

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark one)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For fiscal year ended January 31, 2024
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission File Number 1-16497
MOVADO GROUP, INC.
(Exact name of registrant as specified in its charter)

New York

13-2595932

(State or Other Jurisdiction
of Incorporation or Organization)

(IRS Employer
Identification No.)

650 Front Road

Ste. 375

Paramus

New Jersey

07652-3556

(Address of Principal Executive Offices)

(Zip Code)

Registrant's Telephone Number, Including Area Code: (201) 267-8000

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class

Trading Symbol(s)

Name of Each Exchange on which Registered

Common stock, par value \$0.01 per share

MOV

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Accelerated filer

Large accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant as of July 31, 2023, was approximately \$

452

million (based on the closing sale price of the registrant's Common Stock on that date as reported on the New York Stock Exchange). For purposes of this computation, each share of Class A Common Stock is assumed to have the same market value as one share of Common Stock into which it is convertible and only shares of stock held by directors, executive officers and holders of greater than 10% of the registrant's total voting power were excluded.

The number of shares outstanding of the registrant's Common Stock and Class A Common Stock as of March 20, 2024, were

15,643,432

and

6,483,116

, respectively.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement relating to registrant's 2024 annual meeting of shareholders (the "Proxy Statement") are incorporated by reference in Part III hereof.

FORWARD-LOOKING STATEMENTS

Statements in this annual report on Form 10-K, including, without limitation, statements under Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report, as well as statements in future filings by the Company with the Securities and Exchange Commission ("SEC"), in the Company's press releases and oral statements made by or with the approval of an authorized executive officer of the Company, which are not historical in nature, are intended to be, and are hereby identified as, "forward-looking statements" for purposes of the safe harbor provided by the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates, forecasts and projections about the Company, its future performance, the industry in which the Company operates and management's assumptions. Words such as "expects", "anticipates", "targets", "goals", "projects", "intends", "plans", "believes", "seeks", "estimates", "may", "will", "should" and variations of such words and similar expressions are also intended to identify such forward-looking statements. The Company cautions readers that forward-looking statements include, without limitation, those relating to the Company's future business prospects, projected operating or financial results, revenues, working capital, liquidity, capital needs, inventory levels, plans for future operations, expectations regarding capital expenditures, operating efficiency initiatives and other items, cost savings initiatives, and operating expenses, effective tax rates, margins, interest costs, and income as well as assumptions relating to the foregoing. Forward-looking statements are subject to certain risks and uncertainties, some of which cannot be predicted or quantified. Actual results and future events could differ materially from those indicated in the forward-looking statements, due to several important factors herein identified, among others, and other risks and factors identified from time to time in the Company's reports filed with the SEC, including, without limitation, the following: general economic and business conditions which may impact disposable income of consumers in the United States and the other significant markets (including Europe) where the Company's products are sold; uncertainty regarding such economic and business conditions, including inflation, elevated interest rates; increased commodity prices and tightness in the labor market; trends in consumer debt levels and bad debt write-offs; general uncertainty related to geopolitical concerns; the impact of international hostilities, including the Russian invasion of Ukraine and war in the Middle East, on global markets, economies and consumer spending, on energy and shipping costs, and on the Company's supply chain and suppliers; supply disruptions, delivery delays and increased shipping costs; defaults on or downgrades of sovereign debt and the impact of any of those events on consumer spending; evolving stakeholder expectations and emerging complex laws on environmental, social, and governance matters; changes in consumer preferences and popularity of particular designs, new product development and introduction; decrease in mall traffic and increase in e-commerce; the ability of the Company to successfully implement its business strategies, competitive products and pricing, including price increases to offset increased costs; the impact of "smart" watches and other wearable tech products on the traditional watch market; seasonality; availability of alternative sources of supply in the case of the loss of any significant supplier or any supplier's inability to fulfill the Company's orders; the loss of or curtailed sales to significant customers; the Company's dependence on key employees and officers; the ability to successfully integrate the operations of acquired businesses without disruption to other business activities; the possible impairment of acquired intangible assets; risks associated with the Company's minority investments in early-stage growth companies and venture capital funds that invest in such companies; the continuation of the Company's major warehouse and distribution centers; the continuation of licensing arrangements with third parties; losses possible from pending or future litigation and administrative proceedings; the ability to secure and protect trademarks, patents and other intellectual property rights; the ability to lease new stores on suitable terms in desired markets and to complete construction on a timely basis; the ability of the Company to successfully manage its expenses on a continuing basis; information systems failure or breaches of network security; complex and quickly-evolving regulations regarding privacy and data protection; the continued availability to the Company of financing and credit on favorable terms; business disruptions; and general risks associated with doing business internationally including, without limitation, import duties, tariffs (including retaliatory tariffs), quotas, political and economic stability, changes to existing laws or regulations, and impacts of currency exchange rate fluctuations and the success of hedging strategies related thereto.

These risks and uncertainties, along with the risk factors discussed under Item 1A. "Risk Factors" in this Annual Report on Form 10-K, should be considered in evaluating any forward-looking statements contained in this report or incorporated by reference herein. All forward-looking statements speak only as of the date of this report or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are qualified by the cautionary statements in this section. The Company undertakes no obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this report.

Item 1. Business

GENERAL

In this Form 10-K, all references to the "Company," "Movado Group," "we," "us" or "our" include Movado Group, Inc. and its subsidiaries, unless the context requires otherwise. The Company's common stock is traded on the NYSE under the trading symbol MOV.

Movado Group designs, sources, markets and distributes quality watches globally. Its portfolio of watch brands is currently comprised of owned brands MOVADO®, CONCORD®, EBEL®, OLIVIA BURTON® and MVMT® as well as licensed brands COACH®, TOMMY HILFIGER®, HUGO BOSS®, LACOSTE® and CALVIN KLEIN®. The Company is a leader in the design, development, marketing and distribution of watch brands sold in almost every major category comprising the watch industry. The Company also designs, sources, markets and distributes jewelry and other accessories under most of its brands.

The Company was incorporated in New York in 1967 under the name North American Watch Corporation to acquire Piaget Watch Corporation and Corum Watch Corporation, which had been, respectively, the exclusive importers and distributors of Piaget and Corum watches in the United States since the 1950's. Since then, strategic acquisitions of watch brands and their subsequent growth, along with license agreements, have played an important role in the expansion of the Company's brand portfolio. Over time, the Company has developed its brand-building reputation and approach across an expanding number of brands and geographic markets.

In 1970, the Company acquired the Concord brand and the Swiss company that had been manufacturing Concord watches since 1908. In 1983, the Company acquired the U.S. distributor of Movado watches and substantially all of the assets related to the Movado brand from the Swiss manufacturer of Movado watches. The Company changed its name to Movado Group, Inc. in 1996. The Company sold its Piaget and Corum distribution businesses in 1999 and 2000, respectively, to focus on its own portfolio of brands. In March 2004, the Company completed its acquisition of EBEL, one of the world's premier luxury watch brands which was established in La Chaux-de-Fonds, Switzerland in 1911. In July 2017, the Company completed its acquisition of Olivia Burton, which was one of the United Kingdom's fastest-growing fashion watch and jewelry brands since its founding in 2011. In October 2018, the Company completed its acquisition of MVMT, which was founded in 2013, offering watches and accessories designed for the millennial consumer largely through a direct-to-consumer business model.

The Company is highly selective in its licensing strategy and chooses to enter into long-term agreements with only powerful brands which it believes have strong positions in their respective businesses.

The following table sets forth the brands licensed by the Company and the year in which the Company launched each licensed brand for watches.

Brand	Licensor	Calendar Year Launched
COACH	Tapestry, Inc.	1999
TOMMY HILFIGER	Tommy Hilfiger Licensing LLC	2001
HUGO BOSS	Hugo Boss Trade Mark Management GmbH & Co	2006
LACOSTE	Lacoste S.A., Sporloisirs S.A. and Lacoste Alligator S.A.	2007
CALVIN KLEIN	Calvin Klein, Inc.	2022

INDUSTRY OVERVIEW

The largest markets for watches are North America, Europe, the Middle East, Latin America and Asia. The Company divides the watch market into five principal categories as set forth in the following table.

Market Category	Suggested Retail Price Range	Primary Category of Movado Group, Inc. Brands
Exclusive	\$10,000 and over	—
Luxury	\$1,300 to \$9,900	Concord and EBEL
Accessible Luxury	\$395 to \$3,995	Movado
Moderate and Fashion	\$75 to \$595	Coach, Hugo Boss, Lacoste, Olivia Burton, MVMT, Tommy Hilfiger and Calvin Klein
Mass Market	Less than \$75	—

Exclusive Watches

Exclusive watches are usually made of precious metals, including 18 karat gold or platinum, and are often set with precious gems. These watches are primarily mechanical or quartz-analog watches. Mechanical watches keep time with intricate mechanical movements consisting of an arrangement of wheels, jewels and winding and regulating mechanisms. Quartz-analog watches have quartz movements in which time is precisely calibrated to the regular frequency of the vibration of quartz crystal. Exclusive watches are manufactured almost entirely in Switzerland. Well-known brand names of exclusive watches include Audemars Piguet, Rolex, Patek Philippe, Piaget and Vacheron Constantin. The Company does not compete in the exclusive watch category.

Luxury Watches

Luxury watches are either quartz-analog or mechanical watches. These watches typically are made with either stainless steel, ceramic, 14 or 18 karat gold, or a combination of gold and stainless steel, and are occasionally set with precious gems. Luxury watches are primarily manufactured in Switzerland. In addition to a majority of the Company's EBEL and Concord watches, well-known brand names of luxury watches include Baume & Mercier, Breitling, Cartier, Omega and TAG Heuer.

Accessible Luxury Watches

The majority of accessible luxury watches are quartz-analog watches, occasionally including connected technology for transmitting data wirelessly between the watch and a smartphone or other device. These watches typically are made with stainless steel, ceramic, gold plating or a combination of gold plating and stainless steel. Accessible luxury watches are manufactured primarily in Switzerland, although some are manufactured in Asia. In addition to a majority of the Company's Movado watches, well-known brand names of accessible luxury watches include Gucci, Rado, Michele and Raymond Weil.

Moderate and Fashion Watches

Most moderate and fashion watches are quartz-analog watches, some of which may also include connected technology for transmitting data wirelessly between the watch and a smartphone or other device. These watches typically are made with stainless steel, brass, plastic, gold plating, or a combination of gold plating and stainless steel. Moderate and fashion watches are manufactured primarily in Asia and Switzerland. In addition to the Company's Calvin Klein, Coach, Hugo Boss, Lacoste, MVMT, Olivia Burton and Tommy Hilfiger brands, well-known brand names of watches in the moderate and fashion category include Anne Klein, Bulova, Citizen, Fossil, Guess, Seiko, Michael Kors, Daniel Wellington and Swatch. Market leaders for smartwatches include Apple, Samsung and Huawei.

Mass Market Watches

Mass market watches typically consist of digital watches and analog watches made from stainless steel, brass and/or plastic and are manufactured in Asia. Well-known brands include Casio, Pulsar, Seiko and Timex. The Company does not compete in the mass market watch category.

Jewelry and Other Fashion Accessories

In addition to its core watch business, the Company also designs, sources, markets and distributes jewelry and, to a lesser extent, other fashion accessories such as sunglasses. The Company's jewelry offerings consist mostly of fashion jewelry, although some fine jewelry

pieces are also included in certain collections. We generally market our fashion accessories through the same distribution channels as our watches and use similar marketing approaches. Sales of jewelry accounted for 7.5% of our consolidated net sales in fiscal year 2024.

BRANDS

The Company designs, develops, sources, markets and distributes products under the following brands:

Owned Brands

Concord

Concord was founded through the harmonious collaboration of five Swiss visionaries in 1908. In 1979, Concord spearheaded the Swiss quartz revolution with one of the most important watches of the twentieth century: the Concord Delirium - the world's thinnest watch. More recently, to mark its 110th anniversary, Concord introduced a new logo depicting a knot. The knot signifies the brand's foundation through harmonious unity and its laudable technical achievements and distinctive designs. The contemporary Mariner SL watch embodies this spirit and contributes to Concord's strong legacy.

EBEL

EBEL's success has been built upon the fusion of technical excellence and a passion for aesthetically daring and timeless, distinctive design. A passion for innovation and excellence in watch design has always been at the heart of the EBEL brand. EBEL was founded in 1911 by husband and wife Eugène Blum and Alice Lévy, in La Chaux-de-Fonds, Switzerland. Since its inception, EBEL has remained true to its core values, manufacturing fine Swiss watches that marry beauty and function. In 2017 EBEL successfully relaunched its most iconic collection, the EBEL Sport Classic, which is renowned for its iconic bracelet design with signature wave-shaped links that helped to establish the sport-chic category in the late 70's. EBEL continues to create timepieces that embody luxury and contemporary elegance.

Movado

The Movado brand is renowned for its iconic Museum® dial and modern design aesthetic. Since its founding in La Chaux-de-Fonds, Switzerland in 1881, Movado has earned more than 100 patents and 200 international awards for artistry and innovation in watch design and technology, and Movado timepieces have won world renown for their unique beauty and timeless design. The Movado jewelry collection reflects the same timeless modern design aesthetic as its watches.

Movado is a hallmark of some of the most famous timepieces ever created, most notably, the Movado Museum® Watch. Designed in 1947 by Bauhaus-influenced artist Nathan George Horwitt, the watch dial defined by a solitary dot at 12 o'clock, symbolizing the sun at high noon, has been acclaimed for purity of design unrivaled in the history of time keeping. When Horwitt's dial was selected for the permanent design collection of the Museum of Modern Art, New York, in 1960, it became the first watch dial ever awarded this distinction. This legendary dial is regarded as an icon of Modernism. A trademarked and award-winning design, the celebrated single dot dial now distinguishes a wide range of Movado timepieces.

Along with its long, rich heritage of design innovation, the Movado brand experience is also defined by a close, enduring association with the arts. Expressions of Movado's commitment to the fine and cultural arts encompass commissioned watch designs by famed artists, affiliations with talented brand ambassadors, sponsorship of major arts institutions and support of emerging artists.

MVMT

The MVMT brand was founded in a Southern California apartment in 2013 by two entrepreneurs. Originally empowered by crowdfunding and built digitally with a community of social media followers, their philosophy was to create a brand offering quality, sleek watches that are accessible to young consumers. MVMT's designs and messaging embody the spirit of adventuring, creating, and daring to disrupt the norm. The brand's design catalogue has since expanded to include numerous unique watch collections, sunglasses, blue light blocking eyewear and jewelry.

Olivia Burton

Olivia Burton is a brand founded by two friends who started out as fashion buyers who recognized a gap in the market for unique and feminine women's watch styles. Inspired by vintage, fashion trends and nature, the Olivia Burton design team blends contemporary and vintage styles to conceive new collections. As well as innovative timepieces, including unisex collections, Olivia Burton has a large and growing collection of jewelry styles that exhibit the same attention to detail seen in its watches.

Licensed Brands

Below is a description of the Company's licensed brands.

Coach Watches

Coach watches reflect the Coach brand image and classic American style. The Coach brand stands for authenticity, innovation, and relevance, as well as effortless New York style. It is an integral part of the American luxury landscape. With an expanding presence globally, the Coach brand exemplifies modern luxury. As an extension of the brand, Coach watches offer a fresh and compelling assortment of timepieces for women and men, with a wide variety of metal bracelets and genuine Coach leather straps.

Tommy Hilfiger Watches and Jewelry

Reflecting the fresh, fun, all-American style for which Tommy Hilfiger is known, Tommy Hilfiger watches are water resistant and feature quartz, digital or analog-digital movements, with stainless steel, aluminum, gold plated or two-tone cases and bracelets. Straps may feature genuine leather, leather alternatives, fabric, silicone or recycled or other plastics. The watch line includes fashion and sport models and the Company also produces and markets jewelry under the brand as well.

Hugo Boss Watches and Jewelry

Hugo Boss is one of the market leaders in the global apparel market. Hugo Boss focuses on developing and marketing premium fashion and accessories for men and women under the Hugo and the Boss brands. Licensed products such as watches, jewelry and other accessories complement the apparel collections. Boss watches and jewelry reflect the sophisticated character and craftsmanship for which all Boss products are known. Hugo watches accessorize the open-minded, fashion-forward consumer.

Lacoste Watches and Jewelry

The Lacoste watch and jewelry collections embrace the Lacoste lifestyle proposition which encompasses French elegance and sporting spirit, as well as innovation for style and freedom of movement. Mirroring key attributes of the Lacoste brand, the collection features stylish timepieces and jewelry with a contemporary and urban flair inspired by sport, free movement and French elegance.

Calvin Klein Watches and Jewelry

The Calvin Klein collection of watches and jewelry was created with the modern customer in mind. Featuring timeless, minimalist designs that highlight Calvin Klein's globally recognized aesthetic, the collection of men's and women's accessories reflects the sensuality and boldness that has come to define the brand for over 50 years.

DESIGN AND PRODUCT DEVELOPMENT

The Company's offerings undergo two phases before they are produced for sale to customers: design and product development. The design phase includes the creation of artistic and conceptual renderings while product development involves the construction of prototypes. The Company's licensed brand watches, Olivia Burton watches, MVMT watches and certain Movado brand watch styles are designed by in-house design teams in cooperation with outside sources, including (in the case of the licensed brands) licensors' design teams. Watch product development for these brands takes place in the Company's Asia operations. For the Company's EBEL and Concord watch brands and various Movado brand watch styles, the watch design phase is performed by a combination of in-house and freelance designers in Europe and the United States while product development is carried out in the Company's Swiss operations. The Company's jewelry and other accessories are designed by in-house design teams in cooperation with outside sources and are manufactured by independent contractors in Asia and, to a lesser extent, the United States.

MARKETING

The Company's marketing strategy is to communicate a consistent, brand-specific message to the consumer. As the consumer footprint continues to evolve, the Company is increasingly focused on its digital marketing and online reach, including expanding and improving its social media channels and its messaging through individuals with significant social media followings (i.e., "influencers"), as well as elevating its customers' digital experience globally through innovative technologies and consumer-facing initiatives. Recognizing that advertising is an integral component to the successful marketing of its product offerings, the Company devotes significant resources to advertising and maintains its own in-house advertising department which focuses primarily on the implementation and management of global marketing and advertising strategies for each of the Company's brands, ensuring consistency of presentation. The Company develops advertising campaigns individually for each of the Company's brands, utilizing outside agencies as deemed appropriate. These campaigns are directed primarily to the end consumer rather than to trade customers. The Company's advertising considers the image and price range of each brand. Company advertising is placed in magazines and other print media, on radio and television, online, including websites and social media platforms, in catalogs, on outdoor signs and through other promotional materials. Marketing expenses totaled 19.2%, 16.8%, and 16.3% of net sales in fiscal 2024, 2023 and 2022, respectively.

OPERATING SEGMENTS

The Company conducts its business primarily in two operating segments: Watch and Accessory Brands and Company Stores. For operating segment data and geographic segment data for the years ended January 31, 2024, 2023 and 2022, see Note 18 to the Consolidated Financial Statements regarding Segment and Geographic Information.

The Company's Watch and Accessory Brands segment includes the designing, manufacturing and distribution of watches and, to a lesser extent, jewelry and other accessories, of quality owned and licensed brands, in addition to revenue generated from after-sales service activities and shipping. The Company Stores segment includes the Company's retail outlet business.

The Company divides its business into two major geographic locations: United States operations, and International, which includes the results of all non-U.S. Company operations. The vast majority of the Company's tangible International assets are owned by the Company's Swiss and Hong Kong subsidiaries. For a discussion of the risks associated with the Company's operations conducted outside the United States, see "A significant portion of the Company's business is conducted outside of the United States. Many factors affecting business activities outside the United States could adversely impact this business" under Item 1A. *Risk Factors*, below.

Watch and Accessory Brands

Watch and Accessory Brands Business in the United States

The Company sells all of its brands in the U.S. Watch and Accessory Brands market primarily to department stores, such as Macy's and Nordstrom; major jewelry store chains, such as Signet Jewelers, Ltd. and Helzberg Diamonds Corp.; independent jewelers; and third-party e-commerce retailers, such as Amazon; as well as directly to consumers through the Company's owned e-commerce websites, such as www.movado.com and www.mvmt.com. Sales to trade customers in the United States are made directly by the Company's U.S. sales force and, to a lesser extent, independent sales representatives. Sales representatives are responsible for a defined geographic territory, generally specialize in a particular brand and sell to and service independent jewelers within their territory. The sales force also consists of account executives and account representatives who, respectively, sell to and service chain and department store accounts.

Watch and Accessory Brands Business in International Markets

Internationally, the Company's brands are sold to department stores, jewelry chains, independent jewelers and third-party e-commerce retailers, as well as directly to consumers through the Company's owned e-commerce websites, such as www.oliviaburton.com. The Company employs its own international sales force operating at the Company's sales and distribution offices in Australia, Canada, Mainland China, France, Germany, Hong Kong, India, Spain, Switzerland, the United Kingdom, Mexico and the United Arab Emirates. In addition, the Company sells all of its brands through a network of independent distributors operating in numerous countries around the world. A majority of the Company's arrangements with its international distributors are long-term, generally require certain minimum purchases and minimum advertising expenditures and impose restrictions on the distributor's sale of competitive products.

Company Stores

The Company's subsidiary, Movado Retail Group, Inc., operates 51 retail outlet locations in outlet centers across the United States and four retail outlet locations in outlet centers in Canada, as well as an online outlet store at www.movadocompanystore.com. These stores serve as effective channels to sell current and discontinued models and factory seconds of the Company's watches, jewelry, and other accessories.

SEASONALITY

The Company's sales are traditionally greater during the Christmas and holiday season. Consequently, the Company's net sales historically have been higher during the second half of its fiscal year. The amount of net sales and operating profit generated during the second half of each fiscal year depends upon the general level of retail sales during the Christmas and holiday season, as well as economic conditions and other factors beyond the Company's control. Major selling seasons in certain international markets center on significant local holidays that occur in late winter or early spring. The second half of each of the fiscal years ended January 31, 2024, 2023 and 2022 accounted for 54.6%, 54.0% and 57.9% of the Company's net sales, respectively.

BACKLOG

At March 20, 2024, the Company had unfilled orders of \$41.0 million compared to \$40.7 million at March 20, 2023 and \$60.9 million at March 21, 2022. Unfilled orders include both confirmed orders and orders that the Company believes will be confirmed based on the historical experience with the customers. It is customary for many of the Company's customers not to confirm their future orders with formal purchase orders until shortly before their desired delivery dates.

CUSTOMER SERVICE, WARRANTY AND REPAIR

The Company assists in the retail sales process of its wholesale customers by monitoring their sales and inventories by product category and style. The Company also assists in the conception, development and implementation of customers' marketing vehicles. The Company places considerable emphasis on cooperative advertising programs with its wholesale customers. The Company's assistance in the retail sales process has resulted in close relationships with its principal customers, often allowing for influence on the mix and quantity. The Company believes that customers' familiarity with its sales approach has facilitated, and should continue to facilitate, the introduction of new products through its distribution network.

The Company permits the return of defective products. In addition, although the Company generally has no obligation to do so, it accepts other returns from customers in certain instances.

The Company has service facilities around the world, including four Company-owned service facilities and a number of independent service centers which are authorized to perform warranty repairs. A list of authorized service centers can be accessed online at www.mgiservice.com. In order to maintain consistency and quality at its service facilities and authorized independent service centers, the Company conducts training sessions and distributes technical information and updates to repair personnel. All watches sold by the Company come with limited warranties covering the movement against defects in material and workmanship for periods ranging from two to three years from the date of purchase. Products that are returned under warranty to the Company are generally serviced by the Company's employees at its service facilities.

The Company generally retains adequate levels of component parts to facilitate both the manufacturing of its watches as well as the after-sales service of its watches for an extended period of time after the discontinuance of the manufacturing of such watches.

The Company makes available a web-based system at www.mgiservice.com providing immediate access for the Company's retail partners to information they may want or need about after sales service issues. The website allows the Company's retailers to track their repair status online 24 hours a day. The system also permits customers to authorize repairs, track repair status through the entire repair life cycle, view repair information and obtain service order history.

SOURCING, PRODUCTION AND QUALITY

The Company does not manufacture any of the products it sells. The Company employs a flexible manufacturing model that relies on independent manufacturers to meet shifts in marketplace demand and changes in consumer preferences. All product sources must achieve and maintain the Company's high-quality standards and specifications. With strong supply chain organizations predominantly in Switzerland, Mainland China and Hong Kong, the Company maintains control over the quality of its products, wherever they are manufactured. Compliance is monitored with strictly enforced quality control standards, including on-site quality inspections.

The Swiss watch movements used in the manufacture of Movado, EBEL and Concord watches are purchased from three suppliers, with all mechanical movements coming from a single supplier. The Company obtains other watch components for all of its brands, including, cases, hands, dials, bracelets, straps and non-Swiss movements from a number of other suppliers. The Company generally does not have long-term supply commitments with any of its component parts suppliers.

Movado (with the exception of certain Movado collections), EBEL and Concord watches, as well as certain Calvin Klein watch styles, are manufactured in Switzerland by independent third-party assemblers using Swiss movements and other parts sourced by the

Company's Swiss operations. All of the Company's products are manufactured using components obtained from third party suppliers. Certain Movado collections of watches are manufactured by independent contractors in Asia using Swiss movements. Coach, Hugo Boss, Lacoste, Olivia Burton, MVMT, Tommy Hilfiger and most Calvin Klein watches are manufactured by independent contractors in Asia.

TRADEMARKS, PATENTS AND LICENSE AGREEMENTS

The Company owns the trademarks CONCORD®, EBEI®, MOVADO®, MVMT® and OLIVIA BURTON®, as well as trademarks for the Movado Museum® dial design, and related trademarks for watches and jewelry in the United States and in numerous other countries.

The Company licenses the trademark COACH® and related trademarks on an exclusive worldwide basis for use in connection with the manufacture, distribution, advertising and sale of watches pursuant to an amended license agreement with Tapestry, Inc. scheduled to expire on June 30, 2025.

Under an amended and restated license agreement with Tommy Hilfiger Licensing LLC ("Tommy Hilfiger") entered into on March 20, 2020 and effective as of January 1, 2020 (the "Tommy Hilfiger License Agreement"), the Company has the exclusive license to use the trademark TOMMY HILFIGER® and related trademarks in connection with the manufacture, marketing, advertising, sale and distribution of watches and jewelry worldwide (excluding sales to certain accounts in Japan). The Tommy Hilfiger License Agreement expires December 31, 2024 and may be extended by the Company for an additional five years ending on December 31, 2029, subject to the satisfaction of minimum sales requirements and approval of a new business plan in the licensor's reasonable discretion. The Company has notified Tommy Hilfiger of its intent to extend the agreement and will submit a new business plan for Tommy Hilfiger's approval in the first half of fiscal 2025.

On March 17, 2022, the Company entered into an amended and restated license agreement with Hugo Boss Trade Mark Management GmbH & Co. that extended the term and made certain other changes to the license agreement originally entered into by the parties on December 15, 2004, as previously amended, under which the Company received a worldwide exclusive license to use trademarks containing the names "HUGO" or "BOSS", in connection with the production, promotion and sale of watches. The current license agreement expands the arrangement to include BOSS-branded jewelry and continues the relationship through December 31, 2026, subject to certain rights of the Company to extend for an additional five years upon satisfaction of specified conditions.

On August 30, 2022, the Company entered into an amended and restated license agreement with Lacoste S.A., Sporloisirs S.A. and Lacoste Alligator S.A. (the "Lacoste License Agreement"), extending the term and making certain other changes to the license agreement originally entered into by the parties in 2006 as previously extended in 2014, under which the Company received a worldwide exclusive license to use the LACOSTE® name and the distinctive "crocodile" logo to design, produce, market and distribute watches. The amended Lacoste License Agreement, which has an effective date of January 1, 2022, continues through December 31, 2031, and authorizes the Company to produce and sell jewelry in addition to watches.

Effective August 19, 2020, the Company and Calvin Klein, Inc. ("CKI") entered into a trademark license agreement under which CKI granted the Company a worldwide license to use the trademarks CALVIN KLEIN and CK/CALVIN KLEIN in connection with the development, manufacture, distribution, advertising, promotion and sale of watches and jewelry commencing January 1, 2022. The license is exclusive, subject to limited exceptions. The term of the Agreement continues until December 31, 2026, and may be renewed by the Company for an additional five years, subject to certain conditions, including the achievement of specified minimum sales.

The Company also owns a number of design patents and other design rights in the United States and internationally for various watch designs, as well as designs of watch dials, cases, bracelets and jewelry.

The Company actively seeks to protect and enforce its intellectual property rights by working with industry associations, anti-counterfeiting organizations, private investigators and law enforcement authorities, including customs authorities in the United States and internationally, and, when necessary, suing infringers of its intellectual property rights. Consequently, the Company is involved from time to time in litigation or other proceedings to determine the enforceability, scope and validity of these rights. The Company has registered certain of its brands' trademarks with customs authorities in the United States and certain other countries in order to assist such authorities in their efforts to prevent the importation of counterfeit goods or goods bearing confusingly similar trademarks. Customs regulations generally do not, however, protect against the unauthorized importation of genuine products.

COMPETITION

The markets for each of the Company's watch and jewelry brands are highly competitive. Except for Swatch Group, Ltd., a large Swiss-based competitor, no single company directly competes with the Company across all of its brands. Multiple companies, however, compete with Movado Group with respect to one or more of its brands. Certain of these companies have, and other companies that may enter the Company's markets in the future may have, greater financial, distribution, marketing and advertising resources than the Company. The Company's future success will depend, to a significant degree, upon its continued ability to compete effectively

regarding, among other things, the style, quality, price, advertising, marketing, distribution and availability of supply of the Company's watches and other products.

HUMAN CAPITAL

The Company believes that trust, respect, passion, creativity, ambition, and teamwork are critical to achieving its goals and therefore promotes a culture built around these values.

Demographics

The following table summarizes the Company's global workforce as of January 31, 2024:

	Full-Time Employees	Part-Time Employees	Temporary Employees	Total
Global	1,089	387	72	1,548
Americas	582	341	59	982
Asia-Pacific	209	-	5	214
Europe, Middle East & Africa	298	46	8	352

Attraction and Retention of Employees

The Company strives to attract and retain a highly talented and engaged workforce and believes that its supportive culture, dedication to employee well-being, competitive compensation and benefits programs, employee development and training offerings, diversity and inclusion initiatives, and philanthropic and community engagement help in this endeavor. Approximately 29% of the Company's non-retail employees have been with the Company for more than 10 years, and approximately 51% have been with the Company for at least five years.

Employee Well-Being

The Company offers programs and benefits to support its employees' physical, financial, and emotional well-being, including medical coverage, domestic partner benefits, dental and vision coverage, health savings and flexible spending accounts, paid time off, employee assistance programs, voluntary short-term and long-term disability insurance, and supplemental life insurance, among others. Programs vary by location and are designed to meet or exceed local laws and to be competitive in the marketplace.

Compensation and Financial Benefits

The Company strives to offer competitive compensation packages. The Company uses a combination of fixed and variable pay including base salary, bonus, commissions, and merit increases that vary across the business. The Company also offers defined contribution savings plans to eligible employees.

In addition, as part of its long-term incentive plan for executives and key employees, the Company provides stock-based compensation to foster its pay-for-performance culture and to attract, retain, and motivate participants.

Other financial benefits available to eligible employees include financial wellness planning and pre-retirement workshops, discounts on insurance and other products and services, and friends and family sales. Non-management employees may also receive bonuses for referring prospective new employees.

Benefits vary by location and are designed to meet or exceed local legal requirements and to be competitive in the marketplace.

Employee Education, Training and Development

The Company encourages employees to be responsible for managing their own career goals and provides support and resources to aid employee progression. These resources vary by location and generally include annual development reviews, ongoing courses and resources, corporate development programs, and departmental development programs. The Company also partners with local colleges to promote deeper learning on specific topics. Tuition reimbursement is available to full-time employees in the United States.

Diversity & Inclusion

The Company seeks to provide a work environment in which all employees are treated with dignity and respect and are not discriminated against on the basis of age, color, disability, marital or parental status, national origin, race, religious beliefs, sexual orientation, gender identity, veteran status, or any other legally protected status. The Company recognizes that embracing an inclusive workforce leads to greater innovation, increased productivity, and higher job satisfaction. Accordingly, the Company strives to welcome and foster ideas and to create workplaces that bring together people with diverse perspectives.

As of January 31, 2024, the Company had an eight-member Board of Directors, including two female Board members and three Board members from underrepresented minorities.

As of January 31, 2024, women represented approximately 62% of the Company's global employees, and underrepresented minorities (defined as those who identify as Black/African American, Hispanic, Native American, Asian, Pacific Islander and/or two or more races) represented approximately 55% of the Company's U.S. employees.

Community Engagement

The Company is committed to engaging with and giving back to its communities and facilitates opportunities for its brands and employees to donate time and make monetary contributions to charitable organizations. The Company is the corporate sponsor of The Movado Group Foundation, a nonprofit organization that supports philanthropic campaigns in the United States with particular emphasis on sustaining the arts. Programs and support vary by year, need and available resources.

REGULATION

We are subject to laws and regulations regarding customs (including tariffs and retaliatory tariffs), tax, employment, privacy, data protection, truth-in-advertising, consumer product safety, environmental, waste management, zoning and occupancy and other laws and regulations that regulate and/or govern the importation, packaging, promotion, sale and disposal of consumer products and our corporate, retail and distribution operations. Changes in such laws and regulations could have a material adverse effect on our results of operations and financial condition, although the Company is not aware of any such pending changes that would have a material adverse effect on the Company's capital expenditures, including capital expenditures for environmental control facilities, earnings or competitive position. For a discussion of certain risks related to compliance with laws and regulations, see "A significant portion of the Company's business is conducted outside of the United States. Many factors affecting business activities outside the United States could adversely impact this business", "Regulatory restrictions and a changing marketing environment could materially and adversely affect the Company's ability to penetrate key market segments, resulting in the loss of market share and revenue", "Failure to meet environmental, social and governance regulations, expectations or standards could adversely affect the Company's business, reputation, results of operations and financial condition", "The Company's e-commerce business is subject to numerous risks that could have an adverse effect on the Company's business and results of operations", "Changes to laws or regulations impacting the industries in which the Company operates could require it to alter its business practices which could have a material adverse effect on its results of operations", "Changes to tax laws or regulations could have a material adverse effect on the Company's financial condition and results of operations" and "The Company is subject to complex and evolving laws and regulations regarding privacy and data protection that could result in legal claims, changes to business practices and increased costs that could materially and adversely affect the Company's results of operations", under Item 1A. *Risk Factors*, below.

AVAILABLE INFORMATION

The Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on the Company's website, located at www.movadogroup.com, as soon as reasonably practicable after the same are electronically filed with, or furnished to, the SEC. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding the Company at www.sec.gov.

Investors and others should note that the Company announces material financial information to its investors using its press releases, SEC filings and public conference calls and webcasts. The Company intends to also use its investor relations webpage at <https://www.movadogroup.com/investors/overview> as a means of disclosing information about the Company, its services and other matters and for complying with its disclosure obligations under Regulation FD. The information the Company posts on its investor relations webpage may be deemed material. Accordingly, investors should monitor the investor relations webpage, in addition to following the Company's press releases, SEC filings and public conference calls and webcasts. The information posted on the investor relations webpage is not a part of this Annual Report or any other document we file with the SEC, and its inclusion is as an inactive textual reference only.

The Company has adopted a Code of Business Conduct and Ethics that applies to all directors, officers and employees, including the Company's Chief Executive Officer, Chief Financial Officer and principal accounting and financial officers, which is posted on the Company's website. The Company will post any amendments to the Code of Business Conduct and Ethics and any waivers that are required to be disclosed by SEC regulations on the Company's website. In addition, the committee charters for the Audit Committee, the Compensation and Human Capital Committee and the Nominating, Governance and Corporate Responsibility Committee of the Board of Directors of the Company and the Company's corporate governance guidelines have been posted on the Company's website.

Item 1A. Risk Factors

The following risk factors should be read carefully in connection with evaluating Movado Group's business. These risks and uncertainties could cause actual results and events to differ materially from those anticipated. Additional risks which the Company does not presently consider material, or of which it is not currently aware, may also have an adverse impact on the business. Please also see "Forward-Looking Statements" on page 1.

Risks Related to Macroeconomic Conditions and our International Operations

Adverse economic conditions in key markets, and the resulting declines in consumer confidence and spending, could have a material adverse effect on the Company's operating results.

The Company's results are dependent on a number of factors impacting consumer confidence and spending in key markets, including, but not limited to, general economic and business conditions; wages and employment levels; volatility in the stock market; home values and housing costs; inflation; consumer debt levels; availability and cost of consumer credit; economic uncertainty; solvency concerns of major financial institutions; fluctuations in foreign currency exchange rates; commodity prices; fuel and energy costs and/or shortages; tax issues; and general political conditions, both domestic and abroad.

Adverse economic conditions, including declines in employment levels, disposable income, consumer confidence and economic growth could result in decreased consumer spending that would adversely affect sales of consumer goods, particularly those, such as the Company's products, that are viewed as discretionary items. In addition, events such as international hostilities (including the Russian invasion of Ukraine and war in the Middle East), terrorism, natural disasters or outbreaks of disease may further suppress consumer spending on discretionary items. If any of these events should occur or intensify, the Company's future sales could decline and the Company's results of operations could be materially adversely affected. This could also result in the potential for impairment surrounding our long-lived assets.

A significant portion of the Company's business is conducted outside of the United States. Many factors affecting business activities outside the United States could adversely impact this business.

Over 80% of the Company's product unit volume originates from Asia, with the vast majority coming from China. Substantially all of the remaining products originate from Europe.

The Company also generates approximately 56.8% of its revenue from international sources.

Factors that could affect this business activity vary by region and market and generally include, without limitation:

- instability or changes in social, political, public health, environmental, and/or economic conditions that could disrupt the production or trade activity in the countries where the Company's manufacturers, suppliers and customers are located;
- supply chain disruptions related to global, regional or local circumstance that fall outside of the Company's control;
- the imposition of additional duties, taxes and other charges on imports and exports;
- changes in foreign laws and regulations;
- inflation and increases in commodity prices (including energy);
- the adoption or expansion of trade sanctions;
- recessions in foreign economies; and
- a significant change in currency valuation in specific countries or markets.

Any of these factors could result in a material adverse effect on the Company's results of operations and financial condition.

The Company's business is subject to foreign currency exchange rate risk.

A significant portion of the Company's inventory purchases are denominated in Swiss Francs and, to a lesser extent, the Japanese Yen. The Company also sells to third-party customers in a variety of foreign currencies, most notably the Euro and the British Pound. The Company reduces its exposure to the Swiss Franc, Euro, British Pound, Chinese Yuan and Japanese Yen exchange rate risks through a hedging program. Under the hedging program, the Company manages most of its foreign currency exposures on a consolidated basis, which allows it to net certain exposures and take advantage of natural offsets. In the event these exposures do not offset, the Company has the ability under a hedging program to utilize forward exchange contracts and purchased foreign currency options to mitigate foreign currency risk. If the Company does not utilize hedge instruments or if such instruments are unsuccessful at minimizing the risk or are deemed ineffective, any fluctuation of the Swiss Franc, Euro, British Pound, Chinese Yuan, Hong Kong Dollar or Japanese Yen exchange rates could impact the future results of operations. Changes in currency exchange rates may also affect relative prices at which the Company and its foreign competitors sell products in the same market. Additionally, a portion of the Company's net sales are recorded in its foreign subsidiaries in a currency other than the local currency of that subsidiary. This predominantly occurs in the Company's Hong Kong and Swiss subsidiaries when they sell to Euro and British Pound based customers. The Company utilizes forward exchange contracts to mitigate this exposure. To the extent not hedged, any fluctuation in the Euro and British Pound exchange rates in relation to the Hong Kong dollar and Swiss Franc would have an effect on these sales that are recorded in Euros and British Pounds. The currency effect on these sales has an equal effect on their recorded gross profit since the costs of these sales are recorded in the entities' respective local currency. As a result of these and other foreign currency sales, certain of the Company's subsidiaries have outstanding foreign currency receivables. Furthermore, since the Company's consolidated financial statements are presented in U.S. dollars, revenues, income and expenses, as well as assets and liabilities of foreign currency denominated subsidiaries must be translated into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Fluctuations in foreign currency exchange rates could adversely affect the Company's reported revenues, earnings, financial position and the comparability of results of operations from period to period.

Additional U.S. Special Tariffs or other restrictions placed on imports from China, and any retaliatory trade measures taken by China, may have a material adverse impact on the Company's financial condition and results of operations.

Starting in July 2018, the U.S. government announced a series of lists covering thousands of categories of Chinese origin products subject to potential U.S. special tariffs in addition to the regular tariffs that have historically applied to such products. Most of the Company's packaging products are made in China and became subject to a U.S. special 10% tariff in September 2018, which was increased to 25% effective May 10, 2019. In addition, most of the bands used in the production of the Company's traditional watches are made in China and became subject to the U.S. special 15% tariff effective September 1, 2019, although the tariff rate was decreased to 7.5% effective February 14, 2020.

If the U.S. special tariffs were to increase, the Company may seek to raise prices for watches sold in the United States, which is the Company's single largest market, which could result in the loss of customers and harm its operating performance. Alternatively, the Company may seek to shift production outside of China, resulting in significant costs and disruption to the Company's operations and materially and adversely affecting its, costs, sales and results of operations. In addition, the Company's business may be impacted by retaliatory trade measures taken by China or other countries in response to existing or future tariffs, causing the Company to raise prices or make changes to its operations, any of which could materially harm its financial condition and results of operations.

The Company's inability to successfully recover from extreme weather conditions, natural disasters or other catastrophic events or developments impacting business continuity or sales opportunities could result in loss of human capital, revenue, production capability, logistics efficiency, reputational harm or legal liability, any of which could materially harm its financial condition and results or operations.

The Company has a complex global operations, supply chain and distribution network. If the Company or key participants in its value chain were to experience a local or regional natural disaster or other development impacting business continuity, such as an earthquake, hurricane, flood, wildfire, tsunami, other natural or man-made disaster, political crisis such as terrorist attacks, war, and other political instability, public health crisis including infectious disease outbreaks, pandemics, and endemics, or other catastrophic event, its continued success will depend, in part, on the safety and availability of personnel, facilities, and raw materials, and on the proper functioning of manufacturing, transportation, computer, telecommunication and other systems and services. Climate change exacerbates these risks by increasing the frequency and severity of extreme weather events and natural disasters. If the Company cannot efficiently respond to disruptions in our operations, for example, by finding alternative suppliers or distributors or quickly repairing damaged systems, it may be late in fulfilling customer orders, thereby resulting in reputational damage, lost sales, or cancellation charges, any of which could materially harm its financial condition and results of operations. In addition, natural disasters may disrupt purchasing behaviors, negatively impacting revenue generation.

Risks Related to our Business

The Company's wholesale business could be negatively affected by the consumer shift toward online shopping, as well as by further changes of ownership, contraction and consolidation in the retail industry.

Consumers' growing preference for purchasing products online may continue to reduce foot traffic at traditional retail stores and increase price competition for the Company's products, which could discourage traditional retailers from investing in sales support for those products. This could reduce consumer demand for the Company's products and thereby materially adversely affect the Company's wholesale business.

In addition, a large portion of the Company's wholesale business is based on sales to major jewelry store chains and department stores. The retail industry has experienced changes in ownership, contraction and consolidations. Future reorganizations, changes of ownership and consolidations could further reduce the number of retail doors in which the Company's products are sold and increase the concentration of sales among fewer large regional retailers, which could materially adversely affect the Company's wholesale business.

The Company faces intense competition in the worldwide watch industry not only from competitors selling traditional watches but also from those selling smart watches and other wearables.

The watch industry is highly competitive and the Company competes globally with numerous manufacturers, importers, distributors and Internet-based retailers, some of which are larger than the Company and have greater financial, distribution, advertising and marketing resources. The Company's products compete on the basis of price, features, brand image, design, perceived desirability and reliability. However, there can be no assurance that the Company's products will compete effectively in the future and, unless the Company remains competitive, its future results of operations and financial condition could be adversely affected. The Company also faces significant competition from companies introducing and selling smart wearable devices including smart watches. Many of these companies have significantly greater financial, distribution, advertising and marketing resources than does the Company. The sale of these new smart products could materially adversely impact the traditional watch market and the Company's results of operations and financial condition.

The design, sourcing, marketing, distribution and after-sales servicing of smart watches involve additional challenges to those applicable to traditional watches.

Although the Company is not currently manufacturing new smart watch models, to the extent the Company elects to launch or maintain smart watch offerings, important differences in the way smart watches are designed, sourced, marketed, distributed, and serviced as compared to traditional watches may make it more difficult to compete successfully in the smart watch market, particularly for competitors such as the Company that must rely on the expertise of third parties who are active in this market. For example, smart watches' significant reliance on technology increases the risk of allegations of infringement on the intellectual property rights of others. Smart watch product development entails greater fixed costs than those for traditional watches, which means that higher unit sales of smart watches are generally needed in order to achieve reasonable gross margins. In addition, consumers may expect that smart watches, particularly the more expensive models, will for many years continue to function and be compatible with the smartphone operating systems with which they were intended to interface, including future updates to such operating systems. Since the Company has no control over such operating system updates, it cannot assure such continued compatibility. If the Company fails to meet consumers' expectations regarding the long-term functioning of any smart watches that it sells, the Company may suffer reputational damage that could adversely affect its business, results of operations and financial condition.

Maintaining favorable brand recognition is essential to the Company's success, and failure to do so could materially and adversely affect the Company's results of operations.

Favorable brand recognition is an important factor to the future success of the Company. The Company sells its products under a variety of owned and licensed brands. Factors affecting brand recognition are often outside the Company's control, and the Company's efforts to create or enhance favorable brand recognition, such as making significant investments in marketing and advertising campaigns (including increased exposure through social media, influencer messaging and other digital advertising channels), product design and anticipation of fashion trends, may not have their desired effects. Additionally, the Company relies on its licensors to maintain favorable brand recognition of their respective brands, and the Company has little or no control over the brand management efforts of its licensors. Finally, although the Company's independent distributors are subject to contractual requirements to protect the Company's brands, it may be difficult to monitor or enforce such requirements, particularly in foreign jurisdictions.

Any decline in perceived favorable recognition of the Company's owned or licensed brands and any negative response to social media, influencer or other digital media campaigns could materially and adversely affect future results of operations and profitability. If the Company is unable to respond to changes in consumer demands and fashion trends in a timely manner, sales and profitability could be adversely affected.

Fashion trends and consumer demands and tastes often shift quickly. The Company attempts to monitor these trends in order to adapt its product offerings to suit customer demand. There is a risk that the Company will not properly perceive changes in trends or tastes, which may result in the failure to adapt the Company's products accordingly. In addition, new model designs are regularly introduced

into the market for all brands to keep ahead of evolving fashion trends as well as to initiate new trends. The public may not favor these new models or the models may not be ready for sale until after the trend has passed. If the Company fails to respond to and keep up to date with fashion trends and consumer demands and tastes, its brand image, sales, profitability and results of operations could be materially and adversely affected.

Regulatory restrictions and a changing marketing environment could materially and adversely affect the Company's ability to penetrate key market segments, resulting in the loss of market share and revenue.

The Company utilizes various marketing service providers and technologies, including third-party cookies, pixels, and other automated means ("Third-Party Cookies"), to provide a data-driven, personalized consumer experience. In response to privacy regulations and consumer preferences, technology companies have begun moving toward a "cookieless future," web browsers are implementing certain cookie-blocking measures, and ecommerce sites are offering various privacy settings options. Scrutiny of consumer marketing practices is increasing, and regulatory expectations and oversight are expanding, especially around product sustainability claims. These shifts are changing how the Company markets to and engages with consumers. If the Company's adjustments are delayed or are not as effective as current advertising and marketing strategies, the Company's conversion rate may be adversely affected, brand recognition may decline, market share may be negatively impacted, and sales, profitability and results of operations could be materially and adversely affected. In addition, a small number of large digital advertising companies control a majority of the digital advertising market in many countries, and continued consolidation in the industry could further increase those companies' market share. Digital advertising has become more expensive in recent years and further industry consolidation or the tightening of regulatory restrictions could accelerate this trend. Increased advertising costs could materially and adversely affect the Company's profitability and results of operations.

Failure to meet environmental, social and governance regulations, expectations or standards could adversely affect the Company's business, reputation, results of operations and financial condition.

Many governments, regulators, investors, employees, customers, and other stakeholders are increasingly focused on the environmental, social and governance (ESG) performance of companies, including climate change, greenhouse gas emissions, human and civil rights, diversity, equity and inclusion initiatives, and supply chain conditions. In addition to the rapidly developing legal obligations imposed by governmental and self-regulatory organizations, a variety of third-party bodies and institutional investors evaluate the performance of companies on ESG topics. Understanding, developing, and acting on ESG matters, complying with legal obligations, and collecting, measuring, validating, and reporting ESG-related information and metrics can be costly, difficult, and time-consuming, especially as requirements and expectations continue to evolve. As a responsible corporate citizen, the Company actively manages ESG issues and makes statements about its ESG policies and initiatives through its annual Corporate Responsibility Report and various other communications; however, the Company cannot guarantee that it will achieve its announced goals. In addition, the Company could be criticized for the nature and scope of any goals set or not set or for the accuracy, adequacy, or completeness of the Company's disclosures. The Company's failure or perceived failure to achieve such goals or to meet ESG expectations could harm the Company's reputation, adversely impact its ability to attract and retain customers and talent, impair its access to or cost of capital, and expose it to legal and regulatory proceedings and increased scrutiny, thereby adversely affecting the Company's business, results of operations and financial condition.

If the Company loses any of its license agreements, there may be significant loss of revenues and a negative effect on business.

The Company's license agreements include certain minimum royalty payments and other material requirements. Failure to meet any of these requirements could result in the loss of the license. Additionally, after the term of any license agreement has concluded, the licensor may decide not to renew with the Company. For the fiscal year ended January 31, 2024, the Company's licensed brands represented 53.9% of the Company's net sales. While the Company is not substantially dependent on any one licensed brand, the loss of a single licensed brand could have a material adverse effect on the Company's results of operations and financial condition. In addition, the Company's revenues and profitability under its various license agreements may change from period to period due to various factors, including the maturity of the Company's relationship with the respective licensor, changes in consumer preferences, brand repositioning activities and other factors, some of which are outside of the Company's control.

Changes in the sales or channel mix of the Company's products could impact gross profit margins.

The individual brands that are sold by the Company are sold at a wide range of price points and yield a variety of gross profit margins. In addition, sales of excess and/or discontinued inventory into liquidation channels generate a lower gross profit margin than non-liquidation sales. Thus, the mix of sales by brand as well as by distribution channel can have an impact on the gross profit margins of the Company. If the Company's sales mix shifts unfavorably toward brands with lower gross profit margins than the Company's historical consolidated gross profit margin or if a greater proportion of liquidation sales are made, it could have an adverse effect on the results of operations.

The Company's business is seasonal, so events and circumstances that adversely affect holiday consumer spending will have a disproportionately adverse effect on the Company's results of operations.

The Company's sales are seasonal by nature. The Company's U.S. sales are traditionally greater during the Christmas and holiday season. Internationally, major selling seasons center on significant local holidays that occur in late winter or early spring. The amount of net sales and operating income generated during these seasons depends upon the general level of retail sales at such times, as well as economic conditions and other factors beyond the Company's control. The second half of each of the fiscal years ended January 31, 2024, 2023 and 2022 accounted for 54.6%, 54.0% and 57.9% of the Company's net sales, respectively. If events or circumstances were to occur that negatively impact consumer spending during such holiday seasons, it could have a material adverse effect on the Company's sales, profitability and results of operations.

Sales in the Company's retail outlet locations are dependent upon customer foot traffic and average order size.

The success of the Company's retail outlet locations is, to a certain extent, dependent upon the amount of customer foot traffic generated by the outlet centers in which those stores are located.

Factors that can affect customer foot traffic include:

- changes in consumer discretionary spending;
- the location of the outlet center;
- the location of the Company's store within the outlet center;
- the other tenants in the outlet center;
- the occupancy rate of the outlet center;
- the success of the outlet center and tenant advertising to attract customers;
- changes in competition in areas surrounding the outlet center;
- increased competition from shopping over the internet and other alternatives such as mail-order; and
- desirability of the Company's brands and products.

Additionally, since many of the Company's retail outlets are located near vacation destinations, factors that affect travel could decrease outlet center traffic. Such factors include the price and supply of fuel, travel concerns and restrictions (including those due to disease outbreaks such as COVID 19), international instability, terrorism and inclement weather. Future closures of the Company's retail stores or reductions in foot traffic could have a material adverse effect on retail sales and the profitability of the Company Stores segment.

The success of the Company's retail outlet locations is also dependent, to a certain extent, upon the average order size at our outlet stores. Factors that can affect average order size include product mix, promotional activities, and number of units sold per transaction. If adverse changes in product mix or pricing were to reduce the average sales price of our products, or if the average number of units per transaction were to decrease, whether due to a reduction in sales to volume buyers who resell our products or otherwise, there could be a material adverse effect on our Company Stores segment.

If the Company is unable to maintain existing space or to lease new space for its retail outlets in prime outlet center locations or is unable to complete construction on a timely basis, the Company's ability to achieve favorable results in its retail business could be adversely affected.

The Company's outlet stores are strategically located in top outlet centers in the United States and Canada, many of which are located near vacation destinations. Due to significant industry consolidation in recent years, the remaining outlet center operators use their significant market power to increase rents in prime locations when existing leases are renewed or new leases are executed.

If the Company cannot maintain and secure locations in prime outlet centers for its outlet stores on acceptable lease terms, it could jeopardize the operations of the stores and business plans for the future. Additionally, if the Company cannot complete construction in new stores within the planned timeframes, cost overruns and lost revenue could adversely affect the profitability of the Company Stores segment.

The Company's e-commerce business is subject to numerous risks that could have an adverse effect on the Company's business and results of operations.

Although sales through the Company's e-commerce channels have constituted a minority of its net sales historically, such sales are growing, and the Company expects to continue to grow its e-commerce business in the future. Though direct-to-consumer sales generally have higher profit margins and provide the Company with useful insight into the impact of its marketing campaigns, further development of the Company's e-commerce business also subjects the Company to a number of risks. The Company's online sales may negatively impact the Company's relationships with wholesale customers and distributors and their willingness to invest in the Company's brands if they perceive that the Company is competing with them. In addition, the Company's sales via major online marketplaces have grown significantly in recent years, and these sales could be adversely impacted by changes in the marketplace operators' strategies regarding the sale of the Company's products or product categories. There also is a risk that the Company's e-commerce business may divert sales from the Company's own brick and mortar stores. The Company's failure to successfully respond to these risks might adversely affect sales in the Company's e-commerce business as well as damage its reputation and brands.

In addition, online commerce is subject to increasing privacy regulation by states, the U.S. federal government, and various foreign jurisdictions. Compliance with these laws may increase the Company's costs of doing business, and the Company's failure to comply with these laws may subject the Company to potential fines, claims for damages and other remedies, any of which would have an adverse effect on the Company's financial condition and results of operations.

If the technology-based systems that give the Company's customers the ability to shop online do not function effectively, the Company's operating results could be materially adversely affected.

Many customers shop with the Company through its online platforms, often through mobile devices. The Company is increasingly using social media and proprietary mobile applications to interact with the Company's customers and to enhance their shopping experience. Any failure on the Company's part to provide attractive, effective, reliable, user-friendly e-commerce platforms that offer a wide assortment of merchandise with rapid delivery options and that continually meet the changing expectations of online shoppers could place the Company at a competitive disadvantage, result in the loss of e-commerce and other sales, harm the Company's reputation with customers, and have a material adverse impact on the growth of the Company's e-commerce business globally and its results of operations.

Furthermore, the Company's e-commerce operations subject the Company to risks related to the computer systems that operate the Company's websites and related support systems, such as system failures, viruses, computer hackers and similar disruptions. If the Company is unable to continually add software and hardware, effectively upgrade its systems and network infrastructure and take other steps to improve the efficiency of its systems, system interruptions or delays could occur that adversely affect the Company's operating results and harm the Company's brands. The Company depends on its technology vendors to manage "up time" of the front-end e-commerce stores, manage the intake of orders, and export orders for fulfillment. Any failure on the part of the Company's third-party e-commerce vendors or in the Company's ability to transition third-party services effectively could result in lost sales and harm the Company's brands.

Environmental factors, including climate change, and related regulatory action and consumer response, could substantially and negatively affect the Company's financial results.

The intensifying effects of climate change present physical, liability, and transition risks with both macro and micro implications for companies and financial markets. Extreme weather events may cause shipping delays, result in property damage, and affect supply chains. As countries seek to address risks associated with climate change, laws and regulations may be adopted or strengthened. The Company's failure to identify climate and other environmental risks, to mitigate these risks, or to meet consumer expectations regarding sustainability may adversely affect the Company's ability to attract and retain top talent, negatively impact the Company's and its brands' reputation and consumer loyalty, disrupt the Company's supply chain, and result in lost sales. In addition, implementing changes to mitigate these risks may result in substantial short and long-term additional operational expenses, which may materially affect the Company's profitability.

If the Company misjudges the demand for its products, high inventory levels could adversely affect future operating results and profitability.

Consumer demand for the Company's products can affect inventory levels. If consumer demand is lower than expected, inventory levels can rise, causing a strain on operating cash flows. If the inventory cannot be sold through the Company's wholesale channel or retail outlet locations, additional write-downs or write-offs to future earnings could be necessary. Conversely, if consumer demand is higher than expected, insufficient inventory levels could result in unfilled customer orders, loss of revenue and an unfavorable impact on customer relationships. Volatility and uncertainty related to macroeconomic factors make it difficult for the Company to forecast

customer demand in its various markets. Failure to properly judge consumer demand and properly manage inventory could have a material adverse effect on profitability and liquidity.

If the Company were to lose its relationship with any of its key customers or distributors or any of such customers or distributors were to experience financial difficulties, there may be a significant loss of revenue and operating results.

The Company's customer base covers a wide range of distribution including national jewelry store chains, department stores, independent regional jewelers, online marketplaces, licensors' retail stores and a network of independent distributors in many countries throughout the world. Except for its agreements with independent distributors, the Company does not have long-term sales contracts with its customers. Customer purchasing decisions could vary with each selling season. A material change in customers' purchasing decisions could have an adverse effect on the Company's revenue and operating results.

The Company extends credit to its customers based on an evaluation of each customer's financial condition, usually without requiring collateral. Should any of the Company's larger customers experience financial difficulties, it could result in the Company curtailing business with them, an increased rate of product returns or an increase in the Company's accounts receivable exposure. The inability to collect on these receivables could have an adverse effect on the Company's financial results and cash flows.

In many countries, independent distributors are entitled to seek compensation from the entity that granted them distribution rights upon termination of the parties' contractual relationship. Such compensation can equal or exceed one year's worth of the distributor's profits attributable to the distribution of the relevant goods. Although the Company generally renews its agreements with most of its distributors at the end of the then-current contractual term, if the Company elects not to renew its distribution agreements with large distributors or with multiple smaller distributors, it may be required to make material termination payments to such distributors, which would have an adverse effect on its operating results.

The inability or difficulty of the Company's customers, suppliers and business partners to obtain credit could materially and adversely affect its results of operations and liquidity.

Many of the Company's customers, suppliers and business partners rely on a stable, liquid and well-functioning financial system to fund their operations, and a disruption in their ability to access liquidity could cause serious disruptions to or an overall deterioration of their businesses which could impair their ability to meet their obligations to the Company, including delivering product ordered by the Company and placing or paying for future orders of the Company's products, any of which could have a material adverse effect on the Company's results of operations and liquidity. The recent tightening of monetary policies of countries throughout the world in response to inflationary pressures have resulted in interest rate increases and could reduce availability of credit.

An increase in product returns or lost product could negatively impact the Company's operating results and profitability.

The Company permits the return of defective products and accepts limited amounts of non-defective product returns in certain instances. Accordingly, the Company provides allowances for the estimated amounts of these returns at the time of revenue recognition based on historical experience. While such returns have historically been relatively consistent with management's expectations and the provisions established, in recent years the number and frequency of consumer reports of lost packages or delivery delays have increased, and national carriers have changed their policies to make it more difficult for companies to recover the value of associated losses. In addition, future return rates may differ from those experienced in the past. Any significant increase in damaged or defective products, expected returns or carrier-related losses could have a material adverse effect on the Company's operating results for the period or periods in which such returns materialize.

The Company relies on independent parties to manufacture its products. Any loss of an independent manufacturer, or the Company's inability to deliver quality goods in a timely manner, could have an adverse effect on customer relations, brand image, net sales and results of operations.

The Company employs a flexible manufacturing model that relies on independent manufacturers to meet shifts in marketplace demand. Most of these manufacturers rely on third-party suppliers for the various component parts needed to assemble finished watches sold to the Company. All such independent manufacturers and suppliers must achieve and maintain the Company's high-quality standards and specifications. Their inability to do so could cause the Company to miss committed delivery dates with customers, which could result in cancellation of the customers' orders. In addition, delays in delivery of satisfactory products could have a material adverse effect on the Company's profitability, particularly during the fourth quarter. The Company generally does not have long-term supply commitments with its manufacturers and thus competes for production facilities with other organizations, some of which are larger and have greater resources. Any loss of an independent manufacturer or disruption in the supply chain with respect to critical component parts may result in the Company's inability to deliver quality goods in a timely manner and could have an adverse effect on customer

relations, brand image, net sales and results of operations. In this regard, the Company relies on only three Swiss watch movement manufacturers, one of which is a wholly owned subsidiary of a competitor of the Company, and only one of which supplies mechanical movements. The elimination or disruption of any of these manufacturers could disrupt the Company's Swiss watch operations. This is particularly true for mechanical movements given the single source of supply, although mechanical movements are only used in a relatively small number of the Company's watch styles.

The Company contractually obligates its independent finished goods manufacturers to adhere to the Company's vendor code of conduct and similar codes of conduct adopted by the Company's trademark licensors, and the Company monitors for compliance by conducting periodic factory audits. There can be no assurance, however, that all of the Company's manufacturers will consistently comply with labor and other laws and operate in accordance with ethical standards. Deviations from these laws and standards could interrupt the shipment of finished products and damage the Company's reputation and could have a material adverse effect on the Company's financial condition and results of operations.

Interruptions at any of the Company's major warehouse and distribution centers could materially adversely affect its business.

The Company operates one distribution facility in New Jersey that is responsible for importing and warehousing products as well as fulfilling and shipping most orders by the Company's customers in the United States, Canada and the Caribbean and by many of the Company's customers in Latin America. The Company operates a smaller, similar facility in Biel, Switzerland for the distribution of its Swiss watch brands throughout Europe and the Middle East, and in Australia and India through its joint ventures there. In addition, the Company has contracted with third-party warehouse and fulfillment providers in the Netherlands, Hong Kong, mainland China, Czech Republic, the U.K., Mexico and the United States. The complete or partial loss or temporary shutdown of any of the Company's or third-parties' warehouse and distribution facilities (including as a result of fire or other casualty or labor or other disturbances) could have a material adverse effect on the Company's business. In addition, the Company's New Jersey warehouse and distribution facility is operated in a special purpose sub-zone established by the U.S. Department of Commerce Foreign Trade Zone Board and is highly regulated by U.S. Customs and Border Protection, which, under certain circumstances, has the right to shut down the entire sub-zone and, therefore, the entire warehouse and distribution facility. If that were to occur, the Company's ability to fill orders for its U.S., Canadian, Latin American and Caribbean customers would be significantly impacted, which could have a material adverse effect on the Company's results of operations and financial condition.

Current or future cost reduction, streamlining, restructuring or business optimization initiatives could result in the Company incurring significant charges.

In adapting to changing economic and industry conditions, the Company may be required to incur severance and relocation expenses, write-offs or write-downs of assets, impairment charges, facilities closure costs or other business optimization costs. These costs will reduce the Company's operating income and net income (along with the associated per share measures) and could have a material adverse effect on the Company's results of operations.

The Company depends on its information systems to run its business and any significant breach of or disruption to those systems could materially disrupt the Company's business.

The Company relies on its information systems to operate all aspects of its business, including, without limitation, order processing, inventory and supply chain management, customer communications, purchasing and financial reporting. Although the Company attempts to take reasonable steps to mitigate the risks to its computer hardware and software systems, including such measures as the use of firewalls, automatically expiring passwords, encryption technology and periodic vulnerability tests, no system can be completely secure, particularly given the increasing threat posed by computer hackers and cyber terrorists. Hackers and data thieves are increasingly sophisticated and operate large-scale and complex attacks that may include computer viruses or other malicious codes, ransomware, unauthorized access attempts, denial of service attacks and large-scale automated attacks, phishing, social engineering, hacking and other cyber-attacks. These risks may increase as the Company continues to expand its reliance on cloud services. Breaches of the Company's network or databases, or those of its third-party providers, may result in the loss of valuable business data, misappropriation of consumers' or employees' personal information, or a disruption of the Company's business, which could give rise to unwanted media attention, impair the Company's ability to place and fulfill orders and process payments, materially damage the Company's customer relationships and reputation, and result in lost sales, fines or lawsuits. The Company's information systems could also experience system failures, viruses, power outages, network and telecommunications failures, usage errors by our employees, or other events which could disable or significantly impair the systems' functionality. Additionally, the Company's systems may fail to operate properly or effectively, experience problems transitioning to upgraded or replacement systems or difficulties in integrating new systems. In that regard, we are currently migrating many of our IT systems and applications to the cloud, including our global enterprise resource planning system, which is designed to efficiently maintain our financial records and provide information important to the operation of our business. Although we anticipate that these cloud migrations will increase efficiency and functionality, such migrations entail risks in implementation and make the Company more reliant on third party service providers. Any material disruption or slowdown of the Company's information systems could result in the loss of critical data, the inability to process and properly record transactions and the

material impairment of the Company's ability to conduct business, leading to cancelled orders and lost sales. In addition, the Company's e-commerce business is vulnerable to additional risks associated with the Internet, including changes in required technology interfaces, website downtime and other technical failures, security breaches and consumer privacy concerns. A breach and loss of data could also subject the Company to liability to its customers or suppliers and could also cause competitive harm if sensitive information is publicized. In the event the Company is not successful in responding to these risks and uncertainties, its online sales may decline, the associated costs with its e-commerce activity may increase and its reputation may be damaged. Although the Company maintains an information security risk insurance policy to address many of these risks, such policy may not suffice to prevent a cyber-incident from resulting in a material adverse effect on our business, financial condition and operating results due to various policy limitations and exclusions.

If the Company is unable to successfully implement its growth strategies, its future operating results could suffer.

There are risks associated with the Company's expansion through acquisitions, license agreements, joint ventures and similar initiatives. New brands may not complement the brands in the Company's existing portfolio and may not be viewed favorably by the consuming public. In addition, the integration of a new business or licensed brand into the Company's existing business can strain the Company's resources and infrastructure, and there can be no assurance that the integration will be successful or generate sales increases. The inability to successfully implement its growth strategies could adversely affect the Company's future financial condition and results of operations.

Acquisitions inherently involve significant risks and uncertainties.

We continually review acquisition opportunities that will enhance our market position, expand our product lines and provide synergies. Any of the following risks associated with our past acquisitions or future acquisitions, individually or in aggregate, may have a material adverse effect on our business, financial condition and operating results:

- difficulties in realizing anticipated financial or strategic benefits of such acquisition;
- diversion of capital from other uses and potential dilution of stockholder ownership;
- risks related to increased indebtedness;
- significant capital and other expenditures may be required to integrate the acquired business into our operations;
- disruption of our ongoing business or the ongoing acquired business, including impairment or loss of existing relationships with our employees, distributors, suppliers or customers or those of the acquired companies;
- diversion of management's attention and other resources from current operations, including potential strain on financial and managerial controls and reporting systems and procedures;
- difficulty in integrating acquired operations, including restructuring and realigning activities, personnel, technologies and products;
- assumption of known and unknown liabilities, some of which may be difficult or impossible to quantify; and
- non-cash impairment charges or other accounting charges relating to the acquired assets.

Impairment charges could have an adverse impact on our results of operations.

We are required to test property plant and equipment and other long-lived assets for impairment as facts and circumstances warrant. Such long-lived assets include significant minority investments by the Company in early-stage growth companies and venture capital funds that invest in such companies, which investments are highly unpredictable. Impairment may result from any number of factors, including adverse changes in assumptions used for valuation purposes, such as actual or projected net sales, growth rates, profitability or discount rates, or other variables. If testing indicates that impairment has occurred, we are required to record a non-cash impairment charge. Should the value of our finite-lived intangible assets, property, plant and equipment and other long-lived assets become impaired, it could have a material adverse effect on our results of operations.

The loss or infringement of the Company's trademarks or other intellectual property rights could have an adverse effect on future results of operations.

The Company's trademarks and other intellectual property rights are vital to the competitiveness and success of its business and it therefore takes actions to register and protect them. Such actions may not be adequate to prevent imitation of the Company's products or infringement of its intellectual property rights, or to assure that others will not challenge the Company's rights, or that such rights will be successfully defended. Moreover, the laws of some foreign countries, including some in which the Company sells its products, do not protect intellectual property rights to the same extent as do the laws of the United States, which could make it more difficult to successfully defend such challenges to them. The Company's inability to obtain or maintain rights in its trademarks, or the inability of

the Company's licensors to obtain or maintain rights in their trademarks, could have an adverse effect on brand image and future results of operations.

Changes to laws or regulations impacting the industries in which the Company operates could require it to alter its business practices which could have a material adverse effect on its results of operations.

The Company conducts business, either directly or indirectly, in numerous countries and accordingly is subject to a multitude of legal requirements impacting the industries in which it operates. Changes to existing laws and regulations or new laws and regulations could impose new requirements and additional costs on the Company and its suppliers, making the Company's products or packaging more costly to produce and forcing the Company to change its existing business practices. Any resulting costs increases could place the Company at a competitive disadvantage and sales of its products could decline, adversely affecting its financial condition and results of operations.

Changes to tax laws or regulations could have a material adverse effect on the Company's financial condition and results of operations.

Changes in U.S. federal, state and international tax laws and regulations, including changes suggested by the U.S. presidential administration, could have an adverse impact on our tax liabilities and effective tax rate. In addition, the overall tax environment has made it increasingly challenging for multinational corporations to operate with certainty around taxation in many jurisdictions. For example, the Organization for Economic Cooperation and Development, ("OECD"), which represents a coalition of western countries, including the U.S., is implementing changes to numerous long-standing tax principles, including enacting a global minimum tax and expanding the digital taxing rights of market countries. Furthermore, a number of countries where the Company does business, including many European countries, are considering changes in relevant tax, accounting and other laws, regulations and interpretations, including changes to tax laws applicable to multinational corporations. Foreign countries may decide to enact tax laws that may negatively affect the Company's foreign tax liabilities in response to any real or perceived negative effects of the U.S. tax changes on their countries, and/or states or local governments may decide to enact additional tax laws that may increase tax liabilities for companies doing business in those jurisdictions as they see opportunities to capitalize on the reduction in the federal corporate tax rate. Finally, while the Company believes its tax positions are consistent with the tax laws in the jurisdictions in which the Company conducts business, the final outcome of tax audits or disputes could result in adjustments to the Company's tax liabilities which could have a material adverse effect on the Company's effective tax rate, results of operations, cash flows and financial condition.

The Company is subject to complex and evolving laws and regulations regarding privacy and data protection that could result in legal claims, changes to business practices and increased costs that could materially and adversely affect the Company's results of operations.

The Company is subject to a variety of U.S and foreign laws and regulations governing privacy and data protection. The shift in our business toward e-commerce, and the expansion of our business in certain jurisdictions, and our greater reliance on cloud services may subject us to additional such laws and regulations. These U.S. federal and state and foreign laws and regulations are evolving, may increase restrictions relating to the receipt, transfer, processing and retention of personal data, and the restrictions imposed thereby are not always clear. In addition, foreign court decisions and regulatory actions could impact our ability to receive, transfer and process personal data relating to our employees and direct and indirect customers. The Company may need to update its data map or take other measures to comply with these requirements and interpretive guidance, a process that is complex, time consuming, and complicated by rapidly evolving and expanding cloud services and solutions. Existing and proposed privacy and data protection laws and regulations around the world result and may continue to result in significant compliance risks, operating costs, diverted resources from other initiatives and projects, marketing restrictions, limitations on service offerings, and negative publicity for the Company and may subject it to remedies that may harm its business, including fines, regulatory penalties, orders to modify or cease existing business practices, and significant legal liability. Any of the foregoing could materially adversely affect the Company's results of operations and financial condition.

If the Company were to experience a significant privacy breach, it could be subject to costly government enforcement actions and private litigation and suffer significant negative publicity which could materially and adversely affect the Company's results of operations.

As part of the normal course of business the Company is involved in the receipt and storage of electronic information about customers and employees, as well as proprietary financial and non-financial data. Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the internet and mobile platforms have recently been subject to increased public scrutiny. Although the Company believes it has taken reasonable and appropriate actions to protect the security of this information, if the Company were to experience a security breach, acts of vandalism, ransomware attacks, computer viruses, misplaced or lost data, programming and/or human errors or other similar events, it could result in government enforcement actions and private

litigation, attract a substantial amount of media attention, and damage the Company's reputation and its relationships with its customers and employees, materially adversely affecting the Company's sales and results of operations. This risk has increased with the Company's increased focus on direct-to-consumer sales and increased reliance on cloud services.

From time to time the Company is subject to legal proceedings that could result in significant expenses, fines and reputational damage.

The Company is involved in legal proceedings and other disputes from time to time, including those involving consumers, employees and contractual counterparties, as well as governmental audits and investigations. The most significant of these proceedings are described in Item 3 "Legal Proceedings" of this report. The Company cannot predict the ultimate outcome of legal disputes. The Company could in the future be required to pay significant amounts as a result of settlements, judgments or fines in these matters, potentially in excess of accruals. The resolution of, or increase in accruals for, one or more of these matters could have a material adverse effect on the Company's results of operations and cash flows.

If the Company were to lose key members of management or be unable to attract and retain the talent required for the business, operating results could suffer.

The Company's ability to execute key operating initiatives as well as to deliver product and marketing concepts appealing to target consumers depends largely on the efforts and abilities of key executives and senior management's competencies. The unexpected loss of one or more of these individuals could have an adverse effect on the future business. The Company cannot guarantee that it will be able to attract and retain the talent and skills needed in the future.

If the Company cannot secure and maintain financing and credit on favorable terms, the Company's financial condition and results of operations may be materially adversely affected.

Credit and equity markets remain sensitive to world events and macro-economic developments. Therefore, the Company's cost of borrowing may increase and it may be more difficult to obtain financing for the Company's operations or to refinance long-term obligations as they become payable. In addition, the Company's borrowing costs can be affected by independent rating agencies' short and long-term debt ratings which are based largely on the Company's performance as measured by credit metrics including interest coverage and leverage ratios. A decrease in these ratings would likely also increase the Company's cost of borrowing and make it more difficult for it to obtain financing. A significant increase in the costs that the Company incurs to finance its operations may have a material adverse impact on its business results and financial condition. In addition, any failure by the Company to comply with the various covenants contained in its corporate credit facility, including financial maintenance covenants, could result in the termination of the facility and the acceleration of the Company's repayment obligations thereunder, which could have a material adverse effect on the Company's financial condition and liquidity.

Risks Related to an Investment in our Common Stock

The Grinberg family owns a majority of the voting power of the Company's stock.

Each share of common stock of the Company is entitled to one vote per share while each share of class A common stock of the Company is entitled to ten votes per share. While the members of the Grinberg family do not own a majority of the Company's outstanding common stock, by their significant holdings of class A common stock they control a majority of the voting power represented by all outstanding shares of both classes of stock. Consequently, the Grinberg family is in a position to determine or significantly influence any matters that are brought to a vote of the shareholders including, but not limited to, the election of the Board of Directors, any amendments to the Company's certificate of incorporation, mergers or sales of all or substantially all of the Company's assets. This concentration of ownership also may delay, defer or even prevent a change in control of the Company and make some transactions more difficult or impossible without the support of the Grinberg family. These transactions might include proxy contests, tender offers, mergers or other purchases of shares of common stock that could give stockholders the opportunity to realize a premium over the then-prevailing market price for shares of the Company's common stock.

The Company's stock price could fluctuate and possibly decline due to changes in revenue, operating results and cash flows.

The Company's revenue, results of operations and cash flows can be affected by several factors, some of which are not within its control. Those factors include, but are not limited to, those described as risk factors in this Item 1A. and under "Forward-Looking Statements" on page 1.

Any or all of these factors could cause a decline in revenues or an increase in expenses, either of which would have an adverse effect on the results of operations. If the Company's earnings failed to meet the expectations of the investing public in any given period, the Company's stock price could fluctuate and decline.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

The Company recognizes the importance of assessing, identifying, and managing material risks associated with cybersecurity threats. These risks include, among other things: operational risks, intellectual property theft, fraud, extortion, harm to employees or customers, and violation of data privacy laws.

Identifying and assessing cybersecurity risk is integrated into the Company's overall risk management processes. Cybersecurity risks are identified and addressed through internal information technology security, governance, risk and compliance reviews, as well as periodic third-party assessments. To defend, detect and respond to cybersecurity incidents, the Company maintains technical and organizational safeguards, including employee training, incident response capability reviews and exercises, cybersecurity insurance and disaster recovery plans. The Company also performs penetration testing to test security controls and monitors emerging laws and regulations related to data protection and information security. In addition, the Company performs third-party risk management (including gathering information via questionnaires and/or service organization controls (SOC) reports) to identify and mitigate risks from third parties such as vendors, suppliers and major customers that process the Company's employee, business or customer data.

The Company's cybersecurity incident response and breach management processes are intended to detect and analyze security incidents; to contain, eradicate and recover from such incidents; and to conduct a post-incident analysis to determine whether any changes to processes or security measures are merited. Such incident responses are overseen by a Breach Response Team consisting of leaders from the Company's Information Technology, Legal, Finance, Risk Management and Human Resources departments, with the assistance of external technical, legal and law enforcement support, as and when appropriate. Security events and data incidents are evaluated, ranked by severity and prioritized for response and remediation. Incidents are evaluated to determine materiality and operational, business and privacy impact, as well as the potential need for timely public disclosure.

From time to time the Breach Response Team conducts tabletop exercises to simulate responses to cybersecurity incidents, including the analysis of risks and the development of detection, mitigation and remediation strategies. The Breach Response Team also uses these exercises as an opportunity to discuss other topics related to cybersecurity, including notable developments in this area.

In the last three fiscal years, the Company has not experienced any material cybersecurity incidents or incurred any material expenses related to cybersecurity incidents. For a discussion of whether and how any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations or financial condition, see Item 1A. Risk Factors – *"The Company depends on its information systems to run its business and any significant breach or disruption to those systems could materially disrupt the Company's business"* and *"If the Company were to experience a significant privacy breach, it could be subject to costly government enforcement actions and private litigation and suffer significant negative publicity which could materially and adversely affect the Company's results of operations,"* which are incorporated by reference into this Item 1C.

Governance

The Audit Committee of the Board of Directors has assumed responsibility for the oversight of management's strategies and processes for addressing risks from cybersecurity threats. The Audit Committee or the full Board receives quarterly updates regarding cybersecurity and data privacy matters from senior management, including leaders from the Information Technology and Legal teams. This generally includes briefings regarding existing and new cybersecurity risks, status on how management is addressing and/or mitigating those risks, cybersecurity and data privacy incidents (if any), a cybersecurity maturity scorecard, status of key information security initiatives, and significant developments in data privacy regulations.

The Company's cybersecurity risk management and strategy processes are overseen by leaders from the Information Technology team (specifically, the Company's chief technology officer, its chief information officer, and its senior manager for cybersecurity) who collectively have over 75 years of prior work experience in various information technology roles, including security, auditing, compliance, systems and programming, and whose credentials have included Certified in the Governance of Enterprise IT (CGEIT),

Certified in Risk and Information Systems Control (CRISC) and Certified Information Systems Security Professional certifications. These individuals are informed about, and monitor the prevention, mitigation, detection and remediation of, cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described above, including the operation of our incident response plan. Potentially significant cybersecurity incidents are reported to the Breach Response Team. If the Breach Response Team deems the incident material, it will promptly notify the Audit Committee or the full Board of Directors. The Audit Committee or Board receives updates regarding other incidents during management's regular quarterly cybersecurity updates. In addition, the Company's Internal Audit function, whose leader possesses a Certified Information System Auditor (CISA) certification, reviews certain cybersecurity controls in connection with its information technology audit procedures.

Item 2. Properties

The Company leases various facilities in North America, Europe, the Middle East and Asia for its corporate, watch assembly, distribution and sales operations. As of January 31, 2024, the Company's leased facilities individually comprising more than 20,000 square feet were as follows:

Location	Function	Square Footage	Lease Expiration
Moonachie, New Jersey	Watch distribution and repair	100,000	August 2035
Paramus, New Jersey	Executive offices	90,100	June 2030
Bienna, Switzerland	Corporate and sales functions and watch distribution, assembly and repair	56,700	December 2032
Hong Kong	Watch distribution	44,800	April 2024

The foregoing facilities, as well as 12 additional leased facilities worldwide averaging approximately 5,000 square feet, are used exclusively in connection with the Watch and Accessory Brands segment of the Company's business except that a portion of the Company's executive office space in Paramus, New Jersey is used in connection with management of its retail business.

Since acquiring EBEL in 2004, the Company owns an architecturally significant building in La Chaux-de-Fonds, Switzerland.

The Company also leases retail space averaging 1,700 square feet per store with leases expiring with various dates through September 2032 for the operation of the Company's 55 retail outlet locations.

The Company believes that its existing facilities are suitable and adequate for its current operations.

Item 3. Legal Proceedings

The Company is involved in legal proceedings and claims from time to time, in the ordinary course of its business. Legal reserves are recorded in accordance with the accounting guidance for contingencies. Contingencies are inherently unpredictable and it is possible that results of operations, balance sheets or cash flows could be materially and adversely affected in any particular period by unfavorable developments in, or resolution or disposition of, such matters. For those legal proceedings and claims for which the Company believes that it is probable that a reasonably estimable loss may result, the Company records a reserve for the potential loss. For proceedings and claims where the Company believes it is reasonably possible that a loss may result that is materially in excess of amounts accrued for the matter, the Company either discloses an estimate of such possible loss or range of loss or includes a statement that such an estimate cannot be made.

In December 2016, U.S. Customs and Border Protection ("U.S. Customs") issued an audit report concerning the methodology used by the Company to allocate the cost of certain watch styles imported into the U.S. among the component parts of those watches for tariff purposes. The report disputed the reasonableness of the Company's historical allocation formulas and proposed an alternative methodology that would imply \$5.1 million in underpaid duties for all imports that entered the United States during the audit period which extended from August 1, 2011 through July 15, 2016, plus possible penalties and interest. Although the Company believes that U.S. Customs' alternative duty methodology and estimate are not consistent with the Company's facts and circumstances and has consistently disputed U.S. Customs' position, the Company established reserves for a portion of the alleged underpayment indicated in the audit report. Between February 2017 and January 2021, the Company made numerous submissions to U.S. Customs containing supplemental analyses and information in response to U.S. Customs' information requests. On May 1, 2023, the statute of limitations lapsed with respect to all entries encompassed by the audit period. As a result, during the second quarter of fiscal 2024, the Company released the reserves that it had established in respect of those entries.

In addition to the above matters, the Company is involved in other legal proceedings and contingencies, the resolution of which is not expected to materially affect its financial condition, future results of operations, or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

As of March 20, 2024, there were 40 holders of record of the Company's class A common stock and 295 holders of record of the Company's common stock (including nominee holders such as banks and brokerage firms who hold shares for beneficial owners), although we believe that the number of beneficial owners is much higher. The Company's common stock is traded on the New York Stock Exchange under the symbol "MOV" and on March 20, 2024, the closing price of the Company's common stock was \$26.85. Each share of common stock is entitled to one vote per share and each share of class A common stock is entitled to 10 votes per share on all matters submitted to a vote of the shareholders. Each holder of class A common stock is entitled to convert, at any time, any and all such shares into the same number of shares of common stock. Each share of class A common stock is converted automatically into common stock in the event that the beneficial or record ownership of such shares of class A common stock is transferred to any person, except to certain family members or affiliated persons deemed "permitted transferees" pursuant to the Company's Restated Certificate of Incorporation as amended. There is currently no established public trading market for the class A common stock.

During each quarter of fiscal 2024, the Company declared cash dividends on its common stock and class A common stock. Although the Company currently expects to continue to declare cash dividends in the future, the decision as to whether to declare any future cash dividend, including the amount of any such dividend and the establishment of record and payment dates, will be determined, in each quarter, by the Board of Directors, in its sole discretion. For dividends declared and paid during fiscal 2024, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

On November 23, 2021, the Board approved a share repurchase program under which the Company is authorized to purchase up to \$50.0 million of its outstanding common stock from time to time through November 23, 2024, depending on market conditions, share price and other factors. Under the share repurchase program, the Company is permitted to purchase shares of its common stock through open market purchases, repurchase plans, block trades or otherwise. During the fiscal year ended January 31, 2024, the Company repurchased a total of 111,722 shares of its common stock at a total cost of \$3.1 million, or an average of \$27.89 per share.

At the election of an employee, upon the vesting of a stock award or the exercise of a stock option, shares of common stock having an aggregate value on the vesting of the award or the exercise date of the option, as the case may be, equal to the employee's withholding tax obligation may be surrendered to the Company by netting them from the vested shares issued. Similarly, shares having an aggregate value equal to the exercise price of an option may be tendered to the Company in payment of the option exercise price and netted from the shares of common stock issued upon the option exercise. An aggregate of 22,034 shares were repurchased during the fiscal year ended January 31, 2024 as a result of the surrender of shares of common stock in connection with the vesting of restricted stock awards or stock options.

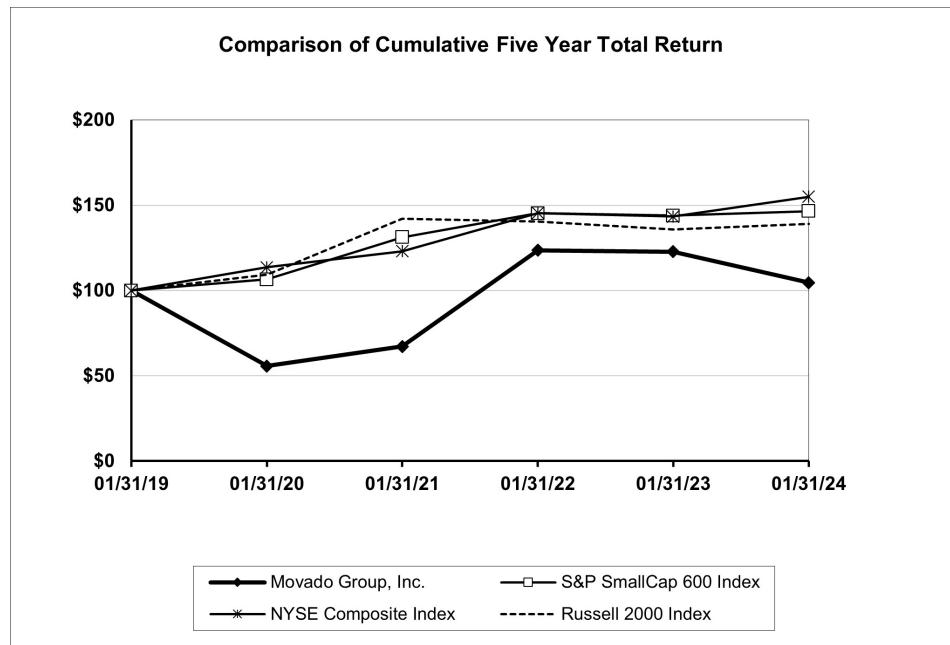
The following table summarizes information about the Company's purchases of shares of its common stock in the fourth quarter of fiscal 2024.

Issuer Repurchase of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Amount that May Yet Be Purchased Under the Plans or Programs
November 1, 2023 – November 30, 2023	—	—	—	\$ 18,639,162
December 1, 2023 – December 31, 2023	25,576	\$ 27.39	7,000	\$ 18,423,900
January 1, 2024 – January 31, 2024	19,659	\$ 29.04	19,000	\$ 17,872,716
Total	45,235	\$ 28.10	26,000	\$ 17,872,716

PERFORMANCE GRAPH

The performance graph set forth below compares the cumulative total shareholder return of the Company's shares of common stock for the last five fiscal years through the fiscal year ended January 31, 2024 with that of the S&P SmallCap 600 Index, the Broad Market (NYSE Stock Market – U.S. Companies) and the Russell 2000 Index. Each index assumes an initial investment of \$100 on January 31, 2019 and the reinvestment of dividends (where applicable).



Company Name / Index	1/31/19	1/31/20	1/31/21	1/31/22	1/31/23	1/31/24
Movado Group, Inc.	100.00	55.70	67.14	123.61	122.84	104.56
S&P SmallCap 600 Index	100.00	106.57	131.27	145.25	143.89	146.49
NYSE (U.S. Companies)	100.00	113.57	123.05	145.40	143.43	155.04
Russell 2000 Index	100.00	109.21	142.16	140.45	135.70	138.96

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

Net Sales

The Company operates and manages its business in two principal business segments: Watch and Accessory Brands and Company Stores. The Company also operates in two geographic locations: United States and International.

The Company divides its watch and accessory business into two principal categories: the owned brands category and the licensed brands category. The owned brands category consists of the Movado®, Concord®, EBEL®, Olivia Burton® and MVMT® brands. Products in the licensed brands category include the following brands manufactured and distributed under license agreements with the respective brand owners: Coach®, Tommy Hilfiger®, Hugo Boss®, Lacoste® and Calvin Klein®.

The primary factors that influence annual sales are general economic conditions in the Company's U.S. and international markets, new product introductions, the level and effectiveness of advertising and marketing expenditures and product pricing decisions.

56.8% of the Company's total sales are from international markets (see Note 18 to the Consolidated Financial Statements), and therefore reported sales made in those markets are affected by foreign exchange rates. The Company's international sales are primarily billed in local currencies (predominantly Euros, British Pounds and Swiss Francs) and translated to U.S. dollars at average exchange rates for financial reporting purposes. The Company reduces its exposure to exchange rate risk through a hedging program.

The Company divides its business into two major geographic locations: United States operations, and International, which includes the results of all other non-U.S. Company operations. The allocation of geographic revenue is based upon the location of the customer. The Company's International operations in Europe, the Americas (excluding the United States), the Middle East and Asia account for 30.5%, 9.3%, 9.0% and 8.0%, respectively, of the Company's total net sales for fiscal 2024. A vast majority of the Company's tangible International assets are owned by the Company's Swiss and Hong Kong subsidiaries.

The Company's business is seasonal. There are two major selling seasons in the Company's markets: the spring season, which includes school graduations and several holidays; and, most importantly, the Christmas and holiday season. Major selling seasons in certain international markets center on significant local holidays that occur in late winter or early spring. The Company's net sales historically have been higher during the second half of the fiscal year. The second half of each fiscal year accounted for 54.6% and 54.0% of the Company's net sales for the fiscal years ended January 31, 2024 and 2023, respectively.

The Company's retail operations consist of 51 retail outlet locations in the United States and four locations in Canada.

The significant factors that influence annual sales volumes in the Company's retail operations are similar to those that influence U.S. wholesale sales. In addition, most of the Company's retail outlet locations are near vacation destinations and, therefore, the seasonality of these stores is driven by the peak tourist seasons associated with these locations.

Gross Margins

The Company's overall gross margins are primarily affected by four major factors: channel and product sales mix, product pricing strategy, manufacturing costs and fluctuation in foreign currency exchange rates, in particular the relationship between the U.S. dollar and the Swiss Franc, British Pound and the Euro. Gross margins for the Company may not be comparable to those of other companies, since some companies include all the costs related to their distribution networks in cost of sales whereas the Company does not include the costs associated with its warehousing and distribution facilities nor the occupancy costs for the Company Stores segment in the cost of sales line item. Those costs are included in selling, general and administrative expenses.

Gross margins vary among the brands included in the Company's portfolio and also among watch models within each brand. Watches in the Company's owned brands category generally earn higher gross margin percentages than watches in the licensed brands category. The difference in gross margin percentages within the licensed brands category is primarily due to the impact of royalty payments made on the licensed brands. Gross margins in the Company's e-commerce business generally earn higher gross margin percentages than those of the traditional wholesale business. Gross margins in the Company's outlet business are affected by the mix of product sold and may exceed those of the wholesale business since the Company earns margins on its outlet store sales from manufacture to point of sale to the consumer.

All of the Company's brands compete with a number of other brands not only on styling but also on wholesale and retail price. The Company's ability to improve margins through price increases is therefore, to some extent, constrained by competitors' actions.

Cost of sales of the Company's products consists primarily of costs for raw materials, component costs, royalties, depreciation, amortization, assembly costs, shipping to customers, design costs and unit overhead costs associated with the Company's supply chain operations predominately in Switzerland and Asia. The Company's supply chain operations consist of logistics management of assembly operations and product sourcing predominately in Switzerland and Asia and minor assembly in Switzerland. Through productivity improvement efforts, the Company has controlled the level of overhead costs and maintained flexibility in its cost structure by outsourcing a significant portion of its component and assembly requirements.

Since a significant amount of the Company's product costs are incurred in Swiss Francs, fluctuations in the U.S. dollar/Swiss Franc exchange rate can impact the Company's cost of goods sold and, therefore, its gross margins. The Company reduces its exposure to the Swiss Franc exchange rate risk through a hedging program. Under the hedging program, the Company manages most of its foreign currency exposures on a consolidated basis, which allows it to net certain exposures and take advantage of natural offsets. In the event these exposures do not offset, the Company has the ability to hedge its Swiss Franc purchases using a combination of forward contracts and purchased currency options. The Company's hedging program mitigated the impact of the exchange rate fluctuations on product costs and gross margins for fiscal years 2024 and 2023.

Selling, General and Administrative ("SG&A") Expenses

The Company's SG&A expenses consist primarily of marketing, selling, distribution, general and administrative expenses.

Marketing expenditures are based principally on overall strategic considerations relative to maintaining or increasing market share in markets that management considers to be crucial to the Company's continued success as well as on general economic conditions in the various markets around the world in which the Company sells its products. Marketing expenses include salaries, various forms of media advertising, digital advertising (including social media), customer acquisition costs and co-operative advertising with customers and distributors and other point of sale marketing and promotional spending.

Selling expenses consist primarily of salaries, sales commissions, sales force travel and related expenses, credit card fees, depreciation and amortization, expenses associated with the Company's customer conferences and industry trade shows and operating costs incurred in connection with the Company's retail business. Sales commissions vary with overall sales levels. Retail selling expenses consist primarily of payroll related and store occupancy costs.

Distribution expenses consist primarily of costs of running distribution centers and customer service and include salaries, rental and other occupancy costs, security, depreciation and amortization of furniture and leasehold improvements and shipping supplies.

General and administrative expenses consist primarily of salaries and other employee compensation including performance-based compensation, employee benefit plan costs, office rent, management information systems costs, professional fees, bad debts, depreciation and amortization of furniture, computer software, leasehold improvements, amortization of finite lived intangible assets, patent and trademark expenses and various other general corporate expenses.

Other Non-Operating Income, net

Other non-operating income, net consist primarily of interest income and the non-service components of the Company's Swiss pension plan. In addition, for the fiscal year ended January 31, 2024, the Company recorded an impairment related to an equity investment in a consumer products company that sold its business and assets in which the Company expects to receive little or no return on its investment. Also, for the fiscal year ended January 31, 2022, the Company recorded other non-operating income due to the final settlement related to a sale of a building in an international location in the prior year period.

Interest Expense

To the extent it borrows, the Company records interest expense on its revolving credit facility. Additionally, interest expense includes the amortization of deferred financing costs, and unused commitment fees associated with the Company's revolving credit facility.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes as prescribed under the Accounting Standards Codification guidance for Income Taxes ("ASC Topic 740"). ASC Topic 740 requires the Company to recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and tax bases of existing assets and liabilities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States and those significant policies are more fully described in Note 1 to the Company's Consolidated Financial Statements. The preparation of these financial statements and the application of certain critical accounting policies require management to make judgments based on estimates and assumptions that affect the information reported. On an on-going basis, management evaluates its estimates and judgments, including those related to sales discounts and markdowns, product returns, bad debt, inventories, income taxes, warranty obligations, useful lives of property, plant and equipment, impairments of long-lived assets, stock-based compensation and contingencies and litigation. Management bases its estimates and judgments about the carrying values of assets and liabilities that are not readily apparent from other sources on historical experience, contractual commitments and on various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Management believes the following are the critical accounting policies requiring significant judgments and estimates used in the preparation of its Consolidated Financial Statements.

Revenue Recognition

In the wholesale channel, revenue is recognized and recorded when a contract is in place, obligations under the terms of a contract with the customer are satisfied and control is transferred to the customer. Such revenue is measured as the ultimate amount of consideration the Company expects to receive in exchange for transferring goods including variable consideration. The Company has determined that transfer of control passes to the wholesale customer upon shipment or upon receipt depending on the agreement with the customer and shipping terms. Control passes to outlet store customers at the time of sale and to substantially all e-commerce customers upon shipment. Factors considered in the transfer of control include the right to payment, transfer of legal title, physical possession and customer acceptance of the goods and whether the significant risks and rewards for the goods belong with the customer. The Company records estimates of variable consideration, which includes sales returns, markdowns, volume-based programs and sales and cash discount allowances as a reduction of revenue in the same period that the sales are recorded. These estimates are based upon the expected value method considering all reasonably available information including historical analysis, customer agreements and/or currently known factors that arise in the normal course of business. Returns, discounts and allowances have historically been within the Company's expectations and the provisions established. The future provisional rates may differ from those experienced in the past. Taxes imposed by governmental authorities on the Company's revenue-producing activities with customers, such as sales taxes and value added taxes, are excluded from net sales.

Intangibles

Intangible assets consist primarily of trade names, customer relationships and trademarks. In accordance with applicable guidance, the Company estimates and records the fair value of purchased intangible assets at the time of their acquisition. The fair values of these intangible assets are estimated at the time of acquisition based on independent third-party appraisals. Finite-lived intangible assets are amortized over their respective estimated useful lives, which range from three to ten years, and are evaluated for impairment whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. The Company determined that there was no impairment in fiscal 2024, fiscal 2023 or in fiscal 2022.

Inventories

The Company values its inventory at the lower of cost or net realizable value. Cost is determined using the average cost method. The Company performs reviews of its on-hand inventory to determine amounts, if any, of inventory that is deemed discontinued, excess, or unsaleable. Inventory classified as discontinued, together with the related component parts that can be assembled into saleable finished goods, is sold primarily through the Company's retail outlet locations. The Company retains adequate levels of component parts to facilitate both the manufacturing of its watches as well as the after-sales service of its watches for an extended period of time after the discontinuance of the manufacturing of such watches. The adjustment to reduce the value of component parts below their cost to their net realizable value is based on the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service.

Long-Lived Assets

The Company periodically reviews the estimated useful lives of its depreciable assets based on factors including historical experience, the expected beneficial service period of the asset, the quality and durability of the asset and the Company's maintenance policy including periodic upgrades. Changes in useful lives are made on a prospective basis unless factors indicate the carrying amounts of the assets may not be recoverable and an impairment is necessary.

The Company performs an impairment review of its long-lived assets once events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable. When such a determination has been made, management compares the carrying value of the asset groups with their estimated future undiscounted cash flows. If it is determined that an impairment has occurred, the fair value of the asset group is determined and compared to its carrying value. The excess of the carrying value over the fair value, if any, is recognized as a loss during that period. The impairment is calculated as the difference between asset carrying values and their estimated fair values. No impairment charge was recorded in fiscal 2024, fiscal 2023 or fiscal 2022.

Stock-Based Compensation

The Company utilizes the Black-Scholes option-pricing model which requires that certain assumptions be made to calculate the fair value of each option at the grant date. The expected life of stock option grants is determined using historical data and represents the time period during which the stock option is expected to be outstanding until it is exercised. The risk-free interest rate is based on the U.S. treasury note interest rate in effect on the date of grant for the expected life of the stock option. The expected stock price volatility is derived from historical volatility and calculated based on the estimated term structure of the stock option grant. The expected dividend yield is calculated using the Company's expected average of annualized dividend yields and applied over the expected term of the option. Management monitors stock option exercises and employee termination patterns to estimate forfeitures rates within the valuation model. Separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes.

In addition to stock options, the Company may also grant stock awards to employees and directors. The stock awards are generally in the form of time-vesting restricted stock unit awards (pursuant to which unrestricted shares of Common Stock are issued to the grantee when the award vests) or performance-based awards (under which vesting occurs only if one or more predetermined financial goals are achieved within the relevant performance period); both are subject to the participant's continued employment (or board service) with the Company through such vesting date. Stock awards generally are cliff-vested after three years from the date of grant (one year in the case of directors' awards). The fair value of stock awards is generally equal to the closing price of the Company's publicly-traded common stock on the grant date.

Compensation expense for all awards is accrued based on the estimated number of instruments for which the requisite service is expected to be rendered. This estimate is reflected in the period the stock option and stock awards are either granted or canceled. Expense related to stock options and stock awards compensation is recognized on a straight-line basis over the vesting term and only if the performance condition is probable of being achieved.

Income Taxes

The Company, under ASC Topic 740, follows the asset and liability method of accounting for income taxes under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax laws and tax rates, in each jurisdiction where the Company operates, and applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income in the period that includes the enactment date. In addition, the amounts of any future tax benefits are reduced by a valuation allowance to the extent such benefits are not expected to be realized on a more-likely-than-not basis. The Company calculates estimated income taxes in each of the jurisdictions in which it operates. This process involves estimating actual current tax expense along with assessing temporary differences resulting from differing treatment of items for both book and tax purposes.

The Company follows guidance for accounting for uncertainty in income taxes. This guidance clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement standard for the financial statement recognition and measurement of an income tax position taken or expected to be taken in a tax return. This guidance also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transitions.

RECENT DEVELOPMENTS AND INITIATIVES

The Inflation Reduction Act of 2022

In August 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into law by President Biden. Among other things, the IR Act implemented a 1% excise tax on the fair market stock repurchases by covered corporations, a 15% minimum tax based on adjusted financial statement income of certain large corporations, and several tax incentives to promote clean energy. Although the Company is continuing to evaluate the IR Act and its potential impact on future periods, at this time the Company does not expect the IR Act to have a material impact on its Consolidated Financial Statements.

The OECD has issued Pillar Two model rules implementing a new global minimum tax of 15%, which is intended to be effective on January 1, 2024. While the U.S. has not yet adopted the Pillar Two rules, several other countries have adopted and enacted changes to their legislation in response to Pillar Two. The Company's turnover currently does not meet the minimum requirements that were set by OECD inclusive framework and rules. Although the Company will continue to evaluate and monitor the enactments of Pillar Two, to the extent that Pillar Two becomes applicable, the Company does not expect a material impact on its Consolidated Financial Statements.

RESULTS OF OPERATIONS

The following is a discussion of the results of operations for fiscal 2024 compared to fiscal 2023 along with a discussion of the changes in financial condition during fiscal 2024. For a discussion of our results of operations in fiscal year 2023 compared to fiscal year 2022, please see "Results of Operations" in Item 7 (Management's Discussion and Analysis of Financial Condition and Results of Operations) of our Annual Report on Form 10-K for the fiscal year ended January 31, 2023, filed with the SEC on March 23, 2023.

The following are net sales by business segment and geographic location (in thousands):

	Fiscal Year Ended January 31, 2024		2023	
Watch and Accessory Brands:				
United States	\$ 191,266	\$ 227,268		
International	377,400	413,071		
Total Watch and Accessory Brands	568,666	640,339		
Company Stores				
United States	98,990	106,645		
International	4,945	4,914		
Total Company Stores	103,935	111,559		
Net sales	\$ 672,601	\$ 751,898		

The following are net sales by category (in thousands):

	Fiscal Year Ended January 31, 2024		2023	
Watch and Accessory Brands:				
Owned brands category	\$ 198,612	\$ 230,277		
Licensed brands category	362,311	399,556		
After-sales service and all other	7,743	10,506		
Total Watch and Accessory Brands	568,666	640,339		
Company Stores	103,935	111,559		
Consolidated total	\$ 672,601	\$ 751,898		

The following table presents the Company's results of operations expressed as a percentage of net sales for the fiscal years indicated:

	Fiscal Year Ended January 31, 2024		2023	
Net sales	100.0%		100.0%	
Gross margin	55.1%		57.7%	
Selling, general and administrative expenses	46.9%		41.7%	
Operating income	8.1%		16.0%	
Other income, net	0.9%		0.3%	
Interest expense	0.1%		0.1%	
Provision for income taxes	1.9%		3.3%	
Noncontrolling interests	0.1%		0.3%	
Net income attributable to Movado Group, Inc.	6.9%	12.6%		

Fiscal 2024 Compared to Fiscal 2023

Net Sales

Net sales for fiscal 2024 were \$672.6 million, representing a \$79.3 million or 10.5% decrease from the prior year. This decrease is attributable to the Watch and Accessory Brands segment and, to a lesser extent, the Company Stores segment. For fiscal 2024, fluctuations in foreign currency exchange rates positively impacted net sales by \$8.6 million when compared to the prior year. Excluding this \$8.6 million impact, net sales would have decreased by 11.7% as compared to the prior year.

Watch and Accessory Brands Net Sales

Net sales for fiscal 2024 in the Watch and Accessory Brands segment were \$568.7 million, below the prior year by \$71.7 million, or 11.2%. The decrease in net sales was primarily due to decreased volumes resulting from lower demand in the Company's wholesale customers in both the United States and International locations and a decrease in online retail, partially offset by the positive impact of fluctuations in foreign exchange rates.

United States Watch and Accessory Brands Net Sales

Net sales for fiscal 2024 in the United States locations of the Watch and Accessory Brands segment were \$191.3 million, below the prior year by \$36.0 million, or 15.8%, resulting primarily from decreased volumes due to lower demand in the Company's wholesale customers in both the owned and licensed brand categories and a decrease in online retail. The net sales recorded in the owned brands category decreased \$27.2 million, or 15.8%, and net sales recorded in the licensed brand category decreased \$8.7 million, or 17.1%.

International Watch and Accessory Brands Net Sales

Net sales for fiscal 2024 in the International locations of the Watch and Accessory Brands segment were \$377.4 million, below the prior year by \$35.7 million, or 8.6%, which included fluctuations in foreign currency exchange rates that positively impacted net sales by \$8.6 million when compared to the prior year. The decrease in net sales was in both the owned and licensed brand categories primarily due to decreased volumes resulting from lower demand in the Company's wholesale customers and a decrease in online retail, partially offset by the positive impact of fluctuations in foreign exchange rates. The net sales decrease recorded in the owned brands category was \$4.5 million, or 7.7%, primarily due to net sales decreases in Europe, the Americas (excluding the United States) and the Middle East, partially offset by a net sales increase in Asia. The net sales decrease in the licensed brands category was \$28.5 million, or 8.2%, primarily due to net sales decreases in Europe and the Americas (excluding the United States), partially offset by net sales increases in the Middle East and Asia.

Company Stores Net Sales

Net sales for fiscal 2024 in the Company Stores segment were \$103.9 million, \$7.6 million or 6.8% below the prior year. The net sales decrease was primarily due to sales mix in the Company stores and a decrease in sales from the Company's online outlet store at www.movadocompanystore.com, partially offset by new store openings. As of January 31, 2024 and 2023, the Company operated 55 retail outlet locations.

Gross Profit

Gross profit for fiscal 2024 was \$370.4 million or 55.1% of net sales as compared to \$433.9 million or 57.7% of net sales in the prior year. The decrease in gross profit of \$63.5 million was primarily due to lower net sales combined with a lower gross margin percentage. The decrease in the gross margin percentage of approximately 260 basis points for fiscal 2024 reflected an unfavorable impact of sales mix of approximately 180 basis points, the decreased leveraging of higher fixed costs over lower sales of approximately 90 basis points and a negative impact of fluctuations in foreign exchange rates of approximately 30 basis points, partially offset by decreased shipping costs of approximately 40 basis points.

Selling, General and Administrative ("SG&A")

SG&A expenses for fiscal 2024 were \$315.7 million, representing an increase from the prior year of \$2.1 million, or 0.7%. The increase in SG&A expenses was primarily due to the following factors: an increase in payroll related expenses of \$11.0 million; higher marketing expenses of \$1.4 million; and an increase in travel and entertainment expenses of \$1.1 million. These increases in SG&A expenses were partially offset by a decrease in performance-based compensation of \$10.9 million and a decrease in professional service fees of \$0.4 million. For the year ended January 31, 2024, fluctuations in foreign currency rates related to the foreign subsidiaries unfavorably impacted SG&A expenses by \$3.7 million when compared to the prior year.

Watch and Accessory Brands Operating Income

For fiscal 2024, the Company recorded operating income of \$37.5 million in the Watch and Accessory Brands segment which includes \$30.8 million of unallocated corporate expenses as well as \$71.5 million of certain intercompany profits related to the Company's supply chain operations. For fiscal 2023, the Company recorded operating income of \$95.0 million in the Watch and Accessory Brands segment which included \$37.0 million of unallocated corporate expenses as well as \$81.0 million of certain intercompany profits related to the Company's supply chain operations. The decrease in operating income was the result of a decrease in gross profit of \$56.0 million combined with higher SG&A expenses of \$1.5 million when compared to the prior year. The decrease in gross profit was primarily the result of lower net sales combined with a lower gross margin percentage primarily due to an unfavorable impact of sales mix, the decreased leveraging of higher fixed costs over lower sales and a negative impact of fluctuations in foreign exchange rates, partially offset by lower shipping costs. The increase in SG&A expenses of \$1.5 million was primarily due to the following factors: an increase in payroll related expenses of \$9.8 million; higher marketing expenses of \$1.5 million; and an increase in travel and entertainment expenses of \$1.1 million. Increased SG&A expenses were partially offset by a decrease in performance-based compensation of \$10.8 million.

U.S. Watch and Accessory Brands Operating Loss

In the United States locations of the Watch and Accessory Brands segment, for the twelve months ended January 31, 2024, the Company recorded an operating loss of \$30.0 million which includes unallocated corporate expenses of \$30.8 million. For the twelve months ended January 31, 2023 the Company recorded an operating loss of \$3.0 million in the United States locations of the Watch and Accessory Brands segment which included unallocated corporate expenses of \$37.0 million. The increase in operating loss was the result of lower gross profit of \$29.9 million, partially offset by a decrease in SG&A expenses of \$2.9 million when compared to the prior year period. The decrease in gross profit of \$29.9 million was primarily the result of lower net sales, combined with a lower gross margin percentage primarily due to an unfavorable impact of sales mix, the decreased leveraging of higher fixed costs over lower sales, partially offset by lower shipping costs. The decrease in SG&A expenses of \$2.9 million was primarily due to a decrease in performance-based compensation of \$8.1 million. This decrease in SG&A expenses was partially offset by an increase in payroll related expenses of \$5.5 million and an increase in travel and entertainment expenses of \$0.6 million.

International Watch and Accessory Brands Operating Income

In the International locations of the Watch and Accessory Brands segment, for the twelve months ended January 31, 2024, the Company recorded operating income of \$67.6 million which includes \$71.5 million of certain intercompany profits related to the Company's International supply chain operations. For the twelve months ended January 31, 2023 the Company recorded operating income of \$98.1 million in the International locations of the Watch and Accessory Brands segment which included \$81.0 million of certain intercompany profits related to the Company's supply chain operations. The decrease in operating income was the result of lower gross profit of \$26.1 million combined with higher SG&A expenses of \$4.4 million. The decrease in gross profit of \$26.1 million was primarily the result of lower net sales, combined with a lower gross margin percentage primarily due to an unfavorable impact of sales mix, the decreased leveraging of higher fixed costs over lower sales and a negative impact of fluctuations in foreign exchange rates, partially offset by lower shipping costs. The increase in SG&A expenses of \$4.4 million was primarily due to the following factors: an increase in payroll related expenses of \$4.3 million; higher marketing expenses of \$1.5 million; and an increase in travel and entertainment expenses of \$0.5 million. These increases in SG&A expenses were partially offset by a decrease in performance-based compensation of \$2.7 million.

Company Stores Operating Income

The Company recorded operating income of \$17.2 million and \$25.3 million in the Company Stores segment for fiscal 2024 and 2023, respectively. The decrease in operating income of \$8.1 million was primarily related to a decrease in gross profit of \$7.5 million, mainly due to lower net sales combined with a lower gross margin percentage, and higher SG&A expenses of \$0.6 million, reflecting a \$1.2 million increase in payroll related expenses, partially offset by a decrease of \$0.4 million in professional service fees. As of both January 31, 2024, and 2023, the Company Stores segment operated 55 retail outlet locations.

Other Non-Operating Income

For the twelve months ended January 31, 2024, the Company recorded other income, net of \$6.0 million primarily due to interest income, partially offset by a \$0.5 million impairment related to an equity investment in a consumer products company that sold its business and assets in which the Company expects to receive little or no return on its investment.

For the twelve months ended January 31, 2023, the Company recorded other income of \$2.1 million primarily due to interest income.

Interest Expense

Interest expense was \$0.5 million primarily due to the payment of unused commitment fees for fiscal 2024 and 2023. There were no borrowings under the Company's revolving credit facility during fiscal 2024 and 2023.

Income Taxes

The Company recorded an income tax provision of \$12.7 million and \$24.9 million for fiscal 2024 and 2023, respectively.

The effective tax rate for fiscal 2024 was 21.0% and was essentially equivalent to the U.S. statutory tax rate of 21.0% primarily due to foreign profits being taxed in lower taxing jurisdictions, partially offset by U.S. state and local taxes, net of the federal benefit. The effective tax rate for fiscal 2023 was 20.4% and differed from the U.S. statutory tax rate of 21.0% primarily due to foreign profits being taxed in lower taxing jurisdictions and the release of certain foreign valuation allowances, partially offset by U.S. state and local taxes, net of the federal benefit.

Net Income Attributable to Movado Group, Inc.

The Company recorded net income attributable to Movado Group, Inc. of \$46.7 million and \$94.5 million for fiscal 2024 and 2023, respectively.

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2024 and January 31, 2023, the Company had \$262.1 million and \$251.6 million, respectively, of cash and cash equivalents. Of this total, \$176.1 million and \$114.0 million, respectively, consisted of cash and cash equivalents at the Company's foreign subsidiaries.

The Company believes that based on the Company's current expectations, cash flows from operations and its credit lines and cash on-hand, the Company has adequate funds to support its operating, capital and debt service requirements and expects to maintain compliance with its debt covenants for the next twelve months subsequent to the issuance of the accompanying Consolidated Financial Statements.

At January 31, 2024 the Company had working capital of \$430.8 million as compared to \$424.8 million at January 31, 2023. The increase in working capital was primarily the result of an increase in cash and trade receivables and a decrease in income taxes payable, accrued liabilities and accrued payroll and benefits, partially offset by a decrease in inventories. The Company defines working capital as the difference between current assets and current liabilities.

The Company had \$76.8 million of cash provided by operating activities for fiscal 2024 as compared to \$54.3 million for fiscal 2023. Cash provided by operating activities for fiscal 2024 included net income of \$47.5 million, positively adjusted by \$24.6 million related to non-cash items. Cash provided by operating activities for fiscal 2024 included a \$37.7 million decrease in investment in inventories primarily due to timing of receipts to align with sales levels, partially offset by a change in payments related to income taxes of \$16.7 million primarily due to timing, a decrease in accrued payroll and benefits of \$9.9 million primarily as a result of payments of fiscal year 2023 performance-based compensation and an increase of \$9.1 million in trade receivables as a result of timing of receipts and change in sales mix. Cash provided by operating activities for fiscal 2023 included net income of \$97.0 million, positively adjusted by \$20.3 million related to non-cash items. Cash used in operating activities for fiscal 2023 was impacted by a \$28.9 million increase in investment in inventories primarily due to timing of receipts, a decrease of \$13.7 million in accounts payable primarily due to timing of payments and a decrease in accrued payroll of \$7.7 million primarily as a result of payments of fiscal year 2022 performance-based compensation, net of fiscal year 2023 accrual.

Cash used in investing was \$11.5 million for fiscal 2024 as compared to \$10.6 million for fiscal 2023. The cash used in fiscal 2024 was primarily related to capital expenditures of \$8.2 million primarily due to new computer software and leasehold improvements and \$3.1 million of long-term investments. Cash used in investing activities for fiscal 2023 included \$7.1 million of capital expenditures and \$3.3 million of long-term investments.

The Company expects that capital expenditures in fiscal 2025 will be approximately \$11.0 million as compared to \$8.2 million in fiscal 2024. The capital spending will be primarily for projects in the ordinary course of business including facilities improvements, shop-in-shops, website development, computer hardware and software and tooling costs. The Company has the ability to manage its capital expenditures on discretionary projects.

Cash used in financing activities was \$57.6 million for fiscal 2024 as compared to \$65.3 million for fiscal 2023. The cash used in fiscal 2024 included \$53.1 million in dividends paid, which included a special cash dividend of \$1.00 per share, \$3.1 million in stock repurchased in the open market and \$1.4 million paid for the distribution of noncontrolling interest earnings. Cash used in financing activities in fiscal 2023 included \$31.4 million in stock repurchased in the open market and \$31.4 million in dividends paid.

The Company and its U.S. and Swiss subsidiaries (collectively, the "Borrowers") are parties to an Amended and Restated Credit Agreement originally dated October 12, 2018 (as subsequently amended, the "Credit Agreement") with the lenders party thereto and Bank of America, N.A. as administrative agent (in such capacity, the "Agent"). The Credit Agreement provides for a \$100.0 million

senior secured revolving credit facility (the "Facility") and has a maturity date of October 28, 2026. The Facility includes a \$15.0 million letter of credit subfacility, a \$25.0 million swingline subfacility and a \$75.0 million sublimit for borrowings by the Swiss Borrower, with provisions for uncommitted increases to the Facility of up to \$50.0 million in the aggregate subject to customary terms and conditions. The Credit Agreement contains affirmative and negative covenants binding on the Company and its subsidiaries that are customary for credit facilities of this type, including, but not limited to, restrictions and limitations on the incurrence of debt and liens, dispositions of assets, capital expenditures, dividends and other payments in respect of equity interests, the making of loans and equity investments, mergers, consolidations, liquidations and dissolutions, and transactions with affiliates (in each case, subject to various exceptions).

The borrowings under the Facility are joint and several obligations of the Borrowers and are also cross-guaranteed by each Borrower, except that the Swiss Borrower is not liable for, nor does it guarantee, the obligations of the U.S. Borrowers. In addition, the Borrowers' obligations under the Facility are secured by first priority liens, subject to permitted liens, on substantially all of the U.S. Borrowers' assets other than certain excluded assets. The Swiss Borrower does not provide collateral to secure the obligations under the Facility.

As of both January 31, 2024, and January 31, 2023, there were no amounts of loans outstanding under the Facility. Availability under the Facility was reduced by the aggregate amount of letters of credit outstanding, issued in connection with retail and operating facility leases to various landlords and for Canadian payroll to the Royal Bank of Canada, totaling approximately \$0.3 million at both January 31, 2024, and January 31, 2023. At January 31, 2024, the letters of credit have expiration dates through May 31, 2024. As of both January 31, 2024, and January 31, 2023, availability under the Facility was \$99.7 million. For additional information regarding the Facility, see Note 7 – Debt and Lines of Credit to the Consolidated Financial Statements.

The Company had weighted average borrowings under the Facility of zero during both fiscal 2024 and fiscal 2023, respectively.

Borrowings under the Credit Agreement bear interest at rates generally based on either the Term Secured Overnight Financing Rate ("SOFR") as administered by the Federal Reserve Bank of New York or a specified base rate, as selected periodically by the Company. The SOFR-based loans bear interest at SOFR plus a spread ranging from 1.00% to 1.75% per annum and the base rate loans bear interest at the base rate plus a spread ranging from 0% to 0.75% per annum, with the spread in each case being based on the Company's consolidated leverage ratio (as defined in the Credit Agreement). As of both January 31, 2024, and 2023, the Company's spreads were 1.00% over SOFR and 0% over the base rate.

The Company's Swiss subsidiary maintains unsecured lines of credit with a Swiss bank that are subject to repayment upon demand. As of January 31, 2024, and 2023, these lines of credit totaled 6.5 million Swiss Francs for both periods, with a dollar equivalent of \$7.5 million and \$7.1 million, respectively. As of January 31, 2024, and 2023, there were no borrowings against these lines. As of January 31, 2024, and 2023, two European banks had guaranteed obligations to third parties on behalf of two of the Company's foreign subsidiaries in the dollar equivalent of \$1.4 million and \$1.2 million, respectively, in various foreign currencies, of which \$0.8 million and \$0.6 million, respectively, was a restricted deposit as it relates to lease agreements.

Cash paid for interest, including unused commitments fees and amortization of debt fees, was \$0.3 million during both fiscal 2024 and 2023, respectively.

From time to time the Company may make minority investments in growth companies in the consumer products sector and other sectors relevant to its business, including certain of the Company's suppliers and customers, as well as in venture capital funds that invest in companies in media, entertainment, information technology and technology-related fields and in digital assets. During fiscal 2022, the Company committed to invest up to \$21.5 million in such investments. The Company funded approximately \$5.3 million of these commitments through fiscal 2023 and an additional \$3.1 million during fiscal 2024 and may be called upon to satisfy capital calls in respect of the remaining \$13.1 million in such commitments at any time during a period generally ending ten years after the first capital call in respect of a given commitment. One consumer products company in which the Company made an equity investment in fiscal year 2022 sold its business and assets in the first quarter of fiscal 2024 in a transaction that is expected to yield little or no return for equity holders. As a result, the Company fully impaired its \$0.5 million investment in this entity in the first quarter of fiscal 2024.

On March 23, 2023, the Company declared a special cash dividend of \$1.00 per share, as well as a quarterly cash dividend of \$0.35 per share, both paid on April 19, 2023, to shareholders of record on April 5, 2023. The total dividends of \$29.9 million were paid on April 19, 2023. The Company paid cash dividends of \$0.35 per share, or \$7.7 million, during the three months ended July 31, 2023; \$0.35 per share, or \$7.8 million, during the three months ended October 31, 2023; and \$0.35 per share, or \$7.7 million, during the three months ended January 31, 2024. The Company paid cash dividends of \$0.35 per share, or \$7.9 million, during the three months ended April 30, 2022; \$0.35 per share, or \$7.9 million, during the three months ended July 31, 2022; \$0.35 per share, or \$7.8 million, during the three months ended October 31, 2022; and \$0.35 per share, or \$7.8 million, during the three months ended January 31, 2023.

Although the Company currently expects to continue to declare cash dividends in the future, the decision of whether to declare any future cash dividend, including the amount of any such dividend and the establishment of record and payment dates, will be determined, in each quarter, by the Board of Directors, in its sole discretion.

On November 23, 2021, the Board approved a share repurchase program under which the Company is authorized to purchase up to \$50.0 million of its outstanding common stock through November 23, 2024, depending on market conditions, share price and other factors. Under the share repurchase program, the Company is permitted to purchase shares of its common stock from time to time through open market purchases, repurchase plans, block trades or otherwise. During fiscal 2024, the Company repurchased a total of 111,722 shares of its common stock at a total cost of \$3.1 million, or an average of \$27.89 per share. At January 31, 2024, \$17.9 million remains available for purchase under the Company's November 23, 2021 repurchase program. During fiscal 2023, the Company repurchased a total of 898,956 shares of its common stock under the November 23, 2021 share repurchase program and a prior share repurchase program that expired on September 30, 2022 at a total cost of \$31.4 million, or an average of \$34.94 per share.

The Company has various contractual obligations as part of its ordinary course of business. The Company's obligations include operating lease obligations (see Note 11- Leases), licensing agreements (see Note 10 - Commitments and Contingencies), purchase obligations (see Note 10 - Commitments and Contingencies) and transition tax obligation (see Note 10 - Commitments and Contingencies).

Accounting Changes and Recent Accounting Pronouncements

See Note 2 to the accompanying audited Consolidated Financial Statements for a description of recent accounting pronouncements which may impact the Company's Consolidated Financial Statements in future reporting periods.

Item 7A. Quantitative and Qualitative Disclosure about Market Risk

Foreign Currency Exchange Rate Risk

The Company's primary market risk exposure relates to foreign currency exchange risk (see Note 8 – Derivative Financial Instruments to the Consolidated Financial Statements). A significant portion of the Company's purchases are denominated in Swiss Francs and, to a lesser extent, the Japanese Yen. The Company also sells to third-party customers in a variety of foreign currencies, most notably the Euro, Swiss Franc and the British Pound. The Company reduces its exposure to the Swiss Franc, Euro, British Pound, Chinese Yuan and Japanese Yen exchange rate risk through a hedging program. Under the hedging program, the Company manages most of its foreign currency exposures on a consolidated basis, which allows it to net certain exposures and take advantage of natural offsets. In the event these exposures do not offset, from time to time the Company uses various derivative financial instruments to further reduce the net exposures to currency fluctuations, predominately forward and option contracts. Certain of these contracts meet the requirements of qualified hedges. In these circumstances, the Company designates and documents these derivative instruments as a cash flow hedge of a specific underlying exposure, as well as the risk management objectives and strategies for undertaking the hedge transactions. Changes in the fair value of hedges designated and documented as a cash flow hedge and which are highly effective, are recorded in other comprehensive income until the underlying transaction affects earnings, and then are later reclassified into earnings in the same account as the hedged transaction. The earnings impact is mostly offset by the effects of currency movements on the underlying hedged transactions. To the extent that the Company does not engage in a hedging program, any change in the Swiss Franc, Euro, British Pound, Chinese Yuan and Japanese Yen exchange rates to local currency would have an equal effect on the Company's earnings.

From time to time the Company uses forward exchange contracts, which do not meet the requirements of qualified hedges, to offset its exposure to certain foreign currency receivables and liabilities. These forward contracts are not designated as qualified hedges and, therefore, changes in the fair value of these derivatives are recognized in earnings in the period they arise, thereby offsetting the current earnings effect resulting from the revaluation of the related foreign currency receivables and liabilities.

As of January 31, 2024, the Company's entire net forward contracts hedging portfolio consisted of 8.3 million Chinese Yuan equivalent, 20.0 million Swiss Francs equivalent, 18.7 million U.S. Dollars equivalent, 26.2 million Euros equivalent (including 9.0 million Euros designated as cash flow hedges) and 1.4 million British Pounds equivalent with various expiry dates ranging through June 13, 2024, compared to a portfolio of 14.7 million Chinese Yuan equivalent, 30.0 million Swiss Francs equivalent, 15.7 million U.S. Dollars equivalent, 22.8 million Euros equivalent (including 3.0 million Euros designated as cash flow hedges) and 0.6 million British Pounds equivalent with various expiry dates ranging through June 1, 2023, as of January 31, 2023. If the Company were to settle its Swiss Franc forward contracts at January 31, 2024, the result would be a \$0.5 million gain. If the Company were to settle its Euro forward contracts at January 31, 2024, the result would be an immaterial gain. As of January 31, 2024, the Company's British Pound, Chinese Yuan and U.S. Dollar forward contracts had no gain or loss.

Commodity Risk

The Company considers its exposure to fluctuations in commodity prices to be primarily related to gold used in the manufacturing of the Company's watches. Under its hedging program, the Company can purchase various commodity derivative instruments, primarily futures contracts. When held, these derivatives are documented as qualified cash flow hedges, and the resulting gains and losses on these derivative instruments are first reflected in other comprehensive income, and later reclassified into earnings, partially offset by the effects of gold market price changes on the underlying actual gold purchases. The Company did not hold any future contracts in its gold hedge portfolio as of January 31, 2024 and 2023; thus, any changes in the gold purchase price will have an equal effect on the Company's cost of sales.

Debt and Interest Rate Risk

Floating rate debt at January 31, 2024 and 2023 was zero for both periods. During fiscal 2024, the Company had no borrowings. The Company does not hedge these interest rate risks.

Item 8. Financial Statements and Supplementary Data

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Schedule Number	Page Number
<u>Report of Independent Registered Public Accounting Firm (PCAOB ID</u>		
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<u>Consolidated Balance Sheets at January 31, 2024 and 2023</u>		47
<u>Consolidated Statements of Operations for the fiscal years ended January 31, 2024, 2023 and 2022</u>		48
<u>Consolidated Statements of Comprehensive Income (Loss) for the fiscal years ended January 31, 2024, 2023 and 2022</u>		49
<u>Consolidated Statements of Cash Flows for the fiscal years ended January 31, 2024, 2023 and 2022</u>		50
<u>Consolidated Statements of Changes in Equity for the fiscal years ended January 31, 2024, 2023 and 2022</u>		51
<u>Notes to Consolidated Financial Statements</u>		53
<u>Valuation and Qualifying Accounts for the fiscal years ended January 31, 2024, 2023 and 2022</u>	II	S-1

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. However, it should be noted that a control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that its objectives will be met and may not prevent all errors or instances of fraud.

The Company, under the supervision and with the participation of its management, including the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, as such terms are defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective at a reasonable assurance level as of the end of the period covered by this report.

The Company's Chief Executive Officer and Chief Financial Officer have furnished the Sections 302 and 906 certifications required by the U.S. Securities and Exchange Commission in this annual report on Form 10-K.

Management's Annual Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act, for the Company. With the participation of the Chief Executive Officer and the Chief Financial Officer, the Company's management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework and criteria established in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, the Company's management has concluded that the Company's internal control over financial reporting was effective as of January 31, 2024.

The effectiveness of the Company's internal control over financial reporting as of January 31, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which appears under "Index to Consolidated Financial Statements - Report of Independent Registered Public Accounting Firm."

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the three months ended January 31, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

Rule 10b5-1 Trading Plans

During the quarterly period ended January 31, 2024, no one of the Company's directors or officers informed the Company of the adoption, modification or termination of a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included in the Company's Proxy Statement for the 2024 annual meeting of shareholders under the captions "Election of Directors" and "Management" and is incorporated herein by reference.

Information on the beneficial ownership reporting for the Company's directors and executive officers will be contained in the Company's Proxy Statement for the 2024 annual meeting of shareholders under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein by reference.

Information on the Company's Audit Committee and Audit Committee Financial Expert will be contained in the Company's Proxy Statement for the 2024 annual meeting of shareholders under the caption "Information Regarding the Board of Directors and Its Committees" and is incorporated herein by reference.

The Company has adopted and posted on its website at www.movadogroup.com a Code of Business Conduct and Ethics that applies to all directors, officers and employees, including the Company's Chief Executive Officer, Chief Financial Officer and principal financial and accounting officers. The Company will post any amendments to the Code of Business Conduct and Ethics, and any waivers that are required to be disclosed by SEC regulations, on the Company's website.

Item 11. Executive Compensation

The information required by this item will be included in the Company's Proxy Statement for the 2024 annual meeting of shareholders under the captions "Executive Compensation" and "Compensation of Directors" and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be included in the Company's Proxy Statement for the 2024 annual meeting of shareholders under the caption "Security Ownership of Certain Beneficial Owners and Management" and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this item will be included in the Company's Proxy Statement for the 2024 annual meeting of shareholders under the caption "Certain Relationships and Related Transactions" and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required by this item will be included in the Company's Proxy Statement for the 2024 annual meeting of shareholders under the caption "Fees Paid to PricewaterhouseCoopers LLP" and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report

1. Financial Statements:

See Index to Consolidated Financial Statements on page 38 included in Item 8 of Part II of this annual report.

2. Financial Statement Schedule:

Schedule II Valuation and Qualifying Accounts

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

3. Index to Exhibits:

Exhibit Number	Description
3.1	Restated By-Laws of the Registrant. Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on July 14, 2014.
3.2	Restated Certificate of Incorporation of the Registrant as amended. Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2019 filed on March 28, 2019.
4.1	Specimen Common Stock Certificate. Incorporated herein by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 1997 filed on April 18, 1997.
4.2	Description of Securities. Incorporated herein by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2020 filed on March 26, 2020.
10.1	Amended and Restated Credit Agreement, dated as of October 12, 2018, among the Company, certain U.S., Swiss and Dutch subsidiaries thereof, the lenders party thereto and Bank of America, N.A. as administrative agent (the "Corporate Credit Agreement"), as amended through and including the Fourth Amendment thereto dated August 2, 2022. Incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on August 4, 2022.*
10.2	Fifth Amendment, dated as of January 30, 2024, to the Corporate Credit Agreement.***
10.3	Security and Pledge Agreement, dated as of January 30, 2015, by and among Movado Group, Inc., Movado Group Delaware Holdings Corporation, Movado Retail Group, Inc. and Movado LLC, as Grantors, and Bank of America, N.A., as administrative agent (the "Corporate Pledge Agreement"). Incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed February 5, 2015.*
10.4	Amendment No.1 to the Corporate Pledge Agreement, dated as of August 2, 2022.**
10.5	Amendment No.2 to the Corporate Pledge Agreement, dated as of January 30, 2024.***
10.6	Movado Group, Inc. 1996 Stock Incentive Plan, Amended and Restated as of April 4, 2023. Incorporated herein by reference to Annex A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on May 11, 2023. **
10.7	Form of Stock Award Agreement under the Movado Group, Inc. 1996 Stock Incentive Plan, amended and restated as of April 4, 2013. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2015. **
10.8	Form of Option Award Agreement under the Movado Group, Inc. 1996 Stock Incentive Plan, amended and restated as of April 4, 2013. Incorporated herein by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2015. **
10.9	Form of Stock Award Agreement under the Movado Group, Inc. 1996 Stock Incentive Plan, effective March 27, 2023. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2023.**

10.10 [Form of Performance Share Award Agreement under the Movado Group, Inc. 1996 Stock Incentive Plan, effective March 27, 2023, Incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2023.**](#)

10.11 [Movado Group Inc. Amended and Restated Deferred Compensation Plan for Executives, effective January 1, 2022. Incorporated herein by reference to Annex A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on May 12, 2022. **](#)

10.12 [Lease made December 21, 2000 between the Registrant and Mack-Cali Realty, L.P. for premises in Paramus, New Jersey together with First Amendment thereto made December 21, 2000. Incorporated herein by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2001.](#)

10.13 [Second Amendment of Lease dated July 26, 2001 between Mack-Cali Realty, L.P., as landlord, and Movado Group, Inc., as tenant, further amending lease dated as of December 21, 2000. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed for the quarter ended October 31, 2001.](#)

10.14 [Third Amendment of Lease dated November 6, 2001 between Mack-Cali Realty, L.P., as lessor, and Movado Group, Inc., as lessee, for additional space at Mack-Cali II, One Mack Drive, Paramus, New Jersey. Incorporated herein by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q filed for the quarter ended October 31, 2001.](#)

10.15 [Fifth Amendment of Lease dated October 20, 2003 between Mack-Cali Realty, L.P. as landlord, and the Registrant as tenant further amending the lease dated as of December 21, 2000. Incorporated herein by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2004.](#)

10.16 [Tenth Amendment to Lease dated March 10, 2011 between Mack-Cali Realty, L.P., as landlord, and the Registrant, as tenant, further amending the lease dated as of December 21, 2000. Incorporated herein by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2011.](#)

10.17 [Thirteenth Amendment to Lease dated October 24, 2017 between Mack-Cali Realty, L.P., as landlord, and the Registrant, as tenant, further amending the lease dated as of December 21, 2000. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 2017 filed on November 21, 2017.](#)

10.18 [Lease Agreement dated May 22, 2000 between Forsgate Industrial Complex and the Registrant for premises located at 105 State Street, Moonachie, New Jersey. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2000.](#)

10.19 [First Amendment dated as of February 27, 2009 to Lease dated May 22, 2000 between Forsgate Industrial Complex as Landlord and Movado Group, Inc. as Tenant for the premises known as 105 State Street, Moonachie, New Jersey. Incorporated herein by reference to Exhibit 10.42 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2009.](#)

10.20 [Third Amendment dated as of November 14, 2019 to Lease dated May 22, 2000 between Forsgate Industrial Complex as Landlord and Movado Group, Inc. as Tenant for the premises known as 105 State Street, Moonachie, New Jersey. Incorporated herein by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2020 filed on March 26, 2020.](#)

10.21 [Fourth Amendment dated as of August 24, 2023 to Lease dated May 22, 2000 between Forsgate Industrial Complex as Landlord and Movado Group, Inc. as Tenant for the premises known as 105 State Street, Moonachie, New Jersey. ***](#)

10.22 [Amended and Restated License Agreement dated January 13, 2015 between the Registrant, Swissam Products Limited and Coach, Inc.***](#)

10.23 [First Amendment dated January 6, 2020, to the Amended and Restated License Agreement dated January 13, 2015 between the Registrant, Swissam Products Limited and Tapestry, Inc. \(f/k/a Coach, Inc.\). Incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed January 8, 2020.](#)

10.24 [Second Amendment dated August 25, 2021, to the Amended and Restated License Agreement with Tapestry, Inc. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed August 31, 2021.](#)

10.25 [Amended and Restated License Agreement between MGI Luxury Group, S.A., a wholly-owned Swiss subsidiary of Movado Group, Inc., Lacoste S.A., Sporloisirs S.A. and Lacoste Alligator S.A., dated August 30, 2022. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed November 22, 2022.](#)

10.26 [License Agreement among Tommy Hilfiger Licensing LLC, Movado Group, Inc. and Swissam Products Limited, effective as of January 1, 2020, amending and restating the prior license agreement among such parties dated September 16, 2009. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2020 filed on June 9, 2020.](#)

10.27 [License Agreement, dated as of August 19, 2020, among Calvin Klein, Inc., Movado Group, Inc. and Swissam Products Limited. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 2020 filed on November 24, 2020.](#)

10.28 [Amended and Restated License Agreement dated March 17, 2022 between MGI Luxury Group S.A. and Hugo Boss Trade Mark Management GmbH & Co. KG. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed May 26, 2022.](#)

21.1 [Subsidiaries of the Registrant. ***](#)

23.1 [Consent of PricewaterhouseCoopers LLP. ***](#)

31.1 [Certification of Chief Executive Officer. ***](#)

31.2 [Certification of Chief Financial Officer. ***](#)

32.1 [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ***](#)

32.2 [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ***](#)

97.1 [Policy relating to recovery of erroneously awarded compensation, as required by applicable listing standards adopted pursuant to 17 CFR 240.10D-1.***](#)

101 The following financial information from Movado Group, Inc.'s Form 10-K for the year ended January 31, 2024 filed with the SEC, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Comprehensive Income (Loss); (iv) the Consolidated Statements of Cash Flows; (v) Consolidated Statements of Changes in Equity; (vi) the Notes to the Consolidated Financial Statements and (vii) Schedule II – Valuation and Qualifying Accounts and Reserves. XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document.

104 Cover Page Interactive Data File, formatted in Inline Extensible Business Reporting Language (iXBRL).

* Pursuant to Item 601(b)(4) of Regulation S-K, certain instruments with respect to long-term debt not exceeding 10 percent of the total assets of Registrant and its subsidiaries on a consolidated basis are not filed as exhibits to this report. Registrant agrees to furnish a copy of any such instrument to the Commission upon request.

** Constitutes a compensatory plan or arrangement.

*** Filed herewith.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MOVADO GROUP, INC. (Registrant)

Dated: March 26, 2024

By: /s/ Efraim Grinberg
Efraim Grinberg
Chairman of the Board of Directors
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Dated: March 26, 2024

/s/ Efraim Grinberg
Efraim Grinberg
Chairman of the Board of Directors, Director
and Chief Executive Officer

Dated: March 26, 2024

/s/ Sallie A. DeMarsilis
Sallie A. DeMarsilis
Executive Vice President, Chief Operating Officer and
Chief Financial Officer

Dated: March 26, 2024

/s/ Linda Feeney
Linda Feeney
Senior Vice President, Principal Accounting Officer

Dated: March 26, 2024

/s/ Peter Bridgman
Peter Bridgman
Director

Dated: March 26, 2024

/s/ Alex Grinberg
Alex Grinberg
Director

Dated: March 26, 2024

/s/ Alan H. Howard
Alan H. Howard
Director

Dated: March 26, 2024

/s/ Richard D. Isserman
Richard D. Isserman
Director

Dated: March 26, 2024

/s/ Ann Kirschner
Ann Kirschner
Director

Dated: March 26, 2024

/s/ Maya Peterson
Maya Peterson
Director

Dated: March 26, 2024

/s/ Stephen Sadove
Stephen Sadove
Director

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Movado Group, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Movado Group, Inc. and its subsidiaries (the "Company") as of January 31, 2024 and 2023, and the related consolidated statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for each of the three years in the period ended January 31, 2024, including the related notes and the schedule of valuation and qualifying accounts for each of the three years in the period ended January 31, 2024 appearing on page S-1 (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of January 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Component Parts Inventory

As described in Notes 1 and 5 to the consolidated financial statements, inventory is valued at the lower of cost or net realizable value. The Company performs reviews of its on-hand inventory, including component parts, to determine amounts, if any, of inventory that is deemed discontinued, excess, or unsaleable. As of January 31, 2024, the Company's component parts inventory balance was \$26.4 million. As disclosed by management, the Company retains adequate levels of component parts to facilitate both the manufacturing of its watches as well as the after-sales service of its watches for an extended period of time after the discontinuance of the manufacturing of such watches. The adjustment to reduce the value of component parts below their cost to their net realizable value is based on the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service.

The principal considerations for our determination that performing procedures relating to the valuation of component parts inventory is a critical audit matter are (i) the significant judgment by management when determining the valuation of component parts inventory and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and in evaluating the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of component parts inventory. These procedures also included, among others, testing management's process for determining the valuation of component parts inventory, which included (i) evaluating the appropriateness of management's valuation methodology; (ii) testing the completeness and accuracy of underlying data used in the valuation; and (iii) evaluating the reasonableness of the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service. Evaluating the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service involved evaluating the reasonableness considering (i) management's process for determining the timing of when a component part is no longer associated with a watch that is being manufactured; (ii) historical utilization of component parts for after-sales service; (iii) the Company's objectives and strategies; (iv) consistency with external market and industry data; and (v) consistency with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP
New York, New York
March 26, 2024

We have served as the Company's auditor since 1976.

MOVADO GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	January 31, 2024	January 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 262,059	\$ 251,584
Trade receivables, net	104,472	94,282
Inventories	148,031	186,203
Other current assets	17,962	24,212
Income taxes receivable	11,354	10,908
Total current assets	543,878	567,189
Property, plant and equipment, net	19,436	18,699
Operating lease right-of-use assets	82,661	80,897
Deferred and non-current income taxes	43,016	44,490
Other intangibles, net	7,493	9,642
Other non-current assets	72,598	66,788
Total assets	\$ 769,082	\$ 787,705
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 32,775	\$ 32,085
Accrued liabilities	38,695	46,720
Accrued payroll and benefits	7,591	17,343
Current operating lease liabilities	15,696	17,681

Income taxes payable	18,318	28,591
Total current liabilities	113,075	142,420
Deferred and non-current income taxes payable	8,234	15,163
Non-current operating lease liabilities	76,396	70,910
Other non-current liabilities	52,420	48,668
Total liabilities	250,125	277,161
Commitments and contingencies (Note 10)		
Equity:		
Preferred Stock, \$0.01 par value, 5,000,000 shares authorized; no shares issued	—	—
Common Stock, \$0.01 par value, 100,000,000 shares authorized; 29,004,001 and 28,806,511 shares issued and outstanding, respectively	290	288

Class A Common Stock, \$

0.01

par value,

30,000,000

shares authorized;

6,483,116

and

6,524,805

shares issued and outstanding, respectively

Capital in excess of par value

64

65

239,062

230,782

Retained earnings

470,317

476,752

Accumulated other comprehensive income

92,335

81,295

Treasury Stock,

13,328,095
and

(

(

13,194,339
shares, respectively, at cost

285,270

281,576

)

)

Total Movado Group, Inc. shareholders' equity

516,798

507,606

Noncontrolling interest

2,159

2,938

Total equity

518,957

510,544

Total liabilities and equity

\$ 769,082

\$ 787,705

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	2024	Fiscal Year Ended January 31, 2023	2022
Net sales			
	\$ 672,601	\$ 751,898	\$ 732,393
Cost of sales			
	302,207	318,003	313,328
Gross profit			
	370,394	433,895	419,065
Selling, general and administrative			
	315,689	313,541	301,574
Operating income			
	54,705	120,354	117,491
Non-operating income/(expense):			
Other income, net			
	5,994	2,069	530
Interest expense			
	(497)	(518)	(688)
Income before income taxes			
	60,202	121,905	117,333
Provision for income taxes (Note 12)			
	12,661	24,882	24,774
Net income			
	47,541	97,023	92,559
Less: Net income attributable to noncontrolling interest			
	830	2,495	960
Net income attributable to Movado Group, Inc.			
	<u>\$ 46,711</u>	<u>\$ 94,528</u>	<u>\$ 91,599</u>
Basic income per share:			
Weighted basic average shares outstanding			
	22,221	22,504	23,190
Net income per share attributable to Movado Group, Inc.			
	2.10	4.20	3.95
Diluted income per share:			
Weighted diluted average shares outstanding			
	22,641	22,955	23,679
Net income per share attributable to Movado Group, Inc.			
	2.06	4.12	3.87

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Fiscal Year Ended January 31,		
	2024	2023	2022
Net income	\$ 47,541	\$ 97,023	\$ 92,559
Other comprehensive income/(loss):			
Net unrealized (loss)/gain on investments, net of tax (benefit)/provision of (\$			
4 , \$			
4 and \$		(
16 , respectively		13)	10
Amortization of prior service cost, net of tax provision of \$			
16 , \$			
14 and \$			
16 , respectively	60	56	57
Net actuarial (loss)/gain arising during the period, net of tax (benefit)/provision of (\$			
15 , (\$			
536) and \$		((
249 , respectively	56)	1,981)	897
Foreign currency translation adjustments			
	10,835	1,720	8,441
		()	()
Cash flow hedges:			
Accumulated other comprehensive income before reclassification, net of tax provision of \$			
42 , \$			
342 and \$			
38 , respectively	214	1,730	194
Amounts reclassified from accumulated other comprehensive (loss)/income, net of tax (benefit) of \$			
0 , (\$			
414) and \$		(
0 , respectively	—	2,095)	—
Total other comprehensive income/(loss), net of taxes			
	11,040	4,000)	7,245)
Less:			
Comprehensive income/(loss) attributable to noncontrolling interests:			
Net income	830	2,495	960

Foreign currency translation adjustments	(((
178	115	420)
)))
Total comprehensive income attributable to noncontrolling interests	652	2,380	540
Total comprehensive income attributable to Movado Group, Inc.	\$ 57,929	\$ 90,643	\$ 84,774

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	2024	Fiscal Year Ended January 31, 2023	2022
Cash flows from operating activities:			
Net income	\$ 47,541	\$ 97,023	\$ 92,559
Adjustments to reconcile net income to net cash provided by operating activities:			
Non-cash corporate initiatives	—	—	926)
Depreciation and amortization	9,644	10,809	12,463
Transactional losses/(gains)	722	18)	808)
Provision for inventories and accounts receivable	5,418	4,091	4,795
Deferred income taxes	319	712)	208)
Stock-based compensation	7,442	5,726	4,952
Other	1,020	453	561
Changes in assets and liabilities:			
Trade receivables	(9,111)	(3,445)	(18,550)
Inventories	37,652	28,899)	15,436)
Other current assets	5,962	6,427)	2,054
Accounts payable	1,541	13,740)	18,269
Accrued liabilities	(6,011)	(1,127)	(1,368)
Accrued payroll and benefits	(9,922)	(7,705)	(7,263)
Income taxes receivable	(3,706)	(6,797)	(17,089)
Income taxes payable	(13,001)	(4,104)	(1,430)
Other non-current assets	1,877	4,561)	3,258

Other non-current liabilities	(
	609	180	681
Net cash provided by operating activities			
	76,778	54,341	130,814
Cash flows from investing activities:			
Capital expenditures	(((
	8,223	7,085	5,656
Long-term investments	(((
	3,107	3,263	1,967
Trademarks and other intangibles	(((
	144	202	291
Net cash used in investing activities	(((
	11,474	10,550	7,914
Cash flows from financing activities:			
Repayments of bank borrowings			(
	—	—	21,140
Dividends paid	(((
	53,146	31,363	21,973
Stock repurchases	(((
	3,116	31,413	22,599
Purchase of incremental ownership of joint venture			(
	—	1,886	—
Distribution of noncontrolling interest earnings	(((
	1,431	1,056	1,230
Contributions from noncontrolling interest			
	—	—	298
Stock awards and options exercised and other changes			
	97	489	324
Debt issuance cost			(
	—	85	294
Net cash used in financing activities	(((
	57,596	65,314	66,614
Effect of exchange rate changes on cash, cash equivalents and restricted cash			(
	2,927	4,014	2,993
Net increase/(decrease) in cash, cash equivalents and restricted cash			(
	10,635	25,537	53,293
Cash, cash equivalents and restricted cash at beginning of year			
	252,179	277,716	224,423
Cash, cash equivalents and restricted cash at end of year			
	\$ 262,814	\$ 252,179	\$ 277,716
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	\$ 262,059	\$ 251,584	\$ 277,128

Restricted cash included in other non-current assets

755 595 588

Cash, cash equivalents, and restricted cash \$ 262,814 \$ 252,179 \$ 277,716

See Notes to Consolidated Financial Statements

50

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands, except per share amounts)

	Preferre d Stock	Comm on Stock Shares (1)	Com mon Stock Amou nt	Class A Comm on Stock Shares (2)	Class A Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensiv e Income	Treasury Stock	Noncontrollin g Interests	Total Movado Group, Inc. Shareholders' Equity	Redeemable Noncontrolling Interests
Balance, January 31, 2021										(
	28, 078	6,62 281	1	65	214,04 3	341,6 41	92,540	223,30 6	2,070	427,334		2,600
Net income/(loss) attributable to Movado Group, Inc.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
								91,59 9		1,023	92,622	63
Dividends (\$								()
0.85 per share)						19.65 3					19,653)
Distribution of noncontrolling interest earnings))
										1,230	1,230	
Joint venture purchase										298	298	
Stock awards and options exercised										(
	450	5			3,454			3,135			324	
Stock repurchases										()
										22,599	22,599)
Conversion of Class A Common Stock to Common Stock												
	96	96										-
Supplemental executive retirement plan												
	9				166						166	
Stock-based compensation expense												
							4,952				4,952	
Net unrealized gain on investments, net of tax provision of \$												
	16							48			48	
Net change in effective portion of hedging contracts, net of tax provision of \$												
	38							194			194	
Amortization of prior service cost, net of tax provision of \$												
	16							57			57	

Net actuarial gain during period, net of tax provision of \$

249

897

897

Foreign currency translation adjustment (3)

(

(

(

8,441

194

8,635

226

Balance, January 31, 2022

(

28,	6,52	222,61	413,5	249,04	1,967	474,775	2,311
633	286	5	65	87	85,295	0	\$
\$	—	\$	\$	\$	\$	\$	\$

Net income attributable to Movado Group, Inc.

94,52

8

2,042

96,570

453

Dividends (\$

(

(

1.40
per share)

31,36

3

31,363

)

()

Distribution of noncontrolling interest earnings

1,056

1,056

Stock awards and options exercised

(

172 2

1,610

1,123

489

Stock repurchases

(

(

31,413

31,413

)

Supplemental executive retirement plan

2

123

123

Stock-based compensation expense

5,726

5,726

Net unrealized gain on investments, net of tax provision of \$

4

10

10

Net change in effective portion of hedging contracts, net of tax benefit of (\$

72

(

(

)

365

365

)

)

Amortization of prior service cost, net of tax provision of \$

14

56

56

Net actuarial loss during period, net of tax benefit of (\$

536

(

(

)

1,981

1,981

)

)

Joint venture incremental share purchase

708

70

778

2,664

)

Foreign currency translation adjustment (3)

(

(

(

(

1,790

15

1,805

100

)

)

)

)

28,	6,52	230,78	476,7	281,57							
807	288	5	65	2	52	81,295	6	2,938	510,544		
\$ —	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	—

	Preferre d Stock	Comm on Stock Shares (1)	Com mon Stock Amou nt	Class A Comm on Stock Shares (2)	Class A Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensiv e Income	Treasury Stock	Noncontrollin g Interests	Total Movado Group, Inc. Shareholders' Equity	Redeemable Noncontrolling Interests
Net income attributable to Movado Group, Inc.							46,71 1			830	47,541	
Dividends (\$ 2.40 per share)								53,14 6)			53,146)	
Distribution of noncontrolling interest earnings												
Stock awards and options exercised										1,431)	1,431)	
Stock repurchases		153	1			673		578)			96)	
Conversion of Class A Common Stock to Common Stock					((3,116)	3,116)	
Supplemental executive retirement plan		42	1	42	1)	()						-
Stock-based compensation expense			2				165				165	
Net unrealized loss on investments, net of tax benefit of \$							7,442				7,442	
Net change in effective portion of hedging contracts, net of tax provision of \$		4)						13)			13)	
Amortization of prior service cost, net of tax provision of \$		16						60			60	
Net actuarial loss during period, net of tax benefit of \$								((
Foreign currency translation adjustment (3)		15)						56)			56)	
								10,835		178)	10,657)	

29, 004	290	6,48 3	239,06 2	470,3 17	92,335	285,27 0	2,159	518,957
\$ —	—	\$ —	\$ —	\$ —	\$ —	\$ —)	\$ —	\$ —

(1) Each share of common stock is entitled to one vote per share on all matters submitted to a vote of the shareholders.

(2) Each share of class A common stock is entitled to 10 votes per share on all matters submitted to a vote of the shareholders. Each holder of class A common stock is entitled to convert, at any time, any and all of such shares into the same number of shares of common stock. Each share of class A common stock is converted automatically into common stock in the event that the beneficial or record ownership of such shares of class A common stock is transferred to any person, except to certain family members or affiliated persons deemed "permitted transferees" pursuant to the Company's Restated Certificate of Incorporation as amended. The class A common stock is not publicly traded and consequently, there is currently no established public trading market for these shares.

(3) The currency translation adjustment is not adjusted for income taxes to the extent that it relates to permanent investments of earnings in international subsidiaries.

See Notes to Consolidated Financial Statements

NOTES TO MOVADO GROUP, INC.'S CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

Movado Group, Inc. (together with its subsidiaries, the "Company") designs, sources, markets and distributes quality watches with prominent brands across most price categories of the watch industry. In fiscal 2024, the Company marketed the following distinct brands of watches: Movado, Concord, EBEL, Olivia Burton, MVMT, Coach, Tommy Hilfiger, Hugo Boss, Lacoste and Calvin Klein. The Company also designs, sources, markets and distributes jewelry and other accessories under certain of its brands.

Movado (with the exception of certain Movado collections), EBEL and Concord watches, as well as a limited number of Calvin Klein watch styles, are manufactured in Switzerland by independent third-party assemblers using Swiss movements and other parts sourced by the Company's Swiss operations. All of the Company's products are manufactured using components obtained from third party suppliers. Certain Movado collections of watches are manufactured by independent contractors in Asia using Swiss movements. Coach, Hugo Boss, Lacoste, Olivia Burton, MVMT, Tommy Hilfiger and most Calvin Klein watches are manufactured by independent contractors in Asia. The Company's jewelry and other accessories are manufactured by independent contractors in Asia and, to a lesser extent, the United States.

In addition to its sales to trade customers and independent distributors, the Company sells directly to consumers via its e-commerce platforms and also operates

51
retail outlet locations throughout the United States and

four
in Canada, through which it sells current and discontinued models and factory seconds of all of the Company's watch brands.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany transactions and balances have been eliminated. To the extent a subsidiary is not wholly-owned, any related noncontrolling interests are included as a separate component of Shareholders' Equity.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. These estimates and assumptions are based on management's best estimates and judgment. On an on-going basis, the Company evaluates its estimates and judgment. These estimates include accounting for sales discounts, returns, markdowns, allowance for expected credit losses, allowances and incentives, warranties, income taxes, depreciation, amortization, inventory write-downs, stock-based compensation, pensions, contingencies and impairments of long-lived assets. Actual results could differ from those estimates.

Translation of Foreign Currency Financial Statements and Foreign Currency Transactions

The financial statements of the Company's international subsidiaries have been translated into United States dollars by translating balance sheet accounts at year-end exchange rates and the weighted average exchange rate for each period for revenues, expenses, gains, losses and cash flows. Foreign currency transaction gains and losses are charged or credited to earnings as incurred. Foreign currency translation gains and losses are reflected in the equity section of the Company's Consolidated Balance Sheets in accumulated other comprehensive income.

Cash and Cash Equivalents and Restricted Cash

Cash equivalents include all highly liquid investments with original maturities at date of purchase of three months or less.

Restricted cash is comprised of cash or cash equivalents which has been placed into an account that is restricted for a specific use and from which the Company cannot withdraw the cash on demand.

Trade Receivables

Trade receivables as shown on the Consolidated Balance Sheets are net of various allowances. The Company utilizes a methodology that reflects expected credit losses and requires the use of a forward-looking expected credit loss rate for its trade accounts receivables. The Company writes off uncollectible trade receivables once collection efforts have been exhausted and third parties confirm the balance is not recoverable.

Included in Trade receivables are amounts due from trade customers including department stores, jewelry store chains, independent jewelers, third-party e-commerce retailers and payment processors used by the Company's owned e-commerce websites. All of the Company's watch brands are also marketed outside the U.S. through a network of independent distributors. Accounts receivable are stated net of reserves for expected credit losses, returns and allowances of \$

23.0
million and \$

24.3
million at January 31, 2024 and 2023, respectively. Accounts receivable are also stated net of co-operative advertising allowances of \$

5.5
million and \$

5.7
million at January 31, 2024 and 2023, respectively. Co-operative advertising allowances are credits taken by the customer at a future date on previously executed co-operative advertising.

The Company's concentrations of credit risk arise primarily from accounts receivable related to trade customers during the peak selling seasons. The Company has significant accounts receivable balances due from major national chain and department stores and third-party e-commerce retailers. The Company's results of operations could be materially adversely affected in the event any of these customers or a group of these customers defaulted on all or a significant portion of their obligations to the Company. As of January 31, 2024, except for those accounts provided for in the allowance for expected credit losses, the Company knew of no situations with any of the Company's major customers which would indicate any such customer's inability to make its required payments.

No

single customer accounted for more than

10

% of net sales during any of the years in the three-year period ended January 31, 2024.

No

single customer accounted for more than

10

% of the Company's account receivable balance at January 31, 2024 or 2023.

Inventories

The Company values its inventory at the lower of cost or net realizable value. Cost is determined using the average cost method. The Company performs reviews of its on-hand inventory to determine amounts, if any, of inventory that is deemed discontinued, excess, or unsaleable. Inventory classified as discontinued, together with the related component parts that can be assembled into saleable finished goods, is sold primarily through the Company's retail outlet locations. The Company retains adequate levels of component parts to facilitate both the manufacturing of its watches as well as the after-sales service of its watches for an extended period of time after the discontinuance of the manufacturing of such watches. The adjustment to reduce the value of component parts below their cost to their net realizable value is based on the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service.

Property, Plant and Equipment

Property, plant and equipment, including computer software, are stated at cost less accumulated depreciation. The Company capitalizes certain computer software costs after technological feasibility has been established. Depreciation and amortization are computed using the straight-line method based on the estimated useful lives of the assets. The cost of property, plant and equipment and related depreciation and amortization are removed from the accounts upon the disposition or retirement of such assets and the resulting gain or loss is reflected in operating income.

Intangibles

Intangible assets consist primarily of trade names, customer relationships and trademarks. In accordance with applicable guidance, the Company estimates and records the fair value of purchased intangible assets at the time of their acquisition. The fair values of these intangible assets are estimated at the time of acquisition based on independent third-party appraisals. Finite-lived intangible assets are amortized over their respective estimated useful lives, which range from three to ten years, and are evaluated for impairment whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. The Company determined that there was

no

impairment in fiscal 2024, fiscal 2023 or in fiscal 2022.

Noncontrolling Interest

Noncontrolling interest is recognized as equity in the Company's Consolidated Balance Sheets and represents ownership interests in the Company's subsidiaries held by third parties.

Long-Lived Assets

The Company periodically reviews the estimated useful lives of its depreciable assets based on factors including historical experience, the expected beneficial service period of the asset, the quality and durability of the asset and the Company's maintenance policy including periodic upgrades. Changes in useful lives are made on a prospective basis unless factors indicate the carrying amounts of the assets may not be recoverable and an impairment is necessary.

The Company performs an impairment review of its long-lived assets once events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable. When such a determination has been made, management compares the carrying value of the asset groups with their estimated future undiscounted cash flows. If it is determined that an impairment has occurred, the fair value of the asset group is determined and compared to its carrying value. The excess of the carrying value over the fair value, if any, is recognized as a loss during that period. The impairment is calculated as the difference between asset carrying values and their estimated fair values.

No

impairment charge was recorded in fiscal 2024, fiscal 2023 or in fiscal 2022.

Investments Without Readily Determinable Fair Values

From time to time the Company may make minority investments in growth companies in the consumer products sector and other sectors relevant to its business, including certain of the Company's suppliers and customers, as well as in venture capital funds that invest in companies in media, entertainment, information technology and technology-related fields and in digital assets. The Company has evaluated and will regularly evaluate the carrying value of its investments. The carrying value of the investments are recorded in Other non-current assets in the Consolidated Balance Sheets at January 31, 2024 and 2023.

Derivative Financial Instruments

The Company accounts for its derivative financial instruments in accordance with the accounting guidance which requires that an entity recognize all derivatives as either assets or liabilities in the Consolidated Balance Sheets and measure those instruments at fair value. A significant portion of the Company's purchases are denominated in Swiss Francs and, to a lesser extent, the Japanese Yen. The Company also sells to third-party customers in a variety of foreign currencies, most notably the Euro, Swiss Franc and the British Pound. The Company reduces its exposure to the Swiss Franc, Euro, British Pound, Chinese Yuan and Japanese Yen exchange rate risks through a hedging program. Under the hedging program, the Company manages most of its foreign currency exposures on a consolidated basis, which allows it to net certain exposures and take advantage of natural offsets. In the event these exposures do not offset, from time to time the Company uses various derivative financial instruments to further reduce the net exposures to currency fluctuations, predominately forward and option contracts. Certain of these contracts meet the requirements of qualified hedges. In these circumstances, the Company designates and documents these derivative instruments as a cash flow hedge of a specific underlying exposure, as well as the risk management objectives and strategies for undertaking the hedge transactions. Changes in the fair value of hedges designated and documented as a cash flow hedge and which are highly effective, are recorded in other comprehensive income until the underlying transaction affects earnings, and then are later reclassified into earnings in the same account as the hedged transaction. The earnings impact is mostly offset by the effects of currency movements on the underlying hedged transactions. The Company formally assesses, both at the inception and at each fiscal quarter thereafter, the effectiveness of the derivative instrument hedging the underlying forecasted cash flow transaction. The Company does not exclude any designated cash flow hedges from its effective testing. Hedge accounting is discontinued if it is determined that the derivative is not highly effective.

From time to time the Company uses forward exchange contracts, which do not meet the requirements of qualified hedges, to offset its exposure to certain foreign currency receivables and liabilities. These forward contracts are not designated as qualified hedges and, therefore, changes in the fair value of these derivatives are recognized in earnings in the period they arise, thereby offsetting the current earnings effect resulting from the revaluation of the related foreign currency receivables and liabilities.

All of the Company's derivative instruments have fair values which can be determined directly or indirectly based on available market data. The Company does not enter into any derivative instruments for trading purposes.

Revenue Recognition

Wholesale revenue is recognized and recorded when a contract is in place, obligations under the terms of a contract with the customer are satisfied and control is transferred to the customer. Such revenue is measured as the ultimate amount of consideration the Company expects to receive in exchange for transferring goods including variable consideration. The Company has determined that transfer of control passes to the wholesale customer upon shipment or upon receipt depending on the agreement with the customer and shipping terms. Control passes to outlet store customers at the time of sale and to substantially all e-commerce customers upon shipment. Factors considered in the transfer of control include the right to payment, transfer of legal title, physical possession and customer acceptance of the goods and whether significant risks and rewards for the goods belong with the customer. The Company records estimates of variable

consideration, which includes sales returns, markdowns, volume-based programs and sales and cash discount allowances as a reduction of revenue in the same period that the sales are recorded. These estimates are based upon the expected value method considering all reasonably available information including historical analysis, customer agreements and/or currently known factors that arise in the normal course of business. Returns, discounts and allowances have historically been within the Company's expectations and the provisions established. The future provisional rates may differ from those experienced in the past. Taxes imposed by governmental authorities on the Company's revenue-producing activities with customers, such as sales taxes and value added taxes, are excluded from net sales.

Cost of Sales

Cost of sales of the Company's products consist primarily of costs for raw materials, component costs, royalties, depreciation, amortization, assembly costs, shipping to customers, design costs and unit overhead costs associated with the Company's supply chain operations predominately in Switzerland and Asia. The Company's supply chain operations consist of logistics management of assembly operations and product sourcing predominately in Switzerland and Asia and minor assembly in Switzerland. The Swiss watch movements used in the manufacture of Movado, EBEL and Concord watches, as well as certain Calvin Klein watch styles, are purchased from

three suppliers, one of which is a wholly-owned subsidiary of a competitor of the Company, and only one of which supplies mechanical movements. The elimination or disruption of any of these manufacturers could disrupt the Company's Swiss watch operations. This is particularly true for mechanical movements given the single source of supply, although mechanical movements are only used in a relatively small number of the Company's watch styles.

Selling, General and Administrative ("SG&A") Expenses

The Company's SG&A expenses consist primarily of marketing, selling, distribution, general and administrative expenses.

Marketing expenditures are based principally on overall strategic considerations relative to maintaining or increasing market share in markets that management considers to be crucial to the Company's continued success as well as on general economic conditions in the various markets around the world in which the Company sells its products. Marketing expenses include salaries, various forms of media advertising, digital advertising (including social media), customer acquisition costs and co-operative advertising with customers and distributors and other point of sale marketing and promotional spending.

Selling expenses consist primarily of salaries, sales commissions, salesforce travel and related expenses, credit card fees, depreciation and amortization and operating costs incurred in connection with the Company's retail business. Sales commissions vary with overall sales levels. Retail selling expenses consist primarily of payroll and related expenses and store occupancy costs.

Distribution expenses consist of costs of running distribution centers and customer service, and include primarily salaries, rental and other occupancy costs, security, depreciation and amortization of furniture and leasehold improvements and shipping supplies.

General and administrative expenses consist primarily of salaries and other employee compensation including performance-based compensation, employee benefit plan costs, office rent, management information systems costs, professional fees, bad debts, depreciation and amortization of furniture, computer software, leasehold improvements, amortization of finite-lived intangible assets, patent and trademark expenses and various other general corporate expenses.

Warranty Costs

All watches sold by the Company come with limited warranties covering the movement against defects in material and workmanship for periods generally ranging from two to three years from the date of purchase. When changes in warranty costs are experienced, the Company will adjust the warranty liability as required. The Company records an estimate for future warranty costs based on historical repair costs. Warranty costs have historically been within the Company's expectations and the provisions established. If such costs were to substantially exceed estimates, they could have an adverse effect on the Company's operating results.

The warranty liability, included in accrued liabilities in the Consolidated Balance Sheets, and activity for the fiscal years ended January 31, 2024, 2023 and 2022 was as follows (in thousands):

	2024	2023	2022
Balance, beginning of year	\$ 1,882	\$ 2,114	\$ 2,411
Provision charged to operations	1,864	1,794	1,885
Settlements made	(1,836)	(2,026)	(2,182)
Balance, end of year	\$ 1,910	\$ 1,882	\$ 2,114

Pre-opening Costs

Marketing and administrative costs associated with the opening of retail stores are expensed in the period incurred.

Marketing

The Company expenses the production costs of an advertising campaign at the commencement date of the advertising campaign. Included in marketing expenses are costs associated with co-operative advertising, media advertising, digital advertising, customer acquisition costs, production costs, costs of point of sale materials and displays and internal payroll related costs. These costs are recorded as SG&A expenses. The Company participates in co-operative advertising programs on a voluntary basis and receives a "separately identifiable benefit in exchange for the consideration." Since the amount of consideration paid to the retailer does not exceed the fair value of the benefit received by the Company, these costs are recorded as SG&A expenses as opposed to being recorded as a reduction of revenue. Marketing expense for fiscal 2024, 2023 and 2022 was \$

129.1
million, \$

126.2
million and \$

119.1
million, respectively.

Included in other non-current assets in the Consolidated Balance Sheets are the costs of certain prepaid advertising, including principally product displays and point of sale materials. Prepaid advertising accounted for \$

4.2
million and \$

6.1
million in other non-current assets at January 31, 2024 and 2023, respectively.

Shipping and Handling Costs

Amounts charged to customers for shipping and handling were \$

1.8
million, \$

1.7
million and \$

1.9
million for fiscal years 2024, 2023 and 2022, respectively. The costs related to shipping and handling were \$

12.0
million, \$

14.6
million and \$

13.0
million for fiscal years 2024, 2023 and 2022, respectively. The amounts charged and incurred by the Company related to shipping and handling are included in net sales and cost of sales in the Consolidated Statements of Operations, respectively.

Income Taxes

The Company, under ASC Topic 740, follows the asset and liability method of accounting for income taxes under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax laws and tax rates in each jurisdiction where the Company operates and applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income in the period that includes the enactment date. In addition, the amounts of any future tax benefits are reduced by a valuation allowance to the extent such benefits are not expected to be realized on a more-likely-than-not basis. The Company calculates estimated income taxes in each of the jurisdictions in which it operates. This process involves estimating actual current tax expense along with assessing temporary differences resulting from differing treatment of items for both book and tax purposes.

The Company follows guidance for accounting for uncertainty in income taxes. This guidance clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement standard for an income tax position taken or expected to be taken in a tax return. This guidance also provides instructions for de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transitions. Interest and penalties, if any, related to unrecognized tax benefits are recorded as income tax expense in the Consolidated Statement of Operations and as deferred tax liabilities in the Consolidated Balance Sheet.

Earnings Per Share

The Company presents net income attributable to Movado Group, Inc. after adjusting for noncontrolling interests, as applicable, per share on a basic and diluted basis. Basic earnings per share is computed using weighted average shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares outstanding adjusted for dilutive common stock equivalents.

The number of shares used in calculating basic and diluted earnings per share is as follows (in thousands):

	Fiscal Years Ended January 31,		
	2024	2023	2022
Weighted average common shares outstanding:			
Basic			
	22,221	22,504	23,190
Effect of dilutive securities:			
Stock awards and options to purchase shares of common stock			
	420	451	489
Diluted			
	22,641	22,955	23,679

For the fiscal years ended January 31, 2024, 2023 and 2022, approximately

682,000

,

296,000
and

237,000

respectively, of potentially dilutive common stock equivalents were excluded from the computation of diluted earnings per share because their effect would have been antidilutive.

Stock-Based Compensation

The Company utilizes the Black-Scholes option-pricing model which requires that certain assumptions be made to calculate the fair value of each option at the grant date. The expected life of stock option grants is determined using historical data and represents the time period during which the stock option is expected to be outstanding until it is exercised. The risk-free interest rate is based on the U.S. treasury note interest rate in effect on the date of grant for the expected life of the stock option. The expected stock price volatility is derived from historical volatility and calculated based on the estimated term structure of the stock option grant. The expected dividend yield is calculated using the Company's expected average of annualized dividend yields and applied over the expected term of the option. Management monitors stock option exercises and employee termination patterns to estimate forfeitures rates within the valuation model. Separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes.

In addition to stock options, the Company may also grant stock awards to employees and directors. The stock awards are generally in the form of time-vesting restricted stock unit awards (pursuant to which unrestricted shares of Common Stock are issued to the grantee when the award vests) or performance-based awards (under which vesting occurs only if one or more predetermined financial goals are achieved within the relevant performance period); both are subject to the participant's continued employment (or board service) with the Company through such vesting date. Stock awards generally are cliff-vested after three years from the date of grant (one year in the case of directors' awards). The fair value of stock awards is generally equal to the closing price of the Company's publicly-traded common stock on the grant date.

Compensation expense for all awards is accrued based on the estimated number of instruments for which the requisite service is expected to be rendered as well as awards expected to be paid in cash. This estimate is reflected in the period the stock option and stock awards are either granted or canceled. Expense related to stock options and stock awards compensation is recognized on a straight-line basis over the vesting term and, as applicable, only if the performance condition is probable of being achieved.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) attributable to the Movado Group, Inc. and other gains and losses that are not included in net income (loss), but are recorded directly in the Consolidated Statements of Shareholders' Equity, such as the unrealized gains and losses on the translation of the assets and liabilities of the Company's foreign operations and net unrealized gains and losses, net of tax, on derivatives designated as cash flow hedges, the Company's defined benefit plan and available for sale securities.

NOTE 2 – RECENT ACCOUNTING PRONOUNCEMENTS

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07 "Improvements to Reportable Segment Disclosures" which requires expanded disclosures about an entity's reportable segments, including more enhanced information about a reportable segment's expenses, interim segment profit or loss, and how an entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within the fiscal years beginning after December 15, 2024. ASU 2023-07 should be adopted on a retrospective basis. Early adoption is permitted. The Company is currently evaluating this ASU to determine the impact of adoption on its Consolidated Financial Statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09 "Improvements to Income Tax Disclosures" which requires expanded income tax disclosures primarily related to an entity's effective tax rate reconciliation and income taxes paid. ASU 2023-09 is effective for fiscal

years beginning after December 15, 2024, and should be adopted on a prospective basis. Early adoption is permitted. The Company is currently evaluating this ASU to determine the impact of adoption on its Consolidated Financial Statements and related disclosures.

NOTE 3 – JOINT VENTURES

Spain

From December 2018 through January 31, 2023, the Company owned

51

% of the entity that distributes its products in Spain pursuant to a joint venture with a third party. The results of the joint venture have been included in the Consolidated Financial Statements since the date of acquisition. Effective January 31, 2023, the Company acquired the remaining

49

% interest by exercising a call option under the joint venture agreement. The Company paid a purchase price of \$

1.9

million for the remaining

49

% interest.

India

In order to more cost effectively market and distribute the Company's products to customers in India, on October 4, 2021, the Company entered into a joint venture agreement with Bizotico, an Indian company that historically distributed certain of the Company's products in that country. The agreement governs the establishment of a joint venture, MGI Distribution Private Limited ("MGI India"), and sets out the terms governing the Company's and Bizotico's relationship as shareholders of MGI India, and terms on which the joint venture will be managed.

On January 24, 2022, the Company contributed approximately

89

million Indian rupees (equivalent to approximately \$

1.2

million US dollars) to the joint venture and became an

80

% shareholder and the minority shareholder Bizotico contributed approximately

22

million Indian rupees (equivalent to approximately \$

0.3

million US dollars). The Company controls all of the significant participating rights of the joint venture. As the Company controls all of the significant participating rights of the joint venture and is the majority interest holder in MGI India, the assets, liabilities and results of operations of the joint venture are consolidated and included in the Company's Consolidated Financial Statements since the date of establishment within the Watch and Accessory Brands segment. Bizotico's interest is reflected in Net income attributable to noncontrolling interest in the Consolidated Statements of Operations and Noncontrolling interest in the Consolidated Balance Sheets.

NOTE 4 – INTANGIBLE ASSETS

As previously disclosed, the Company performs its annual impairment assessment of intangible assets at the beginning of the fourth quarter of each fiscal year or if an event occurs that would more likely than not reduce the fair value below its carrying amount.

The changes in the carrying amount of other intangible assets during the fiscal years ended January 31, 2024, 2023 and 2022 are as follows (in thousands):

	Trade names	Customer relationships	Other (1)	Total
Weighted Average Amortization Period (in years)	10	6	10	
Balance at January 31, 2021				
Additions	\$ 10,860	\$ 5,168	\$ 1,053	\$ 17,081
Amortization	(—)	(—)	(291)	(291)
	1,633)	1,685)	258)	3,576)

Foreign exchange impact	((((
	127	134	28	289
Balance at January 31, 2022				
	9,100	3,349	1,058	13,507
Additions	—	—	202	202
Amortization	((((
	1,487	1,503	250	3,240
Foreign exchange impact	((((
	710	118	1	827
Balance at January 31, 2023				
	6,903	1,728	1,011	9,642
Additions	—	—	144	144
Amortization	((((
	1,504	729	248	2,481
Foreign exchange impact	((((
	140	4	52	188
Balance at January 31, 2024				
	<u>\$ 5,539</u>	<u>\$ 995</u>	<u>\$ 959</u>	<u>\$ 7,493</u>

(1) Other includes fees paid related to trademarks.

The estimated future amortization expense during each of the next five fiscal years is as follows:

For the fiscal year ending January 31,	(in thousands)
2025	\$ 1,921
2026	1,905
2027	1,887
2028	1,128
2029	420
Thereafter	232
Total estimated future amortization expense	\$ 7,493

NOTE 5 – INVENTORIES

Inventories consisted of the following (in thousands):

	As of January 31, 2024	2023
Finished goods	\$ 117,909	\$ 154,700
Component parts	26,386	28,805
Work-in-process	3,736	2,698
	\$ 148,031	\$ 186,203

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

A summary of the components of property, plant and equipment and their estimated useful lives is as follows (in thousands):

	As of January 31, 2024	2023	Estimated Useful Lives
Land and buildings	\$ 1,399	\$ 1,313	40 years for buildings
Furniture and equipment	54,169	58,026	4 to 10 years

Computer software		5 to	
	33,576	31,328	10 years
Leasehold improvements			
	35,131	40,332	Lesser of lease term or useful life
Design fees and tooling costs			
	1,550	1,439	3 years
	125,825	132,438	
Less: Accumulated depreciation and amortization	(106,389)	(113,739)	
Property, plant and equipment, net			
	\$ 19,436	\$ 18,699	

Depreciation and amortization expense from operations related to property, plant and equipment for fiscal 2024, 2023 and 2022 was \$

7.0
million, \$

7.4
million and \$

8.6
million, respectively, which includes computer software amortization expense for fiscal 2024, 2023 and 2022 of \$

2.0
million, \$

1.5
million and \$

1.6
million, respectively.

NOTE 7 – DEBT AND LINES OF CREDIT

The Company and its U.S. and Swiss subsidiaries (collectively, the "Borrowers") are parties to an Amended and Restated Credit Agreement originally dated October 12, 2018 (as subsequently amended, the "Credit Agreement") with the lenders party thereto and Bank of America, N.A. as administrative agent (in such capacity, the "Agent"). The Credit Agreement provides for a \$

100.0
million senior secured revolving credit facility (the "Facility") and has a maturity date of October 28, 2026. The Facility includes a \$

15.0
million letter of credit subfacility, a \$

25.0
million swingline subfacility and a \$

75.0
million sublimit for borrowings by the Swiss Borrower, with provisions for uncommitted increases to the Facility of up to \$

50.0
million in the aggregate subject to customary terms and conditions. The Credit Agreement contains affirmative and negative covenants binding on the Company and its subsidiaries that are customary for credit facilities of this type, including, but not limited to, restrictions and limitations on the incurrence of debt and liens, dispositions of assets, capital expenditures, dividends and other payments in respect of equity interests, the making of loans and equity investments, mergers, consolidations, liquidations and dissolutions, and transactions with affiliates (in each case, subject to various exceptions).

The borrowings under the Facility are joint and several obligations of the Borrowers and are also cross-guaranteed by each Borrower, except that the Swiss Borrower is not liable for, nor does it guarantee, the obligations of the U.S. Borrowers. In addition, the Borrowers' obligations under the Facility are secured by first priority liens, subject to permitted liens, on substantially all of the U.S. Borrowers' assets other than certain excluded assets. The Swiss Borrower does not provide collateral to secure the obligations under the Facility.

As of both January 31, 2024, and January 31, 2023, there were

no

amounts of loans outstanding under the Facility. Availability under the Facility was reduced by the aggregate number of letters of credit outstanding, issued in connection with retail and operating facility leases to various landlords and for Canadian payroll to the Royal Bank of Canada, totaling approximately \$

0.3

million at both January 31, 2024, and January 31, 2023. At January 31, 2024, the letters of credit have expiration dates through May 31, 2024. As of both January 31, 2024, and January 31, 2023, availability under the Facility was \$

99.7

million.

The Company had weighted average borrowings under the Facility of

zero

during both fiscal 2024 and fiscal 2023, respectively.

Borrowings under the Credit Agreement bear interest at rates generally based on either the Term Secured Overnight Financing Rate ("SOFR") as administered by the Federal Reserve Bank of New York or a specified base rate, as selected periodically by the Company. The SOFR-based loans bear interest at SOFR plus a spread ranging from

1.00
% to

1.75
% per annum and the base rate loans bear interest at the base rate plus a spread ranging from

0
% to

0.75
% per annum, with the spread in each case being based on the Company's consolidated leverage ratio (as defined in the Credit Agreement). As of both January 31, 2024, and 2023, the Company's spreads were

1.00
% over SOFR and

0
% over the base rate.

The Company's Swiss subsidiary maintains unsecured lines of credit with a Swiss bank that are subject to repayment upon demand. As of January 31, 2024, and 2023, these lines of credit totaled

6.5

million Swiss Francs for both periods, with a dollar equivalent of \$

7.5
million and \$

7.1
million, respectively. As of January 31, 2024, and 2023, there were

no

borrowings against these lines. As of January 31, 2024, and 2023,

two

European banks had guaranteed obligations to third parties on behalf of

two

of the Company's foreign subsidiaries in the dollar equivalent of \$

1.4
million and \$

1.2
million, respectively, in various foreign currencies, of which \$

0.8
million and \$

0.6
million, respectively, was a restricted deposit as it relates to lease agreements.

Cash paid for interest, including unused commitment fees and amortization of debt fees, during fiscal 2024, 2023 and 2022 was \$

0.3
million, \$

0.3
million and \$

0.4
million, respectively.

NOTE 8 – DERIVATIVE FINANCIAL INSTRUMENTS

The Company addresses certain financial exposures that include the use of derivative financial instruments. The Company enters into foreign currency forward contracts to reduce the effects of fluctuating foreign currency exchange rates. As of January 31, 2024, the Company's net forward contracts hedging portfolio designated as qualified cash flow hedging instruments consisted of

9.0

million Euros equivalent with various expiry dates ranging through April 12, 2024. The net gain or loss on the derivatives is reported as a component of accumulated other comprehensive income/(loss) and reclassified into earnings in the same period during which the hedged transaction affects earnings using the same revenue or expense category that the hedged item impacted. The Company also enters into foreign currency forward contracts not designated as qualified hedges in accordance with ASC 815, *Derivatives and Hedging*. As of January 31, 2024, the Company's net forward contracts hedging portfolio not designated as qualified hedges consisted of

8.3

million Chinese Yuan equivalent,

20.0

million Swiss Francs equivalent,

18.7

million U.S. dollars equivalent,

17.2

million Euros equivalent and

1.4

million British Pounds equivalent with various expiry dates ranging through June 13, 2024. Changes in the fair value of these derivatives are recognized in earnings in the period they arise. Net gains or losses related to these forward contracts are included in cost of sales, selling and general and administrative expenses in the Consolidated Statements of Operations. The cash flows related to these foreign currency contracts are classified in operating activities.

The following table presents the fair values of the Company's derivative financial instruments included in the Consolidated Balance Sheets as of January 31, 2024 and 2023 (in thousands):

Balance Sheet Location	Asset Derivatives		Liability Derivatives	
	January 31, 2024 Fair Value	January 31, 2023 Fair Value	January 31, 2024 Fair Value	January 31, 2023 Fair Value
Derivatives designated as hedging instruments:				
Foreign Exchange Contracts				
Other Current Assets	\$ 26	\$ —	Accrued Liabilities	\$ 11
Total Derivative Instruments	\$ 26	\$ —	\$ 11	\$ 192

	Balance Sheet Location	Asset Derivatives		Liability Derivatives		
		January 31, 2024 Fair Value	January 31, 2023 Fair Value	January 31, 2024 Fair Value	January 31, 2023 Fair Value	
Derivatives not designated as hedging instruments:						
Foreign Exchange Contracts						
	Other Current Assets	\$ 528	\$ 1,146	Accrued Liabilities	\$ —	
Total Derivative Instruments		<u>\$ 528</u>	<u>\$ 1,146</u>		<u>\$ —</u>	

As of January 31, 2024 and 2023, the balance of net deferred gains on derivative financial instruments designated as cash flow hedges included in accumulated other comprehensive income (loss) were \$

43,000
and (\$

0.2
) million, respectively. For the fiscal years ended January 31, 2024 and 2023, the Company reclassified an immaterial amount and \$

2.1
million, respectively, from accumulated other comprehensive income to Net sales in the Consolidated Statements of Operations.

No
ineffectiveness has been recorded in fiscal year 2024.

See Note 9 - Fair Value Measurements for further information about how fair value of derivative assets and liabilities are determined.

NOTE 9 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting guidance establishes a fair value hierarchy which prioritizes the inputs used in measuring fair value into three broad levels as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.
- Level 3 - Unobservable inputs based on the Company's assumptions.

The guidance requires the use of observable market data if such data is available without undue cost and effort.

The following tables present the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of January 31, 2024 and 2023 (in thousands):

	Balance Sheet Location	Fair Value at January 31, 2024			Total		
		Level 1	Level 2	Level 3			
Assets:							
Available-for-sale securities							
	Other current assets	\$ 246	\$ —	\$ —	\$ 246		
Short-term investment							
	Other current assets	155	—	—	155		
SERP assets - employer							
	Other non-current assets	510	—	—	510		
SERP assets - employee							
	Other non-current assets	48,800	—	—	48,800		
Defined benefit plan assets (1)							
	Other non-current liabilities	—	—	33,731	33,731		

Hedge derivatives

	—	554	—	554
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Total

	\$ 49,711	\$ 554	\$ 33,731	\$ 83,996
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Liabilities:

SERP liabilities - employee

	\$ 48,800	\$ —	\$ —	\$ 48,800
--	-----------	------	------	-----------

Hedge derivatives

	—	11	—	11
--	---	----	---	----

Total

	\$ 48,800	\$ 11	\$ —	\$ 48,811
--	-----------	-------	------	-----------

	Balance Sheet Location	Level 1	Fair Value at January 31, 2023		
			Level 1	Level 2	Level 3
					Total
Assets:					
Available-for-sale securities					
	Other current assets	263	\$	—	\$ 263
Short-term investment					
	Other current assets	156	—	—	156
SERP assets - employer					
	Other non-current assets	738	—	—	738
SERP assets - employee					
	Other non-current assets	44,442	—	—	44,442
Defined benefit plan assets (1)					
	Other non-current liabilities	—	—	27,965	27,965
Hedge derivatives					
	Other current assets	—	1,146	—	1,146
Total					
		\$ 45,599	\$ 1,146	\$ 27,965	\$ 74,710
Liabilities:					
SERP liabilities - employee					
	Other non-current liabilities	44,442	\$ —	\$ —	\$ 44,442
Hedge derivatives					
	Accrued liabilities	—	192	—	192
Total					
		\$ 44,442	\$ 192	\$ —	\$ 44,634

(1) See Note 17 for a discussion of the fair value of the assets held in the Company's defined benefit plan in Switzerland.

The fair values of the Company's available-for-sale securities are based on quoted market prices. The fair value of the short-term investment, which is a guaranteed investment certificate, is based on its purchase price plus one half of a percent calculated annually. The assets related to the Company's defined contribution supplemental executive retirement plan ("SERP") consist of both employer (employee unvested) and employee assets which are invested in investment funds with fair values calculated based on quoted market prices. The SERP liability represents the Company's liability to the employees in the plan for their vested balances. The hedge derivatives consist of cash flow hedging instruments and forward contracts (see Note 8 for further discussion) and are entered into by the Company principally to reduce its exposure to Swiss Franc and Euro exchange rate risks. Fair values of the Company's hedge derivatives are calculated based on quoted foreign exchange rates and quoted interest rates.

The Company sponsors a defined pension plan in Switzerland. The plan covers certain international employees and is based on years of service and compensation on a career-average pay basis. The assets within the plan are classified as a Level 3 asset within the fair value hierarchy and consist of an investment in pooled assets and include separate employee accounts that are invested in equity securities, debt securities and real estate. The values of the separate accounts invested are based on values provided by the administrator of the funds that cannot be readily derived from or corroborated by observable market data. The value of the assets is part of the defined benefit plan and included in other non-current liabilities in the Consolidated Balance Sheets at January 31, 2024 and January 31, 2023, respectively.

There were

no

transfers between any levels of the fair value hierarchy for any of the Company's fair value measurements.

Investments Without Readily Determinable Fair Values

From time to time the Company may make minority investments in growth companies in the consumer products sector and other sectors relevant to its business, including certain of the Company's suppliers and customers, as well as in venture capital funds that invest in companies in media, entertainment, information technology and technology-related fields and in digital assets. Through fiscal 2023, the Company invested approximately \$

5.3 million and during fiscal 2024 the Company invested an additional \$

3.1 million in venture capital funds (see Note 10 - Commitments and Contingencies for discussion of commitments made related to venture capital funds). The Company has evaluated and will regularly evaluate the carrying value of its investments. One consumer products company in which the Company made an equity investment in fiscal year 2022 sold its business and assets in the first quarter of fiscal 2024 in a transaction that is expected to yield little or no return for equity holders. As a result, the Company has fully impaired its \$

0.5 million investment in this entity in the first quarter of fiscal 2024 and is recorded in Other income, net in the Consolidated Statements of Operations. The carrying value of the investments are recorded in Other non-current assets in the Consolidated Balance Sheets at January 31, 2024 and January 31, 2023.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Licensing Agreements:

The Company has minimum commitments related to the Company's license agreements and endorsement agreements with brand ambassadors, and also includes service agreements. The Company sources, distributes, advertises and sells watches and jewelry pursuant to its exclusive license agreements with unaffiliated licensors. Royalty amounts under the license agreements are generally based on a stipulated percentage of revenues, although most of these agreements contain provisions for the payment of minimum annual royalty amounts. The license agreements have various terms, and some have renewal options, provided that minimum sales levels are achieved. Additionally, the license agreements require the Company to pay minimum annual advertising amounts. As of January 31, 2024, the total amount of the Company's minimum commitments related to its license agreements and endorsement agreements, which includes service agreements was \$

222.3
million, payable in the next eight years .

Purchase Obligations:

The Company had outstanding purchase obligations of \$

84.5
million with suppliers at the end of fiscal 2024 primarily for raw materials, finished watches and packaging in the normal course of business. These purchase obligation amounts do not represent total anticipated purchases but represent only amounts to be paid for items required to be purchased under agreements that are enforceable, legally binding and specify minimum quantity, price and term.

Tax:

The Company had previously recorded an obligation of \$

28.2
million due to the Tax Cuts and Jobs Act, which was signed into law on December 22, 2017, and imposed a one-time mandatory deemed repatriation tax on cumulative undistributed foreign earnings which have not been previously taxed. The obligation is payable in installments over eight years, with the first payment having been made in the second quarter of fiscal 2019. At January 31, 2024, the Company had an outstanding obligation of \$

12.7
million.

The Company believes that income tax reserves are adequate; however, amounts asserted by taxing authorities could be greater or less than amounts accrued and reflected in the Consolidated Balance Sheet. Accordingly, the Company could record adjustments to the amounts for federal, state, and foreign liabilities in the future as the Company revises estimates or settles or otherwise resolves the underlying matters. In the ordinary course of business, the Company may take new positions that could increase or decrease unrecognized tax benefits in future periods. See Note 12 – Income Taxes for more information.

Investments:

From time to time, the Company may make minority investments in growth companies in the consumer products sector and other sectors relevant to its business, including certain of the Company's suppliers and customers, as well as in venture capital funds that invest in companies in media, entertainment, information technology and technology-related fields and in digital assets. During fiscal 2022, the Company committed to invest up to \$

21.5
million in such investments. Through fiscal 2023 the Company invested approximately \$

5.3
million and during fiscal 2024 the Company invested an additional \$

3.1
million and may be called upon to satisfy capital calls in respect of the remaining \$

13.1
million in such commitments at any time during a period generally ending ten years after the first capital call in respect of a given commitment.

Litigation:

The Company is involved in legal proceedings and claims from time to time, in the ordinary course of its business. Legal reserves are recorded in accordance with the accounting guidance for contingencies. Contingencies are inherently unpredictable and it is possible that results of operations, balance sheets or cash flows could be materially and adversely affected in any particular period by unfavorable developments in, or resolution or disposition of, such matters. For those legal proceedings and claims for which the Company believes that it is probable that a reasonably estimable loss may result, the Company records a reserve for the potential loss. For proceedings and claims where the Company believes it is reasonably possible that a loss may result that is materially in excess of amounts accrued for the matter, the Company either discloses an estimate of such possible loss or range of loss or includes a statement that such an estimate cannot be made.

In December 2016, U.S. Customs and Border Protection ("U.S. Customs") issued an audit report concerning the methodology used by the Company to allocate the cost of certain watch styles imported into the U.S. among the component parts of those watches for tariff purposes. The report disputed the reasonableness of the Company's historical allocation formulas and proposed an alternative methodology that would imply \$

5.1
million in underpaid duties for all imports that entered the United States during the audit period

which extended from August 1, 2011 through July 15, 2016, plus possible penalties and interest. Although the Company believes that U.S. Customs' alternative duty methodology and estimate are not consistent with the Company's facts and circumstances and has consistently disputed U.S. Customs' position, the Company established reserves for a portion of the alleged underpayment indicated in the audit report. Between February 2017 and January 2021, the Company made numerous submissions to U.S. Customs containing supplemental analyses and information in response to U.S. Customs' information requests. On May 1, 2023, the statute of limitations lapsed with respect to all entries encompassed by the audit period. As a result, during the second quarter of fiscal 2024, the Company released the reserves that it had established in respect of those entries.

In addition to the above matters, as of January 31, 2024, the Company is party to legal proceedings and contingencies, the resolution of which is not expected to materially affect its financial condition, future results of operations beyond the amounts accrued, or cash flows.

NOTE 11 – LEASES

The Company leases certain real estate properties, vehicles and equipment in various countries around the world. Leased properties are typically used for retail space, office, warehouse and distribution.

The Company evaluates contractual arrangements at inception to determine if individual agreements are a lease or contain an identifiable lease component. When evaluating contracts to determine appropriate classification and recognition, significant judgment may be necessary to determine, among other criteria, if an embedded leasing arrangement exists, the length of the term, classification as either an operating or financing lease and whether renewal or termination options are reasonably certain to be exercised. Lease assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. These assets and liabilities are recognized on the lease commencement date based on the present value of lease payments over the lease term calculated using the Company's incremental borrowing rate, adjusted for the lease term and lease country, unless the implicit rate is readily determinable. Lease assets also include any upfront lease payments made and are reduced by lease incentives. The Company's leases are classified as operating leases with remaining terms of 1 to 11 years, some of which include an option to extend or renew. If the exercise of an option to extend or renew is determined to be reasonably certain, the associated right-of-use asset and liability reflects the extended period of payments.

Lease expense for operating leases consist of both fixed and variable components. Expenses related to fixed lease payments are recognized on a straight-line basis over the lease term. Variable lease payments are generally expensed as incurred and include certain index-based changes in rent, certain non-lease components such as maintenance and other services provided by the lessor and other charges included in the lease. The variable portion of lease payments is not included in the Company's lease liabilities. Short-term leases are leases having a term of 12 months or less at inception. The Company does not record a related lease asset or liability for short-term leases. The depreciable life of lease assets and leasehold improvements is limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The components of lease expense were as follows (in thousands):

Lease Expense	Consolidated Statements of Operation Location	For the Year Ended January 31, 2024	For the Year Ended January 31, 2023	For the Year Ended January 31, 2022
Operating lease expense				
SG&A		20,404	19,810	18,856
\$	\$	\$	\$	
Short-term lease cost				
SG&A		746	550	412
\$	\$	\$	\$	
Variable lease cost				
SG&A		10,536	10,653	10,839
\$	\$	\$	\$	
Total operating lease expense				
		31,686	31,013	30,107
	\$	\$	\$	
Finance lease cost:				
Amortization of right-of-use assets				
SG&A		-	46	117
\$	\$	\$	\$	
Interest on lease liabilities				
Interest expense		-	-	4
\$	\$	\$	\$	

The following table discloses supplemental balance sheet information for the Company's leases (in thousands):

	Leases	Consolidated Balance Sheets Location	January 31, 2024	January 31, 2023
Assets				
Operating		Operating lease right-of-use assets	\$ 82,661	\$ 80,897
Liabilities				
Current:				
Operating		Current operating lease liabilities	\$ 15,696	\$ 17,681
Finance		Accrued liabilities	\$ -	\$ -
Noncurrent:				
Operating		Non-current operating lease liabilities	\$ 76,396	\$ 70,910
Finance		Other non-current liabilities	\$ -	\$ -

The following table discloses the weighted average remaining lease term and weighted average discount rate for the Company's leases:

Lease Term and Discount Rate	January 31, 2024	January 31, 2023	January 31, 2022
Weighted-average remaining lease term - in years			
Operating leases	6.7	6.0	6.2
Finance leases	—	—	0.4
Weighted-average discount rate:			
Operating leases	3.86 %	3.48 %	3.90 %
Finance leases	N/A	N/A	3.86 %

Future minimum lease payments by year as of January 31, 2024 is as follows (in thousands):

Fiscal Year	Operating Leases
2025	\$ 18,861
2026	17,202
2027	16,490
2028	12,928
2029	10,507

Thereafter

29,663

Total lease payments

\$ 105,651

Less: Interest

(

) 13,559

Total lease obligations

\$ 92,092

Supplemental cash flow information related to leases was as follows (in thousands):

	Year Ended January 31, 2024	Year Ended January 31, 2023	Year Ended January 31, 2022
--	--------------------------------	--------------------------------	--------------------------------

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 20,103	\$ 19,485	\$ 19,130
--	-----------	-----------	-----------

Operating cash flows from finance leases	—	—	4
--	---	---	---

Financing cash flows from finance leases	—	49	121
--	---	----	-----

Leased assets obtained in exchange for new operating lease liabilities	17,341	29,006	8,519
--	--------	--------	-------

As of January 31, 2024, the Company did not have any material operating or finance leases that have been signed but not commenced.

NOTE 12 - INCOME TAXES

Income/(loss) before provision/(benefit) for income taxes for the fiscal year ended January 31, 2024, 2023 and 2022 on a legal entity basis consists of the following (in thousands):

	2024	2023	2022
U.S. (loss)/ income before taxes	(
	\$ 3,126)	\$ 25,214	\$ 39,920
Non-U.S. income before taxes			
	\$ 63,328	\$ 96,691	\$ 77,413
Income before income taxes			
	<u>\$ 60,202</u>	<u>\$ 121,905</u>	<u>\$ 117,333</u>

Cash paid for income taxes during fiscal 2024, 2023 and 2022 was \$

28.7
million, \$

29.0
million and \$

25.3
million respectively.

The provision/(benefit) for income taxes for the fiscal years ended January 31, 2024, 2023 and 2022 consists of the following components (in thousands):

	2024	2023	2022
Current:			
U.S. Federal			
	\$ 180	\$ 5,408	\$ 9,249
U.S. State and Local			
	\$ 223	\$ 2,099	\$ 1,179
Non-U.S.			
	\$ 11,939	\$ 18,087	\$ 14,555
	\$ 12,342	\$ 25,594	\$ 24,983
Deferred:			
U.S. Federal			
	(((
	59)	99	2,145)
U.S. State and Local			
	1,026	151	2,000
Non-U.S.			
	(((
	648)	962)	64)
		((
	319	712)	209)

Provision for income taxes

\$	12,661	\$	24,882	\$	24,774
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Significant components of the Company's deferred income tax assets and liabilities for the fiscal years ended January 31, 2024 and 2023 are as follows (in thousands):

	2024 Deferred Taxes Assets	2024 Deferred Taxes Liabilities	2023 Deferred Taxes Assets	2023 Deferred Taxes Liabilities
Net operating loss carryforwards				
	\$ 5,761	\$ —	\$ 6,370	\$ —
Inventory				
	1,899	—	1,925	—
Unprocessed returns				
	998	—	1,379	—
Receivables allowances				
	569	—	695	—
Deferred compensation				
	16,853	—	16,672	—
Depreciation/amortization				
	14,583	—	15,358	—
Other provisions/accruals				
	1,500	—	1,696	—
Deferred occupancy costs				
	21,092	18,879	17,199	15,228
Miscellaneous				
	1,506	—	774	—
	64,761	18,879	62,068	15,228
Valuation allowance				
	(3,298)	—	(4,041)	—
Total deferred tax assets and liabilities				
	\$ 61,463	\$ 18,879	\$ 58,027	\$ 15,228

As of January 31, 2024, the Company had U.S. state and foreign net operating loss carryforwards of \$

0.8
million and \$

5.0
million, respectively, with expiration dates ranging from 1 - 10 years and, with respect to some foreign jurisdictions, an indefinite carryforward period. Of the foreign net operating losses, \$

2.1
million is related to China, \$

1.5

million is related to the United Kingdom and the remaining is related to other foreign countries.

A valuation allowance is required to be established unless management determines it is more likely than not that the Company will ultimately utilize the tax benefit associated with a deferred tax asset. The Company has foreign valuation allowances of \$

3.3

million, which are primarily related to net operating loss carryforwards.

Management will continue to evaluate the appropriate level of valuation allowance on all deferred tax assets considering such factors as prior earnings history, expected future earnings, carryback and carryforward periods and tax and business strategies that could potentially enhance the likelihood of realization of the deferred tax assets.

The Company elected to account for the tax on Global Intangible Low-Taxed Income ("GILTI") as a period cost and therefore has not recorded deferred taxes related to GILTI.

The provision/(benefit) for income taxes for the fiscal years ended January 31, 2024, 2023 and 2022 differs from the U.S. federal statutory rate due to the following (in thousands):

	Fiscal Year Ended January 31,		
	2024	2023	2022
Provision for income taxes at the U.S. statutory rate			
	\$ 12,642	\$ 25,600	\$ 24,640
Lower effective non-U.S. income tax rate	(1,000)	(2,143)	(1,366)
State and local taxes, net of federal benefit			
	987	1,777	2,511
Change in valuation allowance		(277)	(1,671)
Impact of CARES Act		—	727
		—	(1,532)
Compensation and benefits		(48)	(545)
Other permanent differences		(455)	(217)
Other, net		(652)	(991)
Total provision for income taxes		\$ 12,661	\$ 24,882
		<u>\$ 12,661</u>	<u>\$ 24,882</u>
		<u>\$ 24,774</u>	

The effective tax rate for fiscal 2024 was

21.0

% and was essentially equivalent to the U.S. statutory tax rate of

21.0

% primarily due to foreign profits being taxed in lower taxing jurisdictions, partially offset by U.S. state and local taxes, net of the federal benefit. The effective tax rate for fiscal 2023 was

20.4

% and differed from the U.S. statutory tax rate of

21.0

% primarily due to foreign profits being taxed in lower taxing jurisdictions and the release of certain foreign valuation allowances, partially offset by U.S. state and local taxes, net of the federal benefit.

In August 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into law by President Biden. Among other things, the IR Act implemented a

¹

% excise tax on the fair market stock repurchases by covered corporations, a

% minimum tax based on adjusted financial statement income of certain large corporations, and several tax incentives to promote clean energy. Although the Company is continuing to evaluate the IR Act and its potential impact on future periods, at this time the Company does not expect the IR Act to have a material impact on its Consolidated Financial Statements.

The Organization for Economic Cooperation and Development ("OECD") has issued Pillar Two model rules implementing a new global minimum tax of

%, which is intended to be effective on January 1, 2024. While the U.S. has not yet adopted the Pillar Two rules, several other countries have adopted and enacted changes to their legislation in response to Pillar Two. The Company's turnover currently does not meet the minimum requirements that were set by OECD inclusive framework and rules. Although the Company will continue to evaluate and monitor the enactments of Pillar Two, to the extent that Pillar Two becomes applicable, the Company does not expect a material impact on its Consolidated Financial Statements.

The Company conducts business globally and, as a result, is subject to income taxes in the U.S. federal, state, local and foreign jurisdictions. In the normal course of business, the Company is subject to examinations by taxing authorities in many countries, such as Germany, Hong Kong, Switzerland and the United States. The Company is no longer subject to income tax examination for years ended prior to January 31, 2020, with few exceptions.

A reconciliation of the beginning and ending amounts of gross unrecognized tax benefits (exclusive of interest) for the fiscal years ended January 31, 2024, 2023 and 2022 are as follows (in thousands):

	2024	2023	2022
Beginning balance			
	\$ 569	\$ 876	\$ 901
Tax positions taken in the current year	—	—	159
Tax positions taken in prior years	—	205	—
Lapse of statute of limitations	(3)	(168)	(166)
Settlements	(25)	(331)	—
Non-U.S. currency exchange fluctuations	—	(13)	(18)
Ending balance	<u>\$ 547</u>	<u>\$ 569</u>	<u>\$ 876</u>

Included in the balances at January 31, 2024, January 31, 2023 and January 31, 2022 are \$

0.5
million, \$

0.5
million and \$

0.8
million, of unrecognized tax benefits which would impact the Company's effective tax rate, if recognized. As of January 31, 2024, January 31, 2023, and January 31, 2022, the Company had \$

0.2
million, \$

0.2
million and \$

0.3
million, respectively, of accrued interest (net of tax benefit) and penalties related to unrecognized tax benefits. Interest (net of tax benefit) and penalties accrued in fiscal years 2024, 2023 and 2022 were immaterial. The Company does not anticipate any significant increases or decreases to unrecognized tax benefits during the next twelve months.

At January 31, 2024, the Company had

no
deferred tax liability for substantially all of the undistributed foreign earnings of approximately \$

294.6
million because the Company intends to permanently reinvest such earnings in its foreign operations. It is not practicable to estimate the tax liability related to a future distribution of these permanently reinvested foreign earnings.

NOTE 13 – TREASURY STOCK

On March 25, 2021, the Board approved a share repurchase program under which the Company was authorized to purchase up to \$

25.0
million of its outstanding common stock through September 30, 2022, depending on market conditions, share price and other factors. On November 23, 2021, the Board approved a share repurchase program under which the Company is authorized to purchase up to an additional \$

50.0
million of its outstanding common stock through November 23, 2024, depending on market conditions, share price and other factors. Under both share repurchase programs, the Company is permitted to purchase shares of its common stock from time to time through open market purchases, repurchase plans, block trades or otherwise.

During the fiscal year ended January 31, 2024, the Company repurchased a total of

111,722
shares of its common stock under the November 23, 2021 share repurchase program at a total cost of \$

3.1
million, or an average of \$

27.89
per share. During the fiscal year ended January 31, 2023, the Company repurchased a total of

898,956
shares of its common stock under the March 25, 2021 share repurchase program and November 23, 2021 share repurchase program at a total cost of \$

31.4
million, or an average of \$

34.94
per share. During the fiscal year ended January 31, 2022, the Company repurchased a total of

686,559
shares of its common stock under the March 25, 2021 share repurchase program at a total cost of \$

22.6
million, or an average of \$

32.92
per share. There were

no
shares repurchased under the November 23, 2021 share repurchase program during the fiscal year ended January 31, 2022.

At January 31, 2024,

zero
remains available for purchase under the Company's March 25, 2021 repurchase program and \$

17.9
million remains available for purchase under the Company's November 23, 2021 repurchase program.

There were

22,034

,

28,405
and

87,828

shares of common stock repurchased during the fiscal years ended January 31, 2024, 2023 and 2022, respectively, as a result of the surrender of shares in connection with the vesting of restricted stock awards or stock options. At the election of an employee, shares having an aggregate value on the vesting date equal to the employee's withholding tax obligation may be surrendered to the Company.

NOTE 14 – ACCUMULATED OTHER COMPREHENSIVE INCOME

The accumulated balances at January 31, 2024, 2023 and 2022, related to each component of accumulated other comprehensive income (loss) are as follows (in thousands):

	2024	2023	2022
Foreign currency translation adjustments			
	\$ 93,840	\$ 83,005	\$ 84,725
Available-for-sale securities			
	169	182	172
Cash flow hedges		(
	43	171	194
Unrecognized prior service cost related to defined benefit pension plan		((
	171	231	287
Net actuarial (loss)/gain related to defined benefit pension plan		()
	1,546	1,490	491
Total accumulated other comprehensive income			
	\$ 92,335	\$ 81,295	\$ 85,295

The amount reclassified from accumulated other comprehensive income to operating income in the Consolidated Statements of Operations during fiscal 2024 was an immaterial amount. Amounts reclassified from accumulated other comprehensive income to operating income in the Consolidated Statements of Operations during fiscal 2023 and 2022 were \$

2.1
million and

zero
, respectively.

NOTE 15 – REVENUE

Disaggregation of Revenue

The following table presents the Company's net sales disaggregated by customer type. Sales and usage-based taxes are excluded from net sales (in thousands).

Customer Type	Fiscal Year Ended January 31, 2024	Fiscal Year Ended January 31, 2023	Fiscal Year Ended January 31, 2022
Wholesale			
Direct to consumer	505,057 \$	570,554 \$	541,383 \$
After-sales service	164,201	177,713	187,171
Net Sales	3,343	3,631	3,839
	672,601 \$ <u> </u>	751,898 \$ <u> </u>	732,393 \$ <u> </u>

The Company's revenue from contracts with customers is recognized at a point in time. The Company's net sales disaggregated by geography are based on the location of the Company's customer (see Note 18 Segment and Geographic Information).

Wholesale Revenue

The Company's wholesale revenue consists primarily of revenues from independent distributors, department stores, chain stores, independent jewelry stores and third-party e-commerce retailers. The Company recognizes and records its revenue when obligations under the terms of a contract with the customer are satisfied, and control is transferred to the customer. Transfer of control passes to wholesale customers upon shipment or upon receipt depending on the agreement with the customer and shipping terms. Wholesale revenue is measured as the amount of consideration the Company ultimately expects to receive in exchange for transferring goods. Wholesale revenue is included entirely within the Watch and Accessory Brands segment (see Note 18 – Segment and Geographic Information), consistent with how management makes decisions regarding the allocation of resources and performance measurement.

Direct to Consumer Revenue

The Company's direct to consumer revenue primarily consists of revenues from the Company's outlet stores, the Company's owned e-commerce websites and concession stores, and consumer repairs. The Company recognizes and records its revenue when obligations under the terms of a contract with the customer are satisfied, and control is transferred to the customer. Control passes to outlet store customers at the time of sale and to substantially all e-commerce customers upon shipment. Direct to Consumer revenue is included in either the Watch and Accessory Brands segment or Company Stores Segment based on how the Company makes decisions about the allocation of resources and performance measurement. Revenue derived from outlet stores and related e-commerce is included within the Company Stores Segment. Other Direct to Consumer revenue (i.e., revenue derived from other Company-owned e-commerce websites, concession stores and consumer repairs) is included within the Watch and Accessory Brands segment. (See Note 18 – Segment and Geographic Information).

After-sales service

All watches sold by the Company come with limited warranties covering the movement against defects in materials and workmanship.

The Company's after-sales service revenues consists of out of warranty service provided to customers and authorized third party repair centers, and sale of watch parts. The Company recognizes and records its revenue when obligations under the terms of a contract with the customer are satisfied and control is transferred to the customer. After-sales service revenue is measured as the amount of consideration the Company ultimately expects to receive in exchange for transferring goods. Revenue from after sales service, including consumer repairs, is included entirely within the Watch and Accessory Brands segment, consistent with how management makes decisions about the allocation of resources and performance measurement.

NOTE 16 – STOCK-BASED COMPENSATION

Under the Company's Stock Incentive Plan, as amended and restated as of June 22, 2023 (the "Plan"), the Compensation and Human Capital Committee of the Board of Directors, which consists of three of the Company's non-employee directors, has the authority to grant participants incentive stock options, nonqualified stock options, restricted stock, stock appreciation rights and stock awards, for up to

12,000,000
shares of common stock.

Stock Options:

Stock options granted to participants under the Plan generally become exercisable after three years and remain exercisable until the tenth anniversary of the date of grant. All stock options granted under the Plan have an exercise price equal to or greater than the fair market value of the Company's common stock on the grant date.

The table below presents the weighted average assumptions used with the Black-Scholes option-pricing model for the calculation of the fair value of stock options granted during the fiscal years ended January 31, 2023 and January 31, 2022. There were no stock options granted during the fiscal year ended January 31, 2024.

	Fiscal Year Ended January 31, 2023	Fiscal Year Ended January 31, 2022
Expected volatility	%	%
	51.66	51.61
Expected life in years	%	%
	6.0	6.0
Risk-free interest rates	%	%
	2.57	0.89
Dividend rate	%	%
	3.00	2.90
Weighted average fair value per option at date of grant	\$	\$
	14.81	10.23

The fair value of the stock options, less expected forfeitures, is amortized on a straight-line basis over the vesting term. Total compensation expense for stock option grants recognized during the fiscal years ended January 31, 2024, 2023 and 2022 was \$

2.1
million, \$

2.3
million and \$

1.5
million, respectively. As of January 31, 2024, there was \$

1.0
million of unrecognized compensation cost related to unvested stock options. These costs are expected to be recognized over a weighted average period of 1.1 years. Total cash consideration received for stock option exercises during the fiscal years ended January 31, 2024, 2023 and 2022 was \$

0.7
million, \$

1.6
million and \$

3.5
million, respectively. During fiscal 2022, there were

31,731
shares of common stock of the Company tendered by the employee for the payment of the employee's withholding tax obligation totaling \$

1.4
million. In addition, during the fiscal year ended January 31, 2022, \$

5.1
million of shares were tendered to the Company by the holder of the stock options for the payment of the exercise price of these options. The windfall tax benefit realized on these exercises for fiscal 2024 was approximately \$

0.1
million.

The following table summarizes the Company's stock option plan as of January 31, 2024 and changes during each of the fiscal years in the three-year period ended January 31, 2024:

	Outstanding Options	Weighted Average Exercise Price per Option	Option Price Per Share	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (\$'000)
Options outstanding at January 31, 2021 (
561,110 options exercisable)	1,111,110	\$ 21.90			
Granted					
	201,875	\$ 27.62			
Exercised (a)	(
	330,151	\$ 26.01			
Forfeited	—	—			
Options outstanding at January 31, 2022 (
242,959 options exercisable)	982,834	\$ 21.69			
Granted					
	170,493	\$ 38.04			
Exercised	(
	59,858	\$ 26.94			
Forfeited	(
	8,440	\$ 38.04			
Options outstanding at January 31, 2023 (
183,101 options exercisable)	1,085,029	\$ 23.84	42.12	7.1	\$ 13,367
Granted	—	—	—		
Exercised		\$ 12.42			
	(\$ -\$			
	51,840	\$ 13.02	16.87		
Forfeited		\$ 30.34			
	(\$ -\$			
	19,000	\$ 34.13	42.12		
Options outstanding at January 31, 2024					
	1,014,189	\$ 24.20	42.12	6.2	\$ 6,049
Exercisable at January 31, 2024	662,375	\$ 19.92		5.4	\$ 6,049
Expected to vest at January 31, 2024	347,543	\$ 32.20		7.6	\$ -

(a) Includes

60,000
options exercised at an exercise price of \$

26.59
per option,

32,600
options exercised at an exercise price of \$

30.34
per option,

43,440
options exercised at an exercise price of \$

27.74
per option and

57,300
options exercised at an exercise price of

\$

23.35

per option for which

115,037

shares of common stock of the Company were tendered to the Company by the holder of the stock options for the payment of the exercise price of these options.

The table below presents information related to stock option activity for the years ended January 31, 2024, 2023 and 2022:

	Fiscal Year Ended January 31,		
	2024	2023 (in thousands)	2022
Total fair value of stock options exercised			
	\$ 212	\$ 680	\$ 3,652
Total fair value of stock options vested			
	\$ 2,756	\$ -	\$ 64

Non-vested Stock Options

A summary of the Company's non-vested stock options at January 31, 2024 and changes during fiscal 2024 are presented below:

	Shares	Weight Average Grant Date Fair Value
Non-vested stock options:		
Non-vested at January 31, 2023	901,928	\$ 7.84
Granted		
Vested	(550,114)	\$ 5.01
Forfeited		
Non-vested at January 31, 2024	351,814	\$ 12.27

Stock Awards:

Under the Plan, the Company can also grant stock awards to employees and directors. For fiscal years 2024, 2023 and 2022, compensation expense for stock awards was \$

5.3
million, \$

3.4
million and \$

3.5
million, respectively. As of January 31, 2024, there was \$

6.6
million of unrecognized compensation cost related to unvested stock awards. These costs are expected to be recognized over a weighted average period of 1.9 years.

Transactions for stock awards under the Plan since fiscal 2021 are summarized as follows:

	Number of Stock Award Units	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (\$'000's)
Units outstanding at January 31, 2021				
	415,994	29.17		\$
Units granted				
	129,497	27.82		\$
Units vested	(
	234,961	31.75) \$
Units forfeited	(
	14,247	32.21) \$
Units outstanding at January 31, 2022				
	296,283	26.39		\$
Units granted				
	128,254	37.89		\$
Units vested	(
	112,584	31.88) \$
Units forfeited	(
	17,805	34.12) \$
Units outstanding at January 31, 2023				
	294,148	28.84		\$
Units granted				
	300,633	28.60		\$
Units vested	(
	104,379	22.04) \$
Units forfeited	(
	4,446	28.78) \$
Units outstanding at January 31, 2024				
	485,956	30.15	1.6	\$ 13,403

Stock awards granted by the Company can be classified as either time-based stock awards or performance-based stock awards. Time-based stock awards vest over time in the number of shares established at grant date, subject to continued employment. Performance-based stock awards vest over time subject both to continued employment and to the achievement of corporate financial performance

goals. Upon the vesting of a stock award, shares are issued from the pool of authorized shares. The number of shares issued related to the outstanding performance-based stock awards can vary from

0
% to

200
% of the target number of underlying stock award units, established at grant date, depending on the extent of the achievement of the predetermined financial goals. The total fair value of stock award units that vested during fiscal 2024, 2023 and 2022 was \$

2.3
million, \$

3.6
million and \$

7.5
million, respectively. There were

22,034

,
28,405
and

56,097
shares of common stock of the Company tendered by the employee for the payment of the employee's withholding tax obligation totaling \$

0.6
million, \$

1.1
million and \$

1.7
million during the fiscal years ended January 31, 2024, 2023 and 2022, respectively. Unvested stock award units had a total fair value of \$

14.7
million, \$

8.5
million and \$

7.8
million, for fiscal 2024, 2023 and 2022, respectively. The windfall tax benefit realized on the vested stock awards for fiscal 2024 was \$

0.1
million. The number of shares issued related to the remaining stock awards are established at grant date.

NOTE 17 – PENSION AND RETIREMENT SAVINGS PLAN

Defined Contribution Plans

401(k) Savings Plan

All employees in the United States are eligible to participate in the Company's Employee Savings and Investment Plan ("401(k) Plan"), a tax-qualified defined contribution retirement savings plan. Prior to fiscal year 2024 the Company matched

50
% of each

1
% contributed by the employee up to a maximum of

6
% of pay (totaling a company maximum match of

3
(%), subject to the contribution limits imposed by the Internal Revenue Code. Effective fiscal year 2024, the Company matches

50
% of each

1
% contributed by the employee up to a maximum of

8
% of pay (totaling a Company maximum match of

4
(%). Employees vest in the Company match after three years of service. In fiscal 2024, 2023 and 2022, the Company contributed \$

1.6
million, \$

1.2
million and \$

1.1
million, respectively, in cash to the 401(k) Plan.

Other Defined Contribution Plans

The Company sponsors defined contribution benefit plans for certain of its employees located outside of the United States. Company contributions and expenses of administering the plans were \$

1.2
million, \$

1.2
million and \$

0.8
million in fiscal 2024, 2023 and 2022, respectively.

The Company maintains a defined contribution deferred compensation plan (also known as a supplemental employee retirement plan or SERP). The SERP provides eligible executives with supplemental retirement benefits in addition to amounts received under the Company's other retirement plans. The Company makes a matching contribution, up to either 5% or 10% of the executive's salary, which vests in equal annual installments over five years.

Twenty percent of the Company's matching contribution is in the form of rights to the Company's common stock. During fiscal 2024, 2023 and 2022, the Company recorded expenses related to the SERP of \$

0.8
million, \$

0.6
million and \$

0.6
million, respectively.

Defined Benefit Plan

The Company sponsors a defined benefit plan in Switzerland. The plan covers certain international employees and is based on years of service and compensation on a career-average pay basis.

The components of the net periodic pension costs for the fiscal years ended January 31, 2024, 2023 and 2022 are as follows:

(Amounts in thousands)	2024	2023	2022
Service cost			
	\$ 1,069	\$ 1,138	\$ 1,131
Interest cost			
	593	57	-
Expected return on assets			
	(754)	(439)	(395)
Actuarial gain recognized due to partial settlement			
	-	-	-
Amortization of prior service costs			
	76	71	74
Net Periodic Pension Cost			
	\$ 984	\$ 722	\$ 810

The other components of the net periodic pension costs, including interest cost, expected return on assets, actuarial gain recognized due to partial settlement and the amortization of the prior service costs, are all included in other income, net in fiscal 2024, fiscal 2023 and fiscal 2022 in the

Consolidated Statement of Operations.

During fiscal 2024 there was a plan amendment resulting in a new conversion rate at normal retirement age for retirements in 2025 or later. This plan amendment resulted in a prior service credit of \$

0.1
million and will be amortized over 5.4 years.

During fiscal 2023 the settlements, including lump sum payments, exceeded the sum of the current service cost and interest cost components. Because only a portion of the benefit obligation is settled, the Company recognized in fiscal 2023 a pro rata portion of the unamortized net gain in the net periodic pension cost as a reduction of other components of the net periodic pension cost.

The estimated prior service cost that will be amortized from accumulated other comprehensive income into net periodic pension cost in the fiscal year ended January 31, 2025 is \$

0.1
million.

A reconciliation of the change in benefit obligation, the change in plan assets and the net amount recognized in the Consolidated Balance Sheets are shown below (based on a January 31 measurement date):

<i>(Amounts in thousands)</i>	2024	2023
Change in benefit obligation:		
Pension benefit obligation at beginning of period	\$ 29,109	\$ 28,302
Service cost	1,069	1,138
Interest cost	593	57
Benefits deposited	623	20
Prior service credit	()	-
	74	
Employee contributions	898	802
Actuarial losses/(gains)	()	()
	230	1,566
Foreign currency exchange rate impact	356	
	1,976	
Pension benefit obligation at end of year	34,424	29,109
Change in plan assets:		
Fair value of plan assets at beginning of period	\$ 27,965	\$ 29,096
Company contributions	1,350	1,205
Benefits deposited	623	20
Actual return/(loss) on plan assets	()	()
	974	3,446

Employee contributions

898 802

Foreign currency exchange rate impact

1,921 288

Fair value of plan assets at end of year

33,731 27,965

Funded status - consolidated \$ () \$ ()
 693
 1,144

Amounts recognized in the Consolidated Balance Sheets
 consist of:

Other non-current liabilities \$ () \$ ()
 693
 1,144

Amounts recognized in accumulated other
 comprehensive income/(loss):

Prior service cost
 151 288

Net actuarial loss

2,031 1,899

Tax effect \$ () \$ ()
 465
 467

Net amount recognized, after tax \$ \$

1,717 1,720

Accumulated benefit obligation \$ \$

34,244 28,997

Investment Policy:

It is the objective of the plan sponsor to maintain an adequate level of diversification to balance market risk, to prudently invest to preserve capital and to provide sufficient liquidity while maximizing earnings for near-term payments of benefits accrued under the plan and to pay plan administrative expenses. The assumption used for the expected long-term rate of return on plan assets is based on the long-term expected returns for each investment category currently in the portfolio. Historical return trends for the various asset classes in the class portfolio are combined with current and anticipated future market conditions to estimate the rate of return for each class. These rates are then adjusted for anticipated future inflation to determine estimated nominal rates of return for each class.

The assets are classified as a Level 3 asset within the fair value hierarchy and consist of an investment in pooled assets and include separate employee accounts that are invested in equity securities, debt securities and real estate. The values of the separate accounts invested are based on values provided by the administrator of the funds that cannot be readily derived from or corroborated by observable market data.

The weighted average assumptions that were used to determine the Company's benefit obligations as of the measurement date (January 31) were as follows:

	2024	2023	2022
Discount rate			
	1.50 %	1.90 %	0.20 %
Salary progression rate			
	1.10 %	1.10 %	1.10 %
Expected long-term rate of return on plan assets			
	3.00 %	2.50 %	1.50 %

The discount rates used are based on high quality AAA- and AA-rated corporate bonds with durations corresponding to the expected durations of the benefit obligations and service time.

The weighted average assumptions that were used to determine the Company's net periodic pension cost were as follows:

	2024	2023	2022
Discount rate			
	1.90 %	0.20 %	0.00 %
Salary progression rate			
	1.10 %	1.10 %	1.10 %
Expected long-term rate of return on plan assets			
	2.50 %	1.50 %	1.50 %

The overall expected long-term rate of return on plan assets is a weighted average expectation based on the targeted portfolio composition. Historical experience and current benchmarks are considered to arrive at expected long-term rates of return in each asset category.

The Company expects the following benefit payments to be paid out for the fiscal years indicated. The expected benefit payments are based on the same assumptions used to measure the Company's benefit obligation at January 31, 2024 and include estimated future employee service. The Company does not expect any plan assets to be returned to it during the fiscal year ending January 31, 2025. Payments from the pension plan are made from the plan assets.

Fiscal Year ending January 31, 2025	(in thousands) \$
	535
2026	510
2027	512
2028	496
2029	555
2030-2034	4,204

During fiscal 2025, the Company expects to contribute \$

1.5 million to its Swiss defined benefit plan.

NOTE 18 – SEGMENT AND GEOGRAPHIC INFORMATION

The Company follows accounting guidance related to disclosures about segments of an enterprise and related information. This guidance requires disclosure of segment data based on how management makes decisions about allocating resources to segments and measuring their performance.

The Company conducts its business in

two operating segments: Watch and Accessory Brands and Company Stores. The Company's Watch and Accessory Brands segment includes the designing, manufacturing and distribution of watches and, to a lesser extent, jewelry and other accessories, of owned and licensed brands, in addition to revenue generated from after-sales service activities and shipping. The Company Stores segment includes the Company's retail outlet business. The Chief Executive Officer of the Company is the chief operating decision maker ("CODM") and regularly reviews operating results for each of the

two operating segments to assess performance and makes operating decisions about the allocation of the Company's resources.

The Company divides its business into

two major geographic locations: United States operations, and International, which includes the results of all non-U.S. Company operations. The allocation of geographic revenue is based upon the location of the customer. The Company's International operations in Europe, the Americas (excluding the United States), the Middle East and Asia accounted for

30.5 %,

9.3 %,

9.0 % and

8.0 %, respectively, of the Company's total net sales for fiscal 2024. For fiscal 2023, the Company's International operations in Europe, the Americas (excluding the United States), Asia and the Middle East accounted for

32.8 %,

7.8 %,

7.6 % and

7.4 %, respectively, of the Company's total net sales. For fiscal 2022, the Company's International operations in Europe, the Middle East, the Americas (excluding the United States) and Asia accounted for

33.9 %,

6.5 %,

6.5 % and

5.8 %, respectively, of the Company's total net sales. A vast majority of the Company's tangible International assets are owned by the Company's Swiss and Hong Kong subsidiaries.

Certain prior year reclassifications have been made to the allocation of geographic revenue between the Middle East and Asia.

Operating Segment Data as of and for the Fiscal Year Ended January 31, (in thousands):

	2024	2023	2022
Watch and Accessory Brands:			
Owned brands category			
	\$ 198,612	\$ 230,277	\$ 249,940
Licensed brands category			
	362,311	399,556	368,354
After-sales service and all other			
	7,743	10,506	7,929
Total Watch and Accessory Brands			
	568,666	640,339	626,223
Company Stores			
	103,935	111,559	106,170
Consolidated total			
	\$ 672,601	\$ 751,898	\$ 732,393
	<hr/>	<hr/>	<hr/>
	2024	2023	2022
Watch and Accessory Brands			
	\$ 37,538	\$ 95,037	\$ 85,619
Company Stores			
	17,167	25,317	31,872
Consolidated total			
	\$ 54,705	\$ 120,354	\$ 117,491
	<hr/>	<hr/>	<hr/>
	2024	2023	2022
Watch and Accessory Brands			
	\$ 710,067	\$ 722,267	\$ 2,956
Company Stores			
	59,015	65,438	2,762
Consolidated total			
	\$ 769,082	\$ 787,705	\$ 5,656
	<hr/>	<hr/>	<hr/>
	2024	2023	2022
	Depreciation and Amortization		

Watch and Accessory Brands

	7,266	\$	8,233	\$	9,810
Company Stores					
	2,378		2,576		2,653
Consolidated total					
	9,644	\$	10,809	\$	12,463

Geographic Location Data as of and for the Fiscal Year Ended January 31, (in thousands):

	2024	Net Sales (4) 2023	2022	2024	Operating Income/(Loss)				
					(1)	(2)	(3)	(5)	(6)
United States					(
	\$ 290,256	\$ 333,913	\$ 346,092	\$ 13,857)	\$ 21,178	\$ 40,476		
International									
	382,345	417,985	386,301	68,562		99,176	77,015		
Consolidated total									
	\$ 672,601	\$ 751,898	\$ 732,393	\$ 54,705		\$ 120,354	\$ 117,491		
			Total Assets		Property, Plant and Equipment, Net				
	2024	2023	2024	2023	2024	2023			
United States									
	\$ 361,980	\$ 425,209	\$ 11,950	\$ 13,422					
International									
	407,102	362,496	7,486	5,277					
Consolidated total									
	\$ 769,082	\$ 787,705	\$ 19,436	\$ 18,699					

(1) Fiscal 2022 operating income in the United States locations and the International locations of the Watch and Accessory Brands segment included income of \$

0.1
million and \$

1.0
million, respectively, related to a reversal in certain corporate initiatives charges primarily due to a collection of a previously reserved receivable.

(2) Fiscal 2024, 2023 and 2022 operating (loss)/income in the United States locations of the Watch and Accessory Brands segment included \$

0.3
million, \$

0.3
million and \$

0.4
million, respectively, of expenses primarily related to the amortization of intangible assets and deferred compensation associated with the MVMT brand.

(3) Fiscal 2024, 2023 and 2022 operating income in the International locations of the Watch and Accessory Brands segment included \$

1.8
million, \$

2.6
million and \$

2.9
million, respectively, of expenses primarily related to the amortization of acquired intangible assets as a result of the Company's acquisition of the Olivia Burton brand.

(4) The United States and International net sales are net of intercompany sales of \$

260.1
million, \$

350.5
million and \$

358.9
million for the fiscal years ended January 31, 2024, 2023 and 2022, respectively.

(5) The United States operating (loss)/income included \$

30.8
million, \$

37.0
million and \$

38.7
million of unallocated corporate expenses for the fiscal years ended January 31, 2024, 2023 and 2022, respectively.

(6) The International operating income included \$

71.5
million, \$

81.0
million and \$

80.5
million of certain intercompany profits related to the Company's supply chain operations for the fiscal years ended January 31, 2024, 2023 and 2022, respectively.

Schedule II
MOVADO GROUP, INC.
VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

Description	Balance at beginning of year	Net provision/(be nefit) charged to operations	Currency revaluation	Net write-offs	Balance at end of year
Year ended January 31, 2024:					
Allowance for expected credit losses				(
	\$ 4,977	\$ 1,375	\$ 173	\$ 3,259 ⁽²⁾	\$ 3,266
Returns				(
	13,087	30,515	216	31,045 ⁽¹⁾	12,773
Other sales allowances				(
	8,494	16,460	104	18,183 ⁽¹⁾	6,875
Deferred tax asset valuation allowance				(
	4,041	372	185 ⁽¹⁾	930 ⁽¹⁾	3,298
Total				(
	<u>\$ 30,599</u>	<u>\$ 48,722</u>	<u>\$ 308</u>	<u>\$ 53,417</u>	<u>\$ 26,212</u>
Year ended January 31, 2023:					
Allowance for expected credit losses				(
	\$ 5,831	\$ 1,000	\$ 8 ⁽¹⁾	\$ 1,846 ⁽¹⁾	\$ 4,977
Returns				(
	13,715	30,418	59 ⁽¹⁾	30,987 ⁽¹⁾	13,087
Other sales allowances				(
	9,105	15,258	76 ⁽¹⁾	15,793 ⁽¹⁾	8,494
Deferred tax asset valuation allowance				(
	7,021	2,193 ⁽¹⁾	328 ⁽¹⁾	459 ⁽¹⁾	4,041
Total				(
	<u>\$ 35,672</u>	<u>\$ 44,483</u>	<u>\$ 471</u>	<u>\$ 49,085</u>	<u>\$ 30,599</u>
Year ended January 31, 2022:					
Allowance for expected credit losses				(
	\$ 7,042	\$ 98 ⁽¹⁾	\$ 161 ⁽¹⁾	\$ 952 ⁽¹⁾	\$ 5,831
Returns				(
	13,901	31,105	223 ⁽¹⁾	31,068 ⁽¹⁾	13,715
Other sales allowances				(
	8,154	10,798	169 ⁽¹⁾	9,678 ⁽¹⁾	9,105

Deferred tax asset valuation allowance			((
	7,007	1,001	158	829
Total))
			((
	<u>\$ 36,104</u>	<u>\$ 42,806</u>	<u>\$ 711</u>)	<u>\$ 42,527</u>)
				<u>\$ 35,672</u>

(1) Includes a \$

0.9

million reversal due to the Company collecting fully on a customer account previously reserved as part of the corporate initiatives.

(2) Activity in fiscal year 2024 includes approximately \$

2.5

million of write-offs associated with a fully reserved non-current asset that occurred in fiscal year 2022.

EXHIBIT 10.2

AMENDMENT NO. 5 TO CREDIT AGREEMENT

This AMENDMENT NO. 5 TO CREDIT AGREEMENT (this “Amendment”), dated as of January 30, 2024 (the “Amendment Date”), is made by and among Movado Group, Inc., a New York corporation (“Parent”), Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group GmbH, a limited liability company organized and existing under the laws of Switzerland (collectively, with Parent, the “Borrowers”), Movado Group Nederland B.V., a private company with limited liability incorporated under the laws of the Netherlands (“Nederland BV”), and, in its capacity as a guarantor, the “Guarantor” and, collectively with the Borrowers, the “Loan Parties”), the Lenders party hereto and Bank of America, N.A., in its capacity as administrative agent (in such capacity, the “Administrative Agent”) under that certain Amended and Restated Credit Agreement, dated as of October 12, 2018 (as amended, modified, extended, restated, replaced, or supplemented from time to time and in effect immediately prior to this Amendment, the “Existing Credit Agreement”, and as amended pursuant hereto and as further amended, modified, extended, restated, replaced, or supplemented from time to time, the “Credit Agreement”), by and among the Borrowers, the Guarantors party thereto, the Lenders, and the Administrative Agent. Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

WHEREAS, a Guarantor under the Existing Credit Agreement, MGI Luxury Group B.V., a private company with limited liability incorporated under the laws of the Netherlands (“MGI BV”), merged with and into Nederland BV on January 30, 2024, with Nederland BV as the surviving entity, in accordance with and as permitted under Section 7.04(a) of the Existing Credit Agreement (the “Merger”);

WHEREAS, the Borrowers have requested that the Administrative Agent and the Lenders make certain amendments to the Credit Agreement and the Loan Documents, including, but not limited to, deleting references to MGI BV in general and references to MGI BV’s pledge of its equity interests in Nederland BV, and, subject to the terms and conditions herein, the Administrative Agent and the Lenders have agreed to such amendments, on the terms provided herein, to be effective as of the Amendment Date; and

WHEREAS, the Loan Parties, the Administrative Agent and the Lenders each acknowledge that the terms of this Amendment constitute a modification to, and not a novation or extinguishment of, the Credit Agreement and the other Loan Documents and except as expressly modified herein, all terms, conditions, rights and obligations as set out in the Loan Documents are hereby reaffirmed and shall otherwise remain in full force and effect as originally written and agreed.

NOW, THEREFORE, in consideration of the foregoing premises, which are confirmed by the parties hereto as a true, correct and substantive part of this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendments to Existing Credit Agreement and other Loan Documents.

(a) Amended Definitions.

(i) The definition of “Guarantors” in the Credit Agreement is hereby amended and restated in its entirety as follows:

““Guarantors” means, collectively, (a) the Parent, Nederland BV and the other Subsidiaries of the Parent as are or may from time to time become parties to this Agreement pursuant to Section 6.13, (b) with respect to Additional Secured Obligations

owing by any Loan Party, or any of its Subsidiaries or Affiliates, any Foreign Subsidiary Secured Obligations and any Swap Obligation of a Specified Loan Party (determined before giving effect to Sections 10.01 and 10.11) under the Guaranty, the Domestic Borrowers and (c) with respect to Additional Secured Obligations owing by any Foreign Loan Party, or any of its Subsidiaries or Affiliates that are Foreign Subsidiaries, any Foreign Subsidiary Secured Obligations and any Swap Obligation of a Specified Loan Party (determined before giving effect to Sections 10.01 and 10.11) that is a Foreign Loan Party under the Guaranty, the Foreign Borrowers, subject, in the case of each Foreign Loan Party, to the limitations otherwise set forth in this Agreement.”

(ii) The definition “MGI BV” in the Credit Agreement is hereby deleted in its entirety.

(b) The last paragraph of Section 6.14(c) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“Additionally, Nederland BV will continue to pledge its equity interests in MGI GmbH to the Administrative Agent in its capacity as administrative agent for the Secured Parties to secure Nederland BV’s obligations hereunder as a Foreign Guarantor.”

(c) Except to the extent expressly amended in any Loan Document, including, without limitation, the Pledge Agreement (as defined below), each reference to MGI BV shall be deleted in its entirety in each Loan Document.

(d) Schedules 1.01(c), 5.20(a), 5.20(b), and 5.21(c) to the Credit Agreement are hereby amended and restated as set forth on Annex 1 attached hereto.

2. Conditions to Effectiveness. This Amendment shall become effective as of the Amendment Date, provided that each of the following conditions to effectiveness shall have been satisfied in each case in form and substance acceptable to the Administrative Agent:

(a) Amendment. The Administrative Agent shall have received a counterpart signature page to this Amendment duly executed and delivered by each of the Loan Parties and each of the Lenders.

(b) Amendment No. 2 to the Pledge Agreement. The Administrative Agent shall have received a counterpart signature page to the Amendment No. 2 to that certain Pledge Agreement dated as of November 1, 2019, by and among MGI BV, Nederland BV, and the Administrative Agent (as amended by that certain Amendment No. 1 to Pledge Agreement dated as of August 2, 2022, as further amended, modified, extended, restated, replaced, or supplemented from time to time, the “Pledge Agreement”), duly executed and delivered by Nederland BV.

(c) Officer’s Certificate. The Administrative Agent shall have received an Officer’s Certificate dated the Amendment Date, certifying as to (i) the current articles of association of Nederland BV, together with a certified extract of the trade register for Nederland BV, (ii)(A) a copy of a resolution of the board of managing directors of each of Nederland BV and MGI BV approving the Loan Documents and the Merger, as applicable, to which it is a party and (B) a certified copy of the notarial record containing the minutes of a meeting of the general meeting of shareholders of each of Nederland BV and MGI BV approving the Loan Documents and the Merger, as applicable, to which it is a party) issued by IJ.C. van Straten, civil notary in Amsterdam, the Netherlands, (iii) a certificate of merger issued by IJ.C. van Straten, civil notary

in Amsterdam, the Netherlands in connection with the Merger, (iv) the good standing, existence or its equivalent of Nederland BV and (v) of the incumbency (including specimen signatures) of the Responsible Officers of Nederland BV.

(d) Perfection: Deed of Pledge of Shares. The Administrative Agent shall have received, in form and substance reasonably satisfactory to the Administrative Agent, any filing and recordation necessary or desirable, in the Administrative Agent's sole discretion, to perfect the Administrative Agent's security interest in the Collateral, including, but not limited to, an executed and filed Dutch law notarial deed of shares with respect to the Equity Interests Parent holds in Nederland BV, in form and substance reasonably satisfactory to the Administrative Agent (the "Deed of Shares"), duly executed and delivered by Parent.

(e) Other Documents; Additional Information. All other documents, additional information and materials provided for herein or which the Administrative Agent or any other Lender may reasonably request or require.

3. Representations and Warranties. Each of the Loan Parties represents and warrants to the Lenders and the Administrative Agent that:

(a) The execution, delivery and performance of this Amendment and the transactions contemplated hereby have been duly authorized by all necessary corporate or other organizational action by the Guarantors and the Borrowers, as applicable, and do not and will not (i) contravene the terms of any of such Person's Organization Documents or (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (A) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries, except for any conflict, breach or contravention that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, or (B) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (iii) violate any Law in any material respect;

(b) Each of this Amendment, the Credit Agreement and the other Loan Documents have been duly executed and delivered by each Loan Party that is party thereto, as applicable and constitutes a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principals of equity;

(c) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with (i) the execution, delivery or performance by, or enforcement against, any Loan Party of this Amendment or any other Loan Document, (ii) the grant by any Loan Party of the Liens granted by it pursuant to the Loan Documents, (iii) the perfection or maintenance of the Liens created under the Loan Documents (including the first priority nature thereof) or (iv) the exercise by the Administrative Agent or any Lender of its rights under the Credit Agreement or the Loan Documents or the remedies in respect of the Collateral pursuant to the Loan Documents, other than (A) authorizations, approvals, actions, notices and filings which have been duly obtained and (B) filings to perfect the Liens created by the Loan Documents;

(d) Before and after giving effect to this Amendment, the representations and warranties made by each Loan Party contained in Article II of the Credit Agreement, Article V of

the Credit Agreement and each other Loan Document are (i) with respect to representations and

warranties that contain a materiality qualification, true and correct on and as of the date hereof and (ii) with respect to representations and warranties that do not contain a materiality qualification, true and correct in all material respects as of the date hereof (except that the representations and warranties contained in Sections 5.05(a) and (b) of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Sections 6.01(a) and (b) of the Credit Agreement, respectively), except, in each case, for such representations and warranties that relate solely to an earlier date shall be true and correct as of such earlier date (or with respect to such representations and warranties that do not contain a materiality qualification, be true and correct in all material respects as of such earlier date); and

(e)Before and after giving effect to this Amendment, no Default or Event of Default under the Credit Agreement shall have occurred and be continuing.

4. Parent's Confirmation of Pledge. For the avoidance of doubt, Parent hereby confirms the grant to the Administrative Agent, for the benefit of the Secured Parties, of a continuing security interest in any and all right, title and interest of Parent in and to 65% of the Equity Interests it holds in Nederland BV to secure Parent's Obligations, consistent with and pursuant to that certain Security and Pledge Agreement dated as of January 30, 2015, by and among Parent, the other Grantors party thereto, and the Administrative Agent.

5. No Waiver; Reservation of Rights. This Amendment shall not, by implication or otherwise, constitute a waiver of any Default or Event of Default or limit, impair, constitute a waiver of or otherwise affect any rights or remedies of the Administrative Agent or the Lenders under the Credit Agreement or the other Loan Documents, nor alter, modify, amend or in any way affect any of the terms, obligations or covenants contained in the Credit Agreement or the Loan Documents, all of which shall continue in full force and effect, except to the extent expressly amended in Section 2 hereof. The Loan Parties hereby acknowledge that the Administrative Agent and the Lenders have not made any agreement or commitment to modify the Loan Documents other than as expressly set forth herein, and nothing in this Amendment shall be construed to imply any willingness on the part of the Administrative Agent or the Lenders to grant any future consent or waiver of any of the terms and conditions of the Credit Agreement or the other Loan Documents. The Lender Parties hereby reserve all rights and remedies available to them under the Loan Documents and applicable law.

6. Ratification, etc. Except as expressly amended hereby, the Credit Agreement and all other Loan Documents are hereby ratified and confirmed in all respects and shall continue in full force and effect. This Amendment and the Credit Agreement shall hereafter be read and construed together as a single document, and all references in the Credit Agreement, any other agreements or instruments related to the Credit Agreement shall hereafter refer to the Credit Agreement as amended by this Amendment. The Loan Parties, the Agent and the Lenders agree that the guarantees, the liens, assignments and security interests created by the Loan Documents, except to the extent previously released, shall continue and carry forward until the occurrence of the Facility Termination Date. The Loan Parties further agree that such guarantees, liens, assignments and security interests are hereby ratified and affirmed as valid and subsisting against the property described in the Loan Documents and that this Amendment shall in no manner vitiate, affect or impair the Loan Documents (except as expressly modified in this Agreement) and that such guarantees, liens, assignments, and security interests shall not in any manner be waived, released, altered or modified. Each Guarantor hereby reaffirms its guarantee contained in Article X of the Credit Agreement of the prompt payment of the Guaranteed Obligations in full when due, and acknowledges and agrees that such guarantee is and shall remain in full force and effect after giving effect to this Amendment. The Loan Parties acknowledge and agree that the Obligations include, and the Borrowers owe to Administrative Agent and Lenders, all of Administrative Agent and the Lenders' reasonable expenses, costs and fees, including reasonable attorneys' fees actually incurred in the enforcement of the Loan Documents and drafting and negotiation of this Amendment to the extent set

forth in Section 11.04 of the Credit Agreement. The Loan Parties acknowledge and agree that, as of the Amendment Date, there are no offsets, defenses or claims against any part of the obligations under the Loan Documents. The execution of this Amendment shall not operate as a novation, or waiver of any right, power or remedy of the Administrative Agent, the L/C Issuer, the Lenders or Secured Parties, or waiver of any provision of any of the Loan Documents. The Loan Parties agree and acknowledge that this Amendment shall be deemed a Loan Document. All references in the Loan Documents to the Credit Agreement shall be deemed to be references to the Credit Agreement, as amended by this Amendment.

7. Waiver and Release. The Loan Parties warrant and represent to the Administrative Agent and the Lenders that the loans evidenced by the Loan Documents are not subject to any credits, charges, claims, or rights of offset or deduction of any kind or character whatsoever and, as a material part of the consideration for the Agent and the Lenders entering into this Agreement, each Loan Party agrees as follows (the "Release Provision"):

(a) EACH LOAN PARTY HEREBY RELEASES AND FOREVER DISCHARGES THE ADMINISTRATIVE AGENT AND THE LENDERS AND EACH OF THEIR PREDECESSORS, SUCCESSORS, ASSIGNS, OFFICERS, MANAGERS, DIRECTORS, MEMBERS, SHAREHOLDERS, EMPLOYEES, AGENTS, ATTORNEYS, REPRESENTATIVES, PARENT CORPORATIONS, SUBSIDIARIES, AND AFFILIATES (HEREINAFTER ALL OF THE ABOVE COLLECTIVELY REFERRED TO AS "RELEASED PARTIES") JOINTLY AND SEVERALLY FROM ANY AND ALL CLAIMS, COUNTERCLAIMS, DEMANDS, DAMAGES, DEBTS, AGREEMENTS, COVENANTS, SUITS, CONTRACTS, OBLIGATIONS, LIABILITIES, ACCOUNTS, OFFSETS, RIGHTS, ACTIONS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER OCCURRING PRIOR TO THE DATE HEREOF AND ARISING OUT OF OR RELATED TO THE LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION FOR CONTRIBUTION AND INDEMNITY, WHETHER ARISING AT LAW OR IN EQUITY, PRESENTLY POSSESSED, WHETHER KNOWN OR UNKNOWN, WHETHER LIABILITY BE DIRECT OR INDIRECT, LIQUIDATED OR UNLIQUIDATED, PRESENTLY ACCRUED, WHETHER ABSOLUTE OR CONTINGENT, FORESEEN OR UNFORESEEN, AND WHETHER OR NOT HERETOFORE ASSERTED, SPECIFICALLY EXCLUDING, HOWEVER, CLAIMS ARISING FROM THE GROSS NEGLIGENCE AND/OR WILLFUL MISCONDUCT OF ANY OF THE RELEASED PARTIES, AS DETERMINED BY A COURT OF COMPETENT JURISDICTION ("CLAIMS"), WHICH SUCH LOAN PARTY MAY HAVE OR CLAIM TO HAVE AGAINST ANY RELEASED PARTIES.

(b) Each Loan Party agrees not to sue any Released Parties or in any way assist any other Person in suing any Released Parties with respect to any Claim released herein. The Release Provision may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceeding which may be instituted, prosecuted, or attempted in breach of the release contained herein.

(c) Each Loan Party acknowledges, warrants, and represents to Released Parties that:

(i) Each Loan Party has read and understands the effect of the Release Provision. Each Loan Party has had the assistance of independent counsel of its own choice, or has had the opportunity to retain such independent counsel, in reviewing, discussing, and considering all the terms of the Release Provision; and if counsel was retained, counsel for each Loan Party has read and considered the Release Provision and advised each Loan Party to execute the same. Before execution of this Agreement, each Loan Party has had adequate

opportunity to make whatever investigation or inquiry it may deem necessary or desirable in connection with the subject matter of the Release Provision.

(ii) No Loan Party is acting in reliance on any representation, understanding, or agreement not expressly set forth herein. Each Loan Party acknowledges that the Released Parties have not made any representation with respect to the Release Provision except as expressly set forth herein.

(iii) Each Loan Party has executed this Agreement and the Release Provision thereof as its free and voluntary act, without any duress, coercion, or undue influence exerted by or on behalf of any Person.

(iv) Each Loan Party is the sole owner of the Claims released by the Release Provision, and no Loan Party has heretofore conveyed or assigned any interest in any such Claims to any other Person.

(d) Each Loan Party understands that the Release Provision was a material consideration in the agreement of the Administrative Agent and the Lenders to enter into this Agreement.

(e) It is the express intent of the Loan Parties that the release and discharge set forth in the Release Provision be construed as broadly as possible in favor of the Released Parties so as to foreclose forever the assertion by each Loan Party of any Claims released hereby against Released Parties.

(f) If any term, provision, covenant, or condition of the Release Provision is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the remainder of the provisions shall remain in full force and effect.

8. Counterparts; Governing Law. This Amendment may, if agreed by the Administrative Agent, be in the form of an Electronic Record and may be executed using Electronic Signatures (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. This Amendment may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Amendment. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Bank pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Bank has agreed to accept such Electronic Signature, the Bank shall be entitled to rely on any such Electronic Signature without further verification and (b) upon the request of the Bank any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time. THIS AMENDMENT SHALL BE GOVERNED BY AND INTERPRETED AND DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

THIS AMENDMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AMENDMENT, AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE

OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have duly executed this Amendment No. 5 to Credit Agreement as of the day and year first above written.

BORROWERS: MOVADO GROUP, INC.

By: /s/ Mitchell Sussis
Name: Mitchell Sussis
Title: Sr. Vice President and Secretary

MOVADO GROUP DELAWARE HOLDINGS CORPORATION

By: /s/ Mitchell Sussis
Name: Mitchell Sussis
Title: President and Secretary MOVADO, LLC
By: /s/ Mitchell Sussis
Name: Mitchell Sussis
Title: President and Secretary MOVADO RETAIL GROUP,
INC.
By: /s/ Mitchell Sussis
Name: Mitchell Sussis Title: Secretary

[SIGNATURE PAGE TO AMENDMENT NO. 5 (BOA-MOVADO 2024)]

MGI LUXURY GROUP GMBH

By: /s/ Mitchell Sussis
Name: Mitchell Sussis
Title: Authorized Signatory

GUARANTOR MOVADO GROUP NEDERLAND, B.V.

By: /s/ James Halpin
Name: James Edward Halpin Title: Director A

By: /s/ Sebastian Donner
Name: Jan Sebastian Donner Title: Director B

ADMINISTRATIVE AGENT: BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ DeWayne Rosse

Name: Title:

DeWayne D. Rosse Assistant Vice President

LENDERS: BANK OF AMERICA, N.A.,
as a Lender, L/C Issuer and Swingline Lender

By: /s/ Jana Baker

Name: Title:

Jana L. Baker
Senior Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 5 (BOA-MOVADO 2024)]

PNC BANK, NATIONAL ASSOCIATION
as a Lender

By: /s/ Gina Spinelli

Name: Title:

Gina Spinelli Relationship Manager

[SIGNATURE PAGE TO AMENDMENT NO. 5 (BOA-MOVADO 2024)]

ANNEX 1

SCHEDULE 1.01(c)
to
Credit Agreement

RESPONSIBLE OFFICERS

SCHEDULE 5.20(a)
to
Credit Agreement

SUBSIDIARIES; JOINT VENTURES; PARTNERSHIPS AND OTHER EQUITY INVESTMENTS

SCHEDULE
5.20(b)
to
Credit
Agreement

LOAN
PARTIES

SCHEDULE 5.21(c)
to
Credit Agreement

PLEDGED EQUITY INTERESTS

AMENDMENT NO. 1 TO PLEDGE AGREEMENT

THIS AMENDMENT NO. 1 TO PLEDGE AGREEMENT (this "Amendment") is entered into as of August 2, 2022 by and among MGI Luxury Group, B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands having its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands, its registered office at Basisweg 10, 1043AP Amsterdam, the Netherlands and registered with the Dutch Chamber of Commerce under 642095470 ("MGI BV"), Movado Group Nederland B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands having its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands, its registered office at Basisweg 10, 1043AP Amsterdam, the Netherlands and registered with the Dutch Chamber of Commerce under 34242495 ("Nederland BV", and, together with MGI BV, each individually a "Pledgor", and collectively, the "Pledgors") and BANK OF AMERICA, N.A., in its capacity as administrative agent (in such capacity, the "Administrative Agent") for the Secured Parties.

RECITALS

WHEREAS, pursuant to that certain Amended and Restated Credit Agreement, dated as of October 12, 2018 (as amended, modified, extended, restated, renewed, replaced, or supplemented from time to time, the "Credit Agreement"), among Movado Group, Inc. and the other Borrowers party thereto from time to time, the Guarantors and Lenders party thereto from time to time and the Administrative Agent, the Lenders have agreed to make Loans and issue Letters of Credit upon the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to the terms of the Credit Agreement, the parties hereto previously entered into that certain Pledge Agreement as of November 1, 2019 (the "Pledge Agreement") pursuant to which, among other things, each Pledgor pledged and granted to the Administrative Agent, for the benefit of the Secured Parties, a continuing security interest in, and a right to set off against, any and all right, title and interest of such Pledgor in and to all Pledged Equity to secure the prompt payment and performance in full when due, whether by lapse of time, acceleration, mandatory prepayment or otherwise, of the Secured Obligations;

WHEREAS, the Pledged Equity included 100% of the issued and outstanding Equity Interests (the "Movado SA Equity Interests") held by Nederland BV in Movado Watch Company SA, a company organized and existing under the laws of Switzerland ("Movado SA");

WHEREAS, Movado SA has been merged (the "Swiss Merger") with and into its wholly- owned subsidiary, MGI Luxury Group GmbH, a limited liability company organized and existing under the laws of Switzerland ("MGI GmbH");

WHEREAS, as a result of the Swiss Merger, Movado SA no longer exists and the Movado SA Equity Interests have been canceled, thereby resulting in the cancellation of Nederland BV's pledge of the Movado SA Equity Interests; and

WHEREAS, pursuant to the Credit Agreement, Nederland BV is now required to pledge the Equity Interests in MGI GmbH that it has acquired as a result of the Swiss Merger.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Pledge Agreement.

2. Amendment of Definition of Pledged Equity.

The definition of "Pledged Equity" set forth in the Pledge Agreement is hereby amended and restated to read in its entirety as follows:

“Pledged Equity” means, (i) with respect to MGI BV, 100% of the issued and outstanding Equity Interests it holds in Nederland BV, (ii) with respect to Nederland BV, 100% of the issued and outstanding Equity Interests it holds in MGI Luxury Group GmbH, and (iii) in the case of any other Pledgor, such Equity Interests as described in such Pledgor’s joinder to this Agreement, in each case together with the certificates (or other agreements or instruments), if any, representing such shares, and all options and other rights, contractual or otherwise, with respect thereto, including, but not limited to, the following:

- (1) all Equity Interests representing a dividend thereon, or representing a distribution or return of capital upon or in respect thereof, or resulting from a stock split, revision, reclassification or other exchange therefor, and any subscriptions, warrants, rights or options issued to the holder thereof, or otherwise in respect thereof; and
- (2) in the event of any consolidation or merger involving any Issuer and in which such Issuer is not the surviving Person, all shares of each class of the Equity Interests of the successor Person formed by or resulting from such consolidation or merger, to the extent that such successor Person is a direct Subsidiary of a Pledgor.”

3. Representations and Warranties. Each Pledgor hereby represents and warrants to the Administrative Agent, for the benefit of the Secured Parties that:

(a) **Ownership.** Each Pledgor has good and valid rights in and title to its Collateral and has the right to pledge, sell, assign or transfer the same. As of the date hereof, there exists no Adverse Claim with respect to the Pledged Equity of such Pledgor.

(b) **Security Interest/Priority.** The Pledge Agreement, as amended by this Amendment, creates a valid security interest in favor of the Administrative Agent, for the benefit of the Secured Parties, in the Collateral of such Pledgor and, when properly perfected by filing, shall constitute a valid and perfected, first priority security interest (subject only to Permitted Liens) in such Collateral (including all uncertificated Pledged Equity that does not constitute a Security), to the extent such security interest can be perfected by filing under the UCC, free and clear of all Liens except for Permitted Liens. No Pledgor has authenticated any agreement authorizing any secured party thereunder to file a financing statement, except to perfect Permitted Liens. The taking possession by the Administrative Agent of the certificated securities (if any) evidencing the Pledged Equity will perfect and establish the first priority of the Administrative Agent's security interest in all the Pledged Equity evidenced by such certificated securities.

(c) **Authorization of Pledged Equity.** All Pledged Equity (i) is duly authorized and validly issued, (ii) is fully paid and, to the extent applicable, nonassessable and is not subject to the preemptive rights of any Person, (iii) is beneficially owned as of record by a Pledgor and (iv) constitute all the issued and outstanding shares of all classes of the equity of such Issuer issued to such Pledgor.

(d) **No Other Equity Interests.** As of the date hereof, no Pledgor owns any certificated Equity Interests in any Subsidiary that are required to be pledged and delivered to the Administrative Agent hereunder except as set forth on Schedule 5.21(c) to the Credit Agreement (as updated from time to time in accordance with the Credit Agreement). All such certificated securities have been delivered to the Administrative Agent to the extent (A) requested by the Administrative Agent or (B) as required by the terms of the Pledge Agreement and the other Loan Documents.

(e) **Partnership and Limited Liability Company Interests.** Except for the Equity Interests of MGI GmbH and as previously disclosed to the Administrative Agent, none of the Collateral consisting of an interest in a partnership or a limited liability company (i) is dealt in or traded on a securities exchange or in a securities market, (ii) by its terms expressly provides that it is a Security governed by Article 8 of the UCC, (iii) is an Investment Company Security, (iv) is held in a Securities Account or (v) constitutes a Security or a Financial Asset.

(f) **Consents; Etc.** No approval, consent, exemption, authorization or other action by, notice to, or filing with, any Governmental Authority or any other Person (including, without limitation, any stockholder, member or creditor of such Pledgor), is necessary or required for (i) the grant by such Pledgor of the security interest in the Collateral granted hereby or for the execution, delivery or performance of this

Amendment by such Pledgor, (ii) the perfection of such security interest (to the extent such security interest can be perfected by filing under the UCC or the granting of control (to the extent required under Section 4(c) of the Pledge Agreement) or (iii) the exercise by the Administrative Agent or the Secured Parties of the rights and remedies provided for in the Pledge Agreement (including, without limitation, as against any Issuer), except for (A) the filing or recording of UCC financing statements, (B) obtaining control to perfect the Liens created by the Pledge Agreement (to the extent required or permitted under the UCC), (C) such actions as may be required by Laws affecting the offering and sale of securities, (D) such actions as may be required by applicable foreign Laws affecting the pledge and transfer of the Pledged Equity of Foreign Subsidiaries, and (E) consents, authorizations, filings or other actions which have been obtained or made.

4. This Amendment shall be deemed to be a part of, and a modification to, the Pledge Agreement and shall be governed by all the terms and provisions of the Pledge Agreement, which terms are incorporated herein by reference, are ratified and confirmed and shall continue in full force and effect as valid and binding agreement of the Pledgor and enforceable against each such Pledgor.

5. Counterparts. This Amendment may be executed in any number of counterparts, each of which where so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Amendment to produce or account for more than one such counterpart. Delivery of an executed counterpart of a signature page of this Amendment by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Amendment. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered, upon the request of any party, such fax transmission or electronic mail transmission shall be promptly followed by such manually executed counterpart.

6. Headings. The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Amendment.

7. Governing Law; Submission to Jurisdiction; Venue; WAIVER OF JURY TRIAL. The terms of Sections 11.14 and 11.15 of the Credit Agreement with respect to governing law, submission to jurisdiction, venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

8. Severability. If any provision of this Amendment is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

PLEDGORS:

MGI LUXURY GROUP, B.V.

By: /s/ James Edward Halpin Name: James Edward Halpin Title: Director A

By: /s/ Jan Sebastian Donner

Name: Jan Sebastian Donner Title: Director B

MOVADO GROUP NEDRELAND B.V.

By: /s/ Jan Sebastian Donner By: /s/ James Edward Halpin
Name: Jan Sebastian Donner Name: James Edward Halpin
Title: Director A Title: Director B

Accepted and agreed to as of the date first above written.

BANK OF AMERICA, N:A., as Administrative Agent

By: /s/ Ronaldo Naval

Name: Ronaldo Naval

Title: Vice President

[Signature Page to Amendment No. I to Pledge Agreement (BOA-Movado)]

AMENDMENT NO. 2 TO PLEDGE AGREEMENT

THIS AMENDMENT NO. 2 TO PLEDGE AGREEMENT (this "Amendment") is entered into as of January 30, 2024 by and among Movado Group Nederland B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands having its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands, its registered office at Basisweg 10, 1043AP Amsterdam, the Netherlands and registered with the Dutch Chamber of Commerce under 34242495 (the "Pledgor"), and BANK OF AMERICA, N.A., in its capacity as administrative agent (in such capacity, the "Administrative Agent") for the Secured Parties.

RECITALS

WHEREAS, pursuant to that certain Amended and Restated Credit Agreement, dated as of October 12, 2018 (as amended, modified, extended, restated, renewed, replaced, or supplemented from time to time, the "Credit Agreement"), among Movado Group, Inc. and the other Borrowers party thereto from time to time, the Guarantors and Lenders party thereto from time to time and the Administrative Agent, the Lenders have agreed to make Loans and issue Letters of Credit upon the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to the terms of the Credit Agreement, the Administrative Agent, the Pledgor, and MGI Luxury Group B.V., a private company with limited liability incorporated under the laws of the Netherlands ("MGI BV", and, together with the Pledgor, each, an "Initial Pledgor", and collectively, the "Initial Pledgors") previously entered into that certain Pledge Agreement as of November 1, 2019 (as amended by that certain Amendment No. 1 to Pledge Agreement dated as of August 2, 2022, the "Pledge Agreement") pursuant to which, among other things, each Initial Pledgor pledged and granted to the Administrative Agent, for the benefit of the Secured Parties, a continuing security interest in, and a right to set off against, any and all right, title and interest of such Initial Pledgor in and to all Pledged Equity to secure the prompt payment and performance in full when due, whether by lapse of time, acceleration, mandatory prepayment or otherwise, of the Secured Obligations;

WHEREAS, MGI BV has been merged (the "Dutch Merger") with and into its wholly- owned subsidiary, the Pledgor; and

WHEREAS, as a result of the Dutch Merger, MGI BV no longer exists and the Equity Interests of MGI BV have been canceled;

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Pledge Agreement.

2. Amendment of Definition of Pledged Equity.

The definition of "Pledged Equity" set forth in the Pledge Agreement is hereby amended and restated to read in its entirety as follows:

““Pledged Equity” means, (i) with respect to Nederland BV, 100% of the issued and outstanding Equity Interests it holds in MGI Luxury Group GmbH, and (ii) in the case of any other Pledgor, such Equity Interests as described in such Pledgor’s joinder to this Agreement, in each case together with the certificates (or other agreements or instruments), if any, representing such shares, and all options and other rights, contractual or otherwise, with respect thereto, including, but not limited to, the following:

- (1) all Equity Interests representing a dividend thereon, or representing a distribution or return of capital upon or in respect thereof, or resulting from a stock split, revision, reclassification or other exchange therefor, and any subscriptions, warrants, rights or options issued to the holder thereof, or otherwise in respect thereof; and
- (2) in the event of any consolidation or merger involving any Issuer and in which such Issuer is not the surviving Person, all shares of each class of the Equity Interests of the successor Person formed by or resulting from such consolidation or merger, to the extent that such successor Person is a direct Subsidiary of a Pledgor.”

3. Representations and Warranties. The Pledgor hereby represents and warrants to the Administrative Agent, for the benefit of the Secured Parties that:

(a) **Ownership.** The Pledgor has good and valid rights in and title to its Collateral and has the right to pledge, sell, assign or transfer the same. As of the date hereof, there exists no Adverse Claim with respect to the Pledged Equity of the Pledgor.

(b) **Security Interest/Priority.** The Pledge Agreement, as amended by this Amendment, creates a valid security interest in favor of the Administrative Agent, for the benefit of the Secured Parties, in the Collateral of the Pledgor and, when properly perfected by filing, shall constitute a valid and perfected, first priority security interest (subject only to Permitted Liens) in such Collateral (including all uncertificated Pledged Equity that does not constitute a Security), to the extent such security interest can be perfected by filing under the UCC, free and clear of all Liens except for Permitted Liens. The Pledgor has not authenticated any agreement authorizing any secured party thereunder to file a financing statement, except to perfect Permitted Liens. The taking possession by the Administrative Agent of the certificated securities (if any) evidencing the Pledged Equity will perfect and establish the first priority of the Administrative Agent's security interest in all the Pledged Equity evidenced by such certificated securities.

(c) **Authorization of Pledged Equity.** All Pledged Equity (i) is duly authorized and validly issued, (ii) is fully paid and, to the extent applicable, nonassessable and is not subject to the preemptive rights of any Person, (iii) is beneficially owned as of record by the Pledgor and (iv) constitute all the issued and outstanding shares of all classes of the equity of such Issuer issued to the Pledgor.

(d) **No Other Equity Interests.** As of the date hereof, the Pledgor does not own any certificated Equity Interests in any Subsidiary that are required to be pledged and delivered to the Administrative Agent hereunder except as set forth on Schedule 5.21(c) to the Credit Agreement (as updated from time to time in accordance with the Credit Agreement). All such certificated securities have been delivered to the Administrative Agent to the extent (A) requested by the Administrative Agent or (B) as required by the terms of the Pledge Agreement and the other Loan Documents.

(e) **Partnership and Limited Liability Company Interests.** Except for the Equity Interests of MGI GmbH and as previously disclosed to the Administrative Agent, none of the Collateral consisting of an interest in a partnership or a limited liability company (i) is dealt in or traded on a securities exchange or in a securities market, (ii) by its terms expressly provides that it is a Security governed by Article 8 of the UCC, (iii) is an Investment Company Security, (iv) is held in a Securities Account, or (v) constitutes a Security or a Financial Asset.

(f) **Consents; Etc.** No approval, consent, exemption, authorization or other action by, notice to, or filing with, any Governmental Authority or any other Person (including, without limitation, any stockholder, member or creditor of the Pledgor), is necessary or required for (i) the grant by the Pledgor of the security interest in the

Collateral granted hereby or for the execution, delivery or performance of this Amendment by the Pledgor, (ii) the perfection of such security interest (to the extent such security interest can be perfected by filing under the UCC or the granting of control (to the extent required under Section 4(c) of the Pledge Agreement) or (iii) the exercise by the Administrative Agent or the Secured Parties of the rights and remedies provided for in the Pledge Agreement (including, without limitation, as against any Issuer), except for (A) the filing or recording of UCC financing statements, (B) obtaining control to perfect the Liens created by the Pledge Agreement (to the extent required or permitted under the UCC), (C) such actions as may be required by Laws affecting the offering and sale of securities, (D) such actions as may be required by applicable foreign Laws affecting the pledge and transfer of the Pledged Equity of Foreign Subsidiaries, and (E) consents, authorizations, filings or other actions which have been obtained or made.

4. This Amendment shall be deemed to be a part of, and a modification to, the Pledge Agreement and shall be governed by all the terms and provisions of the Pledge Agreement, which terms are incorporated herein by reference, are ratified and confirmed and shall continue in full force and effect as valid and binding agreement of the Pledgors (as defined in the Pledge Agreement) and enforceable against each such Pledgor (as defined in the Pledge Agreement).

5. Counterparts. This Amendment may be executed in any number of counterparts, each of which where so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Amendment to produce or account for more than one such counterpart. Delivery of an executed counterpart of a signature page of this Amendment by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Amendment. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered, upon the request of any party, such fax transmission or electronic mail transmission shall be promptly followed by such manually executed counterpart.

6. Headings. The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Amendment.

7. Governing Law; Submission to Jurisdiction; Venue; WAIVER OF JURY TRIAL. The terms of Sections 11.14 and 11.15 of the Credit Agreement with respect to governing law, submission to jurisdiction, venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

8. Severability. If any provision of this Amendment is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

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Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

PLEDGOR: MOVADO GROUP NEDERLAND B.V.

By: /s/ James Edward Halpin

Name: James Edward Halpin
Title: Director A

By: /s/ Jan Sebastian Donner

Name: Jan Sebastian Donner
Title: Director B

Accepted and agreed to as of the date first above written.

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ DeWayne Rosse

Name: DeWayne D. Rosse
Title: Assistant Vice President

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

FOURTH AMENDMENT OF LEASE

THIS FOURTH AMENDMENT OF LEASE (the "Fourth Amendment") dated as of August 24, 2023 by and between **FORSGATE INDUSTRIAL COMPLEX**, a limited partnership with an address at 400 Hollister Road, Teterboro, New Jersey 07608 (hereinafter called "Landlord") and **MOVADO GROUP, INC.**, a New York corporation, having its principal offices at 650 From Road, Paramus, New Jersey 07652 (hereinafter called "Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into a Lease dated May 22, 2000, as amended by a First Amendment of Lease dated February 27, 2009, as amended by a Second Amendment of Lease dated June 20, 2018, and as amended by a Third Amendment of Lease dated November 14, 2019 (as amended, the "Lease"), for approximately 99,962 square feet in a building (the "Premises") located on property more commonly known as 105 State Street, Moonachie, New Jersey;

WHEREAS, Tenant has made certain alterations to the Premises which need to be restored at the end of term; and

WHEREAS, Tenant and Landlord desire to amend the Lease to, among other things, extend the term of the Lease, subject to Tenant's payment to Landlord of the Restoration Payment and Restoration Fee Payment (as such terms are hereinafter defined) as set forth below.

NOW THEREFORE, for ten dollars and other good and valuable consideration, the parties agree as follows:

1. The term of the Lease is hereby extended. Accordingly, Paragraph I(d) of the Lease shall be deleted and replaced with the following language:

"To commence on June 1, 2000 and to terminate on August 31, 2035 ("Termination Date")."

2. Fixed Basic Rent from March 1, 2025 to August 31, 2035 shall be in the amounts set forth below, payable in equal monthly installments as set forth below, due and payable the first day of each month in advance.

Year	Annual	Monthly
March 1, 2025 - July 31, 2026	[***]	[***]
August 1, 2026 - July 31, 2027	[***]	[***]
August 1, 2027 - July 31, 2028	[***]	[***]

August 1, 2028 - July 31, 2029	[***]	[***]
August 1, 2029 - July 31, 2030	[***]	[***]
August 1, 2030- July 31, 2031	[***]	[***]
August 1, 2031 - July 31, 2032	[***]	[***]
August 1, 2032- July 31, 2033	[***]	[***]
August 1, 2033 - July 31, 2034	[***]	[***]
August 1, 2034 - July 31, 2035	[***]	[***]
August 1, 2035 to August 31, 2035	[***]	[***]

3. Provided this Lease is in full force and effect and there is no "event of default" under Paragraph 21 of the Lease, Basic Rent shall abate for five (5) months from March 1, 2025 through July 31, 2025.

4. Landlord and Tenant acknowledge that Tenant has exercised all of its options under the Lease and there are no future options to extend.

5. (a) Landlord and Tenant acknowledge that pursuant to Paragraph 12 of the Third Amendment, Tenant's restoration obligations in respect of alterations, additions and/or improvements heretofore made by Tenant shall be limited to the work set forth on Exhibit C attached thereto. Landlord and Tenant hereby agree that in consideration of Landlord assuming responsibility for those restoration obligations set forth on Exhibit C for which the word "Landlord" has been inserted immediately following the description of the restoration obligation, Tenant shall pay Landlord the Restoration Payment and Restoration Fee Payment as set forth below. Notwithstanding payment of the Restoration Payment and Restoration Fee Payment, the parties acknowledge and agree that additional restoration obligations will be owing in the future by the Tenant to the Landlord to the extent that Tenant makes additional alterations, additions and/or improvements to the Premises after the date hereof.

(i) Simultaneously with the execution of this Fourth Amendment, Tenant shall pay Landlord the sum of [***] (the "Restoration Payment") and in consideration of such amount, Tenant shall only be obligated to perform the items marked

"Tenant" on Exhibit C attached hereto ("Tenant's Obligations") and shall have no surrender/restoration obligations for the other items on Exhibit C.

(ii)On August 31, 2035 (or such earlier date if the term ends sooner), Tenant shall pay Landlord an amount equal to the Base Rent and Expense Rent for the six (6) month period following the Termination Date (September 1, 2035 - February 28, 2036) (the "Restoration Fee Payment") to compensate Landlord for the period of time necessary to perform the work on Exhibit C which are not Tenant's Obligations. The Base Rent monthly rate for such six (6) month period shall be the same as the Base Rent monthly rate as in effect immediately prior to the beginning of such six (6) month period.

(b)Landlord shall use the Restoration Payment together with the Restoration Fee Payment to pay for Tenant's Obligations in lieu of Tenant performing certain of its surrender obligations under the Lease as set forth above.

(c)The parties acknowledge that the restoration work listed on Exhibit C, the Restoration Payment and the Restoration Fee Payment only address alterations, additions and improvements made prior to the date hereof. Tenant shall remain obligated to remove all alterations, additions and/or improvements made after the date hereof and repair all damage resulting therefrom. In addition, Tenant shall remain obligated to otherwise surrender the Premises in the condition required under Paragraph 13 of the Lease, including but not limited to surrendering all systems in good, operable condition.

6.Landlord and Tenant each represents and warrants to the other party that it has not dealt with any brokers or agents in connection with the negotiation of this Amendment of Lease other than Charles Klatskin Co. and Cresa. Landlord and Tenant shall each indemnify, defend and hold harmless the other party from any breach of this representation by the breaching party. Landlord shall pay Charles Klatskin Co. and Cresa pursuant to a separate agreement.

7.This Fourth Amendment may be executed in counterparts, and all counterparts together shall be construed as one document. Portable document format (PDF) signatures transmitted by electronic mail shall be considered originals for purposes of this Fourth Amendment.

8.Except as expressly modified herein, all of the provisions of the Lease shall remain unchanged and in full force and effect and Landlord and Tenant ratify and confirm the terms of the Lease.

IN WITNESS WHEREOF the parties have executed this Fourth Amendment on the day and year first above written.

FORSGATE INDUSTRIAL COMPLEX,
Landlord

By: Samuel A. Klatskin
Samuel A. Klatskin, General Partner

By: Stephen Seiden
Stephen Seiden, General Partner

MOVADO GROUP, INC.,
Tenant

By: Mitchell Sussis
Name: Mitchell Sussis
Title: Senior VP

*CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

[***] INDICATES THAT INFORMATION HAS BEEN REDACTED.



AMENDED AND RESTATED LICENSE AGREEMENT

This Amended and Restated License Agreement (this "Agreement") is entered into this 13th day of January 2015, by and among Coach, Inc., a Maryland corporation having offices at 516 West 34th Street, New York, New York 10001 (hereinafter referred to as "Licensor") and Movado Group, Inc. ("MGI"), a New York corporation with offices at 650 From Road, Ste. 375, Paramus New Jersey 07652 and Swissam Products Limited, a Hong Kong corporation and wholly-owned subsidiary of MGI ("Swissam", together with MGI hereinafter referred to as "Licensee"). This Agreement amends and restates the License Agreement dated December 9, 1996 as amended by Amendments No. 1 through 7, by Licensor and Licensee.

WHEREAS, Licensor is the owner of the trade name Coach (hereinafter referred to as "the Trade Name") and the trademarks, including COACH, COACH and Lozenge Design, and COACH and Tag Design (hereinafter collectively referred to as "the Licensed Marks"), which Licensed Marks are depicted in Schedule I attached hereto and made a part hereof, the Licensed Marks having been used in connection with a wide variety of leather goods and accessories and having been registered on the Principal Register of the United States Patent and Trademark Office and in numerous other countries throughout the world;

WHEREAS, Licensee manufactures, markets and sells watches and desires to use the Trade Name and Licensed Marks in connection with the manufacture, marketing and sale of watches; and

WHEREAS, Licensor is willing to grant Licensee the right to use the Trade Name and Licensed Marks under the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

As used herein the term(s):

1.1 "Authorized COACH Retailer" shall mean any retail outlet not controlled by Licensor but authorized by Licensor to sell products bearing the COACH, COACH and Lozenge Design or COACH and Tag Design trademarks.

1.2 "Contract Year" shall mean each twelve (12) month period commencing July 1 and ending June 30. Contract Years shall be identified by the year in which they end; for example, Contract Year 2015 shall refer to the period commencing July 1, 2014 and ending June 30, 2015.

1.3 "Control, controlling and controlled" shall mean, (i) ownership or voting control, directly or indirectly, of more than fifty percent (50%) of the voting power represented by the outstanding voting stock of a corporation or other majority equity interest if not a corporation and (ii) the power to direct the management and determine the policies of the applicable entity whether directly or indirectly.

1.4 "Licensed Products" shall mean watches and component parts thereof and only watches and component parts thereof marketed or sold under the Trade Name and/or the Licensed Marks, provided, however, that nothing in this Agreement shall be construed to allow Licensee to establish a separate business in watch components that bear the Trade Name and/or Licensed Marks.

1.5 "Licensee-Affiliated Retailer(s)" means any retail store(s) controlled by Licensee.

1.6 "Licensor Channels" shall mean retail outlets controlled by Licensor, including, without limitation, Licensor's catalog, Licensor's stand-alone retail stores, Licensor's factory outlet stores, Licensor's Internet website or any similar electronic vehicle operated by or on behalf of Licensor, Licensor's facilities for sales to employees of Licensor and its affiliates, and Licensor's retail stores that are situated in department stores located outside the United States.

1.7 "Licensor Price" shall mean, subject to Section 8.2: (1) [***] of Licensee's suggested U.S. retail price for Licensed Products not made exclusively for sale in factory outlet stores, and (2) for Licensed Products made exclusively for sale in factory outlet stores, [***] of the target outlet store retail price agreed upon by Licensor and Licensee, which price shall be reviewed and agreed upon at least seasonally in connection with each development cycle.

1.8 [Intentionally omitted.]

1.9 "Non-Licensor Channels" shall mean retail outlets and wholesale distributors not controlled by Licensor, including (without limitation) department stores, jewelry store chains, Websites (as defined herein) and Licensee-Affiliated Retailers.

1.10 "Online Watch Retailers" or "OWRs" shall mean those retailers/distributors that own and operate the Websites, each of which shall be considered an Authorized COACH Retailer for the purposes of the Agreement.

1.12 "United States" shall mean the United States of America, its territories and possessions, including without limitation Puerto Rico.

1.13 "Websites" shall mean those Internet websites owned and operated by such third parties as have been approved in the past or future in writing by Licensor to sell Licensed Products.

1.14 "Wholesale Price" shall mean, for any Licensed Product, [***] Licensee's U.S. suggested retail price for such Licensed Product.

2. GRANT OF LICENSE

2.1 Upon the terms and conditions hereinafter set forth, Licensor grants to Licensee a license to use the Trade Name and Licensed Marks on or in connection with the manufacture, packaging, sale, marketing and distribution of the Licensed Products. This license shall be exclusive to Licensee and shall extend to all countries where Licensor has the right to use the Licensed Marks, provided, however, that Licensor shall retain the right, and Licensee shall have no right, to use the Trade Name and Licensed Marks on or in connection with the sale, marketing and/or distribution of the Licensed Products through Licensor Channels and for purposes of enforcing Licensor's intellectual property rights.

2.2 In the event Licensee shall notify Licensor that Licensee intends to make substantial preparations to market the Licensed Products in a country or countries where Licensor does not have exclusive rights to use the Licensed Marks as evidenced by one or more registrations for the Licensed Marks, Licensor will promptly, at its sole expense, file such applications or take such other actions as may be reasonably necessary to secure such rights; provided, however, that in the event Licensor is not able reasonably to secure such rights and Licensee does not sell the Licensed Products in such country or countries then the parties will mutually agree upon an appropriate reduction in the Minimum and Target Non-Licensor Channel Sales (non-U.S.).

3. OWNERSHIP OF LICENSED MARKS

3.1 Licensee hereby acknowledges that Licensor is the owner of all right, title, and interest in and to the Trade Name and Licensed Marks, and agrees that it will not, during the term of this Agreement or thereafter, challenge Licensor's rights in and to same. Licensee further agrees that it will not attack the validity of this License.

3.2 Licensee recognizes the great value of the good will associated with the Trade Name and Licensed Marks and acknowledges that the Trade Name and Licensed Marks and all rights therein, and good will pertaining thereto, belong exclusively to Licensor. Licensee further acknowledges that all use of the Trade Name and Licensed Marks by Licensee, shall inure to the benefit of Licensor.

3.3 Licensee shall not place or use other marks, including without limitation, trademarks, trade names, sub-brands, line names, collection names, model names, designs, logos or endorsements (hereinafter referred to as "Authorized Marks") in connection with the Licensed Products, except as specifically authorized by Licensor pursuant to the terms of this Agreement. Licensee acknowledges that Licensor is the owner of all right, title, and interest in and to such Authorized Marks that are developed by Licensor, or developed by Licensee exclusively for use in connection with Licensed Products, and that are used exclusively in connection with Licensed Products or other products sold by or on behalf of Licensor under any of the Licensed Marks ("Licensor Owned Authorized Marks") and that all use thereof shall inure to the benefit of Licensor. To the extent any rights in and to such Licensor Owned Authorized Marks, or with respect to any materials used in the advertising or promotion of the Licensed Products including without limitation copy, artwork, and photographs, are deemed to accrue to Licensee pursuant to this Agreement or otherwise, Licensee hereby assigns any and all such rights, at such time as they may be deemed to accrue, to Licensor. Licensee agrees that it will execute and deliver to Licensor any documents reasonably requested by Licensor necessary to effect any such assignment.

4. RELATIONSHIP OF PARTIES

Licensee is a "related company" pursuant to 15 U.S.C. Sec. 1127. Neither party is an agent or employee of the other, nor shall either party in any event be liable for the other's acts or omissions. This Agreement does not, and shall not, be deemed to make any party hereto the agent, partner, joint venturer or legal representative of any other party for any purpose whatsoever. Neither Licensor nor Licensee shall have the right or authority to assume or create any obligations or responsibility whatsoever, express or implied, on behalf of, or in the name of, the other, or to bind the other in any respect whatsoever, except as may be herein provided.

5. USE OF THE LICENSED MARKS AND TRADE NAME

5.1 Licensee agrees to use the Licensed Marks only in the form approved by Licensor. All use of the Licensed Marks on the Licensed Products and on labels, packaging, in advertising and otherwise must faithfully reproduce the form approved by Licensor. Approval of the form of use of the Licensed Marks, once given, shall be continuing until Licensee receives written notice to the contrary from Licensor. In the event Licensee receives such written notice, all uses of the Licensed Marks to which such notice applies shall cease not later than six (6) months after receipt of such notice provided, however, that for up to two (2) years following such notice Licensee shall have the right to sell and distribute Licensed Products in inventory at the time of such notice that bear Licensed Marks in a form which is no longer approved by Licensor.

5.2 Licensee shall comply with all notice and marking requirements of any law or regulation applicable or necessary for the protection of the Licensed Marks, including those which Licensor, in its legal judgment, may deem appropriate. Licensor shall use its best efforts to communicate such requirements to Licensee as soon as practicable. Licensee shall not, at any time, do or permit any third party within its control or with whom Licensee has a contractual relationship to do any act or thing that will, in any way, impair the rights of Licensor in and to the Licensed Marks or which will affect the validity thereof.

5.3 Any use of the Trade Name by Licensee shall be solely in connection with the manufacture, marketing, sale and/or distribution of the Licensed Products. Licensee shall not, at any time, do or permit any third party within its control or with whom Licensee has a contractual relationship to do any act or thing that will, in any way, impair the rights of Licensor in and to the Trade Name or which will affect the validity thereof.

6. QUALITY CONTROL

6.1 Licensee acknowledges that the Licensed Marks have established prestige and good will and are well recognized in the minds of the public, and that it is of great importance to each party that in the manufacture and sale of the Licensed Products, the high standards and reputation that Licensor has established be maintained.

6.2 Licensor shall have the right to exercise quality control over Licensee's use of the Licensed Marks on and in connection with the Licensed Products to a degree reasonably necessary to maintain the validity thereof and to protect the good will associated therewith. Licensee affirms that that level of quality and workmanship generally conforms with the standards of quality and workmanship presently provided by Licensee. The parties acknowledge that Licensor has examined the current General Acceptance Requirements pertaining to the Licensed Products, and Licensee agrees that the Licensed Products it will market and sell under the Trade Name and Licensed Marks will be manufactured substantially in accordance with such General Acceptance Requirements. Said General Acceptance Requirements shall be followed during the term of this Agreement, unless modification thereof is approved by Licensor. Licensor will verify compliance with this paragraph by examining the Licensed Products, from time to time, as it receives them from Licensee for sale in Licensor's retail stores.

6.3 Licensor shall have the right to inspect Licensee's manufacturing facilities for the Licensed Products, including without limitation the facilities of third-party manufacturers with whom Licensee contracts, up to four times per Contract Year. Any such

inspection will occur during business hours and only after giving Licensee at least five (5) days written notice of such inspection.

6.4 Licensee shall handle all customer inquiries and complaints relating to the Licensed Products in a manner substantially consistent with its present practice and shall provide substantially the same service, warranties, and repair and replacement rights to wholesale purchasers and consumers of the Licensed Products as Licensee presently provides. Licensee shall be solely responsible for all costs associated with (a) the handling of customer inquiries and complaints relating to the Licensed Products, and (b) the provision of service, warranties, repair and replacement relating to the Licensed Products, provided, however, that for Licensed Products purchased by Licenser from Licensee for sale in Licenser's factory outlet stores, (i) Licensee will grant Licenser a credit in the amount of [**] purchase price paid by Licenser for such Licensed Products and (ii) Licenser shall be solely responsible for all costs associated with the handling of all returns of such Licensed Products to the Licenser's factory outlet stores. Notwithstanding the foregoing, Licensee shall remain responsible for any general quality issues with respect to the Licensed Products.

7: PRODUCT DEVELOPMENT

7.1 Licensee shall prepare and submit to Licenser for approval all product designs for the Licensed Products. All product designs, prototypes, patterns, stylings and copyrightable material used on or as a part of the Licensed Products are and will be owned exclusively by Licenser. Licenser, however, shall not have exclusive rights to any designs, prototypes, patterns, stylings and/or copyrightable material that were previously used by Licensee or by any third party on or as a part of watches other than the Licensed Products; provided, however, that any newly developed product designs, prototypes, patterns, stylings or copyrightable material used on or as a part of the Licensed Products which are unique combinations of design elements and/or components, regardless of whether any independent or separate such design elements and/or components were previously used by Licensee or others, shall be owned exclusively by Licenser. Licensee shall not proceed with the manufacture of a new product design for any Licensed Product, nor shall Licensee discontinue an existing product design for any Licensed Product (except pursuant to the following sentence), without the written approval of Licenser, which approval shall not be unreasonably withheld or delayed. Licenser's approval of any style, color, and/or material ("SKU") of Licensed Product shall remain in effect for a maximum of two (2) years from the date of the original intended introduction of such SKU, and Licensee shall cease all sale of each SKUs no later than the second anniversary of the original intended introduction date unless approval is extended in writing by Licenser. Licensee, at its own cost and expense, is responsible for developing all prototypes relating to the Licensed Products and for the sourcing of all Licensed Products.

7.2 Licensee shall prepare and submit to Licenser for approval specific suggested retail prices for all Licensed Products. All initial suggested retail prices, and any subsequent changes thereto, must be approved, in writing, by Licenser, such approval not to be unreasonably withheld or delayed. Licensee acknowledges that in order to preserve the good will attached to the Licensed Marks, the Licensed Products are to be sold at prices and terms reflecting the prestigious nature of the Licensed Marks, it being understood, however, that Licenser is not empowered to fix or regulate the prices at which the Licensed Products are to be sold. Nothing contained in this Agreement is intended or will be construed as giving either party any right of approval with respect to any of the prices at which the other party sells or offers to sell any of the Licensed Products.

7.3 [Intentionally omitted.]

7.4 Prior to the launch of each Licensed Product, Licensee shall, at its expense, provide Licenser with at least five (5) non functioning samples of such Licensed Product. In addition, as soon as practicable following such launch, Licensee shall, at its expense, provide Licenser with at least twenty five (25) fully functioning specimens (total for all skus) per seasonal collection of Licensed Products, to be used by Licenser primarily as "celebrity dressing" samples.

7.5 Licensee may employ third parties to manufacture Licensed Products, provided that Licensee shall retain full responsibility under this Agreement for all aspects of such manufacture; Licensee shall actively supervise the production of Licensed Products by such third parties and shall ensure that such third parties employ appropriate quality controls to comply with this Agreement. Licensee shall ensure compliance by such third parties with all relevant provisions of this Agreement (including, but not limited to, Section 20.7) and shall be liable hereunder for any breach of the terms of this Agreement by such parties, unless such breaches are remedied within thirty (30) days after Licensee's receiving notice of such breach.

8. PRODUCT SALES AND DISTRIBUTION

8.1 Licensee shall sell to Licenser Licensed Products to be sold through Licenser Channels in accordance with Licensee's standard terms and conditions of sale except to the extent any such terms and conditions conflict with any provision expressly contained herein. Licensee shall also sell Licensed Products through Non-Licenser Channels including, without limitation, Authorized COACH Retailers.

8.2(a) All Licensed Products for retail sales in Licensor Channels shall be sold by Licensee to Licensor at the applicable Licensor Price. If in any Contract Year, Licensor purchases Licensed Products in excess of the threshold amounts shown below, then the Licensor Price for all Licensed Products bought by Licensor in such Contract Year in excess of each threshold shall be reduced by the following percentages:

Total Licensor Price paid in Contract Year to date (including the current shipment):	Licensor Price for further Licensed Products purchased in such Contract Year (including the current shipment) shall be reduced by:
***	***
***	***
More than ***	***

So by way of illustration, in a given Contract Year, once the total Licensor Price paid for all Licensed Products purchased by Licensor in that year is at least *** then the Licensor Price for additional Licensed Products purchased by Licensor in that Contract Year shall be reduced by *** for up to an additional *** in purchases (calculated at the then applicable Licensor Price reflecting the *** discount). For example if the Licensor Price for a particular Licensed Product was \$50.00 then, with the *** discount, the new applicable Licensor Price for additional purchases of that Licensed Product will be *** until the *** threshold is met and then the Licensor Price for all additional purchases of that same Licensed Product will be reduced by *** equating to a Licensor Price of ***.

(b) Licensee will pay all costs for freight and insurance and applicable import duties and tariffs in connection with all shipments of Licensed Products to any Licensee distribution facility by any affiliate of or contract manufacturer or assembler used by Licensee. Licensor will pay all costs for freight and insurance and applicable import duties and tariffs in connection with all shipments of Licensed Products from the applicable Licensee distribution facility to any Licensor Channel or Licensor distribution facility. Licensor shall take title to the Licensed Products upon delivery by or on behalf of Licensee of such Licensed Product to Licensor's designated carrier or, if no carrier is designated by Licensor, then to the carrier designated by Licensee. In connection with Licensed Products sold by Licensee for any Licensor Channel outside the United States, Licensor and Licensee will cooperate to implement the lowest cost shipment alternative it being the intention of the parties however that such costs incurred by Licensor shall not exceed the costs Licensor would incur if such goods were shipped through the United States distribution structure. Within thirty (30) days following the end of each Contract Year quarter, Licensor will deliver to Licensee a statement signed by an authorized officer of Licensor reporting Licensor's sales of Licensed Products made in the immediately preceding quarter through Licensor's factory outlet stores, breaking out such sales in dollar amounts and units sold by SKU designation.

8.3 Any liquidation by either Licensee or Licensor of any Licensed Products which are excess inventory, discontinued product or quality imperfect product, through either Licensor or Non-Licensor Channels, shall be done on such terms and conditions that the parties hereto will agree upon with the exception of any terms or conditions relating to price, provided, however, that (1) Licensee will have the right to make such liquidation sales of Licensed Product to one or more third parties to whom Licensed Products were at any time previously sold and to such other third parties as to whom Licensor shall consent, which consent will not be unreasonably withheld or delayed, and (2) Licensee's liquidation or disposition sales of Licensed Products shall not exceed *** of Licensee's total net sales of Licensed Products in any Contract Year (the "Liquidation Limit") unless Licensor shall give its prior written consent to additional liquidation or disposition sales. In the event such sales exceed the Liquidation Limit in any Contract Year, Licensee shall be required to spend *** of all such sales in excess of the Liquidation Limit as an additional marketing contribution, to be spent on national advertising globally.

8.4 Subject to Paragraph 8.6, Licensee, working closely with Licensor, shall be responsible for the world-wide manufacture and distribution of Licensed Products, provided, however, that Licensee shall not, without the prior written approval of Licensor, which approval shall not be unreasonably withheld or delayed, sell or distribute Licensed Products to any Non-Licensor Channels (including, for the avoidance of doubt and without limitation, Licensee-Affiliated Retailers) that are not Authorized COACH Retailers. The parties acknowledge that from time to time Licensor may approach Licensee to discuss whether particular approved retail outlets and/or Authorized COACH Retailers should remain as approved outlets and/or Authorized COACH Retailers. Licensor may terminate any Website previously approved by Licensor, as provided under Section 8.10, as an approved Non-Licensor Channel for the sale of the Licensed Products at any time upon 90 days' written notice to Licensee.

8.5 Licensee shall use reasonable efforts to prevent and/or stop any diversion of Licensed Products from Licensor approved retail outlets or Authorized COACH Retailers to any retail outlet which is neither Licensor approved nor an Authorized COACH Retailer. Licensee acknowledges that its standard terms of sale shall be to require all retail outlets to whom it sells Licensed Products to agree to only sell such Licensed Products to the end-using consumer. Should Licensor notify Licensee of any diversion of Licensed Products, or should Licensee become aware of any such diversion, Licensee shall take all reasonable steps necessary to end such diversion, including without limitation tracking down the source of the diverted Licensed Products and discontinuing all sales of Licensed Products to said source. Licensee shall keep Licensor apprised of any such efforts.

8.6 Licensor shall be responsible for order fulfillment relating to the sale of Licensed Products through Licensor's catalog. Licensor shall maintain sufficient inventories of Licensed Products in its factory outlet stores and retail stores and in connection with the fulfillment of its catalog sales to adequately service its customers. Licensee shall maintain appropriate inventories of both finished Licensed Goods and components thereof as necessary to service Licensor's ongoing business.

8.7 [Intentionally omitted.]

8.8 [Intentionally omitted.]

8.9 Licensee shall take the lead, with active support of Licensor, to introduce the Licensed Products to Licensor's retail management and staff and, at Licensee's expense, will regularly train such persons on sales, display and security techniques related thereto according to a schedule to be mutually agreed upon by the parties.

8.10 Licensee acknowledges Licensor's policy prohibiting Licensee or any of its customers from selling or distributing Licensor's products via the Internet, except that the foregoing provision shall not apply as to any Website which is approved in writing by Licensor as an approved Non-Licensor Channel for the sale of Licensed Products. Except as otherwise prohibited by applicable law, Licensee shall comply with such policy, advise its customers that they must comply with such policy, and, if directed by Licensor in writing, promptly cease taking additional orders for the Licensed Products with any customers who do not comply with such policy.

9. MARKET ROLL-OUT [Intentionally omitted]

10. SALES TARGETS AND MINIMUMS

10.1 "The parties have established the following minimums pertaining to Licensee's sales of Licensed Products to Non-Licensor Channels:

Contract Year	Minimum Non-Licensor Channel Sales (combined U.S. and Non-U.S.)
2015	[***]
2016-2020	[***] of Licensee's average actual net sales of Licensed Products! during the three prior completed Contract Years

10.2 [Intentionally omitted]

10.3 All sales figures and sales calculations referred to in this paragraph shall be based on Wholesale Price, and are represented in U.S. Dollar amounts.

11. ROYALTY

11.1 Licensee shall pay to Licensor a royalty based on Licensee's sales of the Licensed Products to all Non-Licensor Channels. The sales to which the royalty rates will be applied (except for sales to Non-Licensor Channels (non-US), wholesale distributors and Licensee-Affiliated Retailers (as defined below)) shall be based on Wholesale Price as in effect when such sales are made. No reduction of the royalty shall be allowed for discounts given off Wholesale Price, except that (1) for sales to distributors, duty-free and liquidation accounts, the royalty shall be based on Wholesale Price less any discounts given to such accounts up to but not exceeding [***] of Licensee's U.S. suggested retail price for the Licensed Products, and (2) for sales to all other Non-Licensor Channels, the royalty shall be based on Wholesale Price less any discounts given to such accounts up to but not exceeding [***] of Licensee's U.S. suggested retail price for the Licensed Products. So by way of illustration, if the U.S. suggested retail price of a Licensed Product is \$200 which would equate to a Wholesale Price [***], then the royalty on sales of such Licensed Product to distributors, duty-free and liquidation accounts (except for sales to Non-Licensor Channels (non-US), wholesale distributors and Licensee-Affiliated Retailers) shall be calculated on the Wholesale Price less applicable discounts not exceeding [***] and the royalty on sales of such Licensed Product to all other Non-Licensor Channels (except for sales to Non-Licensor Channels (non-US), wholesale distributors and Licensee-Affiliated Retailers) shall be calculated on the Wholesale Price less applicable discounts not exceeding [***].

11.2With respect to Licensee's sales to Non-Licensor Channels (non-U.S.) wholesale distributors and Licensee-Affiliated Retailers, the sales to which the royalty rates will be applied shall be based on actual invoice price net of all taxes, duties, freight, insurance and credits for returns actually made, but no deduction shall be made for discounts for cash or prompt payment or for uncollectable accounts. In the case of sales to any wholesale distributor controlled by Licensee and in the case of sales to Licensee Affiliated Retailers, "actual invoice price" in the previous sentence means the actual invoice price for such Licensed Products when first sold by any such wholesale distributor to any entity not controlled by Licensee or by any Licensee-Affiliated Retailer at retail.

11.3Subject to Sections 11.1 and 11.2, for Contract Years 2016 through 2020, the base royalty rate applied to Licensee's sales shall be as follows:

Sales of all Licensed Products sold to Non-Licensor Channels to date in such Contract Year (including the current shipment):	Royalty rate applicable to such sales:
Up to[***]	[***]
[***]	[***]
[***]	[***]
More than[***]	[***]

So for example, if Licensee's sales of Licensed Products to Non-Licensor Channels in a given Contract Year are \$60 million (determined for purposes of calculating the royalty in accordance with Paragraphs 11.1 and 11.2 hereof) then Licensee would pay a royalty of [***]

11.4Licensee shall be permitted to sell to Licensee-Affiliated Retailers, provided that: no more than [***] sales of Licensed Products at any full price Licensee-Affiliated Retailer location in any Contract Year shall consist of "retail close-out" products (defined for this purpose as Licensed Products sold at less than [***] the Suggested Retail Price for such Licensed Products). In the event that any such Licensee-Affiliated Retailer location exceeds such maximum, then the royalty rate due and payable to Licensor by Licensee for such Licensed Products shall be equal to three (3) times the normal royalty rate for non-closeout products, which royalty amount shall be in lieu of all other royalties that would otherwise be due on such Licensed Products; and

11.5If during a particular Contract Year Licensee's actual sales never reach the established minimum sales figure for that Contract Year as set forth in Paragraph 10.1 above under the heading Minimum Non-Licensor Channel Sales (Combined U.S. and non U.S.), Licensee shall pay to Licensor, within ninety (90) days following the conclusion of the Contract Year, an additional sum equal to the difference between the royalties actually paid by Licensee that Contract Year and the royalties that would have been paid by Licensee that Contract Year had Licensee's sales of the Licensed Products to Non-Licensor Channels been equal to the established minimum sales figure.

11.6Licensee shall make its royalty payments to Licensor on a quarterly basis, together with a statement setting forth the quarterly sales of the Licensed Products to Non-Licensor Channels and by Licensee-Affiliated Retailers, said payments and statements being due no later than thirty (30) days following the end of each Contract Year quarter. All royalty payments shall be made in U.S. Dollars. Licensee shall not pay royalties on its sale of Licensed Products to Licensor Channels.

12. MARKETING AND ADVERTISING

12.1Licensee shall prepare and submit to Licensor for approval all proposed advertising, promotional materials, product displays and product display policies for the Licensed Products. Licensor shall have final approval on all such advertising, promotion, product displays and product display policies, which approval shall not to be unreasonably withheld or delayed. Approval of any submission shall be deemed given in any event absent notice of disapproval within thirty (30) days after such submission.

12.2 No later than the end of the first week in January (for high/medium/low estimates) and the first week in February (for all other information) in each Contract Year or by such date as may otherwise be agreed to by Licensee and by Lessor, Licensee shall prepare and present to Lessor for feedback and input an annual operating plan setting forth the information described below (the "Plan"). The Plan shall set forth in reasonable detail, Licensee's plans for conducting the Licensed Products business during the next Contract Year and during the next three Contract Years, with particular emphasis on the marketing, promotion and sales of the Licensed Products. The Plan shall include, without limitation, (a) a description (including timing) of the types and numbers of designs intended to be developed or manufactured (including any new products); (b) sales volume projections by model type, in units and dollars; (c) price marketing strategies, including wholesale and suggested retail pricing by model type and market; (d) assessment of customer base and customers; (e) distribution, including distribution outlets and breakdown by geographic area; (f) advertising plans, number and cost of advertisements already ordered, where advertisements will be published, the fees paid to advertising agents, the proposed schedule and costs of any and all major advertising campaigns and the format for all advertising not already approved by Lessor; (g) media plan and budget, including breakdown by geographic area; (h) packaging, point of sale and trade exhibitions; and (i) the results of market research relating to the Licensed Products and similar products, and market trends, and a detailed sales forecast by category, product group and market for the Licensed Products. Lessor will provide templates that must be used by Licensee in the preparation of the Plan, which will among other things require Licensee to provide sales volume projections for the Licensed Products by design/style type, in units and dollars, estimating a "High", "Medium" and "Low" volume of sales. Lessor's templates for the Licensee Plan also may include, without limitation: (a) a description (including timing) of the types and numbers of designs/styles intended to be developed or manufactured (including any new products); (b) price marketing strategies, including wholesale and suggested retail pricing by design/style type and market; (c) assessment of customer base and customers; (d) distribution, including distribution outlets and breakdown by geographic area; (e) advertising and media plans, including the proposed schedule of any and all major advertising campaigns and the format for all advertising not already approved by Lessor, including breakdown by geographic area; (f) packaging, point of sale and trade exhibitions; (g) the results of market research relating to the Licensed Products and similar products, and market trends; (h) organizational structure; (i) competitive scenarios; (j) industry trends; and (k) any other information reasonably requested by Lessor.

12.3 In connection with Licensee's annual Plan submission to Lessor, Licensee shall also present Lessor with an organization chart for the Licensed Products business, including the names and titles of each executive or manager dedicated or substantially involved in the Licensed Products business.

12.4 Licensee agrees that at a minimum it will make the following annual advertising expenditures in connection with the Licensed Products:

The remaining required advertising expenditures in each Contract Year (the "Marketing Portion") shall be spent on other marketing, with a focus on trade shows and sales collateral. Licensee shall submit to Lessor a summary showing actual marketing spend and budget recap at the end of each Contract Year quarter.

- At least [***] net sales in each Contract Year shall be spent on global national advertising with a focus on print, digital and social media; Licensee shall manage spend and placements in collaboration with Lessor; and
- [***] annual net sales, of which:
Contract Years 2016- 2020

In addition, Licensee shall, at its expense:

- No later than the 2017 Basel Watch and Jewelry Show (Baselworld), redesign its existing Baselworld booth currently used for the exhibition of the Licensed Products to reflect Lessor's global brand statement for Contract Year 2017, the cost of which shall not be counted towards the required marketing expenditures above; provided, however that booth updates made by Licensee during Contract Years 2015 and 2016 shall be counted towards such required expenditures for those years;
- Reimburse Lessor, upon Lessor's request, up to an aggregate [***] in capital expenditures incurred by Lessor for the upgrade and replacement of Licensed Product fixtures and displays in Lessor Channels (as specified by Lessor) Lessor shall send an invoice to Licensee for each such reimbursement request which shall set forth in reasonable detail the upgrades and replacements made for which the reimbursement is claimed and the total reimbursement amount. Each such invoice shall be payable within sixty (60) days after receipt by Licensee; and

- Spend an additional [***] for similar upgrades and replacements in Non-Licensor Channel doors, which such amount shall count towards the Marketing Portion.

In the event Licensee fails to make the foregoing minimum advertising expenditures in connection with the Licensed Products in any given Contract Year, Licensee shall have the first six months of the following Contract Year to make advertising expenditures sufficient to cover the shortfall. Any such advertising expenditures made to cover a previous Contract Year's shortfall shall not be credited toward Licensee's minimum required advertising expenditures for the Contract Year in which such shortfall expenditures are made. "Net sales" as used in this paragraph shall mean all sales on the basis of which the royalty is calculated under Paragraphs 11.1 and 11.2 hereof. All amounts are shown in U.S. Dollars.

12.5 Licensee shall exercise reasonable efforts to maintain and safeguard the established image and good will represented by and embodied in the Trade Name and Licensed Marks. "Image" as used herein refers primarily to quality and style of packaging, advertising and promotion, creation and introduction of new product designs and styles, type of outlets with reference to the quality of service provided for and the quality of presentation of the Licensed Products. Licensee shall take all reasonable and necessary steps, and all steps reasonably requested by Lessor, to prevent or avoid any misuse of the Trade Name or Licensed Marks by any of Licensee's customers or contractors.

12.6 Lessor shall use reasonable efforts to assure that the established value associated with the Trade Name and Licensed Marks does not materially and substantially diminish.

12.7 [Intentionally omitted]

12.8 The parties shall mutually agree upon and establish a minimum amount of space in Lessor's catalog to be devoted to the Licensed Products each Contract Year. Lessor agrees that the catalog space devoted to the Licensed Products shall not be less than that which Lessor devotes to its other product classifications having similar profit contribution, it being understood that Licensed Products have similar profit margins to Lessor's other product classifications.

12.9 The parties agree that each party shall make no public statements, including without limitation any statements or comments to the press, regarding this Agreement, the relationship between the parties or the Licensed Products business, except with the prior consent of the other party; provided, however, that the foregoing shall not apply to any disclosure either party is required to make by law, including without limitation, disclosure required by the federal securities laws.

12.10 Lessor shall hire or assign at minimum the following Coach-dedicated persons at Lessor's business to coordinate Lessor's efforts relating to the marketing and sale of the Licensed Products: President, Global Vice President of Sales, and Global Director of Marketing.

12.11 Lessor shall design a booth or similar display area for use at trade shows and similar exhibitions in which Licensee, in consultation with Lessor, decides to participate. Lessor will consult with Licensee in the design of each such booth or display area. Licensee shall construct and shall bear all reasonable costs to construct each such booth or display area in accordance with Lessor's design, and Lessor shall reasonably cooperate with Licensee in connection therewith and furnish Licensee with all necessary information relating to such design. Lessor shall inspect and give its final approval to the finished area prior to Licensee using it at any exhibition; provided that such approval shall not be unreasonably withheld, conditioned or delayed.

12.12 The Licensed Products permitted to be advertised and sold by each Online Watch Retailer on its Website may include all or a subset of the styles and SKUs advertised or sold via the website owned and operated by Lessor (www.coach.com) (together, the "Coach.com Products"). Except as otherwise prohibited by applicable law, any other styles or SKUs must be approved by Lessor in writing prior to being advertised or sold to any Online Watch Retailer and an Online Watch Retailer may not purchase from Licensee for advertisement or sale on any Website more than a total of six SKUs during any six month period which are not Coach.com Products.

12.13 During the term, Lessor shall provide each approved Online Watch Retailer directly with artwork, photographs, lists and descriptions of Licensed Products, editorial content, product sequencing and related products (i.e., "suggested sells"), approved forms of Lessor's logos, trademarks, trade names and other materials reasonably necessary for the Online Watch Retailers to advertise the Licensed Products on the Websites (together, "Content"). All Content shall be owned by Lessor. Any display of Content on the Websites or otherwise shall be subject to Lessor's prior written consent. In respect of Lessor's costs associated with creating, producing and delivering the Content to the Online Watch Retailers, Licensee shall pay to Lessor [**] per calendar quarter, to be paid on the same date that royalty payments are made for such quarter. For the fees described above, Lessor shall provide to Licensee all Content that is being used by Lessor on its coach.com website, and any other website operated by or for Lessor in replacement of or in addition to such website. Any additional Content requested by Licensee, including for styles or SKUs referenced in the second sentence of Section 12.12 above, shall be made available for an additional fee of [**] SKU photograph and [**] item of other Content such as any artwork (including banners), email advertisement or editorial content. Licensee will comply with all reasonable timelines and guidelines established by Lessor and provided to Licensee in writing from time to time, with respect to any Licensee requests for and/or use of any Content.

13. BOOKS AND RECORDS

13.1 Licensee shall keep and maintain at its regular place of business, or at such off-site documents storage facility as Licensee shall use from time to time for the retention of its business records generally, complete and accurate records and accounts in accordance with Generally Accepted Accounting Principles showing the business transacted in connection with the Licensed Products manufactured and sold pursuant to this Agreement, including without limitation records and accounts relating to sales, shipments and orders for Licensed Products and expenditures on advertising for at least six (6) years following the creation of the record or account. Lessor shall keep and maintain at its regular place of business, or at such off site document storage facility as Lessor shall use from time to time for the retention of business records generally, complete and accurate records and accounts in accordance with Generally Accepted Accounting Principles substantiating the information required to be reported by Lessor under Paragraphs 8.2 and 12.7 hereof, for at least six (6) years following the creation of such record or account or for such other period of time as specified in Lessor's written record retention policy.

13.2(a) Licensee must submit to Lessor monthly reports, on or before the dates each month set forth in the calendar approved annually by Lessor and Licensee, containing royalty reports and estimated shipment volumes, as compared to the projections estimated in the Plan established for the Contract Year, and including comparisons of royalties and shipment volume information compared to the prior month. In addition to the above documents, Licensee will also provide Lessor with the following business reports on or before the end of the first week of each month: monthly performance information for topline accounts (doors, shipments, POS sales, inventories, average door volumes, etc.) and the same information quarterly by account and by door, weekly flash information by topline account, bestseller information WTD and STD overall, and by top accounts, seasonal bookings reports by market and EOS selling recap by style.

(b) Within ninety (90) days following the end of each Contract Year of this Agreement, and within ninety (90) days after the termination of this Agreement, Licensee shall deliver to Lessor a statement signed by an authorized officer of Licensee reporting actual sales of the Licensed Products to Non-Lessor Channels and by Licensee-Affiliated Retailers (based on the applicable Wholesale Price, invoice price or actual retail sales price pursuant to Paragraphs 11.1 and 11.2 herein), royalties due, royalties paid and advertising expenditures during the preceding Contract Year. Sales of Licensed Products to Non-Lessor Channels shall be broken out to accurately reflect sales to U.S. Non-Lessor Channels, sales to Non-U.S. Non-Lessor Channels, sales to wholesale distributors, and sales by model type in units and dollars. Said statement shall also report actual sales of the Licensed Products to Lessor Channels. In the case of termination of this Agreement, such information shall be provided for the period ending at termination.

(c) In addition to any other reporting required in this Agreement, Licensee shall provide to Lessor weekly and/or monthly reports as requested by Lessor, with respect to sales of Licensed Products to the OWRs for sale on the Websites, in a format requested by Lessor. Such reports shall include, but not be limited to, the following information: net sales, traffic, conversion and demand.

13.3 Both Lessor and Licensee, or either party's duly authorized agents or representatives, shall each have access to and the right to examine all records and accounts that the other party is required to maintain pursuant to Paragraph 13.1 at such party's premises, provided that any such examination (a) shall be at the examining party's expense, (b) shall be during normal business hours upon reasonable prior notice which shall be no less than five (5) business days, and (c) shall not unreasonably interfere with the other party's operations and activities.

Should an audit disclose that Licensee underpaid royalties for any given year, Licensee shall forthwith and upon written demand pay Lessor the amount owed, together with interest thereon, at a rate of eight percent (8%) per annum calculated from the due date of such royalties unless Licensee shall, by written notice sent to Lessor within twenty (20) days after notice to Licensee of such audit results, reasonably dispute the same in which event the parties shall each name an independent auditor who shall together appoint a third auditor to make a determination as to the matter, which determination shall be binding on the parties. Should an audit disclose that Licensee's annual advertising expenditures in any given year failed to meet the minimum required hereunder, Licensee shall forthwith upon written demand pay Lessor the difference, unless Licensee shall, by written notice sent to Lessor within twenty (20) days after notice to Licensee of such audit results, reasonably dispute the same in which event the parties shall each name an independent auditor who shall together appoint a third auditor to make a determination as to the matter, which determination shall be binding on the parties; or unless Licensee still has time to make up the shortfall pursuant to Paragraph 12.4. Further, should an undisputed audit or the binding determination made by any auditor appointed as hereinabove provided disclose that Licensee underpaid royalties by a margin exceeding five percent (5%) in any given year, or that Licensee's annual advertising expenditures failed to meet the minimum required hereunder by a margin exceeding five percent (5%), Licensee shall pay for all costs relating to the audit, including without limitation, all costs relating to any subsequent binding determinations made by any appointed auditor.

14. TERM AND TERMINATION

14.1 This Agreement shall remain in full force and effect from the date this Agreement is entered into by the parties until June 30, 2020, unless earlier terminated as provided herein.

14.2 In the event either party commits a material breach of this Agreement, the other party may, upon ninety (90) days prior written notice, terminate the Agreement, provided, however, that the Agreement shall not be terminated if the breaching party cures the breach within said ninety (90) days after receipt of said notice.

14.3 Notwithstanding anything to the contrary in Paragraph 14.2, Licensor shall have the right to terminate this Agreement immediately upon notice to Licensee if any of the following events occur:

(a) More than once during any Contract Year, any installment of royalty payments is not paid when due and such default continues for more than fifteen (15) days after written notice thereof to Licensee;

(b) Licensee knowingly fails to manufacture the Licensed Products in accordance with the General Acceptance Requirements and quality standards prescribed in Paragraph 6 of this Agreement;

(c) Licensee repeatedly fails to secure Licensor's approval as required herein;

(d) Licensee intentionally uses the Trade Name or any of the Licensed Marks in a manner for which rights therein have not been granted and which use impacts materially and adversely upon the Trade Name or Licensed Marks;

(e) Licensee commits any material fraud upon Licensor in connection with the performance of Licensee's obligations hereunder;

(f) Licensee makes an intentional written material misrepresentation pertaining to sales of the Licensed Products;

(g) Licensee intentionally participates in the diversion of Licensed Products or knowingly permits a third party to do so.

Upon termination of this Agreement pursuant to this Paragraph 14.3, Licensor shall have the option to purchase Licensee's inventory of Licensed Products as provided below. If Licensor does not exercise its right to purchase Licensee's inventory of Licensed Products as provided below, Licensee shall, for a period of five (5) months from the date Licensor elects not to exercise its right to purchase Licensee's inventory of Licensed Products, have the right to sell its then-existing inventory of Licensed Products, provided such sales are made to one or more third parties to whom any Licensed Product was at any time previously sold under Paragraph 8.3 hereof on such terms and conditions as Licensee in its sole and absolute discretion shall deem appropriate, and further provided that Licensee otherwise complies with the terms herein, including the payment of royalties. Notwithstanding the foregoing, Licensee shall not dispose of its inventory as provided above without first providing to Licensor a detailed list of its existing inventory of Licensed Products, including Licensee's costs to manufacture or purchase such items and the date of purchase or manufacture; Licensee shall use its best efforts to provide such detailed list to Licensor as quickly as possible. Licensor shall have the right to conduct physical inventory to verify such list. At any time within thirty (30) days of Licensor's receipt of Licensee's inventory list, Licensor shall have the option to purchase any or all of Licensee's inventory of Licensed Products at [***] thereof. In the event Licensor elects to purchase part or all of said inventory, Licensor shall at its own expense remove said inventory from Licensee's premises not more than sixty (60) days after notice to Licensee of Licensor's election to purchase. Payment for such inventory shall be made by Licensor within thirty (30) days after the removal of the last of Licensee's Licensed Products.

14.4 Notwithstanding anything to the contrary in Paragraph 14.2, if Licensee files a petition in bankruptcy, or by an equivalent proceeding is adjudicated a bankrupt, or if a petition in bankruptcy is filed against Licensee and is not dismissed within sixty (60) days, or if Licensee becomes insolvent or makes an assignment for the benefit of creditors or any arrangement pursuant to any bankruptcy law, or if Licensee discontinues its business or if a receiver is appointed for Licensee, this Agreement shall automatically terminate without any notice whatsoever being necessary, to the full extent allowed by applicable law. All royalties on sales made prior to such act shall become immediately due and payable. In the event this Agreement is terminated pursuant to this paragraph, Licensee, its receivers, representatives, trustees, agents, administrators, successors and/or assigns, shall have no right to sell any of the Licensed Products covered by this Agreement or use the Trade Name in any manner whatsoever, except with the special consent and written instructions of Licensor, which instructions shall be followed. The non-assumption of this Agreement by a trustee presiding over a bankruptcy proceeding pursuant to any bankruptcy law where the Licensee is named as a debtor, shall operate to automatically terminate this Agreement, without any notice whatsoever being necessary, effective as of the date of the commencement of the bankruptcy proceedings.

14.5 Notwithstanding anything to the contrary in Paragraph 14.2, if Licensor files a petition in bankruptcy, or by an equivalent proceeding is adjudicated a bankrupt, or if a petition in bankruptcy is filed against Licensor and is not dismissed within sixty (60) days, or if Licensor becomes insolvent or makes an assignment for the benefit of creditors or any arrangement pursuant to any bankruptcy law, or if Licensor discontinues its business or if a receiver is appointed for Licensor, Licensee shall have the right to terminate this Agreement by giving written notice to Licensor within 30 days of such event.

14.6 Upon expiration or termination of this Agreement, Licensee shall cease using the Trade Name and Licensed Marks, provided, however, that unless such termination is pursuant to Paragraphs 10.2, 10.3, 14.3, 14.4 or 14.5, Licensee may, for a period of no more than six (6) months after expiration or termination, sell and distribute Licensed Products existing in inventory on the date of expiration or termination. Licensee remains liable for the payment of all royalties based on those sales and must otherwise comply with the terms herein. If at the end of six months Licensee still possesses inventory of Licensed Products, Licensee shall deliver to Licensor the remaining inventory, and Licensee's right to use the Licensed Marks pursuant to this Agreement shall cease. The transfer of remaining inventory from Licensee to Licensor shall be done on terms and conditions that the parties hereto will agree upon; provided, however, that in the event the parties are unable to agree on such terms and conditions on or before thirty (30) days prior to the conclusion of such six (6) month period, then Licensee shall have the right to transfer all or any part of such remaining inventory to one or more third parties to whom any Licensed Product was at any time previously sold under Paragraph 8.3 hereof on such terms and conditions as Licensee in its sole and absolute discretion shall deem appropriate. Upon expiration or termination of this Agreement for any reason, Licensee shall relinquish to Licensor all newly developed product design materials, prototypes, patterns, stylings and copyrightable material relating to the Licensed Products owned exclusively by Licensor, as provided in Paragraph 7.1 herein, along with all tools, dies and molds used to make Licensed Products from such product design materials, prototypes, patterns, stylings and copyrightable material, immediately upon expiration or termination of this Agreement.

15. TNDEMNTFTCATION

Except as provided in Paragraph 16 below, Licensee hereby agrees to pay on behalf of Licensor and to defend it against any and all claims, suits, liabilities, causes of action, settlements, costs, damages, or expenses, including reasonable attorneys' fees, arising out of Licensee's manufacture, packaging, sale, marketing or distribution of the Licensed Goods. This indemnification provision shall survive the termination of this Agreement.

16. TRADEMARK ENFORCEMENT

16.1 Licensee agrees to notify Licensor of any unauthorized use of the Licensed Name and Marks by others, promptly as it comes to Licensee's attention. Except as provided in Paragraph 16.2, Licensor shall have the sole right and discretion to bring infringement actions involving the Licensed Marks, and any award received by Licensor in any such actions shall belong solely to Licensor.

16.2 Licensor and Licensee shall cooperate in stopping, by any and all legal means available, the manufacture, sale or distribution of counterfeit watches or timepieces bearing marks which are identical to or indistinguishable from the Licensed Marks (hereinafter referred to as "Counterfeit Merchandise"). Licensee, in consultation with and after receiving approval from Licensor, shall have the right to bring counterfeiting actions against parties manufacturing, holding, selling or distributing Counterfeit Merchandise as information about such Counterfeit Merchandise is brought to Licensee's attention in the normal course of Licensee's anti counterfeiting efforts. Licensee shall bear all costs associated with any such actions, and any award received by Licensee in any such actions shall belong solely to Licensee.

16.3 Licensor shall have the right to bring counterfeiting actions against parties manufacturing, holding, selling or distributing Counterfeit Merchandise as information about such Counterfeit Merchandise is brought to Licensor's attention in the normal course of Licensor's anti-counterfeiting efforts. Licensor shall bear all costs associated with any such actions, and any award received by Licensor in any such actions shall belong solely to Licensor.

16.4 In the event that a third party brings any claim, institutes any action or commences any proceeding against Licensee arising from Licensee's use of any of the Licensed Marks, the Trade Name, the Licensor Owned Authorized Marks or any product design, prototype, pattern, styling or copyrightable material owned by Licensor as provided in Paragraph 7.1 of this Agreement, Licensee shall promptly notify Licensor thereof and Licensor shall indemnify, defend and hold harmless Licensee and each officer, director, employee, agent, representative, contractor and customer of Licensee and of each entity controlled by Licensee from and against all losses, liabilities, damages, claims, judgments, fines, suits, demands, costs, interest and expenses of any kind or nature (including reasonable attorneys' fees and disbursements) arising out of or in connection with any such claim, action or proceeding. Licensee shall cooperate in such defense as reasonably requested by Licensor, at Licensor's expense. Any award received by Licensor in any such claim, action or proceeding shall belong exclusively to Licensor. This Paragraph shall survive termination or expiration of the Agreement.

16.5Licensor will bear all costs and expenses in connection with any research to determine the availability of, applications to register and all maintenance of any and all registrations relating to Licensor Owned Authorized Marks and the Licensed Marks.

17. INSURANCE

17.1Licensee shall obtain and maintain, at its own cost and expense, Commercial General Liability insurance and Umbrella liability insurance written on an occurrence basis with the following coverage and limits:

General Aggregate Limit	\$5,000,000
Products/Completed Operations Aggregate Limit	\$3,000,000
Personal and Advertising Injury - Per Injury	\$3,000,000

17.2Licensor shall be named as an additional insured on the Commercial General Liability policy. Licensee shall provide Licensor with a certificate of insurance evidencing all of the required coverage. The certificate shall also provide evidence that the policy has been amended to afford at least thirty (30) days advance written notice to Licensor of cancellation, nonrenewal or material change of any of the required coverages.

18. NO ASSIGNMENT OR SUBLICENSE BY LICENSEE

This Agreement and all its rights and duties hereunder are personal to the Licensee and shall not, without the written consent of Licensor, be assigned, sublicensed or otherwise encumbered by Licensee or by operation of law; provided, however, that notwithstanding anything to the contrary contained herein Licensee shall have the right (a) to have the Licensed Products manufactured by one or more third party manufacturers and, (b) to assign or sublicense any or all of its rights and duties hereunder to any other entity which is controlled, directly or indirectly, by Licensee provided that the original Licensee named herein simultaneously with such assignment, enters into an agreement with Licensor in a form reasonably satisfactory to Licensor by which Licensee guarantees all of the obligations, including without limitation, all financial and performance obligations, of such assignee. All references herein to "Licensee" shall include any and all such permitted assignees and sublicensees.

19. CONDITION PRECEDENT [Intentionally omitted]

20. MISCELLANEOUS

20.1In the event that either party shall, at any time, waive any of its rights under this Agreement, or the performance by the other party of any of its obligations hereunder, such waiver shall not be construed as a continuing waiver of the same rights or obligations or a waiver of any other rights or obligations.

20.2This Agreement constitutes the entire agreement between the parties as to the Licensed Marks and no modifications or revisions thereof shall be of any force or effect unless the same are in writing and executed by the parties hereto.

20.3Any provisions of this Agreement which are, or shall be determined to be, invalid shall be ineffective, but such invalidity shall not affect the remaining provisions hereof. The titles to the paragraphs herein are for convenience only and have no substantive effect.

20.4This Agreement is binding upon the parties hereto, any parent, subsidiary and affiliated companies and their successors and assigns.

20.5Licensee shall be responsible for compliance with the requirements of all local laws in the countries where it manufactures, markets, distributes or sells the Licensed Products, except for obligations with respect to filing as registered user or similar obligations where required under applicable trademark law. It is understood that Licensor is responsible for the costs and fees for, or incidental to, obtaining trademark registrations.

20.6This Agreement shall be construed in accordance with and governed by the laws of the State of New York, applicable to contracts made and to be wholly performed therein without regard to its conflicts of law rules. Any action or proceeding arising out of or relating in any way to this Agreement, shall be brought and enforced in the courts of the United States for the Southern District of New York, or, if such courts do not have, or do not accept, subject matter jurisdiction over the action or proceeding, in the courts of the state

of New York and each party hereby consents to the personal jurisdiction of each such court in respect of any such action or proceeding. Each of the parties hereby consents to service of process in any such action or proceeding by the mailing of copies thereof by Registered or Certified Mail, postage prepaid, return receipt requested, to it at its address provided for notices hereunder. The

foregoing shall not limit the right of any of the parties to serve process in any other manner permitted by law or to obtain execution or enforcement of any judgment in any other jurisdiction. Each of the parties hereby waives (a) any objection that may now or hereafter have to the laying of venue of any action or proceeding arising under or related to the Agreement in the court located in

the Borough of Manhattan, City and State of New York, (b) any claim that a court located in the Borough of Manhattan, City and State of New York is not a convenient forum for any such action or proceeding, and (c) any claim that is not subject to the personal jurisdiction of the courts of the United States of the Southern District of New York or of the courts of the State of New York located in the Borough of Manhattan, City and State of New York. Notwithstanding the foregoing, any matter as to which the parties are unable to agree as provided under Paragraph 2.2 shall be settled and determined by arbitration in New York, New York, in accordance with and pursuant to the then existing rules of the American Bar Association. The arbitrator's decision shall be final and binding on the parties.

20.7 Licensee acknowledges that it has received a copy of the Coach Supplier Selection Guidelines and Coach Global Operating Principles (the "Guidelines"). Licensee hereby represents and warrants that it has reviewed and understands the Guidelines, and Licensee and any approved third-party manufacturer are presently in compliance and will remain in compliance with the Guidelines for the term of this Agreement. Furthermore, Licensee agrees to notify Lessor immediately if Licensee becomes aware that a violation by Licensee or any approved third-party manufacturer of the standards set forth in the Guidelines has occurred during the term of this Agreement. The Guidelines are hereby incorporated herein by reference.

20.8 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

20.9 All notices required hereunder shall be in writing and dispatched by overnight courier addressed to Licensee or Lessor as set forth below, and shall be effective upon receipt:

Lessor: General Counsel

Coach, Inc.
516 West 34th Street
New York, New York 10001

Licensee: President

Movado Group, Inc.
650 From Road, Ste. 375
Paramus, New Jersey 07652

Copies to: Executive Vice

President-Coach Watches
Movado Group, Inc.
650 From Road, Ste. 375
Paramus, New Jersey 07652

General Counsel
Movado Group, Inc.
650 From Road, Ste. 375
Paramus, New Jersey 07652

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

Date: 1/22/15 **Coach, Inc.**

By: /s/ Todd Kahn
Name: Todd Kahn
Title: Global Corporate Affairs Officer
and General Counsel

Date: 1/16/15 **Movado Group, Inc.**

By: /s/ Efraim Grinberg
Name: Efraim Grinberg
Title: Chairman & CEO

Date: 1/16/15 **Swissam Products Limited**

By: /s/ Timothy F. Michno
Name: /s/ Timothy F.
Michno Title: Director

SCHEDULE 1
TRADEMARKS

Subsidiaries of the Registrant

Australia:
MGDL Distribution Pty Ltd

Canada:
Movado Group of Canada Inc.

China:
MGI Luxury Trading (Shanghai) Co., Ltd.

Delaware:
Movado Group Delaware Holdings Corporation
Movado LLC

France:
Movado Group France S.A.S.

Germany:
Movado Watch Deutschland G.m.b.H.
Movado Group Deutschland G.m.b.H.

Hong Kong:
SwissAm Products Ltd.

India:
MGI Distribution Pte Ltd.

Mexico:
MGI Distribución, S de R.L. de C.V.

Netherlands:
Movado Group Nederland B.V.

New Jersey:
Movado Retail Group, Inc.

Spain:
Movado Group España S.L.U.

Switzerland:
MGI Luxury Group, Sàrl

United Kingdom:
Movado Group UK Ltd.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-275816) of Movado Group, Inc. of our report dated March 26, 2024 relating to the financial statements, financial statement schedule, and the effectiveness of internal control over financial reporting, which appears in this Form 10 K.

/s/ PricewaterhouseCoopers LLP

New York, New York

March 26, 2024

CERTIFICATIONS

I, Efraim Grinberg, certify that:

- 1) I have reviewed this annual report on Form 10-K of Movado Group, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 26, 2024

/s/ Efraim Grinberg
Efraim Grinberg
Chairman of the Board of Directors and
Chief Executive Officer

CERTIFICATIONS

I, Sallie A. DeMarsilis, certify that:

- 1) I have reviewed this annual report on Form 10-K of Movado Group, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 26, 2024

/s/ Sallie A. DeMarsilis

Sallie A. DeMarsilis

Executive Vice President, Chief Operating Officer and Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Movado Group, Inc. (the "Company") for the year ended January 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, in the capacity indicated below and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (i) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 26, 2024

/s/ Efraim Grinberg
Efraim Grinberg
Chairman of the Board of Directors and
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Movado Group, Inc. (the "Company") for the year ended January 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, in the capacity indicated below and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (i) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 26, 2024

/s/ Sallie A. DeMarsilis
Sallie A. DeMarsilis
Executive Vice President, Chief Operating Officer and Chief
Financial Officer

MOVADO GROUP, INC.
Clawback Policy Exhibit 97.1

The Board of Directors (the “**Board**”) of Movado Group, Inc. (the “**Company**”) has adopted this Clawback Policy (the “**Policy**”), which provides for the recovery of certain incentive compensation in the event of an Accounting Restatement (as defined below). This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), Rule 10D-1 promulgated under the Exchange Act (“**Rule 10D-1**”) and Section 303A.14 of the New York Stock Exchange Listed Company Manual (the “**Listing Standards**”).

1. Administration

Except as specifically set forth herein, this Policy shall be administered by the Board or, if so designated by the Board, a committee thereof (the Board or such committee charged with administration of this Policy, the “**Administrator**”). The Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. Any determinations made by the Administrator shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. In the administration of this Policy, the Administrator is authorized and directed to consult with the full Board or such other committees of the Board, such as the Audit Committee or the Compensation and Human Capital Committee, as may be necessary or appropriate as to matters within the scope of such other committee’s responsibility and authority.

Subject to any limitation at applicable law, the Administrator may authorize and empower any officer or employee of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

2. Definitions

As used in this Policy, the following definitions shall apply:

- “**Accounting Restatement**” means an accounting restatement of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
- “**Administrator**” has the meaning set forth in Section 1 hereof.
- “**Applicable Period**” means the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, as well as any transition period (that results from a change in the Company’s fiscal year) within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year). The “**date on which the Company is required to prepare an Accounting Restatement**” is the earlier to occur of (a) the date the Board or the Audit Committee concludes, or reasonably should have concluded, that the

Company is required to prepare an Accounting Restatement or (b) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement, in each case regardless of if or when the restated financial statements are filed.

- **“Covered Executives”** means the Company’s current and former executive officers, as determined by the Administrator in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards.
- **“Erroneously Awarded Compensation”** has the meaning set forth in Section 5 of this Policy.
- A **“Financial Reporting Measure”** is any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measure that is derived wholly or in part from such measure. Financial Reporting Measures include but are not limited to the following (and any measures derived from the following): Company stock price; total shareholder return (“**TSR**”); revenues; net income; operating income; profitability of one or more reportable segments; financial ratios (e.g., accounts receivable turnover and inventory turnover rates); earnings before interest, taxes, depreciation and amortization (“**EBITDA**”); funds from operations and adjusted funds from operations; liquidity measures (e.g., working capital, operating cash flow); return measures (e.g., return on invested capital, return on assets); earnings measures (e.g., earnings per share); sales per square foot or same store sales, where sales is subject to an Accounting Restatement; revenue per user, or average revenue per user, where revenue is subject to an Accounting Restatement; cost per employee, where cost is subject to an Accounting Restatement; any of such financial reporting measures relative to a peer group, where the Company’s financial reporting measure is subject to an Accounting Restatement; and tax basis income. A Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the Securities Exchange Commission.
- **“Incentive-Based Compensation”** means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is “**received**” for purposes of this Policy in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

3. Covered Executives; Incentive-Based Compensation

This Policy applies to Incentive-Based Compensation received by a Covered Executive (a) after beginning services as a Covered Executive; (b) if that person served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation; and (c) while the Company had a listed class of securities on a national securities exchange.

4. Required Recoupment of Erroneously Awarded Compensation in the Event of an Accounting Restatement

In the event the Company is required to prepare an Accounting Restatement, the Company shall promptly recoup the amount of any Erroneously Awarded Compensation received by any Covered Executive, as calculated pursuant to Section 5 hereof, during the Applicable Period.

5. Erroneously Awarded Compensation: Amount Subject to Recovery

The amount of "**Erroneously Awarded Compensation**" subject to recovery under the Policy, as determined by the Administrator, is the amount of Incentive-Based Compensation received by the Covered Executive that exceeds the amount of Incentive-Based Compensation that would have been received by the Covered Executive had it been determined based on the restated amounts.

Erroneously Awarded Compensation shall be computed by the Administrator without regard to any taxes paid by the Covered Executive in respect of the Erroneously Awarded Compensation.

By way of example, with respect to any compensation plans or programs that take into account Incentive-Based Compensation, the amount of Erroneously Awarded Compensation subject to recovery hereunder includes, but is not limited to, the amount contributed to any notional account based on Erroneously Awarded Compensation and any earnings accrued to date on that notional amount.

For Incentive-Based Compensation based on stock price or TSR: (a) the Administrator shall determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received; and (b) the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the New York Stock Exchange ("NYSE").

6. Method of Recoupment

The Administrator shall determine, in its sole discretion, the timing and method for promptly recouping Erroneously Awarded Compensation hereunder, which may include without limitation (a) seeking reimbursement of all or part of any cash or equity-based award, (b) cancelling prior cash or equity-based awards, whether vested or unvested or paid or unpaid, (c) cancelling or offsetting against any planned future cash or equity-based awards, (d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder and (e) any other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Administrator may effect recovery under this Policy from any amount otherwise payable to the Covered Executive, including amounts payable to such individual under any otherwise applicable Company plan or program, including base salary, bonuses or commissions and compensation previously deferred by the Covered Executive.

The Company is authorized and directed pursuant to this Policy to recoup Erroneously Awarded Compensation in compliance with this Policy unless the Compensation and Human Capital Committee of the Board has determined that recovery would be impracticable solely for the following limited reasons, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Administrator must make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover and provide that documentation to the NYSE;
- Recovery would violate home country law of the issuer where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of

Erroneously Awarded Compensation based on violation of home country law of the issuer, the Administrator must satisfy the applicable opinion and disclosure requirements of Rule 10D-1 and the Listing Standards; or

- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

7. No Indemnification of Covered Executives

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Executive that may be interpreted to the contrary, the Company shall not indemnify any Covered Executives against the loss of any Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executives to fund potential clawback obligations under this Policy.

8. Administrator Indemnification

Any members of the Administrator, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

9. Effective Date; Retroactive Application

This Policy shall be effective as of October 2, 2023 (the "**Effective Date**"). The terms of this Policy shall apply to any Incentive-Based Compensation that is received by Covered Executives on or after the Effective Date, even if such Incentive-Based Compensation was approved, awarded, granted or paid to Covered Executives prior to the Effective Date. Without limiting the generality of Section 6 hereof, and subject to applicable law, the Administrator may affect recovery under this Policy from any amount of compensation approved, awarded, granted, payable or paid to the Covered Executive prior to, on or after the Effective Date.

10. Amendment; Termination

The Board may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Company's securities are listed.

11. Other Recoupment Rights; Company Claims

The Board intends that this Policy shall be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal remedies the Company or any of its affiliates may have against a Covered Executive arising out of or resulting from any actions or omissions by the Covered Executive.

12. Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

13. Exhibit Filing Requirement

A copy of this Policy and any amendments thereto shall be posted on the Company's website and filed as an exhibit to the Company's annual report on Form 10-K.
