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**COMPANY ANNOUNCEMENT**  
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## LONG TERM INCENTIVE PLANS FOR EXECUTIVE MANAGEMENT AND OTHER KEY EMPLOYEES IN PANDORA

Today, Pandora A/S (“Pandora”) announces the annual grant of performance shares for 2021 under its Long-term incentive plan (“LTIP”), in accordance with its Remuneration Policy.

The LTIP provides for a target award of 25,144 shares (maximum: 50,288 shares) to Pandora’s Executive Management, conditional on performance (i.e., the award is in the form of Performance shares units (“PSUs”). In total, considering all participants (Executive Management and key employees) a target award of 160,000 shares (maximum: 320,000 shares) is provided under the LTIP in 2021. The maximum award of shares to all participants under the LTIP in 2021 will only be made if the performance conditions set by the Board are achieved at or above stretch objectives. Based on the reference share price of DKK 660.2 (the average price of Pandora’s shares on Nasdaq Copenhagen over the last five trading days of 2020), the target award to all participants is valued at DKK 106 million (maximum: DKK 211 million). Pandora intends to use treasury shares to meet its obligations to deliver shares under the LTIP.

The PSUs will vest and be awarded as shares following the publication of Pandora’s annual report for 2023, subject to fulfilment of the performance conditions in the range 0 – 200% of the target achievement.

For Executive Management the performance conditions are set out in the table below:

LTIP 2021 for Executive Management:		Weight	Vesting % for achievement of performance conditions			
			Below threshold	At threshold	At target	At or above stretch
Performance conditions	EPS <sup>1</sup>	50%	0%	0%	100%	200%
	TSR <sup>2</sup>	50%	0%	50%	100%	200%
	<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>25%</b>	<b>100%</b>	<b>200%</b>
<b>Shares awarded</b>			<b>0</b>	<b>6,286</b>	<b>25,144</b>	<b>50,288</b>
<b>Value at the reference share price</b>			<b>0</b>	<b>DKK 4.1m</b>	<b>DKK 16.6m</b>	<b>DKK 33.2m</b>

- Pandora’s Earnings per share (EPS) for Financial Year 2023 will be assessed against objectives based on Pandora’s internal financial projections.
- Pandora’s relative Total shareholder return (TSR) will be ranked (over the period from December 2020 – December 2023) against a basket of 15 industry peer companies. The threshold is a TSR ranking at median; the stretch is a TSR ranking at top quartile, and pro-rata in between.

## 5 YEARS' PROGRAMME FOR EXECUTIVE MANAGEMENT

The PSUs vest and are awarded as Pandora shares after the end of the performance period – i.e., an initial vesting period of three years. For Executive Management, after the PSUs vest, the shares awarded are subject to a further two-year holding period before the Executive Management can sell the shares (except for sales for payment of taxes triggered by grants vested under the LTIP). There are no further performance criteria tied to the two year holding period. All sales of shares by Executive Management are, in any event, subject to applicable laws and the Company's internal rules for the trading in Pandora securities. In addition, Executive Management meet and continue to be subject to a share ownership requirement of one years' annual base salary.

In accordance with the relevant International Financial Reporting Standards (IFRSs) the accounting expense for the LTIP will be recognised in the income statement over the three-year vesting period.

## 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 more than 7,000 points of sale, including around 2,700 concept stores.

Headquartered in Copenhagen, Denmark, Pandora employs 26,000 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 19.0 billion (EUR 2.5 billion) in 2020.

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