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COMPANY ANNOUNCEMENT

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PANDORA ANNOUNCES STRATEGIC REORGANISATION

Establishing a consumer focused organisation with strengthened leadership to support future growth ambitions

Pandora is today announcing the next important step of Programme NOW. A strategic reorganisation will be implemented to further strengthen the organisation, move Pandora closer to consumers and ensure faster and consistent execution with more impactful products and marketing concepts.

Flat operating model to drive world class retail execution

Pandora will close its three regional organisations thereby eliminating an organisational layer between global headquarters and the local markets. The more than 100 markets where Pandora operates will be grouped into 10 clusters, each headed by a General Manager based in the largest market in the cluster. The General Managers will report to a newly established Chief Commercial Officer (CCO) position.

The CCO will report to President & CEO Alexander Lacik and be part of Pandora's Executive Leadership Team. The CCO will also be responsible for a retail centre of excellence to improve Pandora's global retail skills including global merchandising, store development, planning and execution. A new function called Network & Franchise Management will be established to oversee the retail estate and support franchise partners globally. The CCO position will be taken up by a newly appointed external candidate who will be announced shortly and is due to join Pandora early in Q2 2020.

Global organisation designed to deliver a brand experience based on deep consumer insights

To offer more impactful products and marketing concepts and a more consistent consumer experience across markets, Pandora will establish two Global Business Units with end-to-end responsibility for product performance. One Global Business Unit will have the responsibility mainly for the core products including Moments, Charms and collaborations whereas the other Global Business Unit will drive the newer product categories and innovations. The new units will be accountable for concept development, design, execution and marketing plans across the full value chain – a shift from the current set-up centred around product launches ('drops'). The Global Business Units will report to the recently appointed Chief Marketing Officer (CMO), Carla Liuni, who starts on 16 March 2020.

As part of the reorganisation, Pandora will invest in building stronger global functions including Marketing, Digital, Merchandising and Business Intelligence. A Global Business Services centre will be established to deliver efficient and scalable transactional processes and drive efficiencies through standardisation and higher quality. These initiatives - to upgrade and long-term future-proof Pandora - follow the already announced decision to

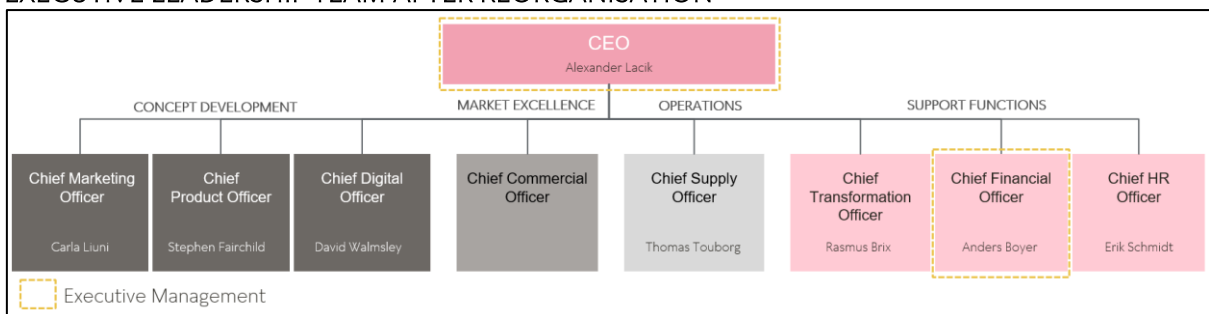
establish a Digital Hub in Copenhagen, the appointment of Carla Liuni as CMO, and the appointment of Erik Schmidt as Chief HR Officer.

“With today’s announcement, we bring our global headquarters closer to our local markets and consumers, and ensure that feedback from consumers can more quickly fuel new concept creations. The reorganisation will reduce organisational complexity, enable Pandora to execute with more speed and agility, and add critical capabilities required to support growth”, says Alexander Lacik, President & CEO of Pandora.

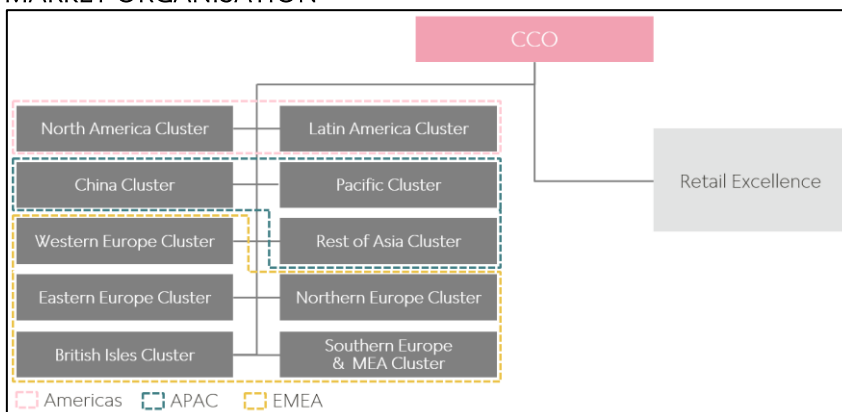
As a consequence of the strategic reorganisation, 180 employees from Pandora’s regional offices and markets will leave the company. The three current regional presidents will step down from the Executive Leadership Team. David Allen, currently President of Pandora EMEA will stay with Pandora and support Programme NOW, while Sid Keswani, current President of Pandora Americas, will become President of the North America cluster. Kenneth Madsen, current President of Pandora Asia Pacific, will leave the company.

The new organisation will take effect from 2 April 2020.

EXECUTIVE LEADERSHIP TEAM AFTER REORGANISATION



MARKET ORGANISATION



Financial implications

The reorganisation will entail additional non-recurring restructuring costs amounting to around DKK 0.2 billion primarily related to severance payments, additional consultancy support,

extraordinary recruitment costs, and other costs of closing down the regional offices. The total restructuring costs in 2020 are thereby expected to amount to around DKK 1.3 billion.

The cost reductions from the redundancies of 180 employees are expected to be largely offset by costs related to the further strengthening of the global organisation. The net cost savings are consequently expected to be limited.

In the new organisation, the management teams in the markets will focus on sales, marketing and retail execution. Consequently, the cost of certain functions in the markets (approximately DKK 0.3 billion annually) previously recognised under Administrative expenses will be re-classified to Sales & Distribution expenses.

Other parameters of the financial guidance for 2020 are unchanged.

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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