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COMPANY ANNOUNCEMENT

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LONG TERM INCENTIVE PROGRAM FOR EXECUTIVE MANAGEMENT AND OTHER KEY EMPLOYEES IN PANDORA

In accordance with PANDORA's guidelines for incentive pay the Board of Directors of PANDORA has approved a long-term incentive programme for 2018. The programme includes the potential grant of up to 17,306 stock options to the Company's Executive Management and 101,151 stock options to key employees.

The grant is subject to performance targets related to revenue growth and accumulated EBITDA over the period of 2018 to 2020, measured in fixed currency. A compound annual growth rate in revenue of 10% and a minimum aggregated yearly EBITDA margin of 34% are required to release all stock options. If revenue growth is below 7% and the aggregated EBITDA margin below 34% no stock options are released under the programme.

The stock options are granted at 1% of the average market price of the PANDORA share five days prior to the grant in Q1 2021 (equal to performance shares).

The market value of the total programme is approximately DKK 70 million (Black-Scholes value). Participants under the program are not eligible for any dividend payments before the stock options are fully vested and exercised.

5 YEARS PROGRAMME FOR EXECUTIVE MANAGEMENT

If the performance conditions are met members of Executive Management are subject to an additional 2 year vesting period before the stock options can be exercised. There are no performance targets tied to the additional 2-year vesting period.

Under the IFRS standard the long-term incentive programme will be recognised in the income statement over the 3-year and the 5-year vesting period, respectively.

ABOUT PANDORA

PANDORA designs, manufactures and markets hand-finished and contemporary jewellery made from high-quality materials at affordable prices. PANDORA jewellery is sold in more than 100 countries on six continents through around 7,800 points of sale, including more than 2,400 concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs more than 27,300 people worldwide of whom around 13,200 are located in Thailand, where the Company manufactures its jewellery. PANDORA is publicly listed on the Nasdaq Copenhagen stock exchange in Denmark. In 2017, PANDORA's total revenue was DKK 22.8 billion (approximately EUR 3.1 billion).

CONTACT

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