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No. 592
COMPANY ANNOUNCEMENT
5 May 2020

ACCELERATED BOOK-BUILD OFFERING

PANDORA INITIATES PRIVATE PLACEMENT OF UP TO 8,000,000 TREASURY SHARES THROUGH AN ACCELERATED BOOK-BUILDING PROCESS

In connection with the release of the interim financial report for Q1 2020, see company announcement no. 591, the board of directors of Pandora A/S (the “**Board**”) has resolved to initiate a private placement of up to an aggregate of 8,000,000 treasury shares (the “**Treasury Shares**”), corresponding to 8% of Pandora A/S’ issued shares and registered share capital, at a price to be determined through an accelerated book-building process (the “**Offering**”).

The Treasury Shares were purchased during 2019 until 11 March 2020 through Pandora A/S’ share buy-back programmes. The Treasury Shares were to be cancelled through a capital reduction as adopted at Pandora A/S’ annual general meeting held on 11 March 2020. However, in light of subsequent macroeconomic developments, the Board has determined that the best interest of Pandora A/S is to cancel the capital reduction to allow the Treasury Shares to be used in connection with the Offering.

The net proceeds of the Offering will be used for prepayment of credit facilities.

The Offering will be made pursuant to applicable exemptions from the obligation to publish a prospectus to eligible institutional investors in Denmark and in certain other jurisdictions. The Offering is not underwritten.

Books will open immediately and can close at any time. The offer price will be determined after the close of the accelerated book-building process. The final pricing and amount of the Treasury Shares are expected to be announced as soon as practically possible thereafter. In connection with the Offering, Pandora A/S, members of the Board and executive management have agreed to undertake a lock-up commitment for 180 calendar days following settlement of the Offering.

THE TREASURY SHARES

Pandora A/S owns a total of 8,341,918 treasury shares, corresponding to 8.3% of Pandora A/S' issued and registered share capital. Pandora A/S contemplates selling up to 8,000,000 treasury shares in the Offering.

Each share of Pandora A/S and each Treasury Share has a nominal value of DKK 1 and carries one vote. The shares of Pandora A/S and each Treasury Share are negotiable instruments and will in every respect carry the same rights as other shares of Pandora A/S, including the right to receive dividends and voting rights.

The Treasury Shares will be sold without any pre-emption rights for existing shareholders and new owners of any Treasury Share will be recorded in Pandora A/S' share register.

The shares of Pandora A/S and the Treasury Shares are issued in dematerialised form through VP Securities.

The Treasury Shares are admitted to trading and official listing on Nasdaq Copenhagen under ISIN code DK0060252690.

BACKGROUND FOR THE OFFERING

The Offering is being conducted to prepare for a stress test scenario where the majority of stores are closed during the majority of the rest of 2020.

The COVID-19 pandemic is affecting people and businesses around the globe in an unprecedented way, including Pandora A/S. Reference is made to the announcement of the interim financial report for Q1 2020, company announcement no. 591, for more background information.

Pandora A/S has raised additional committed funding of DKK 3 billion in a club deal with its main relationship banks, 70% state-guaranteed through Vækstfonden and maturing on 31 December 2021. Pandora A/S has thereby increased its committed facilities to DKK 13.9 billion of which DKK 3.4 billion is to be refinanced or repaid by the end of 2020 at the latest. On 4 May 2020, Pandora A/S had drawn DKK 7.9 billion of the committed facilities.

Pandora A/S has also negotiated a waiver of the existing loan covenants implying that the NIBD/EBITDA (excluding restructuring costs) covenant with quarterly testing is raised to 4.25x until and including the testing by the end of Q1 2021.

As an additional precautionary measure in times of uncertainty, Pandora A/S is today announcing the Offering – resulting in a cancellation of the planned capital reduction and essentially undoing a part of the share buy-back made during 2019 and 2020.

In a most likely base-case scenario with gradual store openings throughout Q2 and coming back to a relatively normal business in Q4, Pandora A/S will not need the additional funding raised. With the additional DKK 3 billion club deal funding, Pandora A/S also has sufficient liquidity for a more negative scenario with continued large number of stores closed into Q3 and with a significant impact on demand in Q4 2020. Finally, with the sale of the Treasury Shares, Pandora A/S has sufficient funding for a potential significant second outbreak and closure of majority of

stores in the important fourth quarter with continued negative effect into 2021, including repayment of the DKK 3.4 billion term-loans expiring by end of 2020.

SETTLEMENT

The Offering will be settled through VP Securities by way of book entry against cash payment.

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

Nordea Corporate & Investment Banking, Morgan Stanley & Co. International plc, and BNP Paribas are appointed Joint Global Coordinators and Joint Bookrunners, and Danske Bank A/S is appointed Joint Bookrunner in connection with the Offering.

EXPECTED TIMETABLE FOR THE OFFERING

Date	Event
Expected Tuesday 5 May 2020	Launch, pricing and allocation
Expected Tuesday 5 May 2020	Announcement of the results of the Offering
Expected Thursday 7 May 2020	Settlement and payment for the Treasury Shares

ABOUT PANDORA

Pandora designs, manufactures and markets hand-finished jewellery made from high-quality materials at affordable prices. Pandora jewellery is sold in more than 100 countries through 7,400 points of sale, including more than 2,700 concept stores.

Headquartered in Copenhagen, Denmark, Pandora employs 28,000 people worldwide and crafts its jewellery at two LEED certified facilities in Thailand using mainly recycled silver and gold. The company plans to be carbon neutral by 2025 and has joined the Science Based Targets initiative to reduce emissions across its full value chain. Pandora is listed on the Nasdaq Copenhagen stock exchange and generated sales of DKK 21.9 billion (EUR 2.9 billion) in 2019.

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The Joint Global Coordinators and Joint Bookrunners and each of their affiliates are acting exclusively for Pandora A/S and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than Pandora A/S for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.