girls</b>   | <ul style="list-style-type: none"> <li>• Conduct regular pay reviews</li> <li>• Increase the number of women in management roles</li> </ul>  |
|  | <b>Ensure availability and sustainable management of water and sanitation for all</b>  | <ul style="list-style-type: none"> <li>• Optimize water consumption and waste water quality in buildings and processes</li> <li>• Take care to minimize water use in production and reuse water as much as possible</li> </ul>   |
|  | <b>Ensure access to affordable, reliable, sustainable and modern energy for all</b>  | <ul style="list-style-type: none"> <li>• Develop products so that they can be operated with sustainable energy sources wherever possible and minimize energy consumption</li> </ul>  |
|  | <b>Promote sustained, inclusive economic growth, full and productive employment and decent work for all</b>  | <ul style="list-style-type: none"> <li>• Commit to manufacturing in Switzerland and training employees to become specialists</li> <li>• Be an attractive and responsible employer</li> </ul>   |
|  | <b>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</b>   | <ul style="list-style-type: none"> <li>• Remain the leader for the number of new patents in the Swiss watch industry</li> </ul>  |
|  | <b>Ensure sustainable consumption and production patterns</b>  | <ul style="list-style-type: none"> <li>• Offer durable products that can be repaired</li> <li>• Take into account sustainability in the supply chain</li> <li>• Use sustainable materials</li> <li>• Continue to increase the amount of recycled materials used</li> <li>• Switch to bio-based materials</li> </ul>    |
|  | <b>Take urgent action to combat climate change and its impacts</b>   | <ul style="list-style-type: none"> <li>• Become climate-neutral by 2050 (Scope 1 and 2)</li> <li>• Increase self-generated production of renewable energy</li> <li>• Continually increase the energy efficiency of Group facilities and processes</li> <li>• Develop products with a small carbon footprint</li> </ul> |
|  | <b>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</b>  | <ul style="list-style-type: none"> <li>• Minimize water use</li> <li>• Audit suppliers on water management</li> <li>• Reduce the use of plastics to minimize the threat of microplastics</li> </ul>  |
|  | <b>Protect, restore and promote sustainable use of terrestrial ecosystems</b>  | <ul style="list-style-type: none"> <li>• Only use certified timber</li> <li>• Do not use leather from protected or endangered species</li> <li>• Take steps to reduce emissions</li> <li>• Avoid waste</li> <li>• Use the Group's own forests sustainably and promote biodiversity</li> </ul>                          |
|  | <b>Promote peaceful and inclusive societies, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</b> | <ul style="list-style-type: none"> <li>• Take a zero-tolerance approach to corruption, modern slavery and child labor</li> <li>• Comply with international sustainability standards (RJC, Kimberley Process, etc.)</li> <li>• Safeguard and promote human rights and sustainability in supply chains</li> </ul>        |
|  | <b>Strengthen the means of implementation and revitalize the global partnership for sustainable development</b>  | <ul style="list-style-type: none"> <li>• Swatch Group brands support specific actions taken on sustainability by third parties</li> </ul>  |



# CORPORATE GOVERNANCE

## 1. Group structure and shareholders

### 1.1 Group structure

Swatch Group is active worldwide and represented in all market and price segments in the watch sector with 17 brands and in the jewelry sector. In addition, it holds an outstanding industrial position with a high degree of verticalization in the production sector as well as the strategically important sector of electronic systems. In the corporate sector, the operational units which provide services for the whole Group are centralized. Swatch Group has lean and efficient management structures at all levels. While the Board of Directors deals with the overall management, strategic and supervisory tasks, the operative executive duties are incumbent on the Executive Group Management Board, which is supported by the Extended Group Management Board. An overview of the operational and of the distribution organizations is given on pages 4 and 5. The fully consolidated companies, of which only The Swatch Group Ltd is listed on the Stock Exchange, are given on pages 169 to 172 with each company's name, domicile, share capital and the percentage of shares held. The shares of The Swatch Group Ltd are listed on the SIX Swiss Exchange AG and BX Swiss AG, the bearer shares are listed under ISIN number CH0012255151; and the registered shares are listed under ISIN number CH0012255144.

|          |              |                   |
|----------|--------------|-------------------|
| ISIN:    | CH0012255144 | registered shares |
|          | CH0012255151 | bearer shares     |
| Reuters: | UHRN.S       | registered shares |
|          | UHR.VX       | bearer shares     |

Further information concerning market capitalization and earnings per share is shown on page 192.

The corporation's registered office is located in Neuchâtel, Faubourg de l'Hôpital 3. The administrative headquarters are in Biel/Bienne, Seedorstadt 6.

### 1.2 Significant shareholders

As at 31 December 2023, the Hayek Pool, related parties, institutions and persons control 62 463 349 registered shares and 738 026 bearer shares, totalling 43.3% (previous year 43.3%) of all the votes.

The Hayek Pool comprises the following members per 31 December 2023:

| Name / Company   | Location                 | Beneficial owners                                   |
|--|--------------------------|---|
| Community of heirs of Marianne and Nicolas G. Hayek represented by Nayla Hayek | Meisterschwanden         | Community of heirs of Marianne and Nicolas G. Hayek |
| Wat Holding AG   | Meisterschwanden         | Community of heirs of Marianne and Nicolas G. Hayek |
| Ammann Group Holding AG  | c/o Walder Wyss AG, Bern | Descendants U. Ammann-Schellenberg sen.             |
| Swatch Group Pension Fund  | Neuchâtel                | -   |

The companies, institutions and persons close to the Hayek Pool but which do not formally belong to the Hayek Pool and who hold shares of The Swatch Group Ltd per 31 December 2023 are:

| Name / Company  | Location                          | Beneficial owners                                   |
|---|-----------------------------------|---|
| Hayek Holding AG  | Meisterschwanden                  | Community of heirs of Marianne and Nicolas G. Hayek |
| Community of heirs of Marianne and Nicolas G. Hayek and family members  |                                   | Community of heirs of Marianne and Nicolas G. Hayek |
| Personalfürsorgestiftung der Hayek Engineering AG                       | Meisterschwanden                  | -   |
| Ammann families (pension funds, foundations and individuals, Madisa AG) | c/o Ammann Group Holding AG, Bern | Represented by Daniela Aeschlimann                  |
| Fondation d'Ébauches SA et des maisons affiliées                        | Neuchâtel                         | -   |
| Various welfare foundations 1)  | various                           | -   |

1) Wohlfahrtsstiftung der Renata AG and Caisse de pensions des cadres Swatch Group

The community of heirs of Marianne and Nicolas G. Hayek controls directly, through related parties and institutions and in the context of the Pool, 42.7% (previous year 42.7%) of all the votes. Third party Pool members are represented therein; they comprise 3.3% of all the voting rights.

On 31 December 2023, no other individual shareholder or group of shareholders holding more than 5% was known to the Company. If a person subject to this obligation reaches, falls below or exceeds the threshold of voting rights according to Art. 120 FinMIA, this person is obliged to issue a corresponding notification. For the sake of simplicity, reference is made to the website of the Disclosure Office "https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/", where the current and updated disclosures of significant shareholders can be found.

### 1.3 Cross-shareholdings

Swatch Group holds no cross-shareholdings.

## 2. Capital structure

### 2.1 Capital

On 31 December 2023, the capital structure of The Swatch Group Ltd was as follows:

| Share category                              | Quantity    | Par value per share | Total par value in CHF |
|---|-------------|---------------------|------------------------|
| Registered shares                           | 116 919 500 | CHF 0.45            | 52 613 775.00          |
| Bearer shares                               | 28 936 000  | CHF 2.25            | 65 106 000.00          |
| <b>Total share capital as at 31.12.2022</b> |             |                     | <b>117 719 775.00</b>  |

### 2.2 Capital band and conditional capital

No capital band and no conditional capital exist as at 31 December 2023.

### 2.3 Changes in capital

Over the past three years, the share capital of The Swatch Group Ltd changed as follows:

| Balance sheet date | Registered shares at CHF 0.45 | Bearer shares at CHF 2.25 | Share capital in CHF  |
|--------------------|-------------------------------|---------------------------|-----------------------|
| 31.12.2021         | 116 919 500                   | 28 936 000                | 117 719 775.00        |
| 31.12.2022         | 116 919 500                   | 28 936 000                | 117 719 775.00        |
| <b>31.12.2023</b>  | <b>116 919 500</b>            | <b>28 936 000</b>         | <b>117 719 775.00</b> |

The detailed evolution of equity, reviewed by the auditors for the consolidated financial statements for the years 2022 and 2023, is published on page 141. For The Swatch Group Ltd, it is published for the years 2022 and 2023 in note 10 on page 184. With regard to the previous years, we refer to the Annual Reports of 2019, 2020 and 2021.

### 2.4 Shares and participation notes

The shares of the Company listed in point 2.1 are fully paid in. Each share carries one vote. Both categories of shares confer equal entitlement to dividends according to their nominal value. No participation notes have been issued.

### 2.5 Benefit certificates

No benefit certificates exist.

### 2.6 Limitations on transferability and nominee registrations

The Statutes of Swatch Group stipulate that the Board of Directors shall refuse the registration of new shares, if the new shareholder fails to give an express written declaration to the effect that he or she acquired the shares in his/her own name and for his/her own account. Furthermore, the Board of Directors refuses a registration if the purchaser, either alone or in conjunction with related persons, already holds 5% or more of the registered share capital (either directly or indirectly) at his/her disposal, or would exceed this threshold with the new acquisition (Art. 9 para. 3 of the Statutes). The Board of Directors may approve exceptions to this rule in special cases. No such exceptions were requested in the period under review.

Insofar as an individual or a legal entity was already entered in the share register before the reporting date of 31 May 1997 with 5% or more of the registered share capital, the Board of Directors must approve the registration even though the percentage threshold has been exceeded. The same exception applies for related persons (spouse, descendant, brother, sister), transfers due to inheritance or matrimonial property rights as well as certain transfers between legal entities or individuals subject to the exception (Art. 9 para. 6 and 7 of the Statutes).

Where a share purchaser presents an application for recognition as a shareholder of the Company, he/she shall be regarded as a shareholder without voting rights until the company has recognized him/her as a shareholder with voting rights. If the Company fails to refuse the purchaser's application for recognition within 20 days, he/she shall be acknowledged as a shareholder with voting rights. A shareholder who has no voting right may exercise neither the voting right nor the other associated rights.

### 2.7 Convertible bonds

Swatch Group currently has no outstanding convertible bonds.

### 2.8 Options

In 2018, Swatch Group transferred shares from its share buyback program of 2008 into the share option plan. With regard to the content of this portfolio as at 31 December 2023, reference is made to Note 13 on page 154. In 2023, 179 811 registered shares were sold at a preferential price of CHF 4.– per registered share in accordance with the following details:

| Year of issue | Number of registered shares | Number of beneficiaries | Year of subscription/payup |
|---------------|-----------------------------|-------------------------|----------------------------|
| 2021          | 57 738                      | 178                     | 2023                       |
| 2022          | 61 644                      | 184                     | 2023                       |
| 2023          | 60 429                      | 188                     | 2023                       |
| <b>Total</b>  | <b>179 811</b>              |                         |                            |

In addition, the Group gave participating managers the following options to subscribe in the future to further registered shares at preferential prices as follows:

| Year of issue | Number of registered shares | Number of beneficiaries | Year of subscription/payup |
|---------------|-----------------------------|-------------------------|----------------------------|
| 2022          | 57 310                      | 179                     | 2024                       |
| 2023          | 60 296                      | 187                     | 2024                       |
| 2023          | 60 453                      | 187                     | 2025                       |
| <b>Total</b>  | <b>178 059</b>              |                         |                            |

The allocation results from personnel reviews and proposals for employees who stood out through special achievements in the past year and have performed with above-average commitment. The allocation is then approved by the Board of Directors / the Compensation Committee. It allows a first purchase of a third of the promised number of registered shares in the current year, which can be paid up and claimed immediately, and another third in one and two years respectively. The beneficiaries may choose to block their shares for a vesting period of 5 or 10 years. With the exception of Mrs Nayla Hayek and Mr Nick Hayek no members of the Board of Directors received options or shares under this plan.

## 3. Board of Directors

### 3.1 Members of the Board of Directors

The Board of Directors on 31 December 2023 was composed as follows:

**Nayla Hayek**, Swiss citizen, Dr h.c. European University Montreux, has been Chairwoman of the Board of Directors of Swatch Group since 30 June 2010. She has been on the Board of Directors of Swatch Group since 1995. As a member of the World Arabian Horse Organization (WAHO), and as an international Arabian horse judge, Mrs Hayek's top-level contacts contribute to many of the business and promotional activities of Swatch Group and she is responsible for the local organization in Dubai (Swatch Group Middle East) on site. Mrs Hayek is Chairwoman of the Board of Directors of the Rivoli Group, Dubai and represents there the interests of Swatch Group. Following the acquisition of Harry Winston as per 26 March 2013, Mrs Hayek was appointed president and CEO of this new business entity. She is also a member of the Board of Directors of Belenos Clean Power Holding Ltd and Chairwoman of the Board of Directors of Wat Holding AG. As Chairwoman of the Board of Directors of Hayek Holding AG, she is responsible for Hayek Engineering AG and Hayek Immobilien AG. She holds no official function or political office.

**Ernst Tanner**, Swiss citizen, has been on the Board of Directors of the Swatch Group since 1995. He has been Vice-Chairman of the Board of Directors since 29 June 2011. Since 2017, Mr Tanner has been the Executive Chairman of the Lindt & Sprüngli Group. From 1993 to 2016 he was the Group CEO and Chairman. Before his activity with Lindt & Sprüngli, he was for over 25 years, in leading management positions with the Johnson & Johnson Group in Europe and the USA, ending up as Company Group Chairman Europe. In addition, he is a member of the Board of Directors of the German Krombacher Brauerei GmbH & Co. KG. Otherwise, he exercises no other executive or advisory functions and holds no official function or political office.

**Nick Hayek**, Swiss citizen, pursued two years' study at the University of St. Gallen (HSG), then attended the Film Academy CLCF in Paris. He has been President of the Executive Group Management Board since 2003 and member of the Board of Directors since 2010. Mr Hayek has worked with Swatch Group since 1992, first as Swatch Ltd Marketing Manager, then as Swatch Ltd President and finally as Delegate of the Board of Directors of Swatch Ltd. In the mid-eighties, he founded his own production company, Sesame Films in Paris, and worked in Switzerland and abroad. His involvement in a number of film productions (e.g., a series of documentaries for Swiss television), then the production of a number of short films (e.g., 1st prize at the Thessaloniki Film Festival, an official contribution to the Cannes Film Festival, etc.) and his activity as producer and director of two feature films, «Das Land von Wilhelm Tell» and «Family Express» with Peter Fonda (a film that earned him the prize for the best Swiss comedy at the Charlie Chaplin Comedy Film Festival in Vevey) resulted in his being called upon to advise on various Swatch projects in the early '90s and to assume responsibility for several Swatch exhibitions (such as that of Lingotto in Turin). Mr Hayek is a member of the Board of Directors of the CSEM (Centre suisse d'électronique et de microtechnique) and Chairman of the Board of Directors of Belenos Clean Power Holding Ltd.

**Prof. Dr h. c. Claude Nicollier**, Swiss citizen, graduated in physics and astrophysics from the Universities of Lausanne and Geneva. Mr Nicollier has been a member of the Board of Directors since 2005. He resigned from his activities as an astronaut at the European Space Agency ESA in March 2007. As an astronaut, he was particularly active in the Atlantis 1992, Endeavour 1993, Columbia 1996 and Discovery 1999 space missions. The aim of the Endeavour and Discovery missions was the execution of repair work on the Hubble Space Telescope, which was a complete success. The Universities of Geneva and Basel and the École Polytechnique Fédérale de Lausanne, where Mr Nicollier teaches as an honorary professor at the school of engineering, have conferred honorary doctorates on him. Mr Nicollier was involved in the «Solar Impulse»-Project, responsible for the test flights. Since 2008 he is member of the Board of Directors of Belenos Clean Power Holding Ltd. Mr Nicollier does not exercise any operative functions at Swatch Group, has no business relationship with Swatch Group and holds no political office.

**Dr Jean-Pierre Roth**, Swiss citizen, Dr oec. Graduate Institute (HEI) Geneva, has been a member of the Board of Directors since 2010. Following postgraduate studies at the Massachusetts Institute of Technology in the USA, Mr Roth taught at the University of Geneva and at the Graduate Institute (HEI). In 2009, the University of Neuchâtel conferred on him an honorary doctorate in economics. Jean-Pierre Roth joined the Swiss National Bank in 1979 where he was active in various areas in Zürich and Bern. On 1 May 1996 he was appointed Vice President of the Board and on 1 January 2001 he was elected President of the Board. Jean-Pierre Roth was Swiss governor of the International Monetary Fund (IMF) in Washington. From 1 March 2006 until end of February 2009 he was Chairman of the Board of Directors of the Bank of International Settlements (BIZ) in Basel. At the end of 2009, Mr Roth resigned as President of the Swiss National Bank. He was elected as President of the «Banque cantonale de Genève» and member of the Board of Swiss Re and of Nestlé Ltd in 2010. Over the past years, Mr Roth has retired from the aforementioned positions, due to advanced age. In 2014, he was elected as member of the Board of MKS (Switzerland) Ltd, followed by his election as Chairman of the Board in 2020. In December 2021, Mr Roth retired from that position to assume the chairmanship of MKS PAMP GROUP (UK). Since 1 July 2017, Mr Roth has acted as Vice President of the Arab Bank (Switzerland) Ltd and took over as Vice President of Gonet et Cie SA on July 1, 2023.

**Daniela Aeschlimann**, a Swiss national, has been a member of the Swatch Group Board of Directors since 2016. Ms Aeschlimann studied business economics and graduated with a Bachelor of Science in Business Administration from Lucerne University of Applied Sciences. In 2016, she successfully completed an Executive MBA at the University of St. Gallen. Since 2010, she has been a member of the Board of Directors of the Avesco Group and since 2013, has also served as the Board's Vice President. Ms Aeschlimann serves on several other boards of directors and trustees including, notably, a seat on the Board of Directors of Belenos Clean Power Holding SA that she has held since 2014.

Except where mentioned otherwise, none of the members of the Board of Directors exercises an executive function in Swatch Group, or was part of the management of a company of Swatch Group during the three years preceding the reporting period. Further, aside from their mandate as a member of the Board of Directors, the non-executive members of the Board of Directors do not entertain any material business relationship with Swatch Group.

Insofar as mandates with organizations outside the Swatch Group are concerned, the above statements contain the relevant information on mandates with significant organizations. A comprehensive overview of third-party mandates at other companies can be found in the Compensation Report ("Activities at other companies")

### 3.2 Elections and terms of office

The members of the Board of Directors are elected at the Ordinary General Meeting of the shareholders for a term of one year. The period between two Ordinary General Meetings is regarded as one year. The members of the Board shall be eligible for re-election at any time. There is no limit on the age and/or term of office. According to Article 19 of the Swatch Group Statutes, the votes and elections take place openly, except where the Chairperson orders a written or electronic election or vote. One or more shareholders, who together dispose of not less than 10% of the represented votes, may require written votes or elections.

First-time election and remaining term of office of the members of the Board of Directors:

| Name                           | First-time election | Term of office |
|--------------------------------|---------------------|----------------|
| Nayla Hayek                    | 1995                | up to 2024     |
| Georges Nicolas Hayek          | 2010                | up to 2024     |
| Prof. Dr h.c. Claude Nicollier | 2005                | up to 2024     |
| Dr Jean-Pierre Roth            | 2010                | up to 2024     |
| Ernst Tanner                   | 1995                | up to 2024     |
| Daniela Aeschlimann            | 2016                | up to 2024     |

On the occasion of the General Meeting 2023, the members of the board of directors were re-elected for another term of one year. Mr Jean-Pierre Roth was designated as the representative of the bearer shareholders and Mrs Nayla Hayek as representative of the registered shareholders.

### 3.3 Changes in the Board of Directors

In the year under review, there were no changes in the Board of Directors.

### 3.4 Number of permissible mandates

According to art. 40 of the Swatch Group Statutes, no member of the Board of Directors shall hold more than four additional directorships in listed companies and ten additional directorships in unlisted companies. The following are not covered by these restrictions (i) directorships in companies which are directly or indirectly controlled by the Company or which control the Company, (ii) directorships held by a member of the Board of Directors on behalf of or at the request of the Company or a company controlled by it, provided that no member of the Board of Directors shall hold more than 20 such directorships, and (iii) mandates in associations, charitable organizations, non-profit foundations and employee welfare foundations, as long as no member of the Board of Directors shall hold more than 30 such mandates. Directorships shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a comparable foreign register. Directorships in different legal entities that are under joint control or same beneficial ownership are deemed one directorship.

### 3.5 Internal organizational structure of the Board of Directors

At the General Meeting 2023, the Chairwoman of the Board of Directors (Mrs Nayla Hayek) was elected by the shareholders (until the next General Meeting). Moreover, the Board of Directors is self-constituting. It appointed a Vice-Chairman (Mr Ernst Tanner) from its midst. The office of Secretary to the Board of Directors is held by Mrs Jennifer Meyer-Kluge. The Secretary to the Board of Directors is not a member of the Board. The term of office of the Chairman, the Vice-Chairman and the Secretary respectively is one year. They are all re-eligible for a further term of office. If an officer is replaced, the successor completes the remainder of the term of the predecessor. The Board of Directors has an Audit Committee and a Compensation Committee at its disposal. These committees, which sit separately (normally immediately following an ordinary meeting), because of the relatively small number of company directors, comprise all the members of the Board of Directors. The Audit Committee is chaired by Mrs Nayla Hayek. The office of Chair of the Compensation Committee is held by Mr Ernst Tanner, Vice-Chairman of the Board of Directors. The Chairwoman of the Audit Committee and the

Chairman of the Compensation Committee were elected by the Board of Directors at their first meeting after the General Meeting 2023.

The Audit Committee is mainly responsible for the supervision of the financial reporting and for the evaluation of the internal and external audit. The Audit Committee has particularly fulfilled the following functions:

- Review of the audit reports,
- Reinforcement of points which the auditing firm raised,
- Determination of the audit focal points,
- Discussions of the efficiency of the internal control system including risk management,
- Appraisal of the performance, remuneration and independence of the external auditors,
- Dealing with special questions of the financial statements (for further details see also point 8.3).

The Compensation Committee concerns itself with the compensation policy of the company. It supports the Board of Directors in determining the compensation systems and the principles of compensation as well as the preparation of proposals to the General Meeting with regard to the approval of compensation. The Compensation Committee can submit proposals and recommendations to the Board of Directors in all compensation matters.

The Compensation Committee deals with all questions in the field of compensation and proposes solutions for the attention of the Board of Directors. The Board of Directors is the decision-making body. It submits the required resolutions to the General Meeting for approval. Further details can be found in the separate Compensation Report for the business year 2023.

The Board of Directors does not have a Nomination Committee at its disposal. The tasks of the Nomination Committee (determination of the criteria for the selection of candidates for election as members of the Board of Directors, selection procedure, etc.) are carried out directly by the Board of Directors, in view of the small number of members.

In the year under review, the Board of Directors met six times. The meetings lasted approximately three to four hours. The Compensation Committee met twice and the Audit Committee met four times.

The members of the Executive Group Management Board regularly attend the ordinary meetings of the Board of Directors (second part). The President (CEO) of the Executive Group Management Board, the Chief Financial Officer (CFO) and, if necessary, any other members of the Executive Group Management Board, attend the meetings of the Audit Committee. The Chief Financial Officer (CFO) participates in the meetings of the Compensation Committee as he attends to the personnel issues of the members of the Executive Group Management Board and Extended Group Management Board. Where there are discussion points concerning a person present, that person withdraws from the meeting.

### 3.6 Definition of areas of responsibility

The Board of Directors is the highest executive body responsible for the overall administration of the Group. It adopts strategic decisions and defines the means necessary for attaining the long-term goals. It determines, inter alia, the participation and appointment of the members of the Executive Group Management Board, the Extended Group Management Board and the heads of the main Group companies. Moreover, the Board of Directors approves the annual budgets of the Group and its affiliated companies. The Board of Directors prepares the General Meeting and drafts the Annual Report as well as the Half-Year Report.

The Board of Directors has delegated the current operative business to the Executive Group Management Board, the Extended Group Management Board and to the management of The Swatch Group Ltd.

The Executive Group Management Board is responsible for implementing Group strategies. It sets strategies and objectives for the Group companies and supervises their management.

The Extended Group Management Board supports and advises the Executive Group Management Board in its operative tasks. It makes suggestions for the development of the Group strategy.

The individual members of the Executive and Extended Group Management Boards manage their allocated areas within the framework of Group policy and in accordance with guidelines set by the Executive Group Management Board. The management of The Swatch Group Ltd. is responsible for the current operative business of The Swatch Group Ltd.

### 3.7 Information and control instruments

Each member of the Board of Directors can request to receive information on all issues concerning the Company and on important issues concerning the Group companies.

The members of the Executive Group Management Board report at the Board of Directors meetings on current business and important business issues. In particular, the members of the Board of Directors regularly receive detailed information regarding turnover and results and trends for the Group and Group Divisions. Furthermore, important business issues, new products and the Group's financial status are reported in detail. Moreover, extraordinary occurrences are immediately brought to the attention of the Board.

Outside of these meetings, each member of the Board of Directors may seek information on the general progress of business from authorized management (after informing the Chairwoman). With due authorization of the Chairwoman, they may also demand direct information on individual business transactions. Should the Chairwoman reject an application for information, a hearing or an inspection (which has never occurred so far), the entire Board of Directors shall decide at the request of the applicant.

The Chairwoman of the Board of Directors has an audit team available, which she may deploy in specific cases.

## 4. Group Management (Executive Group Management Board/Extended Group Management Board)

As of 31 December 2023

### 4.1 Members of the Executive Group Management Board

**Nick Hayek**, Swiss citizen, pursued two years' study at the University of St. Gallen (HSG), then attended the Film Academy CLCF in Paris. He has been President of the Executive Group Management Board since 2003 and a member of the Board of Directors since 2010, Mr Hayek has worked with Swatch Group since 1992, first as Swatch Ltd Marketing Manager, then as Swatch Ltd President and finally as Delegate of the Board of Directors of Swatch Ltd. In the mid-eighties, he founded his own production company, Sesame Films in Paris, and worked in Switzerland and abroad. His involvement in a number of film productions (e.g., a series of documentaries for Swiss television), then the production of a number of short films (e.g., 1st prize at the Thessaloniki Film Festival, an official contribution to the Cannes Film Festival, etc.) and his activity as producer and director of two feature films, «Das Land von Wilhelm Tell» and «Family Express» with Peter Fonda (a film that earned him the prize for the best Swiss comedy at the Charlie Chaplin Comedy Film Festival in Vevey) resulted in his being called upon to advise on various Swatch projects in the early '90s and to assume responsibility for several Swatch exhibitions (such as that of Lingotto in Turin). Mr Hayek is a member of the Board of Directors of the CSEM (Centre suisse d'électronique et de microtechnique) and of Belenos Clean Power Holding Ltd.

**Florence Ollivier-Lamarque**, French citizen, lawyer, has been a member of the Extended Group Management Board since 1992 and of the Executive Group Management Board since 2005. Ms Ollivier-Lamarque has been with the Group since 1988 when it took over the Société Inthor, Paris, which distributed some of the Group's watches in France. At that time, she worked as Swatch and Tissot Brand Manager. In 1990, she took over the management of Swatch Group France and in 2002 the management of Swatch Group France Les Boutiques. She was responsible for Swatch Group France and Swatch Group France Les Boutiques until end of 2018 as well as for Italy, Spain, Belgium and The Netherlands. Ms Ollivier-Lamarque is responsible for the watch brand Flik Flak, member of the Board of the Colbert Committee and Vice President of the Fédération de l'Horlogerie, Paris.

**Raynald Aeschlimann**, Swiss citizen, graduated with a degree in economics and an M.A. from the University of St. Gallen (HSG). He was appointed to the Swatch Group's Extended Group Management Board in 2013. Since 2020, Mr Aeschlimann has been a member of the Group Management Board. Since 2016, he has been President and CEO of Omega Ltd. Prior to that, he had been Vice President and International Director of Sales, Retail and Distribution at Omega Ltd. since 2001. He joined Omega in 1996 as Sales and Marketing Project Manager. He was also Brand Manager of Omega and Blancpain Spain in 2000 and has been the Group Coordinator for the Swatch Group's subsidiaries in India since 2010, and responsible for South Korea since 2023. Mr Aeschlimann is on the Executive Board of the Federation of the Swiss Watch Industry FH. He had previously worked at Longines and Complementa AG in St. Gallen from 1992 to 1996.

**Pierre-André Bühler**, Swiss citizen, technical education, has been a member of the Extended Group Management Board since 2008 and of the Executive Group Management Board since 2013. Mr Bühler started his career within the Group in 1977 as manager of the industrialisation division at Michel SA in Grenchen. Later he held executive functions at ETA (Technical Manager of the division Michel) and at Nivarox (Production Manager). Before taking over the general management of ETA, Mr Bühler worked as managing director of Nivarox-Far (Le Locle). Since September 2019, he has been CEO of DYB, responsible for new industrial technologies for the Group and responsible for Comadur and Mecos in the Executive Group Management Board. He represents Swatch Group on the Executive Board of the Federation of the Swiss Watch Industry FH and is a member of the Board of Directors of CSEM, as well as a member of the Foundation Board of FLRH (Fondation en faveur d'un Laboratoire de Recherches Horlogères).

**Marc Alexander Hayek**, Swiss citizen, Dr h.c. European University Montreux, holds a bachelor's degree in economics and has undertaken further training in marketing and economics. He became a member of the Extended Group Management Board in 2002 and of the Executive Group Management Board in 2005 with responsibility for Blancpain, Blancpain Habillage, Breguet, Jaquet Droz and Glashütte Original as well as for CHH Microtechnique and Swatch Group Central and South America. Since August 2017, Mr Hayek has been a member of the Board of Directors of Belenos Clean Power Holding Ltd and since 2019, Vice President and Delegate. He joined Blancpain as Marketing Manager in 2001. Mr Hayek had previously worked as an independent entrepreneur (Restaurant Colors, Zurich) and had been employed by Swatch in the PR area and by Certina in marketing.

**Thierry Kenel**, Swiss citizen, holds a doctorate in economics, a degree in mechanical engineering and a postgraduate degree in the management of technology. As a Member of the Extended Group Management Board since 2009 and of the Executive Group Management Board since 2012, he is responsible for Corporate Finance, Reporting, Investor Relations and Swatch Group Luxembourg. Mr Kenel has been with Swatch Group since 2003, first as Group Controller in the business segment Electronic Systems and subsequently as Head of Finance, IT and Administration at Montres Breguet SA. Prior to joining Swatch Group, Mr Kenel was a lecturer and researcher in the field of economics at the University of Lausanne; before that, he was a member of the Board of Directors and the management of the Flumroc-Spoerry group of companies. Mr Kenel represents Swatch Group in the Board of economiesuisse, the Convention Patronale and the Federation of the Swiss Watch Industry FH, where he presides over the Economic Commission. Mr Kenel continues to be a private lecturer on finance and financial reporting at the University of Lausanne (HEC) as well as at the Swiss Institute of Certified Accountants and Tax Consultants. He is also a member of the Liaison Committee University-Industry at the University of Lausanne (HEC).

**Peter Steiger**, Swiss citizen, who has a doctorate in public economics, has been a member of the Extended Group Management Board since 2002 and a member of the Executive Group Management Board since 2019, with responsibility for Corporate Controlling and Logistics as well as Swatch Group Singapore, Swatch Group UK, Swatch Group Germany, Swatch Group Mexico and Swatch Group US. He started his career with the Group in 1989 as Head of Finance and Administration with PC Quartz. Later, Mr Steiger held leading finance and logistics positions within various Group companies (among others, Swatch and Longines). Before joining Swatch Group, he had worked with international groups in Switzerland and abroad (Shell, Philips).

**François Thiébaud**, French citizen, studied management at the ICG Institut Contrôle de Gestion, Paris and law at the University of Besançon. He has been a member of the Extended Group Management Board since 1998 and of the Executive Group Management Board since 2006, with responsibility for Mido, Certina, Union Glashütte and the Swiss market. He joined Swatch Group in 1996 as President of Tissot. Previously, he had been active as Delegate of the Board of Directors of Juvenia and General Manager of Breitling for 13 years. He represents the Group in the AMS Association des fournisseurs d'horlogerie, marché suisse (Chairman).

### 4.2 Members of the Extended Group Management Board

**Matthias Breschan**, Austrian citizen, graduated from the Vienna School of Economics and has been a member of the Extended Group Management Board since 2005. He is responsible for Longines, Swatch Group Taiwan, and Swatch Group Austria. Mr Breschan has been the President of Longines since July 2020. Previously, he was the President of Rado for nine years, managed Hamilton for seven years and worked as Area Sales Manager for three years at Swatch Telecom. Between his activities at Hamilton and Swatch Telecom he was Managing Director of Aldi in France (Aldi Marché Est). Before joining Swatch Group, Mr Breschan worked for Texas Instruments and Alcatel Mobile Phones in the product marketing, international marketing and sales areas.

**Sylvain Dolla**, French and Swiss citizen, holds a master's degree from Toulouse Business School. He has been a member of the Extended Group Management Board since 2020, with responsibility for Tissot, Swatch Group France, Swatch Group Belgium, Swatch Group Greece and Swatch Group Netherlands. Sylvain Dolla has been CEO of Tissot since July 2020. He joined Swatch Group in 2004, where he first held the position of Head of High-Tech & Access at Swatch. He then became Head of Sales International at Hamilton before serving as the brand's president for nine years. Before joining Swatch Group, Sylvain Dolla worked in various technology companies in Paris, London, Atlanta and Dubai.

**Daniel Everts**, Swiss citizen, lic. iur., attorney-at-law, MBA from INSEAD in Fontainebleau, France, has been a member of the Extended Group Management Board since 2019 and is responsible for Swiss Timing, Swatch Group Nordics (Sweden, Norway, Denmark, Finland), and Swatch Group Poland. He joined Swatch Group in 2010. Since 2016, he has held the position of Chief Legal Officer Corporate & Industry and is responsible for the legal support of the Group companies in the areas of production, electronic systems and corporate. Before joining Swatch Group, Daniel Everts worked as a lawyer in international commercial law firms. He represents Swatch Group as a delegate to the Swiss Watch Industry Employers' Association (Convention Patronale) and is a board member of the Swiss Employers' Association (SAV).



**Fadi Ghalayini**, Lebanese citizen, holds a Bachelor of Science (major in business computing) as well as an MBA from the Lebanese-American University, and has been a member of the Extended Management Board since 2022. Mr Ghalayini joined Swatch Group in 2003 and successively took responsibility for Rado, Longines and then Blancpain for the Middle East, North Africa and Turkey. In 2009, he was appointed Vice President Sales of Tiffany Watch Co. Ltd. and later supported the management of Swatch Group India. Since 2013, Fadi Ghalayini has held the position of Global Vice President Sales Harry Winston. Prior to joining Swatch Group, he worked in various large companies active in the luxury goods and selective retail sectors.

**Mireille Koenig**, Swiss citizen, lic. iur., lawyer, LL.M. (Chinese Law) from Hong Kong University. A Member of the Extended Group Management Board since 2019, she is responsible for Swatch Group Russia and Swatch Group Australia as well as the legal interests of the brands and international subsidiaries. Mireille Koenig joined the Swatch Group Legal Department in 2009 and has been Chief Legal Officer Brands & Countries since 2016. She represents Swatch Group as a delegate on the Legal Committee of the Swiss Watch Industry Association (FH). Prior to joining Swatch Group, Mireille Koenig worked for several years as a lawyer in an international business law firm and in a senior position at a Chinese management consultancy in Shanghai.

**Lionel a Marca**, Swiss citizen, has been a member of the Extended Group Management Board of the Swatch Group since 2019, responsible for Breguet and MOM Le Prélet. He completed a technical education as a qualified rhabilleur watchmaker at the EHMP (Ecole Horlogerie Mircrotechnique) in Porrentruy. Mr a Marca has been Vice President of Blancpain since 2004 and Vice President of Harry Winston as Head of Technical and Development Management since 2015. Previously, he was Head of Product at Blancpain for two years. He also served as consultant and project manager for Swatch Group Quality Management and as watchmaker for complications at ETA, as well as at Frédéric Piguet SA. Before joining Swatch Group, Lionel a Marca was a rhabilleur watchmaker in various watch companies in the Jura region.

**Calogero Polizzi**, Italian and Swiss citizen, holds a diploma in information technology from the Industrial Technical Institute L. Cobianchi in Verbania, Italy. He joined Swatch Group in 1999 and has been Head of Information Technology at the Swatch Group level since 2005. Mr Polizzi is a member of the management of Swatch Group Services, and has been President and CEO of Swatch Group Italy since 2019. He became a member of the Extended Group Management Board in 2013. At this level, he also has the responsibility for Information Technology, Swatch Group Italy, and Hamilton. In addition, he is responsible for connected watches and the software aspects of the new Swiss Operating System for IoT (Internet of Things). He worked as IT Manager at Swatch Group Italy and later as Head of IT at Swatch Group Distribution. Between these two assignments, he was Chief Information Officer at Tod's S.p.A. Before joining Swatch Group, Mr Polizzi worked at Whirlpool where he was engaged in various information technology positions at the international level.

**Michel Willemin**, Swiss citizen, holds a doctorate in natural sciences from the University of Zurich, a degree in physics from the University of Neuchâtel, and is a qualified ETS engineer in electronics and electrical engineering. Since 2022, he is member of the Extended Management Board, where he is responsible for EM Microelectronic-Marin, Renata, and Micro Crystal. Mr Willemin joined Swatch Group in 2001 as a designer of integrated circuits for sensor interfaces at EM Microelectronic-Marin SA. Since 2010, he has been CEO of Asulab and Moebius, divisions of The Swatch Group Research and Development Ltd. In addition, he has been CEO of EM Microelectronic-Marin SA since 2011. Before joining Swatch Group, Mr Willemin worked at the CSEM (Swiss Center for Electronics and Microtechnology) in optics and image sensor design. He is a member of the Swiss Academy of Engineering Sciences (SATW).

Insofar as mandates with organizations outside the Swatch Group are concerned, the above statements contain the relevant information on mandates with significant organizations. A comprehensive overview of third-party mandates at other companies can be found in the Compensation Report ("Activities at other companies")

#### 4.3 Number of permissible mandates

According to art. 40 of the Statutes, no member of the Group Management Board shall hold any directorships in listed companies and more than four additional directorships in unlisted companies. The following are not covered by these restrictions (i) directorships in companies which are directly or indirectly controlled by the company or which control the company, (ii) directorships held by a member of the Group Management Board on behalf of or at the request of the company or a company controlled by it, provided that no member of the Group Management Board shall hold more than 20 such directorships, and (iii) mandates in associations, charitable organizations, non-profit foundations and employee welfare foundations, as long as no member of the Group Management Board shall hold more than 30 such mandates. Directorships shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a comparable foreign register. Directorships in different legal entities that are under joint control or same beneficial ownership are deemed one directorship.

#### 4.4 Employment Contracts

The contracts of employment with the members of the Executive and the Extended Group Management Board are entered into for an indefinite period of time and can be terminated by both parties with a six month notice period. In case of a termination, no termination payment will be due. No entry bonus is paid by Swatch Group when entering new contracts (Golden Hellos).

In case of an exit there are no other entitlements to any compensation.

#### 4.5 Changes in the Executive Group Management Board resp. Extended Group Management Board

In March 2023, Mr Hans-Rudolf Gottier retired from the Extended Group Management Board. Otherwise, there were no changes in the Executive Group Management Board or the Extended Group Management Board during the year under review.

#### 4.6 Management Contracts

Within the framework of a global contract, Hayek Engineering AG, Zurich, placed its management personnel in particular at the disposal of operational activities, as well as in the areas of real estate and logistics.

### 5. Compensation, shareholdings and loans / credits

#### 5.1 Compensation

The material elements of the compensation principles, of the tasks and competences in the field of compensation, of the composition and function of the Compensation Committee and of the various compensation elements, etc. are exposed in a separate compensation report. Additionally, it is pointed out that according to Art. 32 para. 7 of the Statutes, the compensation may be awarded in the form of cash, shares, in kind or in the form of services; with regards to the executive members of the Board of Directors and the members of the Group Management Board, their compensation may in addition be awarded in the form of other participation rights, options, or similar instruments or units. The Board of Directors or, to the extent delegated to it, the compensation committee shall determine the applicable conditions relating to the grant, the exercise as well as the deadlines, possible blocking periods and forfeiture conditions.

The separate Compensation Report also covers the loans, credits, post-employment benefits and share programs and is thus referred to here.

#### 5.2 Participation programs

The aims of the management stock option plan of the Swatch Group are to honor performances of the main Management members, strengthen the motivation and the sense of responsibility in the Group, further the loyalty to the firm as well as the stability of the managing employees and promote a favorable wealth increase. The allocation of shares results from an individual performance report. The voting rights of the shares in possession of the plan will not be exercised.

The share program is described in the Compensation Report.

An overview of the shares and options owned by the members of the Board of Directors, Executive Group Management Board and Extended Group Management Board and persons being closely related to them at 31 December 2023 may be consulted on page 197.

### 5.3 Loans, credits

Loans and credits to members of corporate bodies are considered in the Compensation Report.

### 5.4 Approval by the General Meeting

Pursuant to Art. 31 of the Statutes, the General Meeting shall annually approve the motions of the Board of Directors in relation to the aggregate amounts of (i) the maximum fixed compensation of the members of the Board of Directors for the period until the next Ordinary General Meeting, (ii) the maximum fixed compensation of the members of the Group Management Board for the current business year, (iii) the variable compensation of the executive members of the Board of Directors for the completed business year and (iv) the variable compensation of the members of the Group Management Board for the completed business year. The Board of Directors may propose additional motions thereof to the General Meeting or motions which vary from those mentioned above, to the extent permitted by law.

The company or companies controlled by it shall be organized to pay to persons who become members of the Group Management Board or are being promoted within the Group Management Board after the General Meeting has approved the compensation of the Group Management Board for the relevant period a supplementary amount during the compensation period(s) already approved, if the maximum aggregate amount of compensation already reapproved by the General Meeting is not sufficient to cover their compensation. The supplementary amount shall not exceed 40% of the last approved aggregate amount of compensation of the Group Management Board.

In the event that the General Meeting does not approve a motion of the Board of Directors, the Board of Directors shall determine, taking into account all relevant factors, the respective (maximum) aggregate amount or (maximum) partial amounts. The Board of Directors shall submit the amount(s) so determined for approval by the same General Meeting, a subsequent Extraordinary General Meeting or the next Ordinary General Meeting.

The company or companies controlled by it may pay out compensation prior to the approval by the General Meeting subject to the subsequent approval by the General Meeting.

## 6. Shareholders' participation

### 6.1 Voting rights and representation restrictions

For the exercise of voting rights, no shareholder may combine, either directly or indirectly, more than 5% of the total shareholders' equity in respect of his/her own shares and those represented by him/her. This limitation does not apply to the shares which are excluded from the registration prohibition (point 2.6 above). Nor does this restriction apply to the exercise of voting rights by the independent voting-rights representative.

Furthermore, pursuant to Art. 16(4) of the Statutes, the Board of Directors is entitled to make exceptions to the limitations in special cases. No exceptions were requested or granted during the business year. A modification of the representation restrictions is only possible through a change of the provisions of the Statutes. For such modification, a decision of the General Meeting with a relative majority is required.

Shareholders who cannot attend the General Meeting in person may arrange to be represented by their legal representative, by another shareholder entitled to vote or by the independent voting-rights representative.

### 6.2 Statutory quorums

In addition to the special quorum regulations provided in Art. 704 CO, the Statutes also apply the same quorum regulation (two-thirds of the votes represented and an absolute majority of the par values of shares) for dismissing members of the Board of Directors.

### 6.3 Convocation of the General Meeting of Shareholders

The General Meeting is convened pursuant to Articles 13 and 14 of the Statutes. Shareholders who together own at least 10% of the share capital can, at any time, request in writing the convening of an extraordinary general meeting. Such an extraordinary general meeting shall be held within 40 days of the date of receipt of such a request.

### 6.4 Agenda

Shareholders who represent shares with a par value of one million Swiss francs may submit a written request for a meeting to be held to discuss a particular subject; the motions tabled shall likewise be indicated [see Article 14 (3) of the Statutes].

### 6.5 Entries in the share register

As a general rule, the share register is closed for entries 20 days before each General Meeting.

## 7. Changes of control and defence measures

### 7.1 Duty to make an offer

Art. 10 of the Statutes provides that a shareholder who acquires shares either directly or indirectly or in agreement with third parties and by so doing exceeds the limit of 49 % of voting rights, including the shares that he/she already possesses, regardless of whether those rights can or cannot be exercised, shall be required to make an offer to purchase all the listed shareholding papers of the Company (Art. 10 of the Statutes in conjunction with Art. 135 FinMIA).

### 7.2 Clauses on changes of control

There are no agreements with members of the Board of Directors, the Executive Group Management Board or other managerial staff for the case of a change in the shareholder structure.

## 8. Auditors

### 8.1 Duration of the mandate and term of office of the lead auditor

PricewaterhouseCoopers Ltd has, since 1992, performed the function of external auditor of the Group. Before that, the predecessor organizations had already served as auditors for the Group and many of its companies.

Mr. Thomas Brüderlin, as head auditor (Engagement Partner), has been responsible for the audit and Group audit since the 2018 accounting year.

### 8.2 Auditing fees and additional fees

The following fees from audit companies were charged to the 2023 financial statements:

| (CHF million)            | Audit fees | Consultancy for taxes and duties | Other services | Total      |
|--------------------------|------------|----------------------------------|----------------|------------|
| PricewaterhouseCoopers   | 4.6        | 1.7                              | 0.2            | 6.5        |
| Other Auditing Companies | 0.6        | 0.8                              | 0.3            | 1.7        |
| <b>Total 2023</b>        | <b>5.2</b> | <b>2.5</b>                       | <b>0.5</b>     | <b>8.2</b> |
| Total 2022               | 5.1        | 2.1                              | 0.6            | 7.8        |

Audit fees relate to audit of the statutory financial statements of Group companies according to local standards, as well as internal financial statements according to Swiss GAAP FER. The position *Taxes and duties* includes consultancy fees in the areas of direct and indirect taxes, transfer prices, customs duties, control technology and reporting. Under *Other services*, all other fees from audit companies are disclosed, such as for IT support, risk management, bookkeeping services and others.

### 8.3 Supervisory and control instruments pertaining to the audit

The supervision and final verification of the external audit is exercised by the Audit Committee, and by the full Board of Directors, respectively (see also the duties and functions as described under 3.5). The Audit Committee evaluates together with the Group Management the performance of the auditors and recommends the independent external auditor to the Board of Directors for election by the General Assembly. As a general rule, the Audit Committee meets twice a year with the auditors. The auditors prepare a report for the Audit Committee regarding the findings of the audit, the financial statement and the internal control. Together with the auditors, the audit focus points for the following review period are determined and the audit related key risks established by the auditors are discussed. In collaboration with Group Management the independence of the auditors is evaluated annually. In particular and for this purpose, the worldwide fees of the audit are presented, discrepancies with the estimated costs analysed and explained and the budget for the following audit period determined. The appointment of the auditor is subject to an approval procedure.

## 9. Information policy

Swatch Group plans to report on the business of the Group at the following times:

- 23 January 2024 Publication of key figures 2023
- 21 March 2024 Publication of the Annual Report 2023 and the Sustainability Report 2023 / Press conference
- 08 May 2024 General Meeting
- 31 July 2024 Publication of 2023 half-year results

The list may change during the year, if dates are adjusted or added. The information is always published in the Swiss and international press and also published in the publications of leading international banks.

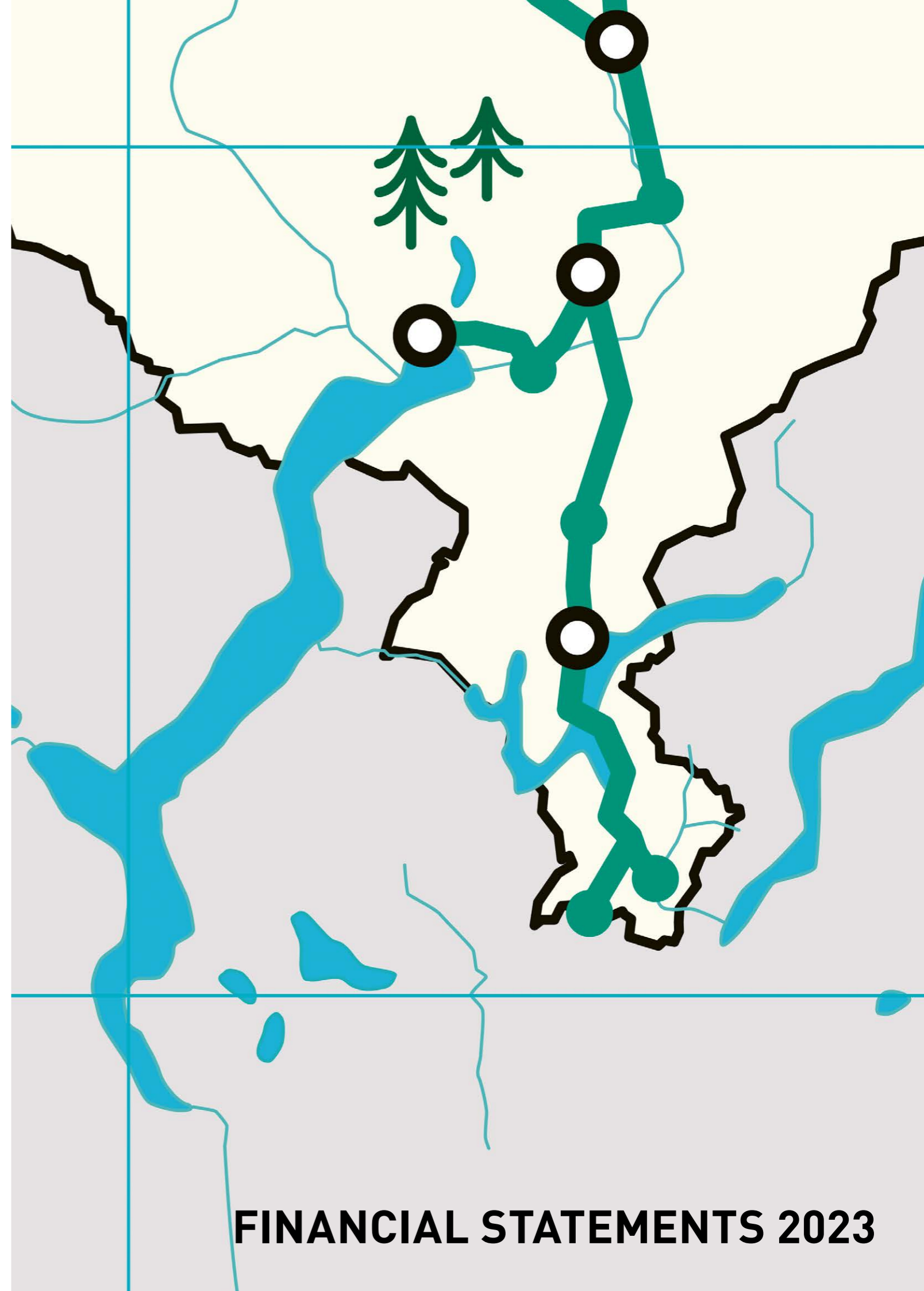
This information can also be obtained from the Swatch Group website at [www.swatchgroup.com](http://www.swatchgroup.com), and in particular in the "Investor Relations" section. The Annual Report can also be viewed and downloaded using the link "<https://www.swatchgroup.com/en/investors-space/annual-report>". In addition, the [swatchgroup.com](http://swatchgroup.com) homepage allows for the possibility of subscribing to the Push-and-Pull information service in order to receive ad-hoc financial announcements.

For queries, there is a contact form at [www.swatchgroup.com/contactus](http://www.swatchgroup.com/contactus). Queries may also be sent by post (The Swatch Group Ltd., Seevorstadt 6, CH-2501 Biel) or by fax to +41 32 343 69 11 or by telephone on +41 32 343 68 11.

## 10. Quiet periods

From the compilation of the first forecasts of Swatch Group's annual results and half-year results and until their publication, the members of the Board of Directors, the Group Management Board, and the Extended Group Management Board, as well as the persons who are involved in the closing or who have knowledge of the key figures are not permitted to make transactions with Swatch Group shares or their derivatives. Transactions by related parties of the above-mentioned persons are also covered by the quiet periods. The concerned individuals are informed personally and/or by written notification about the beginning, the scope, and the end of the quiet periods.

Trading was blocked a total of three times during the reporting period. This was for the 2022 annual results (from Friday, December 16, 2022 after the close of trading until and including the publication of the results; publication was on January 24, 2023), for the 2023 half-year results (from Friday, June 16, 2023 after the close of trading until and including the publication of the results; publication was on July 13, 2023) and for the 2023 annual results (from Friday, December 15, 2023 after the close of trading until and including the publication of the results; publication was on January 23, 2024). No exceptions to these quiet periods were granted in the reporting period.



**CONSOLIDATED FINANCIAL STATEMENTS**

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**FINANCIAL STATEMENTS OF THE SWATCH GROUP LTD** **178****THE SWATCH GROUP LTD SECURITIES** **192****1. Key figures Group**

| [CHF million]                   | 2023          | 2022   | Change in %       |                 |             |
|---------------------------------|---------------|--------|-------------------|-----------------|-------------|
|                                 |               |        | at constant rates | currency effect | Total       |
| <b>Net sales</b>                | <b>7 888</b>  | 7 499  | 12.6%             | -7.4%           | <b>5.2%</b> |
| <b>Operating result</b>         | <b>1 191</b>  | 1 158  |                   |                 | <b>2.8%</b> |
| - In % of net sales             | 15.1%         | 15.4%  |                   |                 |             |
| <b>Net result</b>               | <b>890</b>    | 823    |                   |                 | <b>8.1%</b> |
| - In % of net sales             | 11.3%         | 11.0%  |                   |                 |             |
| <b>Equity</b>                   | <b>12 258</b> | 12 051 |                   |                 | <b>1.7%</b> |
| - As a % of balance sheet total | 86.1%         | 86.7%  |                   |                 |             |
| <b>Dividend in CHF 1)</b>       | <b>2023</b>   | 2022   |                   |                 |             |
| - Per bearer share              | <b>6.50</b>   | 6.00   |                   |                 |             |
| - Per registered share          | <b>1.30</b>   | 1.20   |                   |                 |             |

1) For the year under review: Board of Directors' proposal

With its 17 brands, the Swatch Group is present in all segments, and is a fully verticalized company, from production to distribution. The Group has an ideal set-up worldwide, with its own retail network including e-commerce and its own customer service. The Group continuously makes long-term investments, not only in research and development of innovative and unique products, but also in the close to 150 production facilities in Switzerland and in worldwide distribution. As a result, the Group occupies an unparalleled position in the Swiss as well as the worldwide watch industry.

## 2. Environment / Financial year

### Development net sales and operating result

| 2023<br>(CHF million)   | Watches &<br>Jewelry | Electronic<br>Systems | Corporate   | Elimination | Total        |
|-------------------------|----------------------|-----------------------|-------------|-------------|--------------|
| <b>Net sales</b>        | <b>7 546</b>         | <b>359</b>            | <b>9</b>    | <b>-26</b>  | <b>7 888</b> |
| <b>Operating result</b> | <b>1 298</b>         | <b>27</b>             | <b>-134</b> | <b>0</b>    | <b>1 191</b> |
| - In % of net sales     | 17.2%                | 7.5%                  |             |             | 15.1%        |
| 2022<br>(CHF million)   | Watches &<br>Jewelry | Electronic<br>Systems | Corporate   | Elimination | Total        |
| Net sales               | 7 145                | 371                   | 9           | -26         | 7 499        |
| Operating result        | 1 232                | 47                    | -121        | 0           | 1 158        |
| - In % of net sales     | 17.2%                | 12.7%                 |             |             | 15.4%        |

At constant exchange rates, Group sales for the full year were 12.6% above the previous year. The hugely negative currency impact was CHF 554 million or 7.4%, which weighed on profitability accordingly. The rapid erosion of major currencies against the Swiss franc could not be offset by continuous price adjustments.

Despite the challenging currency environment and the deliberate increased investments in marketing, the Watches & Jewelry segment (including Production) maintained the same strong operating margin as in the previous year, at 17.2%.

The segment's export figures, at +11.9% as at the end of November 2023, were well above those published by the Federation of the Swiss Watch Industry, at +7.9%. This confirms the market share gains of the Group brands in all regions, and especially in the lower price segment thanks to Swatch. In Asia, double-digit growth was achieved in Hong Kong SAR, Macao, Thailand, India, Japan, and China. Europe posted single-digit sales growth, though sales sky-rocketed in Switzerland with a rise of over 30%. In North America, the strong growth trend continued, with the Omega, Tissot and Swatch brands breaking records.

Demand for the MoonSwatch, the iconic, non-limited collection from Omega and Swatch, remained very high all year. Sales figures reached new heights all over the world. Swatch stores were virtually besieged by customers during the monthly sales of the Moonshine Gold editions. The new collaboration between Blancpain and Swatch launched in September with the Scuba Fifty Fathoms collection, was also a huge success globally. Blancpain subsequently recorded a strong increase of traffic in its own stores and is currently unable to meet the massive demand for original Fifty Fathoms models.

The share of the segment's total sales attributed to retail rose to almost 45%. Average sales per store were up 20% year on year. Swatch posted record growth of over 60%, followed by Longines, Tissot, and Harry Winston with growth in the high double digits.

Good utilization of the Group's own production facilities improved profitability in the segment Production.

Despite sales erosion due to the persistent weakness of the major currencies USD and EUR, the segment Electronic Systems maintained sales at practically the same level as in the previous year, at CHF 359 million (+1.1% at constant rates, -3.2% at current rates). Micro Crystal, the highly profitable player in the automotive and medical industries, suffered a temporary fall in profits in 2023. The high volume of catch-up orders it had benefited from in the previous year, due to the shortage of chips, dropped off in 2023. For 2024, Micro Crystal is expecting a return to growth and increased profitability.

### Development net result

| (CHF million)                          | 2023         | 2022  |
|--|--------------|-------|
| <b>Operating result</b>                | <b>1 191</b> | 1 158 |
| Net financial result                   | -41          | -62   |
| <b>Ordinary result</b>                 | <b>1 150</b> | 1 096 |
| Non-operating result                   | 2            | 0     |
| <b>Result before income taxes</b>      | <b>1 152</b> | 1 096 |
| Income taxes                           | -262         | -273  |
| <b>Net result</b>                      | <b>890</b>   | 823   |
| - In % of net sales                    | 11.3%        | 11.0% |
| <b>Basic earnings per share in CHF</b> | <b>2023</b>  | 2022  |
| - Registered shares                    | <b>3.35</b>  | 3.11  |
| - Bearer shares                        | <b>16.76</b> | 15.57 |

The net financial result for the year under review closed with a loss of CHF 41 million (previous year: loss of CHF 62 million), primarily influenced by a strongly negative net currency result. Further details to the net financial result can be found in Note 18 of the consolidated financial statements.

Income tax expense in relation to net income before tax was 22.7% in the year under review or CHF 262 million (previous year: 24.9% or CHF 273 million). A detailed analysis of income tax expense is disclosed in Note 27 to the consolidated financial statements.

Net result totaled CHF 890 million or +8.1% compared to the previous year.

In the current year, basic earnings per share amounted to CHF 3.35 for registered shares (previous year: CHF 3.11) and CHF 16.76 for bearer shares (previous year: CHF 15.57). Detailed information can be found in Note 15 of the consolidated financial statements.

The Board of Directors of the Swatch Group will propose a 8.3% higher dividend of CHF 1.30 per registered share and CHF 6.50 per bearer share at the Annual General Meeting on 8 May 2024 (previous year: CHF 1.20 per registered share and CHF 6.00 per bearer share).

## FINANCIAL REVIEW

## Development balance sheet structure

| (CHF million)                      | 2023          | 2022   |
|------------------------------------|---------------|--------|
| <b>Current assets</b>              | <b>10 502</b> | 10 393 |
| <b>Current liabilities</b>         | <b>1 220</b>  | 1 126  |
| <b>Equity</b>                      | <b>12 258</b> | 12 051 |
| – As a % of balance sheet total    | 86.1%         | 86.7%  |
| <b>Average return on equity 1)</b> | <b>7.3%</b>   | 7.0%   |

1) Net result as a percentage of average equity (previous year plus year under review, divided by two)

Current liabilities were covered by current assets by a factor of 8.6 (previous year: 9.2). This factor indicates a very healthy structure of the short-term balance sheet positions.

At the end of the year under review, the equity amounted to CHF 12.3 billion (previous year: CHF 12.1 billion). The equity ratio was 86.1% of total assets (previous year: 86.7%).

## Development liquidity

| (CHF million)   | 2023         | 2022  |
|---|--------------|-------|
| <b>Cash and cash equivalents at 1 January</b>   | <b>2 176</b> | 1 887 |
| Cash flow from operating activities   | 615          | 724   |
| Cash flow from investing activities   | -768         | -114  |
| Cash flow from financing activities (incl. foreign exchange rate differences on cash) | -407         | -321  |
| <b>Cash and cash equivalents at 31 December</b>                                       | <b>1 616</b> | 2 176 |

After-tax operating cash flow generated in the year under review was CHF 615 million, a decrease of 15.1% against the previous year, mainly due to precautionary increase in safety stock.

Across all segments, Swatch Group invested a total of CHF 803 million in non-current operating assets<sup>1)</sup> in the year under review (previous year: CHF 399 million).

The dividend payment of CHF 311 million (previous year: CHF 285 million) was the main cash flow item from financing activities. The net liquidity<sup>2)</sup> at the end of the year was CHF 1 988 million (previous year: CHF 2 540 million).

## 3. Outlook

The Group anticipates excellent opportunities for further growth in local currencies in 2024. The jewelry brand Harry Winston will surpass one billion in turnover in 2024. The brands Swatch and Tissot, as well as Longines, will continue to develop strongly in the lower and medium price segments. Omega will benefit from a global media presence as the official timekeeper of the Olympic Games in Paris. America and Japan will continue to offer great growth prospects for the Group's brands. In China, the Swatch Group will enjoy additional demand with its strong brands in the lower and medium price segments. Exchange rate movements will continue to impact the Group's results due to its strong industrial base in Switzerland.

1) Investments in property, plant and equipment, in intangible assets and in other non-current assets according to statement of cash flows

2) Cash and cash equivalents as well as financial assets, securities and derivative financial instruments minus current financial debts and derivative financial liabilities

## CONSOLIDATED INCOME STATEMENT

|  | Notes    | 2023<br>CHF million | %            | 2022<br>CHF million | %     |
|--|----------|---------------------|--------------|---------------------|-------|
| <b>Net sales</b>   | (4, 5a)  | <b>7 888</b>        | <b>100.0</b> | 7 499               | 100.0 |
| Other operating income                                       | (5b)     | 136                 | 1.7          | 244                 | 3.2   |
| Changes in inventories                                       |          | 687                 | 8.7          | 538                 | 7.2   |
| Material purchases   |          | -1 864              | -23.6        | -1 847              | -24.6 |
| Personnel expense  | (11)     | -2 550              | -32.3        | -2 363              | -31.5 |
| Depreciation and impairment on property, plant and equipment | (8)      | -346                | -4.4         | -366                | -4.9  |
| Amortization and impairment on intangible assets             | (9)      | -44                 | -0.6         | -41                 | -0.6  |
| Other operating expenses                                     | (6a)     | -2 716              | -34.4        | -2 506              | -33.4 |
| <b>Operating result</b>                                      |          | <b>1 191</b>        | <b>15.1</b>  | 1 158               | 15.4  |
| Other financial income and expense                           | (18)     | -36                 | -0.5         | -38                 | -0.5  |
| Interest expense   | (18)     | -4                  | -0.0         | -3                  | -0.0  |
| Share of result from associates and joint ventures           | (18, 32) | -1                  | -0.0         | -21                 | -0.3  |
| <b>Ordinary result</b>                                       |          | <b>1 150</b>        | <b>14.6</b>  | 1 096               | 14.6  |
| Non-operating result   | (5c)     | 2                   | 0.0          | 0                   | 0.0   |
| <b>Result before income taxes</b>                            |          | <b>1 152</b>        | <b>14.6</b>  | 1 096               | 14.6  |
| Income taxes   | (27b)    | -262                | -3.3         | -273                | -3.6  |
| <b>Net result</b>  |          | <b>890</b>          | <b>11.3</b>  | 823                 | 11.0  |
| Attributable to shareholders of The Swatch Group Ltd         |          | 869                 |              | 807                 |       |
| Attributable to non-controlling interests                    |          | 21                  |              | 16                  |       |
| <b>Earnings per share in CHF</b>                             | (15)     |                     |              |                     |       |
| <b>Registered shares</b>                                     |          |                     |              |                     |       |
| Basic earnings per share                                     |          | <b>3.35</b>         |              | 3.11                |       |
| Diluted earnings per share                                   |          | <b>3.35</b>         |              | 3.11                |       |
| <b>Bearer shares</b>   |          |                     |              |                     |       |
| Basic earnings per share                                     |          | <b>16.76</b>        |              | 15.57               |       |
| Diluted earnings per share                                   |          | <b>16.75</b>        |              | 15.56               |       |

The accompanying notes form an integral part of the consolidated financial statements.

## CONSOLIDATED BALANCE SHEET

| Assets  | Notes | 31.12.2023    |              | 31.12.2022  |       |
|---|-------|---------------|--------------|-------------|-------|
|   |       | CHF million   | %            | CHF million | %     |
| <b>Current assets</b>   |       |               |              |             |       |
| Cash and cash equivalents   | (19)  | 1 683         | 11.8         | 2 176       | 15.6  |
| Financial assets, securities and derivative financial instruments | (20)  | 380           | 2.7          | 372         | 2.7   |
| Trade receivables   | (5d)  | 672           | 4.7          | 663         | 4.8   |
| Other current assets  | (22)  | 195           | 1.4          | 103         | 0.7   |
| Inventories   | (7)   | 7 309         | 51.4         | 6 873       | 49.5  |
| Prepayments and accrued income                                    | (23)  | 263           | 1.8          | 206         | 1.5   |
| <b>Total current assets</b>                                       |       | <b>10 502</b> | <b>73.8</b>  | 10 393      | 74.8  |
| <b>Non-current assets</b>   |       |               |              |             |       |
| Property, plant and equipment                                     | (8)   | 3 029         | 21.3         | 2 706       | 19.5  |
| Intangible assets   | (9)   | 153           | 1.1          | 146         | 1.1   |
| Investments in associates and joint ventures                      | (32)  | 13            | 0.1          | 19          | 0.1   |
| Other non-current assets  | (26)  | 84            | 0.6          | 181         | 1.3   |
| Deferred tax assets   | (27d) | 448           | 3.1          | 448         | 3.2   |
| <b>Total non-current assets</b>                                   |       | <b>3 727</b>  | <b>26.2</b>  | 3 500       | 25.2  |
| <b>Total assets</b>   |       | <b>14 229</b> | <b>100.0</b> | 13 893      | 100.0 |

The accompanying notes form an integral part of the consolidated financial statements.

## CONSOLIDATED BALANCE SHEET

| Equity and liabilities                               | Notes | 31.12.2023    |              | 31.12.2022  |       |
|--|-------|---------------|--------------|-------------|-------|
|  |       | CHF million   | %            | CHF million | %     |
| <b>Current liabilities</b>                           |       |               |              |             |       |
| Financial debts and derivative financial instruments | (21)  | 75            | 0.5          | 8           | 0.1   |
| Trade payables                                       |       | 317           | 2.2          | 298         | 2.1   |
| Other liabilities                                    | (24)  | 164           | 1.2          | 193         | 1.4   |
| Provisions   | (10)  | 97            | 0.7          | 94          | 0.7   |
| Accrued expenses                                     | (25)  | 567           | 4.0          | 533         | 3.8   |
| <b>Total current liabilities</b>                     |       | <b>1 220</b>  | <b>8.6</b>   | 1 126       | 8.1   |
| <b>Non-current liabilities</b>                       |       |               |              |             |       |
| Financial debts                                      | (21)  | 2             | 0.0          | 2           | 0.0   |
| Deferred tax liabilities                             | (27d) | 516           | 3.6          | 459         | 3.3   |
| Retirement benefit obligations                       | (12)  | 42            | 0.3          | 43          | 0.3   |
| Provisions   | (10)  | 64            | 0.5          | 61          | 0.5   |
| Accrued expenses                                     | (25)  | 127           | 0.9          | 151         | 1.1   |
| <b>Total non-current liabilities</b>                 |       | <b>751</b>    | <b>5.3</b>   | 716         | 5.2   |
| <b>Total liabilities</b>                             |       | <b>1 971</b>  | <b>13.9</b>  | 1 842       | 13.3  |
| <b>Equity</b>  |       |               |              |             |       |
| Share capital  | (14a) | 118           |              | 118         |       |
| Capital reserves                                     | (14b) | -971          |              | -971        |       |
| Treasury shares                                      | (14d) | -114          |              | -123        |       |
| Goodwill recognized                                  |       | -1 352        |              | -1 350      |       |
| Translation differences                              |       | -900          |              | -547        |       |
| Retained earnings                                    |       | 15 416        |              | 14 858      |       |
| <b>Equity of The Swatch Group Ltd shareholders</b>   |       | <b>12 197</b> | <b>85.7</b>  | 11 985      | 86.2  |
| Non-controlling interests                            |       | 61            | 0.4          | 66          | 0.5   |
| <b>Total equity</b>                                  |       | <b>12 258</b> | <b>86.1</b>  | 12 051      | 86.7  |
| <b>Total equity and liabilities</b>                  |       | <b>14 229</b> | <b>100.0</b> | 13 893      | 100.0 |

The accompanying notes form an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

| (CHF million)  | Notes  | 2023         | 2022        |
|--|--------|--------------|-------------|
| <b>Operating activities</b>                                    |        |              |             |
| Net result   |        | 890          | 823         |
| Share of result from associated companies and joint ventures   | (32)   | 1            | 21          |
| Income taxes   | (27b)  | 262          | 273         |
| Depreciation on non-current assets                             | (8, 9) | 390          | 406         |
| Impairment   | (8, 9) | 0            | 1           |
| Changes in provisions and retirement benefit obligations       |        | 16           | -23         |
| Gains/losses on sale of non-current assets                     |        | -2           | -9          |
| Fair value gains/losses on marketable securities               |        | -12          | 37          |
| Expenses for employee stock option plan                        | (13)   | 8            | 9           |
| Other non-cash items   |        | 81           | 30          |
| Changes in net working capital:                                |        |              |             |
| - Trade receivables  |        | -72          | 33          |
| - Inventories  |        | -698         | -548        |
| - Other current assets, prepayments and accrued income         |        | -73          | 38          |
| - Trade payables   |        | 25           | -3          |
| - Other liabilities and accrued expenses                       |        | 26           | -88         |
| Dividends from associated companies and joint ventures         | (32)   | 1            | 1           |
| Income tax paid  | (27c)  | -228         | -277        |
| <b>Cash flow from operating activities</b>                     |        | <b>615</b>   | <b>724</b>  |
| <b>Investing activities</b>                                    |        |              |             |
| Investments in property, plant and equipment                   |        | -730         | -339        |
| Proceeds from sale of property, plant and equipment            |        | 20           | 5           |
| Investments in intangible assets                               |        | -55          | -48         |
| Proceeds from sale of intangible assets                        |        | 1            | 2           |
| Investments in other non-current assets                        |        | -18          | -12         |
| Proceeds from other non-current assets                         |        | 12           | 10          |
| Acquisition of subsidiaries – net of cash                      |        | -2           | 0           |
| Investments in associated companies and joint ventures         |        | 0            | 0           |
| Investments in current financial assets and securities         |        | -439         | -1 655      |
| Proceeds from current financial assets and securities          |        | 443          | 1 923       |
| <b>Cash flow from investing activities</b>                     |        | <b>-768</b>  | <b>-114</b> |
| <b>Financing activities</b>                                    |        |              |             |
| Dividends paid to shareholders                                 | (16)   | -311         | -285        |
| Dividends paid to non-controlling interests                    |        | -17          | -15         |
| Purchase of treasury shares                                    |        | 0            | -2          |
| Sale of treasury shares  |        | 1            | 1           |
| Change in non-current financial debts                          |        | 0            | 0           |
| Change in current financial debts                              |        | 0            | 1           |
| Repurchase of non-controlling interests                        | (31c)  | 0            | 0           |
| <b>Cash flow from financing activities</b>                     |        | <b>-327</b>  | <b>-300</b> |
| <b>Net impact of foreign exchange rate differences on cash</b> |        | <b>-80</b>   | <b>-21</b>  |
| <b>Change in cash and cash equivalents</b>                     |        | <b>-560</b>  | <b>289</b>  |
| <b>Change in cash and cash equivalents</b>                     |        |              |             |
| - Balance at beginning of year                                 |        | 2 176        | 1 887       |
| - Balance at end of year                                       | (19)   | <b>1 616</b> | 2 176       |

The accompanying notes form an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (CHF million)                               | Attributable to The Swatch Group Ltd shareholders |                             |                            |                     |                         |                   |               | Non-controlling interests | Total equity  |
|---|---|-----------------------------|----------------------------|---------------------|-------------------------|-------------------|---------------|---------------------------|---------------|
|   | Share capital (Note 14a)                          | Capital reserves (Note 14b) | Treasury shares (Note 14d) | Goodwill recognized | Translation differences | Retained earnings | Total         |                           |               |
| <b>Balance at 31 December 2021</b>          | <b>118</b>  | <b>-971</b>                 | <b>-131</b>                | <b>-1 370</b>       | <b>-442</b>             | <b>14 336</b>     | <b>11 540</b> | <b>65</b>                 | <b>11 605</b> |
| Net result                                  |   |                             |                            |                     |                         | 807               | <b>807</b>    | 16                        | <b>823</b>    |
| Currency translation of foreign entities    |   |                             |                            |                     | -105                    |                   | <b>-105</b>   | 0                         | <b>-105</b>   |
| Change in goodwill (Note 33)                |   |                             |                            | 20                  |                         |                   | <b>20</b>     |                           | <b>20</b>     |
| Dividends paid                              |   |                             |                            |                     |                         | -285              | <b>-285</b>   | -15                       | <b>-300</b>   |
| Employee stock option plan (Note 13)        |   | 0                           | 10                         |                     |                         |                   | <b>10</b>     |                           | <b>10</b>     |
| Purchase of treasury shares                 |   | 0                           | -2                         |                     |                         |                   | <b>-2</b>     |                           | <b>-2</b>     |
| Transactions with non-controlling interests |   |                             |                            |                     |                         |                   | <b>0</b>      | -0                        | <b>-0</b>     |
| <b>Balance at 31 December 2022</b>          | <b>118</b>  | <b>-971</b>                 | <b>-123</b>                | <b>-1 350</b>       | <b>-547</b>             | <b>14 858</b>     | <b>11 985</b> | <b>66</b>                 | <b>12 051</b> |
| Net result                                  |   |                             |                            |                     |                         | 869               | <b>869</b>    | 21                        | <b>890</b>    |
| Currency translation of foreign entities    |   |                             |                            |                     | -353                    |                   | <b>-353</b>   | -9                        | <b>-362</b>   |
| Change in goodwill (Note 33)                |   |                             |                            | -2                  |                         |                   | <b>-2</b>     |                           | <b>-2</b>     |
| Dividends paid                              |   |                             |                            |                     |                         | -311              | <b>-311</b>   | -17                       | <b>-328</b>   |
| Employee stock option plan (Note 13)        |   | 0                           | 9                          |                     |                         |                   | <b>9</b>      |                           | <b>9</b>      |
| Purchase of treasury shares                 |   |                             |                            |                     |                         |                   | <b>0</b>      |                           | <b>0</b>      |
| Transactions with non-controlling interests |   |                             |                            |                     |                         |                   | <b>0</b>      |                           | <b>0</b>      |
| <b>Balance at 31 December 2023</b>          | <b>118</b>  | <b>-971</b>                 | <b>-114</b>                | <b>-1 352</b>       | <b>-900</b>             | <b>15 416</b>     | <b>12 197</b> | <b>61</b>                 | <b>12 258</b> |

The accompanying notes form an integral part of the consolidated financial statements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### GENERAL INFORMATION

#### 1. General information

The Swatch Group Ltd and its subsidiaries (collectively the Group) is active worldwide and represented in the finished watches and jewelry sector with 17 brands in all market and price segments. In addition, it holds an outstanding industrial position with a high degree of vertical integration in the sector of watch movements and components as well as in the electronic systems sector.

The Swatch Group Ltd is a limited company incorporated and domiciled in Switzerland. Its registered office is located in Neuchâtel, Faubourg de l'Hôpital 3. The administrative headquarters are in Biel, Seedorfstrasse 6.

The shares of The Swatch Group Ltd are listed in Switzerland in the Swiss Reporting Standard of the SIX Swiss Exchange, under the ISIN numbers CH0012255144 (registered shares) and CH0012255151 (bearer shares). Bearer shares are included in the indices SLI, SMIM, SPI (M), SPI Extra and UBS 100, registered shares in the indices SPI (M), SPI Extra, SPI ex SLI and UBS 100. In addition, Swatch Group shares are also listed on the BX Berne eXchange.

These consolidated financial statements were approved for issue by the Board of Directors on 6 March 2024 and will be submitted to the Annual General Meeting of Shareholders for approval on 8 May 2024.

#### 2. Basis of preparation

##### a. Basic accounting policies

These financial statements provide a true and fair view of the Swatch Group's assets, financial position and earnings, and have been drawn up in accordance with all of the existing guidelines of the accounting and reporting recommendations of Swiss GAAP FER. The financial statements of the Group are based upon the financial statements of the Group companies as at 31 December and are established in accordance with the standardized reporting and accounting policies. The financial statements are based on the principle of historical acquisition costs (except for securities and derivative financial instruments recognized at fair value) and on the going concern principle. The statements are presented in Swiss francs (CHF). Unless otherwise indicated, all amounts have been rounded to the next million.

##### b. Changes in accounting policies

It is expected that the new Standard *FER 28 Government Grants (implementation 2024)* will have no significant impact on the consolidated financial statements.

The revised Standard *FER 30 Consolidated Financial Statements*, which will be applicable as of 1 January 2024, mainly clarifies the accounting treatment of step-acquisitions, goodwill and translation differences related to loans with equity character. The revised Standard requires the separate identification and recognition of intangible assets, which have not been recognized previously by the acquired subsidiary, if they are relevant to the decision to obtain control. Furthermore, accumulated translation differences will have to be recycled through the income statement not only when a foreign subsidiary is sold, but also when an entity is liquidated or closed. The financial impact of the revised Standard will be limited to the separate recognition of decision-relevant intangible assets from future acquisitions and the recycling of accumulated translation differences related to liquidated or closed entities.

No further changes to the Standards have been published.

##### c. Accounting estimates and judgments

The preparation of consolidated financial statements in conformity with Swiss GAAP FER requires the use of certain accounting estimates and judgments which have an impact on the assets and liabilities, income and expenses reported, as well as the disclosure of contingent liabilities. These estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations and assessments of future events that are assumed to be reasonable under the given circumstances. Real results may differ from these estimates. Management continuously reviews and, if necessary, adapts the estimates and underlying assumptions. Any changes are recognized in the period in which the estimate is revised.

Significant estimates, judgements and assumptions are made mainly in the following areas:

**Inventories.** [Note 7] Inventories subject to market risk or with risk of obsolescence are regularly evaluated by the individual subsidiaries, based on Group guidelines, and when necessary, written down to their net realizable value. In doing so, historical experience, anticipated future requirements, and the life cycle of the individual products are taken into account.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### GENERAL INFORMATION

**Provisions.** [Note 10] Provisions for anticipated warranty services are calculated individually by company, based on regularly updated empirical values for repair and return volumes. Provisions for contractual or legal dismantling obligations are regularly adjusted to current estimates. Restructuring provisions are recognized when a management decision exists and as a result, legitimate third-party expectations are raised that a restructuring will be carried out. Subsequently, they are regularly adjusted on the basis of current estimates.

**Income taxes.** [Note 27] The Group operates worldwide and is subject to taxation in 37 countries. The Group is fully compliant with tax laws without exception and pays taxes where economic value is generated. Group-internal transactions are conducted on an arm's length basis. The Group discloses the amount of tax paid and key tax figures annually in the "Country-by-Country Reporting". Calculation of current and deferred tax positions is based on the applicable tax laws. New circumstances such as changes in tax rates, tax systems, offsetting of carryforward tax losses, or estimates of the effect of ongoing tax audits can have a significant impact on the existing tax obligations or tax claims of Group companies. The Group proactively and systematically clarifies tax positions with tax experts to prevent tax eventualities and is committed to transparent cooperation with tax authorities.

In October 2021, more than 135 countries agreed to the OECD project BEPS 2.0 on global minimum taxation for large companies. The aim of the initiative is for companies with a consolidated turnover of EUR 750 million or more to pay a minimum tax of 15% on their worldwide activities. Entry into force is foreseen from 2024. For Swatch Group, this will lead to extensive documentation and declaration obligations. The Group has carried out detailed simulations with tax advisors and assumes that the new rules could lead to additional tax expenses from 2024 onwards, both for current and deferred taxes. This additional expense is not expected to be material. As the legal situation has not yet been finalized in many countries, the specific impact on the Group result cannot be conclusively assessed. No adjustments to deferred taxes have therefore yet been made in the 2023 annual financial statements. The possible future additional taxes (top-up taxes) will mainly affect countries in the Middle East, as well as Macao and Ireland.

#### 3. Events after the balance sheet date

There were no significant events after the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**IMPORTANT OPERATING POSITIONS**

**4. Segment information**

**a. Operating segment information**

Operating segments are reported consistent with the internal reporting provided to the Management Board. Although the Group's operations are worldwide, the main entrepreneurial focus remains on the product portfolio. This is reflected by the Group's divisional management and organizational structure and the Group's internal financial reporting systems.

The Group's activities are organized into numerous individual business units (Profit Centers) which are aggregated in the following reportable operating segments:

|                      |   |
|----------------------|---|
| - Watches & Jewelry  | Design, production and commercialization of watches and jewelry                             |
| - Electronic Systems | Design, production and commercialization of electronic components, Sports timing activities |

The reportable operating segments generate their revenue mainly from the manufacture and sale of products to third parties or to other Group segments.

Corporate does not qualify as a segment but is shown separately. It includes the activities of the Group's holding, finance, research and development, real estate and several other companies. Elimination of inter-segment sales is shown in the elimination column.

Internal Group sales are recognized at arm's length. Segment expenses are those that can be directly attributed to the segment. Centralized costs relating to Group Management, Corporate Communication, Group Human Resources, Corporate Finance, Treasury, Tax and Legal Services are not reallocated to the operating segments and remain under the heading Corporate.

| 2023<br>(CHF million)   | Watches &<br>Jewelry | Electronic<br>Systems | Corporate   | Elimination | Total        |
|-------------------------|----------------------|-----------------------|-------------|-------------|--------------|
| - Third parties         | 7 544                | 340                   | 4           |             | 7 888        |
| - Group                 | 2                    | 19                    | 5           | -26         | 0            |
| <b>Net sales</b>        | <b>7 546</b>         | <b>359</b>            | <b>9</b>    | <b>-26</b>  | <b>7 888</b> |
| <b>Operating result</b> | <b>1 298</b>         | <b>27</b>             | <b>-134</b> | <b>0</b>    | <b>1 191</b> |
| - In % of net sales     | 17.2%                | 7.5%                  |             |             | 15.1%        |

| 2022<br>(CHF million)   | Watches &<br>Jewelry | Electronic<br>Systems | Corporate   | Elimination | Total        |
|-------------------------|----------------------|-----------------------|-------------|-------------|--------------|
| - Third parties         | 7 141                | 353                   | 5           |             | 7 499        |
| - Group                 | 4                    | 18                    | 4           | -26         | 0            |
| <b>Net sales</b>        | <b>7 145</b>         | <b>371</b>            | <b>9</b>    | <b>-26</b>  | <b>7 499</b> |
| <b>Operating result</b> | <b>1 232</b>         | <b>47</b>             | <b>-121</b> | <b>0</b>    | <b>1 158</b> |
| - In % of net sales     | 17.2%                | 12.7%                 |             |             | 15.4%        |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**IMPORTANT OPERATING POSITIONS**

**b. Net sales by geographical region**

| (CHF million)        | 2023         | 2022         |
|----------------------|--------------|--------------|
| Switzerland          | 579          | 472          |
| Other Europe         | 1 543        | 1 544        |
| <b>Total Europe</b>  | <b>2 122</b> | <b>2 016</b> |
| Greater China        | 2 630        | 2 370        |
| Other Asia           | 1 796        | 1 833        |
| <b>Total Asia</b>    | <b>4 426</b> | <b>4 203</b> |
| <b>Total America</b> | <b>1 198</b> | <b>1 140</b> |
| <b>Total Oceania</b> | <b>106</b>   | <b>102</b>   |
| <b>Total Africa</b>  | <b>36</b>    | <b>38</b>    |
| <b>Total</b>         | <b>7 888</b> | <b>7 499</b> |

For the geographical presentation, sales are reported according to the destinations that appear on the invoices.

**5. Revenues and trade receivables**

**a. Net sales**

Net sales include the inflow of economic benefits from the sale of goods and services within the scope of ordinary business during the period under review. Sales reductions such as discounts, rebates and other concessions as well as payments to third parties such as commissions and any value added tax are deducted from net sales reported. All intercompany sales are eliminated during consolidation.

Revenues are reported if a Group company has transferred the significant risks and rewards of ownership of products sold to the client, and the collectability of the related receivables is reasonably secured. Revenue from services is recognized in the accounting period in which the service is rendered. Accruals for discounts granted to clients are established during the same period as the sales which gave rise to the discounts under the terms of the contract. In the case of agency transactions, only the value of own services is recognized. In the event of business transactions involving identifiable multiple elements, these are to be recognized and valued separately. This type of transaction occurs only rarely within the Group.

| (CHF million)          | 2023         | 2022         |
|------------------------|--------------|--------------|
| Sale of goods          | 7 864        | 7 474        |
| Rendering of services  | 24           | 25           |
| <b>Total net sales</b> | <b>7 888</b> | <b>7 499</b> |

**b. Other operating income**

In the year under review, other operating income amounted to CHF 136 million (previous year: CHF 244 million).

**c. Non-operating result**

Only net result from investment property was included in the non-operating result position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### IMPORTANT OPERATING POSITIONS

#### d. Trade receivables

Trade receivables are recognized and carried at the original net invoice amount less an allowance for any specifically impaired receivables.

Impairment is charged on receivables which are either more than 12 months overdue or for which specific risks have been identified. Since no independent rating is available for most customers, their creditworthiness is assessed by the local credit control departments. In doing so, their asset and financial positions, previous experience and other factors are taken into consideration.

Bad debts are definitely written off when there is objective evidence that the Group will not be able to collect the receivables. Allowances for impaired receivables as well as losses on trade receivables are recognized as other operating expenses.

| (CHF million)                        | 31.12.2023 | 31.12.2022 |
|--------------------------------------|------------|------------|
| Trade receivables – gross            | 678        | 671        |
| Allowance for impaired receivables   | -6         | -8         |
| <b>Total trade receivables – net</b> | <b>672</b> | <b>663</b> |

The evolution of the allowance for impaired trade receivables can be summarized as follows:

| (CHF million)                 | 2023      | 2022       |
|-------------------------------|-----------|------------|
| <b>Balance at 1 January</b>   | <b>-8</b> | <b>-11</b> |
| Translation differences       | 0         | 0          |
| Utilization                   | 1         | 2          |
| Reversal                      | 1         | 2          |
| Creation                      | 0         | -1         |
| <b>Balance at 31 December</b> | <b>-6</b> | <b>-8</b>  |

#### 6. Expenses

##### a. Other operating expenses

| (CHF million)                                  | 2023          | 2022          |
|--|---------------|---------------|
| Marketing, sales and administration            | -1 204        | -1 082        |
| Subcontracting and other direct costs of sales | -380          | -320          |
| Maintenance, rents and energy                  | -1 057        | -988          |
| Other operating expenses                       | -75           | -116          |
| <b>Total other operating expenses</b>          | <b>-2 716</b> | <b>-2 506</b> |

##### b. Research and development costs

Costs for research and development activities amounted to CHF 275 million in the year under review, representing 3.5% of net sales (previous year: CHF 246 million or 3.3% of net sales).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### IMPORTANT OPERATING POSITIONS

#### 7. Inventories

Inventories are valued at the lower of acquisition or production cost and fair value less cost to sell. Any discounts received are treated as cost reductions. Manufacturing costs comprise all costs directly attributable to material and production, as well as overhead costs incurred in building up the inventory at its current location and/or to its current condition.

Acquisition costs are determined according to the weighted average method. Some production companies value their own produced inventories using the standard cost method. As these costs are regularly reviewed and updated, this method approximates the result of the weighted average method. Inventories with unsatisfactory inventory turnover are revalued accordingly.

| (CHF million)                                  | 31.12.2023   | 31.12.2022   |
|--|--------------|--------------|
| Raw materials, auxiliary material and supplies | 690          | 609          |
| Goods in progress                              | 565          | 533          |
| Semi-finished goods                            | 2 117        | 1 863        |
| Finished goods                                 | 3 565        | 3 499        |
| Spare parts for customer service               | 372          | 369          |
| <b>Total inventories</b>                       | <b>7 309</b> | <b>6 873</b> |

Inventories with risk of obsolescence have been adjusted to their net realizable value as follows:

| (CHF million)                             | 2023       | 2022       |
|---|------------|------------|
| Additional write-downs                    | -53        | -50        |
| Reversal of write-downs                   | 3          | 7          |
| <b>Net impact in the income statement</b> | <b>-50</b> | <b>-43</b> |

#### 8. Property, plant and equipment

Property, plant and equipment (including investment property) are recorded in the balance sheet at historical cost less accumulated depreciation and any impairments. Acquisition costs comprise the purchase price as well as the costs directly attributable to the utilization of the property, plant and equipment. Investments in existing property, plant and equipment are only capitalized if their value in use is sustainably increased or their useful life is extended considerably. Self-constructed assets are only capitalized if they are clearly identifiable and the costs can be reliably determined, and if the assets generate measurable benefits for the Group over a period of several years. Maintenance and repair costs that do not add value are charged directly to the result for the period.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The maximum depreciation periods are as follows:

|                                     |                 |
|-------------------------------------|-----------------|
| – Land                              | no depreciation |
| – Production plants                 | 30 years        |
| – Administrative buildings          | 40 years        |
| – Investment properties             | 50 years        |
| – Technical equipment and machinery | 15 years        |
| – Other equipment and fixtures      | 15 years        |

Investment property mainly comprises commercial premises and residential buildings rented to third parties. The position *Advances and construction in progress* includes buildings under construction and non-refundable down payments on land and buildings. The Group does not capitalize any interest expenses incurred during the construction period.

##### Impairment

The recoverable value and the remaining useful life of non-current assets are verified on every balance sheet date. If there are indications of a sustained impairment, the recoverable amount of the respective assets will be determined. The recoverable amount is the higher of the net selling price and value in use. If the recoverable amount of an individual asset cannot be determined, the Group estimates the recoverable amount of the smallest group of assets to which the individual asset belongs. If the book value of an asset exceeds the recoverable amount, an impairment loss is recognized separately in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**IMPORTANT OPERATING POSITIONS**

| (CHF million)  | Land,<br>buildings and<br>properties | Technical<br>equipment &<br>machinery | Other<br>equipment &<br>fixtures | Advances and<br>construction<br>in progress | Total         |
|--|--------------------------------------|---------------------------------------|----------------------------------|---|---------------|
| <b>Historical cost, 31 December 2022</b>             | <b>2 657</b>                         | <b>4 219</b>                          | <b>838</b>                       | <b>83</b>                                   | <b>7 797</b>  |
| Translation differences                              | -51                                  | -64                                   | -54                              | -1  | -170          |
| Additions  | 263                                  | 313                                   | 105                              | 55  | 736           |
| Disposals  | -9                                   | -102                                  | -43                              | 0   | -154          |
| Transfers  | 63                                   | -5                                    | 8                                | -66   | 0             |
| <b>Historical cost, 31 December 2023</b>             | <b>2 923</b>                         | <b>4 361</b>                          | <b>854</b>                       | <b>71</b>                                   | <b>8 209</b>  |
| <b>Accumulated amortization, 31 December 2022</b>    | <b>-1 129</b>                        | <b>-3 370</b>                         | <b>-591</b>                      | <b>-1</b>                                   | <b>-5 091</b> |
| Translation differences                              | 16                                   | 48                                    | 42                               | 0   | 106           |
| Annual depreciation                                  | -76                                  | -192                                  | -78                              | 0   | -346          |
| Impairment   | 0                                    | 0                                     | 0                                | 0   | 0             |
| Depreciation on disposals                            | 9                                    | 100                                   | 42                               | 0   | 151           |
| Transfers  | 2                                    | 0                                     | -2                               | 0   | 0             |
| <b>Accumulated amortization, 31 December 2023</b>    | <b>-1 178</b>                        | <b>-3 414</b>                         | <b>-587</b>                      | <b>-1</b>                                   | <b>-5 180</b> |
| <b>Net book values</b>                               |                                      |                                       |                                  |   |               |
| Balance at 31 December 2022                          | 1 528                                | 849                                   | 247                              | 82  | 2 706         |
| <b>Balance at 31 December 2023</b>                   | <b>1 745</b>                         | <b>947</b>                            | <b>267</b>                       | <b>70</b>                                   | <b>3 029</b>  |
| <i>of which investment properties at 31.12.2023</i>  | <i>527</i>                           |                                       |                                  |   |               |
| <i>of which undeveloped properties at 31.12.2023</i> | <i>29</i>                            |                                       |                                  |   |               |

| (CHF million)  | Land,<br>buildings and<br>properties | Technical<br>equipment &<br>machinery | Other<br>equipment &<br>fixtures | Advances and<br>construction<br>in progress | Total         |
|--|--------------------------------------|---------------------------------------|----------------------------------|---|---------------|
| <b>Historical cost, 31 December 2021</b>             | <b>2 666</b>                         | <b>4 150</b>                          | <b>824</b>                       | <b>56</b>                                   | <b>7 696</b>  |
| Translation differences                              | -26                                  | -24                                   | -25                              | -1  | -76           |
| Additions  | 23                                   | 203                                   | 80                               | 34  | 340           |
| Disposals  | -15                                  | -101                                  | -47                              | 0   | -163          |
| Transfers  | 9                                    | -9                                    | 6                                | -6  | 0             |
| <b>Historical cost, 31 December 2022</b>             | <b>2 657</b>                         | <b>4 219</b>                          | <b>838</b>                       | <b>83</b>                                   | <b>7 797</b>  |
| <b>Accumulated amortization, 31 December 2021</b>    | <b>-1 068</b>                        | <b>-3 275</b>                         | <b>-582</b>                      | <b>0</b>                                    | <b>-4 925</b> |
| Translation differences                              | 8                                    | 19                                    | 19                               | 0   | 46            |
| Annual depreciation                                  | -76                                  | -212                                  | -77                              | 0   | -365          |
| Impairment   | 0                                    | 0                                     | 0                                | -1  | -1            |
| Depreciation on disposals                            | 10                                   | 98                                    | 46                               | 0   | 154           |
| Transfers  | -3                                   | 0                                     | 3                                | 0   | 0             |
| <b>Accumulated amortization, 31 December 2022</b>    | <b>-1 129</b>                        | <b>-3 370</b>                         | <b>-591</b>                      | <b>-1</b>                                   | <b>-5 091</b> |
| <b>Net book values</b>                               |                                      |                                       |                                  |   |               |
| Balance at 31 December 2021                          | 1 598                                | 875                                   | 242                              | 56  | 2 771         |
| <b>Balance at 31 December 2022</b>                   | <b>1 528</b>                         | <b>849</b>                            | <b>247</b>                       | <b>82</b>                                   | <b>2 706</b>  |
| <i>of which investment properties at 31.12.2022</i>  | <i>421</i>                           |                                       |                                  |   |               |
| <i>of which undeveloped properties at 31.12.2022</i> | <i>31</i>                            |                                       |                                  |   |               |

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## 9. Intangible assets

### Capitalized development costs

Research costs are expensed when incurred. Development costs are only capitalized if they can be identified as intangible assets that will generate economic benefits in the future and the costs can be measured reliably. Other development costs are expensed when incurred. Once a product enters commercial production, the capitalized development costs are amortized on a straight-line basis over the estimated useful life (maximum five years).

### Software

This heading includes in particular the following positions:

- Licenses purchased granting rights to use new technologies and software. They are amortized over their useful life (maximum five years).
- Internally developed software. These costs are recognized as intangible assets if it is likely that they will generate future economic benefits. The costs include software development employee costs and the direct portion of related overhead costs. The capitalized costs are amortized on a straight-line basis over the estimated useful life (maximum five years).

### Other intangible assets

This heading includes in particular the following positions:

- Key money for strategically located retail stores. If it can be demonstrated by the existence of a market, it is capitalized as an intangible asset and amortized on a straight-line basis over the location's useful life of maximum 20 years. In contrast, key money that is not refundable or only refundable under specific circumstances is treated as prepaid rent and recorded under Other non-current assets (see Note 26).
- Patents and rights of use
- Development and software projects in progress. These are transferred into their respective categories after project completion.

### Goodwill

Goodwill from acquisitions is recognized in Group equity at the time of acquisition. The notes to the consolidated financial statements disclose the effects of a theoretical capitalization and amortization of goodwill (see Note 33).

### Impairment

The principle for recognition of impairment on non-current assets is described in Note 8.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**IMPORTANT OPERATING POSITIONS**

|   | Capitalized<br>development<br>costs | Software    | Other<br>intangible<br>assets | Total       |
|---|-------------------------------------|-------------|-------------------------------|-------------|
| (CHF million)                                     |                                     |             |                               |             |
| <b>Historical cost, 31 December 2022</b>          | <b>243</b>                          | <b>236</b>  | <b>126</b>                    | <b>605</b>  |
| Translation differences                           | 0                                   | -4          | -3                            | -7          |
| Additions   | 16                                  | 15          | 24                            | 55          |
| Disposals   | -6                                  | -9          | -6                            | -21         |
| Transfers   | 34                                  | 8           | -42                           | 0           |
| <b>Historical cost, 31 December 2023</b>          | <b>287</b>                          | <b>246</b>  | <b>99</b>                     | <b>632</b>  |
| <b>Accumulated amortization, 31 December 2022</b> | <b>-208</b>                         | <b>-204</b> | <b>-47</b>                    | <b>-459</b> |
| Translation differences                           | 0                                   | 3           | 2                             | 5           |
| Annual amortization                               | -23                                 | -16         | -5                            | -44         |
| Impairment  | 0                                   | 0           | 0                             | 0           |
| Amortization on disposals                         | 5                                   | 8           | 6                             | 19          |
| Transfers   | 0                                   | 0           | 0                             | 0           |
| <b>Accumulated amortization, 31 December 2023</b> | <b>-226</b>                         | <b>-209</b> | <b>-44</b>                    | <b>-479</b> |
| <b>Net book values</b>                            |                                     |             |                               |             |
| Balance at 31 December 2022                       | 35                                  | 32          | 79                            | 146         |
| <b>Balance at 31 December 2023</b>                | <b>61</b>                           | <b>37</b>   | <b>55</b>                     | <b>153</b>  |

|   | Capitalized<br>development<br>costs | Software    | Other<br>intangible<br>assets | Total       |
|---|-------------------------------------|-------------|-------------------------------|-------------|
| (CHF million)                                     |                                     |             |                               |             |
| <b>Historical cost, 31 December 2021</b>          | <b>228</b>                          | <b>224</b>  | <b>121</b>                    | <b>573</b>  |
| Translation differences                           | 0                                   | -2          | -2                            | -4          |
| Additions   | 2                                   | 14          | 32                            | 48          |
| Disposals   | -4                                  | -5          | -3                            | -12         |
| Transfers   | 17                                  | 5           | -22                           | 0           |
| <b>Historical cost, 31 December 2022</b>          | <b>243</b>                          | <b>236</b>  | <b>126</b>                    | <b>605</b>  |
| <b>Accumulated amortization, 31 December 2021</b> | <b>-189</b>                         | <b>-195</b> | <b>-45</b>                    | <b>-429</b> |
| Translation differences                           | 0                                   | 2           | 2                             | 4           |
| Annual amortization                               | -19                                 | -16         | -6                            | -41         |
| Impairment  | 0                                   | 0           | 0                             | 0           |
| Amortization on disposals                         | 0                                   | 5           | 2                             | 7           |
| Transfers   | 0                                   | 0           | 0                             | 0           |
| <b>Accumulated amortization, 31 December 2022</b> | <b>-208</b>                         | <b>-204</b> | <b>-47</b>                    | <b>-459</b> |
| <b>Net book values</b>                            |                                     |             |                               |             |
| Balance at 31 December 2021                       | 39                                  | 29          | 76                            | 144         |
| Balance at 31 December 2022                       | 35                                  | 32          | 79                            | 146         |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**IMPORTANT OPERATING POSITIONS**

### 10. Provisions

Provisions are recognized:

- when the Group has a present legal or constructive obligation as a result of past events,
- when it is probable that an outflow of resources will be required to settle the obligation, and
- when a reliable estimate of the amount of the obligation can be made.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate receivable, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement, net of any reimbursement. No discounting effects are taken into account on non-current provisions, as these are considered to be immaterial.

| (CHF million)                         | Warranty   | Legal risks | Dismantling | Other     | Total      |
|---------------------------------------|------------|-------------|-------------|-----------|------------|
| <b>Balance at 31 December 2021</b>    | <b>101</b> | <b>3</b>    | <b>34</b>   | <b>42</b> | <b>180</b> |
| Translation differences               | -2         | 0           | -1          | 0         | -3         |
| Additional provisions                 | 68         | 2           | 5           | 3         | 78         |
| Reversal of provisions                | -15        | -1          | -1          | -6        | -23        |
| Provisions used during the year       | -62        | 0           | -3          | -12       | -77        |
| <b>Balance at 31 December 2022</b>    | <b>90</b>  | <b>4</b>    | <b>34</b>   | <b>27</b> | <b>155</b> |
| <i>thereof current provisions</i>     | <i>60</i>  | <i>3</i>    | <i>6</i>    | <i>25</i> | <i>94</i>  |
| <i>thereof non-current provisions</i> | <i>30</i>  | <i>1</i>    | <i>28</i>   | <i>2</i>  | <i>61</i>  |
| Translation differences               | -5         | 0           | -3          | -2        | -10        |
| Additional provisions                 | 84         | 2           | 7           | 14        | 107        |
| Reversal of provisions                | -3         | -2          | -1          | -1        | -7         |
| Provisions used during the year       | -70        | -1          | -3          | -10       | -84        |
| <b>Balance at 31 December 2023</b>    | <b>96</b>  | <b>3</b>    | <b>34</b>   | <b>28</b> | <b>161</b> |
| <i>thereof current provisions</i>     | <i>66</i>  | <i>2</i>    | <i>6</i>    | <i>23</i> | <i>97</i>  |
| <i>thereof non-current provisions</i> | <i>30</i>  | <i>1</i>    | <i>28</i>   | <i>5</i>  | <i>64</i>  |

#### a. Warranty

Products that do not perform to customers' satisfaction are repaired or replaced by the Group under warranties of one or more years. The provision made at year-end to cover anticipated warranty costs is based on past experience with respect to the volume of repairs and returns.

#### b. Legal risks

Some Group companies are involved in litigation arising from the ordinary course of their business. Management estimated the outcome of these lawsuits on the basis of currently available information and recorded adequate provisions. However, there are inherent risks within legal claims depending on court and adversary party behavior and opinion that may cause a significant outflow of economic benefits.

#### c. Dismantling / restoration

Various Group companies have contractual or legal obligations to return objects to their original state at the end of the term of the contract. At the beginning of the contract term, dismantling and restoration costs are estimated on the basis of contractual elements and/or empirical values and provisions are recorded. These obligations arise primarily from contracts for rental premises.

#### d. Other

Other provisions relate to various present legal or constructive obligations of the Group companies toward third parties. This category contained also restructuring provisions in the amount of CHF 16 million (previous year: CHF 17 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**PERSONNEL**

**11. Personnel expense**

| (CHF million)                        | 2023          | 2022          |
|--------------------------------------|---------------|---------------|
| Wages and salaries                   | -2 043        | -1 888        |
| Short-time work allowances           | 0             | 1             |
| Social security costs                | -353          | -330          |
| Employee stock option plan (Note 13) | -8            | -9            |
| Pension costs (Note 12)              | -146          | -137          |
| <b>Total personnel expense</b>       | <b>-2 550</b> | <b>-2 363</b> |

The development of the headcount, expressed as the number of employment contracts, is summarized in the following table:

| (unaudited)                           | 2023          | 2022          |
|---------------------------------------|---------------|---------------|
| <b>Average annual headcount</b>       | <b>32 693</b> | <b>31 379</b> |
| <b>Total headcount at 31 December</b> | <b>33 602</b> | <b>32 061</b> |
| <i>Men</i>                            | <i>17 042</i> | <i>15 924</i> |
| <i>Women</i>                          | <i>16 560</i> | <i>16 137</i> |
| <i>Swiss contracts</i>                | <i>17 047</i> | <i>16 244</i> |
| <i>Non-Swiss contracts</i>            | <i>16 555</i> | <i>15 817</i> |

**12. Retirement benefit obligations**

**Pension obligations**

Group companies operate various pension schemes, which conform to the legal regulations and provisions in force in the respective countries. The actual economic effects of pension schemes on the Group are calculated at balance sheet date. An economic obligation is recognized as a liability if the requirements for the recognition of a liability are met. An economic benefit is capitalized provided that it is permitted and intended to be used for future Group pension contributions. Freely available employer contribution reserves are capitalized.

Employees of Swiss Group companies are insured as part of the "Swatch Group Pension Fund", which is a separate legal entity and financed by contributions from both employers and employees. Surpluses or deficits are calculated based on the preliminary Pension Fund's financial statements, which have been drawn up in accordance with Swiss GAAP FER 26. The Group's pension costs include the employer contributions accrued in the period as well as any economic effects from the excess/shortfall and the change in employer contribution reserves.

Some foreign companies operate fully financed pension funds. These funds are treated in the same way as the Swiss plan in terms of accounting, i.e. paid contributions are basically recorded as expenses. In some countries, there are also pension plans that do not have their own assets, whereby the corresponding benefit provisions are recognized directly in the balance sheet and any changes are recognized in the income statement.

**Other post-employment benefits**

A small number of Group companies provide post-retirement medical care benefits to their employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

**Termination benefits**

Termination benefits are payable when employment is terminated (in normal employment conditions) in advance of the terms of the contract, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes such benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal, or providing benefits as a result of an offer made for a voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value. The company does not make severance payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**PERSONNEL**

**a. Economic benefit / obligation and pension costs**

| 2023                                      | Surplus / deficit | Group's economic share 1) | Change from previous year     |                         | Contributions concerning the business period | Total pension costs |
|---|-------------------|---------------------------|-------------------------------|-------------------------|--|---------------------|
| (CHF million)                             |                   |                           | no income statement impact 2) | income statement impact |  |                     |
| Patronage funds / patronage pension plans | 370               | 0                         | 0                             | 0                       | 11   | 11                  |
| Pension plans without surplus / deficit   | 0                 | 0                         | 0                             | 0                       | -6   | -6                  |
| Pension plans with surplus                | 3                 | 0                         | 0                             | 0                       | -2   | -2                  |
| Pension plans with deficit                | -273              | -1                        | 0                             | 0                       | -144   | -144                |
| Pension plans without own assets          | 0                 | -41                       | 6                             | -5                      | 0  | -5                  |
| <b>Total</b>                              | <b>100</b>        | <b>-42</b>                | <b>6</b>                      | <b>-5</b>               | <b>-141</b>                                  | <b>-146</b>         |

| 2022                                      | Surplus / deficit | Group's economic share 1) | Change from previous year     |                         | Contributions concerning the business period | Total pension costs |
|---|-------------------|---------------------------|-------------------------------|-------------------------|--|---------------------|
| (CHF million)                             |                   |                           | no income statement impact 2) | income statement impact |  |                     |
| Patronage funds / patronage pension plans | 373               | 0                         | 0                             | 0                       | 10   | 10                  |
| Pension plans without surplus / deficit   | 0                 | 0                         | 0                             | 0                       | -5   | -5                  |
| Pension plans with surplus                | 3                 | 0                         | 0                             | 0                       | -5   | -5                  |
| Pension plans with deficit                | -299              | -1                        | 0                             | 0                       | -131   | -131                |
| Pension plans without own assets          | 0                 | -42                       | 5                             | -6                      | 0  | -6                  |
| <b>Total</b>                              | <b>77</b>         | <b>-43</b>                | <b>5</b>                      | <b>-6</b>               | <b>-131</b>                                  | <b>-137</b>         |

1) The pension obligations recognized in the balance sheet relate exclusively to plans of foreign subsidiaries. The calculation of the obligations is either based on external actuarial reports according to local or international standards, or follows local legal requirements.

2) The amounts without an income statement impact refer to exchange rate differences and disbursements.

**b. Summary of pension costs**

| (CHF million)  | 2023        |            |             | 2022        |            |             |
|--|-------------|------------|-------------|-------------|------------|-------------|
|  | Switzerland | Abroad     | Total       | Switzerland | Abroad     | Total       |
| Contributions to pension plans                                     | -129        | -12        | -141        | -121        | -10        | -131        |
| <b>Total contributions</b>   | <b>-129</b> | <b>-12</b> | <b>-141</b> | <b>-121</b> | <b>-10</b> | <b>-131</b> |
| Change of economic benefits from surpluses                         | 0           | 0          | 0           | 0           | 0          | 0           |
| Change of economic obligations from deficits                       | 0           | -5         | -5          | 0           | -6         | -6          |
| <b>Total changes of economic effects from surpluses / deficits</b> | <b>0</b>    | <b>-5</b>  | <b>-5</b>   | <b>0</b>    | <b>-6</b>  | <b>-6</b>   |
| <b>Total pension costs</b>   | <b>-129</b> | <b>-17</b> | <b>-146</b> | <b>-121</b> | <b>-16</b> | <b>-137</b> |

**c. Shares held by pension institutions**

| Number of shares of The Swatch Group Ltd | 31.12.2023 | 31.12.2022 |
|--|------------|------------|
| Registered shares                        | 3 226 300  | 3 258 600  |
| Bearer shares                            | 0          | 775        |

**d. Employer contributions reserve**

At the end of the year under review, and at the end of the previous year, there was no employer contributions reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**PERSONNEL**

**13. Employee stock option plan**

The Group operates a share-based employee stock option plan. Under the terms of this plan, a specified number of options to purchase registered shares are granted to managers and employees who have distinguished themselves by a particularly strong commitment to the company or an above-average performance. One-third of the options granted can be exercised immediately, one-third after 12 months, and the remaining third after 24 months. Options are conditional on the employee being employed by the company on the date of exercise. Options are not transferable and only exercisable by the employee. The exercised options can optionally be subject to a blocking period of either 5 or 10 years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The fair value of the employee services received in exchange for the granting of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted (day value at grant date, respectively the last trading day before the grant date). At each balance sheet date, the Group revises its calculation of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original calculations, if any, in the income statement, with a corresponding adjustment to equity.

Registered shares from existing treasury stock have been specifically reserved for this plan. No new shares were issued for the employee stock option plan. The proceeds received are recognized in Group equity when the options are exercised.

The dilutive effect of outstanding options on earnings per registered share is disclosed in Note 15b.

| Balance of registered shares in the employee stock option plan | 2023             | 2022             |
|--|------------------|------------------|
| Balance at 1 January   | 2 153 150        | 2 342 932        |
| Exercised shares   | -179 811         | -189 782         |
| <b>Balance at 31 December</b>                                  | <b>1 973 339</b> | <b>2 153 150</b> |

| Options outstanding                       | 2023           | 2022           |
|---|----------------|----------------|
| Options outstanding at 1 January          | 178 512        | 184 154        |
| Granted                                   | 181 445        | 185 750        |
| Forfeited or lapsed                       | -2 087         | -1 610         |
| Exercised                                 | -179 811       | -189 782       |
| <b>Options outstanding at 31 December</b> | <b>178 059</b> | <b>178 512</b> |

| Expiry date of outstanding options | 31.12.2023     | 31.12.2022     |
|------------------------------------|----------------|----------------|
| 2023                               |                | 118 320        |
| 2024                               | 117 606        | 60 192         |
| 2025                               | 60 453         |                |
| <b>Total</b>                       | <b>178 059</b> | <b>178 512</b> |

The personnel expense recorded in the year under review amounted to CHF 8 million (previous year: CHF 9 million).

| Valuation of options      |     | 2023                          |                                | 2022                          |                                |
|---------------------------|-----|-------------------------------|--------------------------------|-------------------------------|--------------------------------|
|                           |     | Portion exercisable in 1 year | Portion exercisable in 2 years | Portion exercisable in 1 year | Portion exercisable in 2 years |
| Grant date                |     | 31.05.2023                    | 31.05.2023                     | 31.05.2022                    | 31.05.2022                     |
| Expiry date               |     | 31.05.2024                    | 31.05.2025                     | 31.05.2023                    | 31.05.2024                     |
| Share price on grant date | CHF | 51.10                         | 51.10                          | 46.60                         | 46.60                          |
| Exercise price            | CHF | 4.00                          | 4.00                           | 4.00                          | 4.00                           |
| Day value on grant date   | CHF | 47.10                         | 47.10                          | 42.60                         | 42.60                          |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**CAPITAL AND TREASURY**

**14. Share capital and reserves**

Shares issued by The Swatch Group Ltd are recognized in equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Share capital consists of registered shares, each with a nominal value of CHF 0.45, and bearer shares, each with a nominal value of CHF 2.25. Each share carries one vote. Both categories of shares confer equal entitlement to dividends according to their nominal value.

Treasury shares that are reacquired are deducted from equity at historical cost. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of treasury shares. In the event of a resale at a later point in time, a gain or loss is recognized as an addition to or reduction of capital reserves.

**a. Share capital**

Over the past three years, the share capital of The Swatch Group Ltd has developed as follows:

| Balance sheet date | Registered shares at CHF 0.45 | Bearer shares at CHF 2.25 | Share capital in CHF  |
|--------------------|-------------------------------|---------------------------|-----------------------|
| 31.12.2021         | 116 919 500                   | 28 936 000                | 117 719 775.00        |
| 31.12.2022         | 116 919 500                   | 28 936 000                | 117 719 775.00        |
| <b>31.12.2023</b>  | <b>116 919 500</b>            | <b>28 936 000</b>         | <b>117 719 775.00</b> |

At the end of the year under review, as well as at the end of the previous year, there was no authorized or conditional capital. All issued shares are fully paid. No benefit or participation certificates exist. In accordance with the articles of incorporation of the Swatch Group, the Board of Directors shall refuse a registered share ownership of more than 5% per shareholder. In exceptional cases, the Board of Directors may consent to an exception to this rule.

**b. Capital reserves**

Capital reserves include the result from the sale of treasury shares and transactions with non-controlling interests as well as effects of capital reductions.

**c. Non-distributable reserves**

At the end of the year under review, the reserves of the holding company, The Swatch Group Ltd, included a non-distributable amount of CHF 138 million (previous year: CHF 147 million). This amount consisted of CHF 114 million related to treasury shares held (previous year: CHF 123 million) and non-distributable legal reserves of CHF 24 million (previous year: CHF 24 million).

**d. Treasury shares**

Changes in shares of The Swatch Group Ltd held by the Group are presented in the following table:

|                                    | Registered shares |             | Bearer shares |             | Total CHF million |
|------------------------------------|-------------------|-------------|---------------|-------------|-------------------|
|                                    | Quantity          | CHF million | Quantity      | CHF million |                   |
| <b>Balance at 31 December 2021</b> | <b>2 357 457</b>  | <b>118</b>  | <b>40 000</b> | <b>13</b>   | <b>131</b>        |
| Acquisitions 1)                    | 0                 | 0           | 10 000        | 2           | 2                 |
| Disposals 2)                       | -189 807          | -10         | 0             | 0           | -10               |
| <b>Balance at 31 December 2022</b> | <b>2 167 650</b>  | <b>108</b>  | <b>50 000</b> | <b>15</b>   | <b>123</b>        |
| Acquisitions 1)                    | 0                 | 0           | 0             | 0           | 0                 |
| Disposals 2)                       | -179 811          | -9          | 0             | 0           | -9                |
| <b>Balance at 31 December 2023</b> | <b>1 987 839</b>  | <b>99</b>   | <b>50 000</b> | <b>15</b>   | <b>114</b>        |

1) In the year under review, no treasury shares were acquired (previous year: 10 000 bearer shares at an average price of CHF 225.72).

2) In the year under review, no treasury shares were sold (previous year: 25 registered shares). As part of the employee stock option plan (see Note 13), 179 811 registered shares were exercised (previous year: 189 782).

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**15. Earnings per share**

**a. Basic**

|  | 2023       | 2022  |
|--|------------|-------|
| <b>Net result attributable to shareholders of The Swatch Group Ltd (CHF million)</b>         | <b>869</b> | 807   |
| Percentage of registered shares outstanding in comparison with the share capital outstanding | 44.3%      | 44.3% |
| Percentage of bearer shares outstanding in comparison with the share capital outstanding     | 55.7%      | 55.7% |

| <b>Registered shares</b>   | 2023        | 2022        |
|--|-------------|-------------|
| Net result attributable to registered shareholders (CHF million) | 385         | 357         |
| Average number of shares outstanding                             | 114 847 344 | 114 658 893 |
| <b>Basic earnings per share (CHF)</b>                            | <b>3.35</b> | 3.11        |

| <b>Bearer shares</b>   | 2023         | 2022       |
|--|--------------|------------|
| Net result attributable to bearer shareholders (CHF million) | 484          | 450        |
| Average number of shares outstanding                         | 28 886 000   | 28 888 308 |
| <b>Basic earnings per share (CHF)</b>                        | <b>16.76</b> | 15.57      |

**b. Diluted**

| <b>Registered shares</b>   | 2023        | 2022        |
|--|-------------|-------------|
| Net result attributable to registered shareholders (CHF million) | 385         | 357         |
| Average number of shares outstanding – basic (as above)          | 114 847 344 | 114 658 893 |
| Potential number of shares from options outstanding              | 164 019     | 163 264     |
| Average potential number of shares outstanding – diluted         | 115 011 363 | 114 822 157 |
| <b>Diluted earnings per share (CHF)</b>                          | <b>3.35</b> | 3.11        |

| <b>Bearer shares</b>   | 2023         | 2022       |
|--|--------------|------------|
| Net result attributable to bearer shareholders (CHF million) | 484          | 450        |
| Average potential number of shares outstanding               | 28 886 000   | 28 888 308 |
| <b>Diluted earnings per share (CHF)</b>                      | <b>16.75</b> | 15.56      |

**16. Dividends paid and proposed**

Dividend payments to shareholders are recognized in the Group's financial statements in the period in which the Annual General Meeting of The Swatch Group Ltd has given its approval.

On 10 May 2023, the Annual General Meeting approved the distribution of the following dividend:

| <b>Dividend paid</b>                | <b>Dividend per share</b> | <b>Total dividend</b> |
|-------------------------------------|---------------------------|-----------------------|
|                                     | <b>CHF</b>                | <b>CHF million</b>    |
| Registered shares                   | 1.20                      | 140                   |
| Bearer shares                       | 6.00                      | 174                   |
| <b>Total dividend</b>               |                           | <b>314</b>            |
| Dividend not paid out on own shares |                           | -3                    |
| <b>Total dividend paid</b>          |                           | <b>311</b>            |

At the Annual General Meeting on 8 May 2024, the payment of the following dividend for the year under review will be proposed and treated as an appropriation of available earnings during the financial year 2024:

| <b>Proposed dividend</b> | <b>Dividend per share</b> | <b>Total dividend</b> |
|--------------------------|---------------------------|-----------------------|
|                          | <b>CHF</b>                | <b>CHF million</b>    |
| Registered shares        | 1.30                      | 152                   |
| Bearer shares            | 6.50                      | 188                   |
| <b>Total dividend</b>    |                           | <b>340</b>            |

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**17. Financial risk management**

**a. Financial risk factors**

In view of the global and varied nature of its activities, the Group is exposed to different financial risks, including foreign currency, market, credit and liquidity risks. The Group's financial risk management is essentially focused on identifying and analyzing exchange rate risk, mainly against the US Dollar, the Chinese Renminbi, the Euro and the Japanese Yen, with the aim of minimizing its impact on the net result of the Group. In order to hedge exchange rate risk, the Group may use derivative financial instruments such as forward currency contracts or currency options.

Risk management is conducted by the central treasury department (Group Treasury), which follows the directives issued by the Group's management bodies. Risks are assessed in collaboration with the operating units and the hedging methods are decided and implemented under the regular supervision of the Group's top management.

**Credit risk.** Credit risks in respect of customers arise when they may not be able to settle their obligations as agreed. The credit standing of commercial partners defined in the Group's client credit policy is periodically reviewed at Group level. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

In the context of securities trading, the Group guards against the risk of default by implementing directives that impose minimum credit ratings for investments in tradable securities. Exposure to this type of risk is closely monitored by Group management and is contained within strict and predetermined limits. Given the very high standards of creditworthiness applied to the commercial and financial partners, the default risks to which the Group is exposed are estimated to be limited.

**Liquidity risk.** Liquidity risk is defined as the risk that the Group could not be able to meet its financial obligations on time. The close monitoring of liquidity at Group level and of the asset allocation allows the Group's treasury department to maintain adequate levels of liquidity at all times. In order to meet any exceptional liquidity requirements, the Group maintains lines of credit with a number of financial institutions.

At the balance sheet date, the available liquidity is summarized as follows:

| (CHF million)   | 31.12.2023   | 31.12.2022 |
|---|--------------|------------|
| Cash and cash equivalents (Note 19)   | 1 683        | 2 176      |
| Financial assets, securities and derivative financial instruments (Note 20)         | 380          | 372        |
| <b>Short-term accessible liquidity reserves</b>                                     | <b>2 063</b> | 2 548      |
| Committed credit facilities   | 685          | 804        |
| /. Utilized credit facilities   | -73          | -6         |
| <b>Total short-term accessible liquidity reserves and undrawn credit facilities</b> | <b>2 675</b> | 3 346      |

**b. Capital management**

The primary objective of the Group with regard to capital management is to preserve a strong equity base in order to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's top management reviews the capital structure of the Group and the equity of its subsidiaries on a regular basis.

To preserve or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new debt or redeem existing debt. There were no changes in the Group's approach to capital management during the year.



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18. Net financial result

| (CHF million)   | 2023       | 2022       |
|---|------------|------------|
| Interest income   | 41         | 26         |
| Result from marketable securities at fair value           | 17         | -23        |
| Net currency result                                       | -91        | -37        |
| Other financial expense                                   | -3         | -4         |
| <b>Other financial income and expense</b>                 | <b>-36</b> | <b>-38</b> |
| <b>Interest expense</b>                                   | <b>-4</b>  | <b>-3</b>  |
| <b>Share of result from associates and joint ventures</b> | <b>-1</b>  | <b>-21</b> |
| <b>Net financial result</b>                               | <b>-41</b> | <b>-62</b> |

19. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise petty cash, cash at banks and short-term deposits with an original maturity of three months or less. They are recorded at their nominal value. The average yield on short-term bank deposits corresponds to the average interest rate on an investment on the money markets with a term of up to three months. In the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, less current account overdrafts (funds "net cash").

| (CHF million)  | 31.12.2023   | 31.12.2022   |
|--|--------------|--------------|
| Current accounts and liquid assets                     | 883          | 1 020        |
| Short-term deposits with financial institutions        | 800          | 1 156        |
| <b>Total cash and cash equivalents - balance sheet</b> | <b>1 683</b> | <b>2 176</b> |

| (CHF million)   | 31.12.2023   | 31.12.2022   |
|---|--------------|--------------|
| Cash and cash equivalents                             | 1 683        | 2 176        |
| Current account overdrafts (Note 21)                  | -67          | 0            |
| <b>Total funds net cash - statement of cash flows</b> | <b>1 616</b> | <b>2 176</b> |

20. Financial assets, securities and derivative financial instruments

**Financial assets**

Financial assets comprise short-term bank deposits with a residual maturity of more than three months. They are recorded at their nominal value.

**Marketable securities**

Purchases and sales of securities are recognized in accordance with the settlement date principle. The securities are initially measured at cost, and the transaction costs are charged to the income statement. Subsequently, the listed securities are recorded in the balance sheet at market value on the balance sheet date. Private equity investments are adjusted to the current net asset value on the balance sheet date. All realized and unrealized gains and losses resulting from variations in market values and foreign currencies are recorded in the income statement. In general, issuer risk is minimized by only buying securities which are investment grade rated.

**Derivative financial instruments**

The Group did not designate derivative financial instruments as cash flows hedges, either in the year under review or in the previous year. All such instruments are booked at fair value. Fair value changes are recognized immediately in the financial result. Counterparty risk is also minimized by ensuring that all derivative financial instruments, money market investments and current account deposits are placed with financial institutions whose credit ratings are usually at least investment grade.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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| (CHF million)  | 31.12.2023 | 31.12.2022 |
|--|------------|------------|
| Equity securities  | 113        | 124        |
| Bond securities  | 227        | 241        |
| Investment funds and other investments   | 5          | 4          |
| <b>Total marketable securities at fair value</b>                               | <b>345</b> | <b>369</b> |
| <b>Current financial assets</b>  | <b>19</b>  | <b>0</b>   |
| <b>Derivative financial instruments</b>  | <b>16</b>  | <b>3</b>   |
| <b>Total financial assets, securities and derivative financial instruments</b> | <b>380</b> | <b>372</b> |

At the end of the year under review, there was no option contract outstanding (none in the previous year). The table below gives an overview of the contract values and fair values of open forward contracts.

| (CHF million)               | 31.12.2023     |                     |                     | 31.12.2022     |                     |                     |
|-----------------------------|----------------|---------------------|---------------------|----------------|---------------------|---------------------|
|                             | Contract value | Positive fair value | Negative fair value | Contract value | Positive fair value | Negative fair value |
| <b>Forward contracts in</b> |                |                     |                     |                |                     |                     |
| CNY                         | 30             | 1                   | 0                   | 72             | 0                   | 0                   |
| EUR                         | 224            | 3                   | 0                   | 184            | 0                   | -1                  |
| GBP                         | 180            | 4                   | 0                   | 24             | 0                   | 0                   |
| HKD                         | 82             | 0                   | -2                  | 44             | 0                   | 0                   |
| JPY                         | 0              | 0                   | 0                   | 74             | 2                   | 0                   |
| USD                         | 263            | 7                   | 0                   | 403            | 1                   | 0                   |
| Other currencies            | 55             | 1                   | 0                   | 46             | 0                   | -1                  |
| <b>Total</b>                | <b>834</b>     | <b>16</b>           | <b>-2</b>           | <b>847</b>     | <b>3</b>            | <b>-2</b>           |

21. Financial debts and derivative financial instruments

**Financial debts**

Financial debts are recognized as nominal values. Any transaction costs incurred are posted in the income statement. Financial debts are shown on the balance sheet as current liabilities, unless the Group has an unconditional right to postpone the settlement of the debt until at least 12 months after the balance sheet date.

**Derivative financial instruments**

The accounting principles for derivative financial instruments are explained in Note 20.

| (CHF million)   | 31.12.2023 | 31.12.2022 |
|---|------------|------------|
| Current account overdrafts  | 67         | 0          |
| Short-term bank debts   | 6          | 6          |
| Derivative financial instruments  | 2          | 2          |
| <b>Total current financial debts and derivative financial instruments</b> | <b>75</b>  | <b>8</b>   |
| <b>Total non-current financial debts</b>                                  | <b>2</b>   | <b>2</b>   |
| <b>Total financial debts</b>  | <b>77</b>  | <b>10</b>  |

The contractual repricing dates at the balance sheet date were as follows:

| (CHF million)              | < 1 year  | 1-5 years | > 5 years | Total     |
|----------------------------|-----------|-----------|-----------|-----------|
| <b>At 31 December 2023</b> | <b>75</b> | <b>2</b>  | <b>0</b>  | <b>77</b> |
| At 31 December 2022        | 8         | 2         | 0         | 10        |

The carrying amounts of the Swatch Group's financial debts were denominated in the following currencies:

| (CHF million)    | 31.12.2023 | 31.12.2022 |
|------------------|------------|------------|
| CHF              | 58         | 1          |
| Other currencies | 19         | 9          |
| <b>Total</b>     | <b>77</b>  | <b>10</b>  |

The Swatch Group had no listed debenture bonds or convertible bonds outstanding in the years under review.

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**22. Other current assets**

| (CHF million)                     | 31.12.2023 | 31.12.2022 |
|-----------------------------------|------------|------------|
| VAT to be refunded                | 56         | 55         |
| Other receivables                 | 139        | 48         |
| <b>Total other current assets</b> | <b>195</b> | <b>103</b> |

**23. Prepayments and accrued income**

| (CHF million)                                     | 31.12.2023 | 31.12.2022 |
|---|------------|------------|
| Prepaid sales, marketing and administration costs | 106        | 64         |
| Income tax assets                                 | 17         | 12         |
| Prepaid leasing costs                             | 27         | 25         |
| Other prepayments and accrued income              | 113        | 105        |
| <b>Total prepayments and accrued income</b>       | <b>263</b> | <b>206</b> |

**24. Other liabilities**

| (CHF million)                  | 31.12.2023 | 31.12.2022 |
|--------------------------------|------------|------------|
| Advance payments received      | 57         | 85         |
| Income tax liabilities         | 16         | 11         |
| VAT liabilities                | 22         | 22         |
| Other tax liabilities          | 11         | 10         |
| Social benefits liabilities    | 34         | 34         |
| Other liabilities              | 24         | 31         |
| <b>Total other liabilities</b> | <b>164</b> | <b>193</b> |

**25. Accrued expenses**

| (CHF million)                                     | 31.12.2023 | 31.12.2022 |
|---|------------|------------|
| Accrued salaries and social benefits              | 149        | 143        |
| Accrued sales, marketing and administration costs | 148        | 127        |
| Accrued income taxes                              | 107        | 108        |
| Accrued sales reductions                          | 35         | 39         |
| Accrued leasing costs                             | 145        | 167        |
| Other accrued expenses                            | 110        | 100        |
| <b>Total accrued expenses</b>                     | <b>694</b> | <b>684</b> |
| <i>thereof current</i>                            | <i>567</i> | <i>533</i> |
| <i>thereof non-current</i>                        | <i>127</i> | <i>151</i> |

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**26. Other non-current assets**

**Non-current accruals**

This position contains the non-current portion of prepayments and accrued income, particularly prepaid marketing and leasing cost. Key money paid when renting stores in strategic locations is recognized as prepaid rent when recovery at the end of the contract is not certain, and booked to rent expense on a straight-line basis over the contract period. The current portion is transferred to *Prepayments and accrued income*.

| (CHF million)                      | Non-current accruals | Security deposits | Other financial assets | Total      |
|------------------------------------|----------------------|-------------------|------------------------|------------|
| <b>Balance at 31 December 2022</b> | <b>19</b>            | <b>64</b>         | <b>98</b>              | <b>181</b> |
| Translation differences            | -1                   | -6                | -3                     | -10        |
| Additions                          | 4                    | 14                | 0                      | 18         |
| Disposals                          | -2                   | -6                | -1                     | -9         |
| Balance sheet transfer             | -3                   | -3                | -90                    | -96        |
| <b>Balance at 31 December 2023</b> | <b>17</b>            | <b>63</b>         | <b>4</b>               | <b>84</b>  |

| (CHF million)               | Non-current accruals | Security deposits | Other financial assets | Total |
|-----------------------------|----------------------|-------------------|------------------------|-------|
| Balance at 31 December 2021 | 22                   | 65                | 99                     | 186   |
| Translation differences     | -1                   | -2                | 1                      | -2    |
| Additions                   | 1                    | 11                | 0                      | 12    |
| Disposals                   | 0                    | -6                | -1                     | -7    |
| Balance sheet transfer      | -3                   | -4                | -1                     | -8    |
| Balance at 31 December 2022 | 19                   | 64                | 98                     | 181   |

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## 27. Income taxes

The tax expense for the period comprises current income taxes and deferred taxes. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized directly in equity.

### Current income tax

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

### Deferred tax

Deferred tax is recognized in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax regulations and rates that have been enacted or substantively enacted at the balance sheet date and are expected to apply.

Deferred tax assets are recognized for all deductible temporary differences, carryforward tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax is recognized on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is not intended that the temporary difference will reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### a. Reconciliation of the Group's effective tax rate

The Group's applicable tax rate is presented as the domestic tax rate of Biel, where the Headquarters of Swatch Group are located.

| (CHF million)   | 2023         | 2022         |
|---|--------------|--------------|
| Result before income taxes  | 1 152        | 1 096        |
| Group's applicable tax rate   | 21.4%        | 21.4%        |
| <b>Income taxes at applicable tax rate</b>  | <b>-247</b>  | <b>-235</b>  |
| Effect of:  |              |              |
| - Differences in tax rates 1)   | 0            | -45          |
| - Tax rate changes on deferred taxes  | 3            | 1            |
| - Recognition and offset of tax loss carry-forwards not recognized in prior years | 5            | 26           |
| - Non-recognition of tax loss carry-forwards                                      | -18          | -16          |
| - Non-taxable income  | 2            | 3            |
| - Non-tax-deductible expenses   | -8           | -9           |
| - Income taxes of prior periods   | 1            | 3            |
| - Other items   | 0            | -1           |
| <b>Total income taxes</b>   | <b>-262</b>  | <b>-273</b>  |
| <b>Group's effective tax rate</b>   | <b>22.7%</b> | <b>24.9%</b> |

1) The Group operates worldwide and is subject to income taxes in many different tax jurisdictions. The effect of the different tax rates in the respective tax jurisdictions versus the Group's applicable tax rate as well as the relative weight of the result of each individual entity in the Group's result may change from year to year.

The effective tax rate based on the ordinary result in the year under review was 22.7 % (previous year: 24.9 %).

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## b. Income tax expenses

| (CHF million)               | 2023        | 2022        |
|-----------------------------|-------------|-------------|
| Current income taxes        | -235        | -261        |
| Income tax of prior periods | 1           | 3           |
| Deferred taxes              | -28         | -15         |
| <b>Total income taxes</b>   | <b>-262</b> | <b>-273</b> |

## c. Current income tax

| Net current income tax liability (CHF million) | 2023        | 2022        |
|--|-------------|-------------|
| <b>Balance at 1 January</b>                    | <b>-107</b> | <b>-130</b> |
| Recognized in income statement                 | -234        | -258        |
| Recognized in equity                           | 0           | 0           |
| Income taxes paid                              | 228         | 277         |
| Translation differences                        | 7           | 4           |
| <b>Balance at 31 December</b>                  | <b>-106</b> | <b>-107</b> |
| Current income tax assets                      | 17          | 12          |
| Current income tax liabilities                 | -123        | -119        |

## d. Deferred tax

The deferred tax assets and liabilities relate to the following balance sheet items:

| (CHF million)                                  | 31.12.2023 |             |            | 31.12.2022 |             |            |
|--|------------|-------------|------------|------------|-------------|------------|
|  | Assets     | Liabilities | Net amount | Assets     | Liabilities | Net amount |
| Inventories                                    | 347        | -386        | -39        | 327        | -348        | -21        |
| Trade and other receivables                    | 1          | -8          | -7         | 1          | -13         | -12        |
| Property, plant and equipment                  | 23         | -75         | -52        | 25         | -80         | -55        |
| Intangible assets                              | 8          | -7          | 1          | 9          | -6          | 3          |
| Provisions                                     | 14         | -43         | -29        | 14         | -42         | -28        |
| Retirement benefit obligations                 | 5          | 0           | 5          | 6          | 0           | 6          |
| Accrued expenses                               | 55         | -32         | 23         | 61         | -37         | 24         |
| Tax losses                                     | 40         | 0           | 40         | 67         | 0           | 67         |
| Other  | 16         | -26         | -10        | 14         | -9          | 5          |
| <b>Total deferred tax assets / liabilities</b> | <b>509</b> | <b>-577</b> | <b>-68</b> | <b>524</b> | <b>-535</b> | <b>-11</b> |
| Deferred tax assets                            |            |             | 448        |            |             | 448        |
| Deferred tax liabilities                       |            |             | -516       |            |             | -459       |

The gross value of unused carryforward tax losses which have, or have not, been recognized as deferred tax assets, with their expiry dates is as follows:

| (CHF million)               | 2023           |            |            | 2022           |            |            |
|-----------------------------|----------------|------------|------------|----------------|------------|------------|
|                             | Not recognized | Recognized | Total      | Not recognized | Recognized | Total      |
| Up to five years            | 415            | 75         | 490        | 369            | 112        | 481        |
| More than five years        | 162            | 85         | 247        | 151            | 163        | 314        |
| No expiry date              | 96             | 15         | 111        | 94             | 17         | 111        |
| <b>Total at 31 December</b> | <b>673</b>     | <b>175</b> | <b>848</b> | <b>614</b>     | <b>292</b> | <b>906</b> |

The potential tax effect resulting from the utilization of previously unrecognized carryforward tax losses amounted to CHF 126 million in the year under review (previous year: CHF 121 million).

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## 28. Commitments and contingencies

### Operating leases

An operating lease is where a significant portion of the risks and rewards of ownership are retained by the lessor. Operating lease payments are recognized as expenses in the income statement on a straight-line basis over the lease term. On the other hand, temporary rent adjustments are recorded as expense reductions in the corresponding months, and are not distributed over the remaining term of the lease.

### Finance leases

A finance lease is where the lessor transfers to the lessee the significant risks and rewards associated with the ownership of the leased item. At the beginning of the term of the lease contract, the lower of fair value of the leased item or net present value of the future lease payments is shown in the balance sheet as assets and liabilities. Each lease payment is apportioned between the finance charges and the reduction of the lease liability, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recorded directly in the income statement as expenditure. Capitalized leased assets are depreciated over the lower of estimated economic useful life of the asset or contract period.

Property, plant and equipment are only leased exceptionally. At the end of the year under review and the previous year, the Group had no property, plant and equipment under finance lease contracts.

### a. Guarantees and sureties

At the end of the year under review, guarantees to third parties as security for commitments of Group companies amounted to CHF 15 million (previous year: CHF 23 million).

Total assets pledged by Group companies to guarantee their commitments amounted to CHF 77 million at the end of the year under review (previous year: CHF 82 million), of which less than CHF 1 million served to secure financial debts (previous year: less than CHF 1 million).

### b. Leasing and other commitments

The Group's fixed operating leasing commitments that cannot be cancelled within 12 months and which are not recognized in the balance sheet are due as follows (non-discounted):

| (CHF million)         | 31.12.2023   | 31.12.2022   |
|-----------------------|--------------|--------------|
| Less than 1 year      | 336          | 352          |
| Between 1 and 5 years | 1 009        | 964          |
| Over 5 years          | 613          | 652          |
| <b>Total</b>          | <b>1 958</b> | <b>1 968</b> |

The figures in the preceding table include all rental contracts for buildings, a major part of which relate to the Group's retail business, and to all other rental contracts existing at the end of the year under review. Leasing costs amounting to CHF 557 million were recognized in the income statement of the year under review, compared to CHF 555 million in the previous year.

At the end of the year under review, other open long-term and irrevocable payment obligations entered into by the Group, which cannot be cancelled within 12 months, had a non-discounted value of CHF 502 million (previous year: CHF 592 million). They mainly relate to marketing and sponsoring commitments, as well as investments in tangible fixed assets.

### c. Contingent assets and liabilities

Some Group companies have contingent liabilities in respect of legal claims arising from the ordinary course of business and they may be liable to pay compensation. It is not expected that any material liabilities will arise from these contingent liabilities other than those provided for (see Note 10b).

In some cases, the Group is defending its rights where there is also an inherent possibility of inflows of economic benefits if the cases are successful.

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## 29. Related party transactions

### a. Principal shareholders

At the end of the year under review, the Hayek Pool and its related companies, institutions and individuals held 62 463 349 registered shares and 738 026 bearer shares, equivalent to 43.3% of all voting rights (previous year: 43.3%) of The Swatch Group Ltd, which is the parent company of the Group. In the context of the pool, the group of the community of heirs of Marianne and Nicolas G. Hayek and related parties controlled in total 42.7% of all voting rights (previous year: 42.7%).

### b. Key management personnel

In addition to the members of the Board of Directors, the members of the Group Management Board and of the Extended Management Board are considered as key management personnel. Total compensation for key management personnel was as follows:

| (CHF million)                    | 2023        | 2022        |
|----------------------------------|-------------|-------------|
| Short-term employee benefits     | 25.0        | 24.9        |
| – of which in salaries           | 8.2         | 8.4         |
| – of which in bonus              | 16.2        | 15.8        |
| – of which in expense allowances | 0.5         | 0.5         |
| – of which in other benefits     | 0.1         | 0.2         |
| Share-based compensation         | 6.0         | 5.7         |
| Contributions to pension plans   | 0.7         | 0.7         |
| Other social benefits            | 2.4         | 2.5         |
| <b>Total</b>                     | <b>34.1</b> | <b>33.8</b> |

In the year under review and in the previous year, no termination benefits were paid to members of the Board of Directors, the Management Board or the Extended Management Board. The employment contracts of members of management bodies do not provide for this type of benefit. In the year under review and in the previous year, no payments were made to former members of the Group's governing bodies for their past functions.

### c. Share ownership

At the end of the year under review, the executive members of the Board of Directors and the members of the Management Board of the company as well as the persons close to them held directly or indirectly a total of 58 078 067 registered shares and 737 936 bearer shares, representing 40.3% of all voting rights (previous year: 40.3%). In addition, at the end of the year under review, all the non-executive members of the Board of Directors as well as the persons close to them held 100 registered shares and 2 010 bearer shares, representing 0.0% of all voting rights (previous year: 0.0%).

### d. Loans to members of the governing bodies

The employees of the company may take out a mortgage loan with the Swiss Pension Fund of the Swatch Group for the construction or acquisition of property in Switzerland. The conditions for these mortgage loans are set by the Foundation Board of the Swiss Pension Fund of the Swatch Group. These conditions are applied in the same manner to all Swatch Group employees. In the year under review and the previous year, no loans were granted to current or former members of the Board of Directors, the Management Board or the Extended Management Board. Also, in the year under review and the previous year, no such loans were outstanding.

### e. Associated companies and other related parties

The following table summarizes transactions, receivables and payables with associated companies, joint ventures (see Note 34b) and other related parties. Consulting services invoiced by the Hayek Group are recognized in *Other related parties*. At the end of the year under review and the previous year, there were no other balances outstanding with other related parties.

| (CHF million)                  | 2023                          |                       | 2022                          |                       |
|--------------------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|
|                                | Associates and joint ventures | Other related parties | Associates and joint ventures | Other related parties |
| Purchases                      | 63                            | 11                    | 64                            | 10                    |
| Sales                          | 4                             | 0                     | 5                             | 0                     |
| Receivables                    | 1                             | 0                     | 1                             | 0                     |
| Payables                       | 4                             | 0                     | 4                             | 0                     |
| Guarantees received            | 0                             | 0                     | 0                             | 0                     |
| Loans granted                  | 0                             | 0                     | 1                             | 0                     |
| Interest rate on loans granted | -                             | -                     | 4.0%                          | -                     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATION AND GROUP STRUCTURE

#### 30. Consolidation

##### Principles of consolidation

The scope of consolidation includes all companies that are directly or indirectly controlled by the parent company, The Swatch Group Ltd. Control is evidenced either by the holding of more than 50% of the voting rights or by otherwise controlling the financial and operating activities of the company concerned. Group companies are fully consolidated from the date of obtaining control. Intercompany transactions, balances and unrealized gains and losses on transactions between Group companies are eliminated in full. Non-controlling interests in equity and in net result are disclosed separately in the balance sheet and the income statement. Changes in ownership interests in Group companies are accounted for as equity transactions, provided that control is retained.

Capital consolidation is based on the purchase method. The difference between the acquisition cost of a subsidiary or an investment in an associate and the fair value of net assets acquired, is recognized as goodwill and subsequently deducted from equity. Identifiable intangible assets not previously recognized by the acquired subsidiary are not capitalized. On disposal of voting interests of Group or associated companies, the difference between the proceeds from the sale and the Group share of the carrying amount of the net assets, including historical goodwill, is recognized as gain or loss in the income statement.

For joint ventures in which the Group has joint control with a joint venture partner, the equity method is applied. Companies in which the Group holds between 20% to 50% of the voting interests or over which it otherwise has significant influence, are accounted for using the equity method and are presented as investments in associates in the consolidated balance sheet. Unrealized gains and losses on transactions with associates are eliminated to the extent of the Group participation.

##### Currency translation

The financial statements of the individual Group companies are prepared in the currency of the economic environment in which these companies predominantly operate (functional currency). Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the transaction date. Balance sheet items in foreign currencies are translated at the year-end exchange rate. All resulting gains and losses are recognized in the income statement.

The consolidated financial statements are presented in Swiss francs (CHF). The financial statements of the Group companies are translated into Swiss francs using the closing rate method as follows: assets and liabilities at year-end rates, equity at historical rates, income and cash flow statements at average rates for the year. The resulting translation differences are recognized in equity, including the foreign exchange effects on loans with equity character and investments in joint ventures or associates. On disposal of a foreign entity or a part of its business, the cumulative translation differences are recycled in the income statement.

##### a. Consolidated companies

|   | 2023       | 2022       |
|---|------------|------------|
| Number of companies at 1 January          | 148        | 147        |
| Foundations                               | 1          | 3          |
| Group internal mergers                    | 0          | -1         |
| Liquidations                              | -2         | -1         |
| <b>Number of companies at 31 December</b> | <b>147</b> | <b>148</b> |
| of which associates                       | 5          | 5          |
| of which joint ventures                   | 2          | 2          |

##### b. Exchange rates

| Currency | Unit | Average rates | Prevailing rates | Average rates | Prevailing rates |
|----------|------|---------------|------------------|---------------|------------------|
|          |      | 2023          | 31.12.2023       | 2022          | 31.12.2022       |
| CNY      | 1    | 0.1271        | 0.1188           | 0.1421        | 0.1343           |
| EUR      | 1    | 0.9742        | 0.9347           | 1.0062        | 0.9900           |
| HKD      | 1    | 0.1150        | 0.1082           | 0.1223        | 0.1189           |
| JPY      | 100  | 0.6399        | 0.5980           | 0.7300        | 0.7060           |
| USD      | 1    | 0.9007        | 0.8450           | 0.9579        | 0.9268           |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATION AND GROUP STRUCTURE

#### 31. Business combinations

##### a. Acquisition of subsidiaries

In March 2023, Harry Winston, Inc., New York acquired a jewelry workshop from a business partner for an amount of CHF 1.9 million. The employees, as well as assets amounting to CHF 0.2 million, were integrated into Harry Winston Inc. The resulting goodwill of CHF 1.7 million was charged to Group equity. There were no acquisitions in the previous year.

##### b. Divestments of businesses

No companies were sold in the year under review and in the previous year.

##### c. Changes in non-controlling interests

In April 2022 the remaining minority interest of 20% in ST Software s.r.o., Liberec (Czech Republic) was acquired. The company is active in the sports timing sector and was already controlled by the Swatch Group. The transaction amounted to less than CHF 1 million and had no impact on Group equity.

#### 32. Investments in associates and joint ventures

All associates and joint ventures (see Note 34b) are recognized using the equity method.

| (CHF million)                                      | 2023      | 2022      |
|--|-----------|-----------|
| <b>Balance at 1 January</b>                        | <b>19</b> | <b>21</b> |
| Share of result from associates and joint ventures | -1        | -21       |
| Goodwill recycling into equity (Note 33)           | 0         | 20        |
| Dividends received                                 | -1        | -1        |
| Investments  | 0         | 0         |
| Translation differences                            | -4        | 0         |
| <b>Balance at 31 December</b>                      | <b>13</b> | <b>19</b> |

In the previous year, *Share of result from associates and joint ventures* included an expense of CHF 20 million related to the derecognition of goodwill for Alzouman General Trading Co. Ltd., which is in liquidation (see Note 33). This amount was reclassified to Group equity.

In the year under review, there were no significant changes in investments in associates and Joint Ventures. In the previous year, the company DryLyte Chemicals Switzerland AG was founded as Joint Venture, together with a Spanish partner. The company produces auxiliary materials in the polishing sector, mainly for Group-internal production companies.

Although voting rights in the investment in Hengdeli Holdings are less than 20%, the Swatch Group can exert significant influence, since it is represented on the board of directors and has access to current financial information. Therefore, this investment is considered to be an associated company.

At balance sheet date, associated companies and joint ventures had no contingent liabilities (previous year: none).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**CONSOLIDATION AND GROUP STRUCTURE**

### 33. Acquired goodwill

Goodwill from business combinations represents the amount of the acquisition costs which exceeds the proportional actual value of the net identifiable assets of the acquired company at the time of purchase. In the case of acquisitions, potentially existing non-capitalized intangible assets such as brands, user rights or client lists are not recognized separately, but remain in goodwill. Goodwill may also arise from investments in associated companies, calculated as the amount of the acquisition costs of the investment which exceeds its related net assets at fair value at the time of acquisition. Goodwill from acquisitions is translated into CHF with the exchange rate applicable on the respective transaction date, and is recognized directly in Group equity. As a result, no currency adjustments are necessary in the statement of changes in goodwill. The estimated useful life of goodwill is between 5 and 10 years.

A goodwill impairment test is carried out at every balance sheet date. A goodwill impairment would not result in a charge being recorded in the income statement, but would lead to a disclosure in the notes to the financial statements. In the event that a Group company is sold, any goodwill acquired at an earlier point in time and recognized in equity is taken into consideration when determining the gain or loss in the income statement.

#### a. Theoretical statement of changes in goodwill

The theoretical capitalization of goodwill would have the following impact on the consolidated balance sheet:

|   | 2023                     |                               |               | 2022                     |                               |        |
|---|--------------------------|-------------------------------|---------------|--------------------------|-------------------------------|--------|
|   | Goodwill Group companies | Goodwill associated companies | Total         | Goodwill Group companies | Goodwill associated companies | Total  |
| (CHF million)   |                          |                               |               |                          |                               |        |
| <b>Historical cost 1 January</b>                        | <b>1 387</b>             | <b>28</b>                     | <b>1 415</b>  | 1 387                    | 48                            | 1 435  |
| Additions   | 2                        | 0                             | 2             | 0                        | 0                             | 0      |
| Disposals   | 0                        | 0                             | 0             | 0                        | -20                           | -20    |
| <b>Historical cost 31 December</b>                      | <b>1 389</b>             | <b>28</b>                     | <b>1 417</b>  | 1 387                    | 28                            | 1 415  |
| <b>Theoretical accumulated amortization 1 January</b>   | <b>-1 387</b>            | <b>-28</b>                    | <b>-1 415</b> | -1 283                   | -48                           | -1 331 |
| Theoretical annual amortization                         | -1                       | 0                             | -1            | -104                     | 0                             | -104   |
| Theoretical impairment                                  | 0                        | 0                             | 0             | 0                        | 0                             | 0      |
| Theoretical amortization on disposals                   | 0                        | 0                             | 0             | 0                        | 20                            | 20     |
| <b>Theoretical accumulated amortization 31 December</b> | <b>-1 388</b>            | <b>-28</b>                    | <b>-1 416</b> | -1 387                   | -28                           | -1 415 |
| <b>Theoretical net book value 31 December</b>           | <b>1</b>                 | <b>0</b>                      | <b>1</b>      | 0                        | 0                             | 0      |

The addition in the year under review concerns the acquisition of a jewelry workshop by Harry Winston Inc., New York (see Note 31). In the previous year, the liquidation process of Alzouman General Trading Co. Ltd, an associated company in Saudi Arabia, commenced. The historical value of the acquired goodwill of CHF 20 million was recycled in the income statement in the position *Share of result from associates and joint ventures*. Group equity was not impacted by this cash-neutral expense.

#### b. Theoretical impact on equity and net result

Had goodwill been capitalized and amortized, the theoretical effect on equity and net result would have been as follows:

| (CHF million)  | 31.12.2023    | 31.12.2022 |
|--|---------------|------------|
| Equity per balance sheet                                       | 12 258        | 12 051     |
| Theoretical capitalization of net book value of goodwill       | 1             | 0          |
| <b>Theoretical equity including net book value of goodwill</b> | <b>12 259</b> | 12 051     |
| (CHF million)  | 2023          | 2022       |
| Net result per income statement                                | 890           | 823        |
| Theoretical amortization of goodwill                           | -1            | -104       |
| <b>Theoretical net result after goodwill amortization</b>      | <b>889</b>    | 719        |

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### 34. The Swatch Group Companies

As at 31.12.2023

#### a. Fully consolidated

| Company name, Registered offices                             | Field of Activity                       | Capital in million | Group participation |
|--|---|--------------------|---------------------|
| <b>EUROPE</b>  |   |                    |                     |
| <b>Switzerland</b>   |   |                    |                     |
| The Swatch Group AG, Neuchâtel                               | Holding                                 | CHF 117.72         |                     |
| Assemti SA, Locarno  | Assembly                                | CHF 0.10           | 100%                |
| Belenos Clean Power Holding AG, Biel/Bienne                  | Holding                                 | CHF 63.00          | 51%                 |
| Blancpain SA, Le Chenit                                      | Watches                                 | CHF 0.10           | 100%                |
| Blancpain Les Boutiques SA, Le Chenit                        | Retail                                  | CHF 0.10           | 100%                |
| Breguet Les Boutiques SA, L'Abbaye                           | Retail                                  | CHF 0.50           | 100%                |
| CERTINA AG, Le Locle   | Watches                                 | CHF 3.50           | 100%                |
| CHH Microtechnique SA, Le Chenit                             | Watch components                        | CHF 81.00          | 100%                |
| Cité du Temps SA, Biel/Bienne                                | Communication                           | CHF 6.00           | 100%                |
| CK Watch & Jewelry Co., Ltd., Biel/Bienne                    | Watches                                 | CHF 5.00           | 100%                |
| Comadur SA, Le Locle   | Components in hard materials            | CHF 110.00         | 100%                |
| Compagnie des Montres Longines, Francillon S.A., Saint-Imier | Watches                                 | CHF 10.00          | 100%                |
| Dernier Batz SA, Neuchâtel                                   | Real estate                             | CHF 10.00          | 100%                |
| Diantus Watch SA, Mendrisio                                  | Watches, movements                      | CHF 10.00          | 100%                |
| Distico SA, Biel/Bienne                                      | Distribution                            | CHF 3.00           | 100%                |
| Dress your body AG, Neuchâtel                                | Jewelry                                 | CHF 0.10           | 100%                |
| EM Microelectronic-Marin SA, La Tène                         | Microelectronics                        | CHF 25.00          | 100%                |
| ETA SA Manufacture Horlogère Suisse, Grenchen                | Watches, movements and components       | CHF 6.20           | 100%                |
| Evaco AG, Möhlin   | Watches                                 | CHF 0.50           | 58%                 |
| Hamilton International AG, Biel/Bienne                       | Watches                                 | CHF 3.00           | 100%                |
| Harry Winston SA, Plan-les-Ouates                            | Watches                                 | CHF 0.40           | 100%                |
| ICB Ingénieurs Conseils en Brevets SA, Neuchâtel             | Patents                                 | CHF 0.20           | 100%                |
| Manufacture Ruedin SA, Haute-Sorne                           | Watch cases                             | CHF 2.40           | 100%                |
| Meco SA, Grenchen  | Watch crowns                            | CHF 25.00          | 100%                |
| Micro Crystal AG, Grenchen                                   | Miniature low-frequency quartz crystals | CHF 4.00           | 100%                |
| MIDO AG, Le Locle  | Watches                                 | CHF 1.20           | 100%                |
| MOM Le Prélet S.A., Val-de-Ruz                               | Watch dials                             | CHF 10.00          | 100%                |
| Montres Breguet SA, L'Abbaye                                 | Watches                                 | CHF 10.00          | 100%                |
| Montres Jaquet Droz SA, La Chaux-de-Fonds                    | Watches                                 | CHF 66.00          | 100%                |
| Nivarox-FAR S.A., Le Locle                                   | Watch components and thin wires         | CHF 4.00           | 100%                |
| Novi SA, Les Genevez   | Assembly                                | CHF 0.14           | 100%                |
| Omega SA, Biel/Bienne  | Watches                                 | CHF 50.00          | 100%                |
| Rado Uhren AG, Lengnau BE                                    | Watches                                 | CHF 2.00           | 100%                |
| Record Watch Co. SA, Saint-Imier                             | Administration                          | CHF 0.10           | 100%                |
| Renata AG, Itingen   | Miniature batteries                     | CHF 0.50           | 100%                |
| Rubattel et Weyermann S.A., La Chaux-de-Fonds                | Watch dials                             | CHF 63.00          | 100%                |
| SSIH Management Services AG, Biel/Bienne                     | Services                                | CHF 0.05           | 100%                |
| Swatch AG, Biel/Bienne                                       | Watches                                 | CHF 2.00           | 100%                |
| Swatch Retail AG, Biel/Bienne                                | Retail                                  | CHF 2.00           | 100%                |
| Swiss Timing LTD, Corgémont                                  | Sports timing technology & equipment    | CHF 2.00           | 100%                |
| Technocorp Holding S.A., Le Locle                            | Holding                                 | CHF 6.00           | 100%                |
| Termiboîtes S.A., Basse-Allaine                              | Polishing                               | CHF 0.10           | 100%                |
| The Swatch Group Assembly SA, Mendrisio                      | Assembly                                | CHF 15.00          | 100%                |
| The Swatch Group Export SA, Neuchâtel                        | Distribution                            | CHF 1.00           | 100%                |
| The Swatch Group Far East Distribution Ltd, Biel/Bienne      | Distribution                            | CHF 0.10           | 100%                |
| The Swatch Group Immeubles SA, Neuchâtel                     | Real estate management                  | CHF 0.50           | 80%                 |
| The Swatch Group Les Boutiques SA, Le Grand-Saconnex         | Retail                                  | CHF 3.00           | 100%                |
| The Swatch Group Management Services AG, Biel/Bienne         | Services                                | CHF 0.05           | 100%                |
| The Swatch Group Recherche et Développement SA, La Tène      | Research and development                | CHF 0.10           | 100%                |
| The Swatch Group Services AG, Biel/Bienne                    | Logistics, distribution and services    | CHF 1.00           | 100%                |
| Time Flagship AG, Zürich                                     | Retail                                  | CHF 6.00           | 100%                |
| Tissot SA, Le Locle  | Watches                                 | CHF 5.00           | 100%                |
| Universo S.A., La Chaux-de-Fonds                             | Watch hands                             | CHF 0.67           | 100%                |

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| Company name, Registered offices                                    | Field of Activity                    |     | Capital<br>in million | Group<br>participation |
|---|--------------------------------------|-----|-----------------------|------------------------|
| <b>Belgium</b>  |                                      |     |                       |                        |
| The Swatch Group (Belgium) SA/NV, Anderlecht                        | Distribution                         | EUR | 1.75                  | 100%                   |
| RETAIL SERVICES BELGIUM SA, Bruxelles                               | Services                             | EUR | 2.09                  | 100%                   |
| <b>Germany</b>  |                                      |     |                       |                        |
| Förderungsgesellschaft der Glashütter Uhrenindustrie mbH, Glashütte | Watches                              | EUR | 0.03                  | 100%                   |
| Glashütter Uhrenbetrieb GmbH-Glashütte/Sa., Glashütte               | Watches                              | EUR | 0.51                  | 100%                   |
| ST Sportservice GmbH, Leipzig                                       | Sports timing technology & equipment | EUR | 3.47                  | 100%                   |
| Swiss Prestige Uhren Handel GmbH, Eschborn                          | Retail                               | EUR | 0.08                  | 100%                   |
| The Swatch Group (Deutschland) GmbH, Eschborn                       | Distribution                         | EUR | 1.28                  | 100%                   |
| UNION Uhrenfabrik GmbH Glashütte/Sa., Glashütte                     | Watches                              | EUR | 0.10                  | 100%                   |
| <b>France</b>   |                                      |     |                       |                        |
| BREGUET SAS, Paris  | Administration                       | EUR | 0.04                  | 100%                   |
| FABRIQUE DE FOURNITURES DE BONNETAGE-F.F.B.-SAS, Villers-le-Lac     | Precision parts                      | EUR | 4.56                  | 100%                   |
| Frésard Composants SAS, Charquemont                                 | Precision parts                      | EUR | 1.80                  | 100%                   |
| Harry Winston SAS, Paris  | Retail                               | EUR | 10.09                 | 100%                   |
| HOOR PASSION SAS, Paris   | Retail                               | EUR | 10.00                 | 100%                   |
| The Swatch Group (France) SAS, Paris                                | Distribution                         | EUR | 15.00                 | 100%                   |
| <b>Greece</b>   |                                      |     |                       |                        |
| THE SWATCH GROUP GREECE S.M.S.A., Athens                            | Distribution                         | EUR | 0.82                  | 100%                   |
| <b>Great Britain</b>  |                                      |     |                       |                        |
| Harry Winston (UK) Limited, London                                  | Retail                               | GBP | 0.00                  | 100%                   |
| The Swatch Group (UK) Limited, London                               | Distribution                         | GBP | 2.00                  | 100%                   |
| <b>Italy</b>  |                                      |     |                       |                        |
| Lascor S.p.A., Sesto Calende  | Bracelets                            | EUR | 1.00                  | 100%                   |
| The Swatch Group (Italia) S.p.A., Milano                            | Distribution                         | EUR | 23.00                 | 100%                   |
| <b>Luxembourg</b>   |                                      |     |                       |                        |
| The Swatch Group Financial Services (Luxembourg) S.A., Alzingen     | Finance company                      | EUR | 5.00                  | 100%                   |
| The Swatch Group RE (Luxembourg) S.A., Alzingen                     | Reinsurance                          | EUR | 1.80                  | 100%                   |
| <b>Monaco</b>   |                                      |     |                       |                        |
| The Swatch Group (Monaco) Les Boutiques S.A.M., Monaco              | Distribution                         | EUR | 2.00                  | 100%                   |
| <b>Netherlands</b>  |                                      |     |                       |                        |
| The Swatch Group (Netherlands) B.V., Eindhoven                      | Distribution                         | EUR | 3.45                  | 100%                   |
| <b>Austria</b>  |                                      |     |                       |                        |
| The Swatch Group (Österreich) GmbH, Wien                            | Distribution                         | EUR | 0.04                  | 100%                   |
| <b>Poland</b>   |                                      |     |                       |                        |
| The Swatch Group (Polska) Sp.z o.o., Warszawa                       | Distribution                         | PLN | 10.00                 | 100%                   |
| <b>Russia</b>   |                                      |     |                       |                        |
| The Swatch Group (RUS) OOO, Moscow                                  | Distribution                         | RUB | 8 544.12              | 100%                   |
| <b>Sweden</b>   |                                      |     |                       |                        |
| The Swatch Group (Nordic) AB, Stockholm                             | Distribution                         | SEK | 0.50                  | 100%                   |
| <b>Spain</b>  |                                      |     |                       |                        |
| THE SWATCH GROUP ESPAÑA SA, Alcobendas-Madrid                       | Distribution                         | EUR | 0.45                  | 100%                   |
| <b>Czech Republic</b>   |                                      |     |                       |                        |
| ASICentrum spol. s.r.o., Praha                                      | Microelectronics                     | CZK | 0.30                  | 100%                   |
| ST Software s.r.o., Liberec   | Sports timing technology & equipment | CZK | 0.10                  | 100%                   |
| <b>Turkey</b>   |                                      |     |                       |                        |
| The Swatch Group Turkey Saat Ticaret Limited Sirketi, Istanbul      | Distribution                         | TRY | 281.23                | 100%                   |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**CONSOLIDATION AND GROUP STRUCTURE**

| Company name, Registered offices                       | Field of Activity              |     | Capital<br>in million | Group<br>participation |
|--|--------------------------------|-----|-----------------------|------------------------|
| <b>ASIA</b>  |                                |     |                       |                        |
| <b>Bahrain</b>   |                                |     |                       |                        |
| Hour Choice W.L.L., Manama                             | Retail                         | BHD | 0.02                  | 58%                    |
| <b>Greater China</b>                                   |                                |     |                       |                        |
| Harry Winston Commercial (China) Co. Ltd., Beijing     | Retail                         | CNY | 78.96                 | 100%                   |
| Harry Winston (Hong Kong) Limited, Hong Kong SAR       | Retail                         | HKD | 0.01                  | 100%                   |
| O Grupo Swatch (Macau) Limitada, Macau                 | Retail                         | MOP | 1.50                  | 100%                   |
| Shanghai Qi Heng Trading Co., Ltd., Shanghai           | Retail                         | CNY | 30.00                 | 100%                   |
| Shanghai Qi Tong Trading Co., Ltd., Shanghai           | Retail                         | CNY | 1.00                  | 100%                   |
| Shanghai Rui Jing Retail Co., Ltd., Shanghai           | Retail                         | CNY | 20.25                 | 100%                   |
| Shanghai Rui Jing Qi Management Co., Ltd., Shanghai    | Distribution                   | CNY | 3.00                  | 100%                   |
| Shanghai Ruiwan Retail Co., Ltd., Shanghai             | Retail                         | CNY | 4.00                  | 100%                   |
| Shanghai SMH Watch Service Center Co., Ltd., Shanghai  | Customer service               | CNY | 48.37                 | 100%                   |
| Shanghai Swatch Art Centre Co., Ltd., Shanghai         | Art center                     | CNY | 148.41                | 90%                    |
| SMH Les Boutiques (Shanghai) Co., Ltd., Shanghai       | Retail                         | CNY | 99.69                 | 100%                   |
| SMH Swiss Watch Trading (Shanghai) Co., Ltd., Shanghai | Distribution                   | CNY | 7.12                  | 90%                    |
| SMH Technical Services (Shenzhen) Co., Ltd., Shenzhen  | Services                       | CNY | 10.45                 | 100%                   |
| The Swatch Group (China) Ltd., Shanghai                | Distribution                   | CNY | 14.88                 | 100%                   |
| The Swatch Group (Hong Kong) Limited, Hong Kong SAR    | Distribution                   | HKD | 5.00                  | 100%                   |
| <b>India</b>   |                                |     |                       |                        |
| Swatch Group (India) Private Limited, New Delhi        | Distribution                   | INR | 5 280.00              | 100%                   |
| Swatch Group (India) Retail Private Limited, New Delhi | Retail                         | INR | 180.10                | 100%                   |
| <b>Indonesia</b>                                       |                                |     |                       |                        |
| PT Swatch Group Indonesia, Jakarta                     | Distribution                   | IDR | 189 295.90            | 100%                   |
| <b>Japan</b>   |                                |     |                       |                        |
| Harry Winston Japan K.K., Tokyo                        | Retail                         | JPY | 10.00                 | 100%                   |
| The Swatch Group (Japan) KK, Tokyo                     | Distribution                   | JPY | 100.00                | 100%                   |
| <b>Qatar</b>   |                                |     |                       |                        |
| Hour Choice W.L.L., Doha                               | Retail                         | QAR | 0.20                  | 29%                    |
| Rivoli Enterprises W.L.L., Doha                        | Retail                         | QAR | 0.20                  | 29%                    |
| Rivoli Watches W.L.L., Doha                            | Retail                         | QAR | 0.40                  | 29%                    |
| <b>Malaysia</b>  |                                |     |                       |                        |
| MICROMECHANICS (M) SDN. BHD., Ipoh                     | Assembly electronic components | MYR | 65.00                 | 100%                   |
| SWISS LUXURY WATCH & JEWELRY SDN. BHD., Kuala Lumpur   | Retail                         | MYR | 7.00                  | 51%                    |
| THE SWATCH GROUP (MALAYSIA) SDN. BHD., Kuala Lumpur    | Distribution                   | MYR | 1.00                  | 100%                   |
| <b>Oman</b>  |                                |     |                       |                        |
| RIVOLI & CO LLC, Muscat                                | Retail                         | OMR | 0.30                  | 58%                    |
| <b>Saudi Arabia</b>                                    |                                |     |                       |                        |
| Technocorp Trading LLC, Riyadh                         | Distribution                   | SAR | 30.00                 | 100%                   |
| <b>Singapore</b>                                       |                                |     |                       |                        |
| Harry Winston N.A. Pte. Ltd., Singapore                | Retail                         | SGD | 0.00                  | 100%                   |
| THE SWATCH GROUP S.E.A. (S) PTE. LTD., Singapore       | Distribution                   | SGD | 4.00                  | 100%                   |
| <b>South Korea</b>                                     |                                |     |                       |                        |
| The Swatch Group (Korea) Ltd., Seoul                   | Distribution                   | KRW | 6 300.00              | 100%                   |
| <b>Thailand</b>  |                                |     |                       |                        |
| ETA (Thailand) Company Limited, Samut Prakan           | Assembly electronic components | THB | 504.50                | 100%                   |
| The Swatch Group Trading (Thailand) Limited, Bangkok   | Distribution                   | THB | 600.00                | 100%                   |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
**CONSOLIDATION AND GROUP STRUCTURE**

| Company name, Registered offices                               | Field of Activity | Capital in million | Group participation |
|--|-------------------|--------------------|---------------------|
| <b>United Arab Emirates</b>                                    |                   |                    |                     |
| Al Khaleej Watches LLC, Abu Dhabi                              | Retail            | AED 0.15           | 58%                 |
| Blue Sky Trading Company LLC, Abu Dhabi                        | Retail            | AED 0.30           | 58%                 |
| Excel Enterprises LLC, Dubai                                   | Retail            | AED 1.70           | 58%                 |
| Golden Watch Company LLC, Abu Dhabi                            | Retail            | AED 0.50           | 58%                 |
| Hour Choice LLC, Dubai   | Retail            | AED 3.00           | 58%                 |
| Rivoli Arcade LLC, Dubai                                       | Retail            | AED 0.30           | 58%                 |
| Rivoli Enterprises LLC, Dubai                                  | Retail            | AED 3.00           | 58%                 |
| Rivoli Group FZCO, Dubai                                       | Distribution      | AED 1.00           | 58%                 |
| RIVOLI GROUP LLC, Dubai  | Retail            | AED 24.02          | 58%                 |
| Rivoli Investments LLC, Dubai                                  | Holding           | AED 0.30           | 58%                 |
| Rivoli Textiles LLC, Dubai                                     | Retail            | AED 0.30           | 58%                 |
| Swatch Group Retail Middle East LLC, Dubai                     | Retail            | AED 0.30           | 100%                |
| Vision 2000 LLC, Dubai   | Retail            | AED 1.00           | 58%                 |
| <b>AMERICA</b>   |                   |                    |                     |
| <b>Canada</b>  |                   |                    |                     |
| H.W. Protection Inc., Toronto                                  | Services          | CAD 1.94           | 100%                |
| The Swatch Group (Canada) Ltd., Toronto                        | Distribution      | CAD 4.50           | 100%                |
| <b>Mexico</b>  |                   |                    |                     |
| The Swatch Group Mexico S.A. de C.V., Mexico DF                | Distribution      | MXN 201.50         | 100%                |
| <b>Panama</b>  |                   |                    |                     |
| The Swatch Group Panama S.A., Panama City                      | Administration    | USD 0.01           | 100%                |
| <b>United States</b>   |                   |                    |                     |
| EM Microelectronic – US Inc., Colorado Springs                 | Microelectronics  | USD 0.04           | 100%                |
| Harry Winston, Inc., New York                                  | High jewelry      | USD 0.00           | 100%                |
| The Swatch Group (U.S.) Inc., Wilmington, Delaware             | Distribution      | USD 1.01           | 100%                |
| <b>OCEANIA</b>   |                   |                    |                     |
| <b>Australia</b>   |                   |                    |                     |
| THE SWATCH GROUP (AUSTRALIA) PTY. LTD., Richmond               | Distribution      | AUD 0.40           | 100%                |
| <b>AFRICA</b>  |                   |                    |                     |
| <b>South Africa</b>  |                   |                    |                     |
| The Swatch Group (South Africa) (Proprietary) Limited, Sandton | Distribution      | ZAR 225.00         | 100%                |

**b. Equity method**

| Company name, Registered offices                       | Field of Activity          | Capital in million | Group participation |
|--|----------------------------|--------------------|---------------------|
| <b>EUROPE</b>  |                            |                    |                     |
| <b>Switzerland</b>                                     |                            |                    |                     |
| Danyack S.A., La Chaux-de-Fonds                        | Real estate                | CHF 0.06           | 29%                 |
| DryLyte Chemicals Switzerland SA, Grenchen             | Surface treatment products | CHF 0.10           | 50%                 |
| S.I. Les Corbes SA, Val-de-Ruz                         | Real estate                | CHF 0.10           | 34%                 |
| <b>ASIA</b>  |                            |                    |                     |
| <b>Greater China</b>                                   |                            |                    |                     |
| Beijing Xinyu Hengrui Watch & Clock Co., Ltd., Beijing | Real estate                | CNY 40.00          | 50%                 |
| Hengdeli Holdings Limited, Hong Kong                   | Retail                     | CNY 21.26          | 10%                 |
| <b>Saudi Arabia</b>                                    |                            |                    |                     |
| Alzouman General Trading Co. Ltd., Jeddah              | Retail                     | SAR 60.00          | 33%                 |
| <b>United Arab Emirates</b>                            |                            |                    |                     |
| Marcolin Middle East FZCO, Dubai                       | Distribution               | AED 0.10           | 29%                 |

# Report of the statutory auditor

to the General Meeting of The Swatch Group Ltd

Neuchâtel

## Report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of The Swatch Group Ltd and its subsidiaries (the Group), which comprise the consolidated income statement for the year ended 31 December 2023, the consolidated balance sheet as at 31 December 2023, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 137 to 172) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our audit approach

#### Overview

Overall Group materiality: CHF 50 million



We concluded full scope audit work at 71 reporting units in 28 countries. These 71 reporting units addressed more than 85% of the Group's total assets, net sales and net result.

As key audit matter the following area of focus has been identified:

Valuation of inventories



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# Report of the statutory auditor

to the General Meeting of The Swatch Group Ltd

Neuchâtel

## Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

|   |   |
|---|---|
| <b>Overall Group materiality for the audit of the consolidated financial statements</b> | CHF 50 million  |
| <b>Benchmark applied</b>  | Result before income taxes  |
| <b>Rationale for the materiality benchmark applied</b>                                  | We chose result before income taxes as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. In addition, result before income taxes is a generally accepted benchmark for considerations of materiality. |

We agreed with the Board of Directors and the Audit Committee that we would report to them misstatements above CHF 2.5 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons. The Management of The Swatch Group Ltd uses stricter criteria and lower benchmarks in making operational decisions and for its financial reporting.

## Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates. The main subsidiaries of the Group except for the subsidiary in Great Britain are audited by PwC and we remain in constant contact with the audit teams that perform the work. As the auditor of the consolidated financial statements, we ensure that we inquire local management and the local auditor of the most significant Group companies every three years according to a rotation plan. During these meetings, we discuss the risks of a material misstatement in the local entity's financial statements as well as the focus points of the audit and the audit scope. During the audit of the 2023 consolidated financial statements, we participated in the audit closing meetings of three of the main Group companies in Switzerland and discussed the audit with the local auditors and the management of the main Group companies in China on site and in the United Arab Emirates, in France as well as in Hong Kong via a virtual meeting.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



# Report of the statutory auditor

to the General Meeting of The Swatch Group Ltd

Neuchâtel

## Valuation of inventories

| Key audit matter  | How our audit addressed the key audit matter   |
|---|--|
| <p>We consider the valuation of inventories to be a key audit matter because they amounted to CHF 7,309 million on the balance sheet as at 31 December 2023 and they represent a significant share of total assets (about 51%).</p> <p>Sales of watches and jewellery are subject to market fluctuations. These fluctuations along with the complex structure of inventories – raw materials, components, finished goods and spare parts – mean that there is significant scope for judgement in testing inventories for impairment and recoverability. In performing these tests, the different raw materials used and the durability of the value of each brand's products have to be considered in the light of the differing product life cycles.</p> <p>Please refer to page 142 (Basis of preparation, c. Accounting estimates and judgements) and page 147 (Notes to the consolidated financial statements, Note 7 Inventories) in the 2023 Annual Report.</p> | <p>We performed the following audit procedures to assess the appropriateness of the valuation of the inventories:</p> <ul style="list-style-type: none"> <li>- By reference to historical and expected inventory usage figures, we assessed at subsidiary level the process for identifying slow-moving inventories (raw materials, semi-finished goods and spare parts for customer service) and the appropriateness of the resulting write-downs.</li> <li>- For finished goods subject to market risk, we tested at subsidiary level and at Group level Management's valuation estimates based on the lower of acquisition or manufacturing cost and net realisable value as well as the recoverability of the book value of finished goods. In doing so, we considered not only sales figures but also the marketability of the watch and jewellery collections.</li> <li>- Further, at Group level, we checked the process to eliminate unrealised gains and losses from transactions between Group companies. In doing so, we checked that the valuation of the inventories on the consolidated financial statements did not include material unrealised gains.</li> </ul> <p>We consider Management's approach to value inventories and assess write-downs as reasonable.</p> |

## Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



# Report of the statutory auditor

to the General Meeting of The Swatch Group Ltd

Neuchâtel

## Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

## Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Bröderlin  
Licensed audit expert  
Auditor in charge



Tobias Handschin  
Licensed audit expert

Basel, 6 March 2024



## FINANCIAL STATEMENTS OF THE SWATCH GROUP LTD

**FINANCIAL STATEMENTS OF THE SWATCH GROUP LTD**

|   |            |
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## INCOME STATEMENT OF THE SWATCH GROUP LTD

|   | Notes | 2023<br>CHF million | 2022<br>CHF million |
|---|-------|---------------------|---------------------|
| Income from investments in subsidiaries | (1)   | 629                 | 972                 |
| Other income                            |       | 6                   | 6                   |
| Personnel expense                       |       | -47                 | -43                 |
| Other expenses                          |       | -23                 | -20                 |
| Depreciation and impairment             | (2)   | -48                 | -31                 |
| Financial expenses                      | (3)   | -69                 | -50                 |
| Financial income                        | (4)   | 128                 | 44                  |
| <b>Ordinary result</b>                  |       | <b>576</b>          | <b>878</b>          |
| Non-operating result                    |       | 0                   | 0                   |
| Extraordinary result                    |       | 0                   | 1                   |
| <b>Profit before income taxes</b>       |       | <b>576</b>          | <b>879</b>          |
| Income taxes                            |       | -2                  | -2                  |
| <b>Net income</b>                       |       | <b>574</b>          | <b>877</b>          |

## BALANCE SHEET OF THE SWATCH GROUP LTD

| Assets                                     | Notes  | 31.12.2023   |              | 31.12.2022  |       |
|--|--------|--------------|--------------|-------------|-------|
|  |        | CHF million  | %            | CHF million | %     |
| <b>Current assets</b>                      |        |              |              |             |       |
| Cash and cash equivalents                  |        | 652          | 6.9          | 979         | 10.8  |
| Assets with an observable market price     | (5, 8) | 400          | 4.2          | 282         | 3.1   |
| Other current receivables                  | (6)    | 3 415        | 36.2         | 3 007       | 33.0  |
| Prepayments and accrued income             |        | 6            | 0.1          | 3           | 0.0   |
| <b>Total current assets</b>                |        | <b>4 473</b> | <b>47.4</b>  | 4 271       | 46.9  |
| <b>Non-current assets</b>                  |        |              |              |             |       |
| Loans to Group companies                   |        | 409          | 4.3          | 430         | 4.7   |
| Loans to third parties                     |        | 0            | 0.0          | 0           | 0.0   |
| Investments in subsidiaries and associates | (7)    | 4 552        | 48.2         | 4 401       | 48.3  |
| Property, plant and equipment              |        | 3            | 0.1          | 4           | 0.1   |
| Intangible assets                          |        | 1            | 0.0          | 1           | 0.0   |
| <b>Total non-current assets</b>            |        | <b>4 965</b> | <b>52.6</b>  | 4 836       | 53.1  |
| <b>Total assets</b>                        |        | <b>9 438</b> | <b>100.0</b> | 9 107       | 100.0 |

## BALANCE SHEET OF THE SWATCH GROUP LTD

| Equity and liabilities                               | Notes | 31.12.2023   |              | 31.12.2022  |       |
|--|-------|--------------|--------------|-------------|-------|
|  |       | CHF million  | %            | CHF million | %     |
| <b>Current liabilities</b>                           |       |              |              |             |       |
| Financial debts and derivative financial instruments | (8)   | 61           | 0.6          | 5           | 0.1   |
| Other current liabilities                            | (9)   | 32           | 0.3          | 32          | 0.3   |
| Accrued expenses                                     |       | 18           | 0.2          | 14          | 0.1   |
| <b>Non-current liabilities</b>                       |       |              |              |             |       |
| Non-current provisions                               |       | 90           | 1.0          | 90          | 1.0   |
| <b>Total liabilities</b>                             |       | <b>201</b>   | <b>2.1</b>   | 141         | 1.5   |
| <b>Equity</b>  |       |              |              |             |       |
| Share capital  |       | 118          | 1.3          | 118         | 1.3   |
| Statutory capital reserve                            |       | 119          | 1.3          | 120         | 1.3   |
| Statutory reserve                                    |       | 10           | 0.1          | 10          | 0.1   |
| Reserve for treasury shares                          |       | 0            | 0.0          | 0           | 0.0   |
| Voluntary reserve                                    |       | 8 489        | 89.9         | 7 939       | 87.2  |
| - Profit brought forward                             |       | 41           |              | 25          |       |
| - Net income for the year                            |       | 574          |              | 877         |       |
| Available earnings                                   |       | 615          | 6.5          | 902         | 9.9   |
| Treasury shares                                      |       | -114         | -1.2         | -123        | -1.3  |
| <b>Total equity</b>                                  | (10)  | <b>9 237</b> | <b>97.9</b>  | 8 966       | 98.5  |
| <b>Total equity and liabilities</b>                  |       | <b>9 438</b> | <b>100.0</b> | 9 107       | 100.0 |

## NOTES TO THE FINANCIAL STATEMENTS

**General**

The financial statements of The Swatch Group Ltd, with registered office in Neuchâtel, comply with the requirements of the Swiss Code of Obligations (OR). The financial statements for the year under review were prepared in accordance with Swiss Accounting Legislation (thirty-second title of the Swiss Code of Obligations).

**Valuation principles****a. Assets**

Assets are valued at no more than their acquisition cost. Exceptions are current assets with an observable market price, which are valued at the stock price or market value on the balance sheet date. All changes in value are recognized in the income statement. No value fluctuation reserves are built.

**b. Investments**

Investments in subsidiaries and associates are valued individually provided that they are significant and that due to their similarity are not usually combined as a group for valuation.

**c. Treasury shares**

Treasury shares reserved for the employee stock option plan, as well as repurchased treasury shares are valued at historical acquisition value without subsequent valuation adjustment. Gains and losses from disposals of treasury shares, including transaction costs, are recorded directly in capital reserves.

**d. Liabilities**

Liabilities are valued at nominal value.

**e. Foreign currency translation**

All assets and liabilities denominated in foreign currencies are translated according to the exchange rates applicable on the balance sheet date. Income and expenses denominated in foreign currencies and all foreign exchange transactions are translated at the exchange rates prevailing on their respective transaction dates. Resulting foreign exchange differences are recognized in the income statement.

**Details to specific items****1. Income from investments in subsidiaries**

| (CHF million)                                 | 2023       | 2022       |
|---|------------|------------|
| Dividends                                     | 567        | 914        |
| Other income from investments in subsidiaries | 62         | 58         |
| <b>Total</b>                                  | <b>629</b> | <b>972</b> |

This item includes dividends from Group companies and other income from investments in subsidiaries as well as management fees from Group companies.

**2. Depreciation and impairment**

Depreciation and impairment is calculated on receivables, property, plant and equipment, intangible assets, loans and investments in subsidiaries and associates. In the year under review, this amounted to CHF 48 million (previous year: CHF 31 million).

**3. Financial expenses**

| (CHF million)                                   | 2023       | 2022       |
|---|------------|------------|
| Interest expense                                | -3         | -2         |
| Result from marketable securities at fair value | -7         | -28        |
| Net currency result                             | -57        | -18        |
| Other financial expense                         | -2         | -2         |
| <b>Total</b>                                    | <b>-69</b> | <b>-50</b> |

## NOTES TO THE FINANCIAL STATEMENTS

**4. Financial income**

| (CHF million)                  | 2023       | 2022      |
|--------------------------------|------------|-----------|
| Interest income                | 103        | 34        |
| Income and gains on securities | 25         | 10        |
| <b>Total</b>                   | <b>128</b> | <b>44</b> |

**5. Assets with an observable market price**

| (CHF million)                                 | 31.12.2023 | 31.12.2022 |
|---|------------|------------|
| Current financial assets                      | 0          | 0          |
| Marketable securities                         | 343        | 213        |
| Precious metals                               | 41         | 65         |
| Derivative financial instruments (see Note 8) | 16         | 4          |
| <b>Total</b>                                  | <b>400</b> | <b>282</b> |

**6. Other current receivables**

| (CHF million)                    | 31.12.2023   | 31.12.2022   |
|----------------------------------|--------------|--------------|
| Receivables from Group companies | 35           | 15           |
| Loans to Group companies         | 3 345        | 2 960        |
| Other receivables                | 35           | 32           |
| <b>Total</b>                     | <b>3 415</b> | <b>3 007</b> |

**7. Investments in subsidiaries and associates**

The list of 146 legal entities, including minority investments, held directly or indirectly by The Swatch Group Ltd and consolidated at Swatch Group level, is published in Note 34 of the consolidated financial statements in this report.

Investments in subsidiaries amounted to CHF 4 552 million or 48.2 % of total assets at the end of the year under review (previous year: CHF 4 401 million or 48.3 % of total assets).

**8. Financial debts and derivative financial instruments**

At the end of the year under review, current account overdrafts in the amount of CHF 55 million were open (previous year: none).

At the end of the year under review, as in the previous year, there was no option contract outstanding. The table below gives an overview of the contract values and fair values of open forward contracts.

| (CHF million)            | 31.12.2023     |                     |                     | 31.12.2022     |                     |                     |
|--------------------------|----------------|---------------------|---------------------|----------------|---------------------|---------------------|
|                          | Contract value | Positive fair value | Negative fair value | Contract value | Positive fair value | Negative fair value |
| <b>Forward contracts</b> |                |                     |                     |                |                     |                     |
| - Third parties          | 803            | 15                  | -2                  | 775            | 3                   | -1                  |
| - Group                  | 305            | 1                   | -4                  | 301            | 1                   | -4                  |
| <b>Total</b>             | <b>1 108</b>   | <b>16</b>           | <b>-6</b>           | <b>1 076</b>   | <b>4</b>            | <b>-5</b>           |

Derivative financial instruments are recognized at fair value. Forward contracts outstanding at the end of the year under review served to hedge operations relating to exchange rate risk and market volatility. Intragroup contracts relate to agreements between The Swatch Group Ltd and Group companies for the hedging of risk associated with intragroup financial transactions.

**9. Other current liabilities**

| (CHF million)               | 31.12.2023 | 31.12.2022 |
|-----------------------------|------------|------------|
| Payables to Group companies | 29         | 29         |
| Other payables              | 3          | 3          |
| <b>Total</b>                | <b>32</b>  | <b>32</b>  |

## NOTES TO THE FINANCIAL STATEMENTS

**10. Equity**

At the end of the year under review, the equity ratio amounted to 97.9% of the balance sheet total (previous year: 98.5%).

The table below shows the changes in equity:

| (CHF million)                | Share capital | Statutory capital reserve | Statutory reserve | Reserve for treasury shares | Voluntary reserve | Available earnings | Treasury shares | Total equity |
|------------------------------|---------------|---------------------------|-------------------|-----------------------------|-------------------|--------------------|-----------------|--------------|
| <b>Balance at 31.12.2021</b> | <b>118</b>    | <b>123</b>                | <b>10</b>         | <b>0</b>                    | <b>7 739</b>      | <b>510</b>         | <b>-131</b>     | <b>8 369</b> |
| Allocated in 2022            |               |                           |                   |                             | 200               | -200               |                 | <b>0</b>     |
| Dividend paid out            |               |                           |                   |                             |                   | -285               |                 | <b>-285</b>  |
| Change in treasury shares    |               | -3                        |                   |                             |                   |                    | 8               | <b>5</b>     |
| Net income                   |               |                           |                   |                             |                   | 877                |                 | <b>877</b>   |
| <b>Balance at 31.12.2022</b> | <b>118</b>    | <b>120</b>                | <b>10</b>         | <b>0</b>                    | <b>7 939</b>      | <b>902</b>         | <b>-123</b>     | <b>8 966</b> |
| Allocated in 2023            |               |                           |                   |                             | 550               | -550               |                 | <b>0</b>     |
| Dividend paid out            |               |                           |                   |                             |                   | -311               |                 | <b>-311</b>  |
| Change in treasury shares    |               | -1                        |                   |                             |                   |                    | 9               | <b>8</b>     |
| Net income                   |               |                           |                   |                             |                   | 574                |                 | <b>574</b>   |
| <b>Balance at 31.12.2023</b> | <b>118</b>    | <b>119</b>                | <b>10</b>         | <b>0</b>                    | <b>8 489</b>      | <b>615</b>         | <b>-114</b>     | <b>9 237</b> |

**Share capital**

The share capital of The Swatch Group Ltd is composed as follows (unchanged from the previous year):

| Balance sheet date | Registered shares at CHF 0.45 | Bearer shares at CHF 2.25 | Share capital in CHF  |
|--------------------|-------------------------------|---------------------------|-----------------------|
| 31.12.2022         | 116 919 500                   | 28 936 000                | 117 719 775.00        |
| <b>31.12.2023</b>  | <b>116 919 500</b>            | <b>28 936 000</b>         | <b>117 719 775.00</b> |

**Principal shareholders at 31 December 2023**

At the end of the year under review, the Hayek Pool, its related companies, institutions and individuals held 62 463 349 registered shares and 738 026 bearer shares, equivalent to 43.3% of all voting rights (previous year: 43.3%). The Hayek Pool comprises the following members:

| Name / Company   | Location                 | Beneficial owners                                   |
|--|--------------------------|---|
| Community of heirs of Marianne and Nicolas G. Hayek represented by Nayla Hayek | Meisterschwanden         | Community of heirs of Marianne and Nicolas G. Hayek |
| Wat Holding AG   | Meisterschwanden         | Community of heirs of Marianne and Nicolas G. Hayek |
| Ammann Group Holding AG  | c/o Walder Wyss AG, Bern | Descendants U. Ammann-Schellenberg sen.             |
| Swatch Group Pension Fund  | Neuchâtel                | -   |

## NOTES TO THE FINANCIAL STATEMENTS

The companies, institutions and individuals associated with the Hayek Pool, but which do not formally belong to the Hayek Pool are as follows:

| Name / Company  | Location                          | Beneficial owners                                   |
|---|-----------------------------------|---|
| Hayek Holding AG  | Meisterschwanden                  | Community of heirs of Marianne and Nicolas G. Hayek |
| Community of heirs of Marianne and Nicolas G. Hayek and family members  |                                   | Community of heirs of Marianne and Nicolas G. Hayek |
| Personalfürsorgestiftung der Hayek Engineering AG                       | Meisterschwanden                  | -   |
| Ammann families (pension funds, foundations and individuals, Madisa AG) | c/o Ammann Group Holding AG, Bern | Represented by Daniela Aeschlimann                  |
| Fondation d'Ébauches SA et des maisons affiliées                        | Neuchâtel                         | -   |
| Various welfare foundations   | various                           | -   |

In the context of the pool, the group of the community of heirs of Marianne and Nicolas G. Hayek and related parties controlled in total 42.7% of all voting rights at end of the year under review (previous year: 42.7%).

At the end of the year under review, the Swatch Group had no knowledge of any other group or individual shareholder controlling more than 5% of all voting rights.

**Statutory capital reserve**

Gains and losses from the sale of treasury shares, including transaction costs, are recorded directly in the statutory capital reserve. In addition, the statutory capital reserve includes the historical proceeds from the issuance of participation certificates in excess of nominal value and issuance costs (premium).

**Voluntary reserve**

In the year under review, an amount of CHF 550 million was appropriated from available earnings at 31 December 2022 (previous year: CHF 200 million).

**Reserve for treasury shares**

At the end of the year under review, there was no reserve for treasury shares. No shares of The Swatch Group Ltd were held by Group subsidiaries (previous year: none).

**Available earnings**

In compliance with the resolution approved at the Annual General Meeting of 10 May 2023, available earnings were used as follows:

|   | CHF million |
|---|-------------|
| <b>Available earnings at 31 December 2022</b>                           | <b>902</b>  |
| Allocation to voluntary reserve   | -550        |
| Dividend payment of CHF 1.20 per registered share                       | -140        |
| Dividend payment of CHF 6.00 per bearer share                           | -174        |
| Dividends not paid out on own shares                                    | 3           |
| <b>Profit brought forward after appropriation of available earnings</b> | <b>41</b>   |

**Treasury shares**

Treasury shares held by The Swatch Group Ltd at the end of the year under review corresponded to 0.9% (previous year: 0.9%) of the nominal value of total share capital. In addition to repurchased treasury shares, this position also includes registered treasury shares intended for the employee stock option plan.

## NOTES TO THE FINANCIAL STATEMENTS

The number of treasury shares held directly or indirectly by The Swatch Group Ltd changed as follows:

| Shares held by                      | Registered shares 1) |           | Bearer shares |        |
|-------------------------------------|----------------------|-----------|---------------|--------|
|                                     | 2023                 | 2022      | 2023          | 2022   |
| <b>The Swatch Group Ltd</b>         |                      |           |               |        |
| <b>Balance at 1 January</b>         | <b>2 167 650</b>     | 2 357 457 | <b>50 000</b> | 40 000 |
| Acquisitions 2)                     | 0                    | 0         | 0             | 10 000 |
| Disposals 3)                        | -179 811             | -189 807  | 0             | 0      |
| <b>Balance at 31 December</b>       | <b>1 987 839</b>     | 2 167 650 | <b>50 000</b> | 50 000 |
| <b>Other consolidated companies</b> |                      |           |               |        |
| <b>Balance at 1 January</b>         | <b>0</b>             | 0         | <b>0</b>      | 0      |
| Acquisitions                        | 0                    | 0         | 0             | 0      |
| Disposals                           | 0                    | 0         | 0             | 0      |
| <b>Balance at 31 December</b>       | <b>0</b>             | 0         | <b>0</b>      | 0      |
| <b>Total balance at 31 December</b> | <b>1 987 839</b>     | 2 167 650 | <b>50 000</b> | 50 000 |

1) Of which, at the end of the year under review, a total of 1 973 339 registered shares were reserved for the employee stock option plan (previous year: 2 153 150 shares).

2) In the year under review, no treasury shares were acquired (previous year: 10 000 bearer shares at CHF 225.72).

3) In the year under review, no treasury shares were sold (previous year: 25 registered shares). As part of the employee stock option plan (see Note 13 of the consolidated financial statements), 179 811 registered shares were exercised (previous year: 189 782).

## Off-balance-sheet items

### Number of full-time equivalents

In the year under review, the annual average number of full-time equivalents was 138 (previous year: 134).

### Leasing liabilities

At the end of the year under review and the previous year, there were no liabilities arising from buy or purchase-like contracts and other leasing commitments which do not expire or cannot be cancelled within 12 months.

### Liabilities to pension plans

The balance sheet at the end of the year under review and the previous year contained no liabilities to pension plans.

### Assets pledged

None of the company's assets were pledged.

### Guarantees

At the end of the year under review and of the previous year, guarantees provided by The Swatch Group Ltd amounted to less than CHF 1 million. As in the previous year, this item relates to a guarantee to cover a lease commitment taken out by another Group company.

### Contingent liabilities

At the end of the year under review, unchanged from the previous year, there were no contingent liabilities except the joint and several responsibility in favor of other Group companies in connection with the group taxation of value added tax.

### Comfort letters

In the year under review, The Swatch Group Ltd issued comfort letters in favor of subsidiaries, guaranteeing the companies' willingness to pay for at least one year.

### Equal pay analysis

Based on the revised Gender Equality Act (GEA), The Swatch Group Ltd is required to conduct an equal pay analysis and have it audited by an independent body. The Swatch Group Ltd carried out this analysis in accordance with legal requirements per the end of June 2021, and submitted it to Blaser Treuhand AG in Bern for review. In its report, the auditor certified that all legal requirements had been met in full.

## NOTES TO THE FINANCIAL STATEMENTS

### Participation rights and options on such rights

Article 959c, paragraph 2, item 11 CO requires disclosure of the number and value of shares and options granted to members of the Board of Directors and Group Management as well as to employees. Details of the entire employee stock option plan are disclosed in Note 13 of the consolidated financial statements. Allocations to the Board of Directors and the Management Board are disclosed in the separate compensation report, in which all management remuneration information is disclosed.

In the year under review, 5 450 registered shares and options valued at CHF 0.3 million (previous year: 5 150 registered shares and options valued at CHF 0.2 million) were allocated to other employees of The Swatch Group Ltd.

### Additional information, cash flow statement and management report

According to Article 961d, paragraph 1 CO, additional information, the statement of cash flows and the management report are dispensed with, as The Swatch Group Ltd prepares the consolidated financial statements in accordance with a recognized financial reporting standard.

### Events after the balance sheet date

These financial statements were approved for issue by the Board of Directors on 6 March 2024 and will be submitted to the Annual General Meeting of Shareholders for approval on 8 May 2024. Otherwise, there were no other significant events after the balance sheet date.

## PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

The Board of Directors proposes to the Annual General Meeting that available earnings be appropriated as follows:

| (CHF million)  | 2023       | 2022       |
|--|------------|------------|
| Net income   | 574        | 877        |
| Profit brought forward                                       | 41         | 25         |
| <b>Available earnings</b>                                    | <b>615</b> | <b>902</b> |
| Allocation to voluntary reserve                              | -250       | -550       |
| <b>Payment of a 2022 dividend, i.e.:</b>                     |            |            |
| - CHF 1.20 per registered share with a par value of CHF 0.45 |            | -140       |
| - CHF 6.00 per bearer share with a par value of CHF 2.25     |            | -174       |
| <b>Payment of a 2023 dividend, i.e.: 1)</b>                  |            |            |
| - CHF 1.30 per registered share with a par value of CHF 0.45 | -152       |            |
| - CHF 6.50 per bearer share with a par value of CHF 2.25     | -188       |            |
| Dividends not paid out on own shares held by the Group 2)    |            | 3          |
| <b>Balance carried forward</b>                               | <b>25</b>  | <b>41</b>  |

1) It is planned not to pay dividends on treasury shares held by the Group.

2) Based on the decision of the Annual General Meeting of 10 May 2023, the dividend due on own shares held by the Group was not paid out.

# Report of the statutory auditor

to the General Meeting of The Swatch Group Ltd

Neuchâtel

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of The Swatch Group Ltd (the Company), which comprise the income statement for the year ended 31 December 2023, the balance sheet as at 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 169 to 172 and pages 179 to 187) comply with Swiss law and the Company's articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our audit approach

#### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

|  |  |
|--|--|
| <b>Overall materiality for the audit of the financial statements</b> | CHF 35 million   |
| <b>Benchmark applied</b>   | Total equity   |
| <b>Rationale for the materiality benchmark applied</b>               | We chose total equity as the benchmark because it is a relevant and generally accepted benchmark for materiality considerations relating to a holding company. |

We agreed with the Board of Directors and the Audit Committee that we would report to them misstatements above CHF 2.5 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons. The Management of The Swatch Group Ltd uses stricter criteria and lower benchmarks to support its operational decisions and for its financial reporting.



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# Report of the statutory auditor

to the General Meeting of The Swatch Group Ltd

Neuchâtel

## Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

## Key audit matters

We have determined that there are no key audit matters to communicate in our report.

## Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



# Report of the statutory auditor

to the General Meeting of The Swatch Group Ltd

Neuchâtel

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

## Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Brüderlin  
Licensed audit expert  
Auditor in charge

Tobias Handschin  
Licensed audit expert

Basel, 6 March 2024



## THE SWATCH GROUP LTD SECURITIES

| Average number of shares outstanding /<br>Average share capital | 2023<br>basic      | 2022<br>basic      | 2021<br>basic      | 2020<br>basic      | 2019<br>basic      |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Number of registered shares of CHF 0.45                         | 114 847 344        | 114 658 893        | 114 471 966        | 114 169 222        | 113 428 394        |
| Number of bearer shares of CHF 2.25                             | 28 886 000         | 28 888 308         | 28 883 462         | 28 872 923         | 28 814 317         |
| <b>Total average number of shares outstanding</b>               | <b>143 733 344</b> | <b>143 547 201</b> | <b>143 355 428</b> | <b>143 042 145</b> | <b>142 242 711</b> |
| Share capital registered shares in CHF                          | 51 681 305         | 51 596 502         | 51 512 385         | 51 376 150         | 51 042 777         |
| Share capital bearer shares in CHF                              | 64 993 500         | 64 998 693         | 64 987 790         | 64 964 077         | 64 832 213         |
| <b>Total average share capital in CHF</b>                       | <b>116 674 805</b> | <b>116 595 195</b> | <b>116 500 174</b> | <b>116 340 227</b> | <b>115 874 991</b> |
| <b>Key data per registered share (nom. CHF 0.45) in CHF</b>     | <b>2023</b>        | <b>2022</b>        | <b>2021</b>        | <b>2020</b>        | <b>2019</b>        |
| Consolidated net result attributable to shareholders            | 3.35               | 3.11               | 2.96               | -0.20              | 2.84               |
| Cash flow from operating activities 1)                          | 2.37               | 2.79               | 5.01               | 3.17               | 4.75               |
| Consolidated equity 1)  | 47.28              | 46.51              | 44.82              | 42.41              | 44.63              |
| Dividend 2)   | 1.30               | 1.20               | 1.10               | 0.70               | 1.10               |
| <b>Key data per bearer share (nom. CHF 2.25) in CHF</b>         | <b>2023</b>        | <b>2022</b>        | <b>2021</b>        | <b>2020</b>        | <b>2019</b>        |
| Consolidated net result attributable to shareholders            | 16.76              | 15.57              | 14.78              | -0.99              | 14.18              |
| Cash flow from operating activities 1)                          | 11.86              | 13.96              | 25.06              | 15.83              | 23.76              |
| Consolidated equity 1)  | 236.39             | 232.55             | 224.12             | 212.07             | 223.17             |
| Dividend 2)   | 6.50               | 6.00               | 5.50               | 3.50               | 5.50               |
| <b>Stock price (adjusted) in CHF</b>                            | <b>2023</b>        | <b>2022</b>        | <b>2021</b>        | <b>2020</b>        | <b>2019</b>        |
| Registered shares high  | 62.95              | 58.95              | 64.30              | 52.75              | 62.60              |
| Registered shares low   | 42.25              | 40.40              | 45.68              | 28.56              | 46.62              |
| Registered shares at year-end                                   | 44.05              | 48.04              | 53.45              | 46.76              | 51.15              |
| Bearer shares high  | 342.70             | 309.50             | 333.90             | 280.50             | 322.00             |
| Bearer shares low   | 222.30             | 215.70             | 235.50             | 151.00             | 247.70             |
| Bearer shares at year-end                                       | 228.60             | 263.00             | 279.00             | 241.50             | 270.00             |
| <b>Key ratios (year-end)</b>                                    | <b>2023</b>        | <b>2022</b>        | <b>2021</b>        | <b>2020</b>        | <b>2019</b>        |
| Average return on equity 3)                                     | 7.3%               | 7.0%               | 6.9%               | -0.5%              | 6.6%               |
| Dividend yield registered shares 4)                             | 3.0%               | 2.5%               | 2.1%               | 1.5%               | 2.2%               |
| Dividend yield bearer shares 4)                                 | 2.8%               | 2.3%               | 2.0%               | 1.4%               | 2.0%               |
| Market capitalization in CHF million                            | 11 765             | 13 227             | 14 322             | 12 455             | 13 793             |

1) Calculation based on average share capital per share category respectively average number of shares outstanding

2) For the year under review: Board of Directors' proposal

3) Net result as a percentage of average equity (previous year plus year under review, divided by two)

4) Dividend as a percentage of share price at year-end

| Securities                             | ISIN-Number  | Reuters Symbol |
|--|--------------|----------------|
| The Swatch Group Ltd Registered shares | CH0012255144 | UHRN.S         |
| The Swatch Group Ltd Bearer shares     | CH0012255151 | UHR.VX         |

The securities are listed on the Swiss Stock Exchange (SIX) and on the BX Berne eXchange.



## COMPENSATION REPORT 2023

**COMPENSATION REPORT****Compensation Committee****Compensation system****Additional contractual elements****Activities at other companies****Compensation for the members of the Board of Directors and Group Management Board (KL/EKL)****194****195****195****198****199****201**

With the Compensation Report, the Board of Directors and the Compensation Committee give an account of the material elements of the compensation principles, of the tasks and competences in the field of compensation, of the composition and function of the Compensation Committee, and of the various compensation elements.

The Report fulfils the requirements of Articles 734a-f of the Swiss Code of Obligations (OR) in force as of 2023 and the Guidelines on Corporate Governance issued by SIX Swiss Exchange Regulation AG. From 2014 to 2022, the regulations on the Compensation Report were governed by the Ordinance against Excessive Compensation in Listed Stock Corporations.

The following chapters were audited by PricewaterhouseCoopers AG: 2.3.5 Participation rights and options on such rights, 4. Activities at other companies, 5. Compensation for the members of the Board of Directors and the Group Management Board (KL/EKL).

**1. Compensation Committee****1.1 Composition of the Compensation Committee**

As the Board of Directors of the Swatch Group is intentionally kept small in number (currently 6 members), it functions at the same time as the Compensation Committee. This eliminates the need for demarcating the areas of responsibility and ensuring the flow of information.

The Compensation Committee is chaired by Mr Ernst Tanner, Vice-Chairman of the Board of Directors.

All members of the Board of Directors abstain from discussions and decisions regarding their compensation and that of persons closely related to them (such as family members).

No members having any cross-involvement belong to the Compensation Committee, such that no conflicts of interest arise from this point of view as well.

**1.2 Tasks / Competences**

The Compensation Committee handles the compensation policy of the company. It assists the Board of Directors in determining the compensation system and the principles of compensation, and in the preparation of motions to the Annual General Meeting for approving compensation. The Compensation Committee may submit proposals and recommendations to the Board of Directors in all matters pertaining to compensation.

According to the Articles of Association of the Swatch Group, the Compensation Committee attends to all issues related to compensation, and proposes solutions for the attention of the Board of Directors. The decision-making body is the Board of Directors. The Board of Directors will submit the necessary resolutions to the Annual General Meeting for its approval.

At the Annual General Meeting of the year under review, the fixed remuneration for members of the Board of Directors until the next annual general meeting, as well as the fixed remuneration for the year under review and the variable remuneration for the previous year for executive functions for members of the Board of Directors was voted upon. In addition, fixed remuneration for members of the Management Board and the Extended Management Board for the year under review, as well as variable remuneration for the previous year was voted upon.

**1.3 Meetings**

The Compensation Committee met twice during the year under review.

**2. Compensation system****2.1 General principles of compensation**

The members of the Board of Directors and the Executive Management are entitled to compensation corresponding to their job function and degree of responsibility.

The company may award compensation for activities in entities that are directly or indirectly controlled by the company and for activities at the order of the undertaking. The compensation may be awarded by the company or by the companies that it controls.

The compensation of the non-executive members of the Board of Directors comprises only fixed compensation elements.

## COMPENSATION REPORT

The compensation of executive members of the Board of Directors and the members of the Executive Management comprises fixed and variable compensation elements. The fixed compensation comprises base salary and may include additional compensation elements. The variable compensation is guided by the achievement of defined performance objectives.

The performance objectives may include personal goals, company-specific and division-specific objectives, along with key economic or market-related figures. In doing so, the function and the level of responsibility of the recipient of the variable compensation are taken into account.

At the request of the Compensation Committee, the Board of Directors sets the performance values and objectives of the variable compensation elements and their achievement.

The compensation system of the Swatch Group is in line with market conditions and based on performance. It is reviewed on an annual basis and adjusted when necessary.

## 2.2 Compensation elements

### a) Non-executive members of the Board of Directors

The non-executive members of the Board of Directors receive fixed compensation. It is graduated according to functions.

### b) Executive members of the Board of Directors, members of the Executive and Extended Group Management Board

The compensation system for the executive members of the Board of Directors and the members of the Executive and Extended Group Management Board provides for the following elements:

- a base salary;
- an expense allowance;
- a bonus program with variable compensation;
- a share program with annual share allocations and a minimal guaranteed value;
- payments to the pension fund (Swatch Group Pension Fund) and to the Management Fund of the Swatch Group.

## 2.3 Information on individual elements

### 2.3.1 Base salary

The base salary is usually paid out monthly in 13 equal instalments. The 13th instalment is paid each year in December. The degree of responsibility and the position are taken into account in the base salary.

### 2.3.2 Expense allowance

Members of the Board of Directors and the Executive Group Management Board receive an expense allowance of CHF 30 000; members of the Extended Group Management Board receive up to CHF 24 000. This expense allowance covers representation and small expenses, and was approved by the tax authority of the Canton of Bern. Executive members of the Board of Directors who at the same time belong to the Executive Management receive the expense allowance only once.

### 2.3.3 Bonus programs

The executive members of the Board of Directors, of the Executive Group Management Board and of the Extended Group Management Board annually receive a variable bonus, which depends on the development of the Group and the business division entrusted to the respective person (brands, countries, functional area) as well as individual performance.

At the start of the year, a so-called bonus potential is defined, which is paid out if the objectives are achieved. If the objectives are surpassed, more than 100% of the bonus potential can be paid. If individual objectives are not achieved, a proportionate reduction can be made.

The bonus is determined and paid out at the start of the following year, once the financial statements are available. A recipient with a Swiss contract and residence in Switzerland receives an advance payment in December. This is usually 70% of the bonus potential, provided that the set objectives (sales, operating income, etc.) will foreseeably be achieved; if not, a payment of 50% will be made.

The assessment criteria that apply are, among other things: sales development, development of operating income, changes in market share, development of inventory and receivables, accomplishment of development and set-up projects, success in negotiations, successful implementation of cost reduction programs, personnel fluctuation, and motivation of employees. The assessment criteria are individually tailored to the function holders and weighted accordingly.

For the particular promotion of the Group's interests, a part of the bonus is awarded as a Group bonus. The percentage share of the Group component varies according to function.

## COMPENSATION REPORT

## 2.3.4 Share program

On an annual basis, a number of registered shares with a low exercise price are offered to the executive members of the Board of Directors and the members of the Executive Group Management Board and the Extended Group Management Board. In the year under review and the previous year, this amounted to CHF 4.00 per share. One-third of the allocation may be exercised and subscribed immediately. In one and two years respectively, an additional one-third may be exercised and subscribed. Once exercised, the shares may be freely disposed of. Optionally these can be subject to a blocking period of either 5 or 10 years. In the event of an early departure, the allocations for non-exercised options expire; upon retirement, they are immediately available.

The allocation of the share subscription rights takes place through the Board of Directors after the Annual General Meeting. A certain minimum allocation value was contractually guaranteed to the executive members of the Board of Directors and the members of the Executive Group Management Board and the Extended Group Management Board. For executive members of the Board of Directors and members of the Executive Group Management Board, this amounted to CHF 50 000; for members of the Extended Group Management Board, this generally amounted to CHF 25 000 per year (allocation value = share price minus CHF 4.00 exercise price).

The calculation basis for payment of allotted shares and options is the day value at grant date. The day value corresponds to the share price on the grant date, respectively the last trading day before the grant date, less the exercise price.

The following values were in force for the year under review and the previous year:

|                           |     | 2023       | 2022       |
|---------------------------|-----|------------|------------|
| Grant date                |     | 31.05.2023 | 31.05.2022 |
| Share price on grant date | CHF | 51.10      | 46.60      |
| Exercise price            | CHF | 4.00       | 4.00       |
| Day value on grant date   | CHF | 47.10      | 42.60      |

## 2.3.5 Participation rights and options on such rights

The following table details the shares and options held by members of the Board of Directors and Group Management, including closely related persons at the end of year under review and of the previous year, in accordance with the provisions of Article 734d CO.

| Name   | Function          | Registered Shares |                   | Bearer shares  |                | Options        |                |
|--|-------------------|-------------------|-------------------|----------------|----------------|----------------|----------------|
|  |                   | 2023              | 2022              | 2023           | 2022           | 2023           | 2022           |
| Community of heirs Marianne and Nicolas G. Hayek, represented by Nayla Hayek |                   | 56 691 352        | 56 695 202        | 737 796        | 737 796        |                |                |
| Nayla Hayek  | BoD Chairwoman    | 268 208           | 248 208           |                |                | 20 002         | 20 002         |
| Ernst Tanner   | BoD Vice-Chairman |                   |                   | 2 000          | 2 000          |                |                |
| Claude Nicollier   | BoD Member        | 100               | 100               |                |                |                |                |
| Jean-Pierre Roth   | BoD Member        |                   |                   | 10             | 10             |                |                |
| Daniela Aeschlimann  | BoD Member        |                   |                   |                |                |                |                |
| Georges Nicolas Hayek  | BoD Member / CEO  | 239 991           | 223 491           |                |                | 24 000         | 24 000         |
| Raynald Aeschlimann  | MB Member         | 57 201            | 48 534            |                |                | 9 667          | 8 334          |
| Pierre-André Bühler  | MB Member         | 26 966            | 22 966            |                |                | 8 002          | 8 002          |
| Marc A. Hayek  | MB Member         | 212 399           | 197 399           | 140            | 140            | 15 501         | 14 501         |
| Thierry Kenel  | MB Member / CFO   | 120 253           | 110 253           |                |                | 10 001         | 10 001         |
| Florence Ollivier-Lamarque   | MB Member         | 61 998            | 61 998            |                |                | 5 002          | 5 002          |
| Peter Steiger  | MB Member         | 145 999           | 140 999           |                |                | 10 001         | 10 001         |
| François Thiébaud  | MB Member         | 204 550           | 191 550           |                |                | 7 000          | 9 000          |
| Lionel a Marca   | EMB Member        | 3 715             | 2 482             |                |                | 1 267          | 1 200          |
| Matthias Breschan  | EMB Member        | 3 034             | 2 034             |                |                | 3 000          | 3 000          |
| Sylvain Dolla  | EMB Member        | 0                 | 4 033             |                |                | 3 334          | 2 668          |
| Daniel Everts  | EMB Member        | 3 550             | 2 900             |                |                | 700            | 600            |
| Fadi Ghalayini 1)  | EMB Member        | 3 967             | 3 268             |                |                | 2 101          | 1 267          |
| Hans-Rudolf Gottier 2)   | EMB Member        | 0                 | 47 700            |                |                | 0              | 5 002          |
| Mireille Koenig  | EMB Member        | 6 286             | 5 253             |                |                | 1 134          | 967            |
| Calogero Polizzi   | EMB Member        | 17 533            | 14 500            |                |                | 3 067          | 3 000          |
| Michel Willemin 3)   | EMB Member        | 11 065            | 9 332             |                |                | 2 135          | 1 668          |
| <b>Total</b>   |                   | <b>58 078 167</b> | <b>58 032 202</b> | <b>739 946</b> | <b>739 946</b> | <b>125 914</b> | <b>128 215</b> |

1) since 01.09.2022 2) until 31.03.2023 3) since 01.03.2022

## COMPENSATION REPORT

Each option gives the right to draw one registered share. Each share (registered or bearer) represents one voting right. The principal shareholders are disclosed in Note 29 of the consolidated financial statements. As in the previous year, except for the community of heirs of Marianne and Nicolas G. Hayek, no member of the Board of Directors, the Executive Group Management Board and the Extended Group Management Board, together with persons closely linked to them, owned as of the end of the year under review, either directly or through share options, more than 1% of the outstanding Swatch Group shares.

### 2.3.6 Pension Fund / Management Fund

The executive members of the Board of Directors and the members of the Executive Group Management Board and of the Extended Group Management Board respectively, are insured by the Swatch Group Pension Fund (Pensionskasse Swatch Group) and the Swatch Group Management Fund (Caisse de pensions des cadres Swatch Group).

The Swatch Group Pension Fund insures incomes of up to CHF 320 000. The Management Fund covers income components between CHF 320 000 and CHF 882 000. The Management Fund provides for contributions of 10% of which 75% are assumed by the employer.

## 3. Additional contractual elements

### 3.1 Term and termination periods of employment contracts

All employment contracts of the Executive Group Management Board and of the Extended Group Management Board are concluded for an indefinite term. They may be terminated by either party with a notice period of six months as per the end of a month.

### 3.2 Payment of salaries

Salaries are paid on a monthly basis. No advance payments are made, either for the current month or for longer periods. The same applies to compensation within the framework of mandate relationships.

### 3.3 Compensation upon commencement of the employment relationship

Swatch Group does not pay any compensation upon the conclusion of an employment contract or upon the start of work ("golden hellos"/"golden handshakes").

Moreover, no compensation is provided to settle share options or other financial benefits of a prior employer that were rendered void through the job change.

### 3.4 Loans and credits to members of governing bodies

The company or companies controlled by it may grant loans and credits to executive members of the Board of Directors and the Group Management Board on market terms. Such loans and credits may not exceed the amount of the fixed annual compensation of the person concerned. The fixed annual compensation of the previous year shall be taken as the basis for the grant of credit or loan (Article 41 of the Articles of Association).

In addition, just like all employees of the Swatch Group in Switzerland, the executive members of the Board of Directors and the members of the Executive Group Management Board and of the Extended Group Management Board respectively, have the option of taking out a mortgage loan with the Swatch Group Pension Fund to finance the purchase of real estate in Switzerland. The applicable conditions are the same as those that apply to all employees of the Swiss Swatch Group companies (lending limit, interest rate, etc.).

### 3.5 Membership in governing bodies of Group companies

It regularly occurs that executive members of the Board of Directors and members of the Executive Group Management Board and of the Extended Group Management Board sit on governing bodies of subsidiaries, both in Switzerland and abroad (as board members, members of supervisory boards, members of advisory boards, or as managers). No additional compensation is awarded for such tasks and functions, either by the Swatch Group or by the relevant Group company.

### 3.6 Severance payments

The employment contracts of the members of the Executive Group Management Board or the Extended Group Management Board do not provide for severance payments or any payments whatsoever upon termination of the employment relationship. In addition, no payments ("golden parachutes", etc.) are provided in the event of a change of control.

### 3.7 Mandates with former members of the Executive Group Management Board or the Extended Group Management Board

It may occur that members of the Executive Group Management Board and the Extended Group Management Board who have resigned from their functions are employed on a mandate basis by the Group from time to time. In all such cases, clear written mandate contracts are concluded; these must be approved by the President of the Executive Group Management Board. Such mandate contracts contain the same restrictive conditions as employment contracts (contractual term, payments, etc.).

## COMPENSATION REPORT

## 4. Activities at other companies

Pursuant to the requirements of Article 734e CO, the following table shows the functions of the members of the Board of Directors, the Executive Group Management Board and the Extended Group Management Board at other companies with an economic purpose (status: 31.12.2023). Functions in Group companies do not have to be disclosed; this also applies to mandates with charitable, cultural, religious or sporting organizations or purely private real estate companies.

| Name                                    | Company   | Function                                 |
|---|---|--|
| Nayla Hayek                             | Wat Holding Ltd   | Chairwoman                               |
|   | Hayek Holding Ltd   | Chairwoman                               |
|   | Hayek Engineering Ltd   | Chairwoman                               |
|   | Hayek Immobilien Ltd  | Chairwoman                               |
|   | Hayek Management Ltd  | Chairwoman                               |
|   | Manhag Ltd  | Chairwoman                               |
|   | Sole proprietorship Expohof Naila Hayek   | Owner                                    |
| Ernst Tanner                            | Chocoladefabriken Lindt & Sprüngli Ltd  | Chairman                                 |
|   | Finanzierungsstiftung für die Vorsorgeeinrichtungen der Chocoladefabriken Lindt & Sprüngli AG | Chairman                                 |
|   | Fonds für Pensionsergänzungen der Chocoladefabriken Lindt & Sprüngli AG                       | Chairman                                 |
|   | Lindt Chocolate Competence Foundation   | Chairman                                 |
|   | Krombacher Brauerei GmbH & Co. KG, Germany  | Member of the Supervisory Board          |
| Nick Hayek                              | Wat Holding Ltd   | Member of the Board of Directors         |
|   | Hayek Holding Ltd   | Member of the Board of Directors         |
|   | Hayek Engineering Ltd   | Member of the Board of Directors         |
|   | Hayek Immobilien Ltd  | Member of the Board of Directors         |
|   | Hayek Management Ltd  | Member of the Board of Directors         |
|   | Hayek Film Ltd  | Member of the Board of Directors and CEO |
|   | Manhag Ltd  | Member of the Board of Directors         |
|   | Border X LLC  | Shareholder and CEO                      |
|   | CSEM Swiss Center for Electronics and Microtechnology Inc. - Research and Development         | Member of the Board of Directors         |
| Jean-Pierre Roth                        | MKS PAMP Group (UK)   | Chairman                                 |
|   | Arab Bank (Switzerland) Ltd   | Vice Chairman                            |
|   | ABS Gonet Holding Ltd   | Chairman                                 |
|   | Gonet & Cie. Ltd  | Vice Chairman                            |
|   | Gonet Ltd   | Vice Chairman                            |
|   | Stiftung der Päpstlichen Schweizergarde im Vatikan  | Member of the Foundation Board           |
|   | Stiftung für die Renovation der Kaserne der päpstlichen Schweizergarde im Vatikan             | Chairman                                 |
|   |   |  |
| Daniela Aeschlimann                     | Aktiengesellschaft Bären Langenthal   | Chairwoman                               |
|   | Arthur und Emma Ammann-Stiftung   | Vice Chairwoman                          |
|   | Avesco Ltd  | Vice Chairwoman                          |
|   | Avesco Rent Ltd   | Vice Chairwoman                          |
|   | Chronoflex Schweiz Ltd  | Vice Chairwoman                          |
|   | Futurjns Ltd  | Member of the Board of Directors         |
|   | Hotel Alpenland Ltd   | Member of the Board of Directors         |
| Pensionskasse der AMMANN-Unternehmungen | Vice Chairwoman   |  |
| Claude Nicollier                        | Fondation du Musée de l'Aviation Militaire de Payerne   | Member of the Foundation Board           |
| Florence Ollivier-Lamarque              | Comité Colbert, France  | Member of the Board                      |
|   | Fédération de l'Horlogerie, France  | Vice President                           |

## COMPENSATION REPORT

| Name                 | Company  | Function   |
|----------------------|--|--|
| Raynald Aeschlimann  | Fondation Gaston-F. Barras – European Masters  | Member of the Foundation Board                     |
|                      | Fondation Un Grand Sourire   | Chairman   |
|                      | Federation of the Swiss Watch Industry FH  | Member of the Executive Board                      |
| Pierre-André Bühler  | CSEM Swiss Center for Electronics and Microtechnology Inc. - Research and Development                          | Member of the Board of Directors                   |
|                      | Fondation en faveur d'un laboratoire de recherches horlogères  | Member of the Foundation Board                     |
|                      | Federation of the Swiss Watch Industry FH  | Member of the Executive Board                      |
| Marc Alexander Hayek | Wat Holding Ltd  | Member of the Board of Directors                   |
|                      | Hayek Holding Ltd  | Member of the Board of Directors                   |
|                      | Hayek Engineering Ltd  | Member of the Board of Directors                   |
|                      | Hayek Immobilien Ltd   | Member of the Board of Directors                   |
|                      | Hayek Management Ltd   | Member of the Board of Directors                   |
|                      | Manhag Ltd   | Member of the Board of Directors                   |
|                      | Association Cours Interentreprises de l'Union des Fabricants d'horlogerie de Genève, Vaud et Valais (CIE UFGW) | Member   |
| Thierry Kenel        | economiesuisse   | Vice President of the Board Committee and Quaestor |
|                      | Federation of the Swiss Watch Industry FH  | Vice President of the Executive Board              |
|                      | Convention Patronale de l'industrie horlogère suisse   | Delegate of Swatch Group Industries                |
| François Thiébaud    | Association des fabricants et détaillants en horlogerie, marché suisse, AMS                                    | President  |
| Matthias Breschan    | Federation of the Swiss Watch Industry FH  | Member of the Executive Board                      |
| Sylvain Dolla        | CSEM Swiss Center for Electronics and Microtechnology Inc. - Research and Development                          | Member of the Board of Directors                   |
|                      | Fondation en faveur d'un laboratoire de recherches horlogères  | Member of the Foundation Board                     |
| Daniel Everts        | Convention Patronale de l'industrie horlogère suisse   | Delegate of Swatch Group Industries                |
|                      | Schweizerischer Arbeitgeberverband   | Member of the Executive Board                      |
| Mireille Koenig      | Aaraucar Ltd   | Member of the Board of Directors                   |
| Michel Willemin      | Swiss Academy of Engineering Sciences (SATW)   | Member   |

As at December 31, 2023, the following members of the Board of Directors, the Group Executive Board and the Extended Group Executive Board did not disclose any third-party mandates: Peter Steiger, Lionel a Marca, Fadi Ghalayini, Calogero Polizzi.

## COMPENSATION REPORT

## 5. Compensation for the members of the Board of Directors and Group Management Board (KL/EKL)

## a. Board of Directors (BoD)

| 2023 | Name                            | Function      | Compensation for functions in the BoD 1) | Compensation for executive functions |                  |                  | Total 6)       |                       |
|------|---------------------------------|---------------|--|--------------------------------------|------------------|------------------|----------------|-----------------------|
|      |                                 |               |  | Base compensation 2)                 | Bonus 3)         | Share options 4) |                | Other compensation 5) |
|      |                                 |               | (CHF)                                    | (CHF)                                | (CHF)            | (CHF)            | (CHF)          |                       |
|      | Nayla Hayek                     | Chairwoman    | 230 633                                  | 1 002 108                            | 1 900 000        | 942 000          | 302 760        | 4 377 501             |
|      | Ernst Tanner                    | Vice-Chairman | 166 335                                  |                                      |                  |                  | 9 443          | 175 778               |
|      | Daniela Aeschlimann             | Member        | 158 205                                  |                                      |                  |                  | 11 538         | 169 743               |
|      | Georges Nicolas Hayek 7)        | Member        | 156 716                                  |                                      |                  |                  | 10 011         | 166 727               |
|      | Prof. Dr. h.c. Claude Nicollier | Member        | 155 776                                  |                                      |                  |                  | 8 609          | 164 385               |
|      | Dr. Jean-Pierre Roth            | Member        | 155 776                                  |                                      |                  |                  | 8 609          | 164 385               |
|      | <b>Total</b>                    |               | <b>1 023 441</b>                         | <b>1 002 108</b>                     | <b>1 900 000</b> | <b>942 000</b>   | <b>350 970</b> | <b>5 218 519</b>      |

| 2022 | Name                            | Function      | Compensation for functions in the BoD 1) | Compensation for executive functions |                  |                  | Total 6)       |                       |
|------|---------------------------------|---------------|--|--------------------------------------|------------------|------------------|----------------|-----------------------|
|      |                                 |               |  | Base compensation 2)                 | Bonus 3)         | Share options 4) |                | Other compensation 5) |
|      |                                 |               | (CHF)                                    | (CHF)                                | (CHF)            | (CHF)            | (CHF)          |                       |
|      | Nayla Hayek                     | Chairwoman    | 205 554                                  | 1 002 108                            | 1 725 000        | 852 000          | 293 410        | 4 078 072             |
|      | Ernst Tanner                    | Vice-Chairman | 149 176                                  |                                      |                  |                  | 8 133          | 157 309               |
|      | Daniela Aeschlimann             | Member        | 142 179                                  |                                      |                  |                  | 10 171         | 152 350               |
|      | Georges Nicolas Hayek 7)        | Member        | 140 877                                  |                                      |                  |                  | 8 833          | 149 710               |
|      | Prof. Dr. h.c. Claude Nicollier | Member        | 139 936                                  |                                      |                  |                  | 7 397          | 147 333               |
|      | Dr. Jean-Pierre Roth            | Member        | 139 936                                  |                                      |                  |                  | 7 397          | 147 333               |
|      | <b>Total</b>                    |               | <b>917 658</b>                           | <b>1 002 108</b>                     | <b>1 725 000</b> | <b>852 000</b>   | <b>335 341</b> | <b>4 832 107</b>      |

1) Total annual compensation allocated on a cash or accrual basis, not including any reimbursement for travel and other business expenses incurred.

The compensation contains an amount of CHF 20 000 for functions in the Compensation Committee and the Audit Committee (previous year: CHF 20 000) as well as expense allowance payments in the amount of CHF 30 000 per year.

2) Total annual compensation allocated on a cash or accrual basis, not including any reimbursement for travel and other business expenses incurred.

3) Bonus payments allocated on a cash or accrual basis.

4) In the year under review and the previous year, Mrs N. Hayek was allocated 20 000 share options. The calculation basis for share options is the day value at grant date (see Section 2.3.4). In the year under review, this corresponded to a value of CHF 47.10 per option (previous year: CHF 42.60 per option). The valuation of the share options at prior-year value would therefore result in an unchanged value of CHF 852 000.

5) As in the previous year, other compensation includes no pension benefits. The remaining social benefits (employer's contributions) amounted to CHF 350 970 (previous year: CHF 314 507). In the year under review, no long-term service awards were paid out (previous year: CHF 20 834).

6) All amounts are gross amounts (i.e., before deduction of the social insurance contributions to be taken on by the employee).

7) The compensation for the executive function is set forth in paragraph b. of this chapter.

**b. Executive Group Management Board (KL) and Extended Group Management Board (EKL)**

| 2023  | Base com-<br>pensation 1) | Bonus 2)          | Share<br>options 3) | Share<br>options 3) | Other com-<br>pensation 4) | Total 5)          |
|---|---------------------------|-------------------|---------------------|---------------------|----------------------------|-------------------|
|   | (CHF)                     | (CHF)             | (number)            | (CHF)               | (CHF)                      | (CHF)             |
| Georges Nicolas Hayek<br>(MB President / CEO) | 1 502 105                 | 3 480 000         | 24 000              | 1 130 400           | 557 409                    | 6 669 914         |
| Total other members                           | 5 162 064                 | 10 792 458        | 82 550              | 3 888 105           | 2 351 078                  | 22 193 705        |
| <b>Total</b>                                  | <b>6 664 169</b>          | <b>14 272 458</b> | <b>106 550</b>      | <b>5 018 505</b>    | <b>2 908 487</b>           | <b>28 863 619</b> |

The calculation basis for share options is the day value at grant date (see Section 2.3.4). In the year under review, this corresponded to a value of CHF 47.10 per option (previous year: CHF 42.60 per option). The valuation of the share options at prior-year value would result in a total value of CHF 4 539 030 (-6.4% compared to the previous year's value of CHF 4 847 880).

| 2022  | Base com-<br>pensation 1) | Bonus 2)          | Share<br>options 3) | Share<br>options 3) | Other com-<br>pensation 4) | Total 5)          |
|---|---------------------------|-------------------|---------------------|---------------------|----------------------------|-------------------|
|   | (CHF)                     | (CHF)             | (number)            | (CHF)               | (CHF)                      | (CHF)             |
| Georges Nicolas Hayek<br>(MB President / CEO) | 1 502 105                 | 3 400 000         | 24 000              | 1 022 400           | 607 929                    | 6 532 434         |
| Total other members                           | 5 503 309                 | 10 673 198        | 89 800              | 3 825 480           | 2 433 569                  | 22 435 556        |
| <b>Total</b>                                  | <b>7 005 414</b>          | <b>14 073 198</b> | <b>113 800</b>      | <b>4 847 880</b>    | <b>3 041 498</b>           | <b>28 967 990</b> |

1) Total annual base compensation allocated on a cash or accrual basis, including expense allowance payments, but not including any reimbursement for travel and other business expenses incurred.

2) Variable bonus payments allocated on a cash or accrual basis.

3) The allocation and valuation of share options takes place in accordance with the conditions described in Section 2.3.4.

4) Other compensation includes pension benefits in the amount of CHF 705 532 (previous year: CHF 705 685). The remaining social benefits (employer's contributions) amounted to CHF 2 091 321 for the year under review (previous year: CHF 2 202 047). Other compensation also includes further benefits and long-term service awards in the amount of CHF 111 634 (previous year: CHF 133 766).

5) All amounts are gross amounts (i.e., before deduction of the social insurance contributions to be taken on by the employee).

The figures presented include all direct and indirect compensation. Mr G.N. Hayek, as the CEO, received the highest compensation.

In the year under review, no payments were made to former members of the Executive Group Management Board and the Extended Group Management Board in connection with their past activities as members of the Company's governing bodies (previous year: none).

**c. Loans and credits to the Board of Directors and the Group Management**

In the year under review, as in the previous year, no loans or credits were granted to members of the Board of Directors, the Executive Group Management Board or the Extended Group Management Board. Moreover, no loans or credits at non-standard market rates were granted to former members of the Board of Directors, the Executive Group Management Board or the Extended Group Management Board, either in the year under review or the previous year.

At the end of the year under review, as in the previous year, there were no credit or loans outstanding to (current or former) members of the Board of Directors, the Executive Group Management Board or the Extended Group Management Board.

**d. Compensation, loans, and credits to closely related persons**

In the year under review and the previous year, no non-market-based compensation was awarded to persons who are closely related to the members of the Board of Directors, the Executive Group Management Board or the Extended Group Management Board respectively.

At the end of the year under review, as in the previous year, there were no credits or loans outstanding to persons related to active or former members of the Board of Directors or the Group Management or Extended Group Management.

**e. Impermissible compensation**

In the year under review and the previous year, the company did not award any severance payments to the members of the Board of Directors, the Executive Group Management Board or the Extended Group Management Board respectively. Likewise, in the year under review and the previous year, no compensation was paid in advance to members of the Board of Directors, the Executive Group Management Board or the Extended Group Management Board.

# Report of the statutory auditor

to the General Meeting of The Swatch Group Ltd

Neuchâtel

**Report on the audit of the compensation report****Opinion**

We have audited the compensation report of The Swatch Group Ltd (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in sections 2.3.5, 4 and 5 in the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report complies with Swiss law and the Company's articles of incorporation.

**Basis for opinion**

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the content in sections 2.3.5, 4 and 5 in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Board of Directors' responsibilities for the compensation report**

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.



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# Report of the statutory auditor

to the General Meeting of The Swatch Group Ltd

Neuchâtel

## Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG



Thomas Brüderlin  
Licensed audit expert  
Auditor in charge



Tobias Handschin  
Licensed audit expert

Basel, 6 March 2024

