

PANDORA



## Remuneration Report 2023

Pandora A/S · Havneholmen 17-19 · 1561 Copenhagen V · Denmark · CVR no. 28505116



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Due to rounding, numbers presented throughout this report may not add up precisely to the totals, and percentages may not precisely reflect the absolute figures.

# LETTER TO THE SHAREHOLDERS

Dear shareholder,

I am pleased to present our 2023 Remuneration Report on behalf of the members of the Remuneration Committee. I would like to thank you for your support of our remuneration resolutions at our 2023 Annual General Meeting (AGM). Our 2022 Remuneration Report received 96.90% of votes in favour.

In 2023, the Remuneration Committee has been focused on reviewing Executive Management performance measures and remuneration, ensuring that it continues to be closely aligned to our Phoenix strategy. We have been engaging with our major shareholders, with the pinnacle of that engagement being an engaging and impactful Capital Markets Day in October.

We have discussed our proposition for our workforce in response to the elevated cost of living pressures which many of our colleagues continue to experience. The commitments we make to colleagues are critical to support us in energising for growth and delivering sustainable performance.

Our strong financial performance in 2023 is first of all driven by broad-based like-for-like growth across markets but also supported by profitable network expansion and continued cost focus. While we remain encouraged about the opportunities ahead of us and our growth outlook remains positive, there are continued risks related to macroeconomic development, inflation and geopolitical circumstances.

Our non-financial performance in our employee listening survey reached a record-high with an employee Net Promoter Score (eNPS) of 60. Furthermore, our overall average inclusiveness in 2023 now puts us in the top quartile of the consumer goods sector.

In the context of a very successful year for Pandora, we have made executive remuneration decisions that we feel are strongly aligned with our overall company performance, as well as our philosophy to ensure that we continue to attract and retain the best talent for Pandora.

Remuneration Committee  
7 February 2024



**Peter A. Ruzicka**  
Chair of the Board of Directors

# EXECUTIVE REMUNERATION AT A GLANCE

## Executive remuneration benchmarking

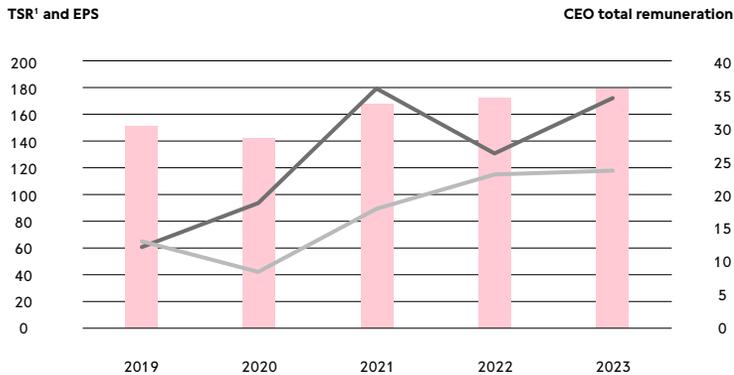
Executive remuneration is evaluated annually against relevant benchmarks of C25 and European companies similar to Pandora in size, complexity and market capitalisation. The peer groups against which executive remuneration was assessed for 2023 were set at the beginning of the year and were identical to those applied in 2022. Pandora also received advice from Willis Towers Watson on market data and remuneration trends.

## CEO total remuneration versus corporate performance

The chart below shows Pandora's total shareholder return (TSR) and earnings per share (EPS) over the past five years and overlays this against CEO total remuneration over the period. The chart shows that there have been considerable shareholder return over the period increasing in value by 71% (if we consider a hypothetical investment in Pandora shares made at the start of 2019). CEO remuneration based on salary and bonus earned and LTIP grants have remained broadly consistent over the period.

## FIVE-YEAR DEVELOPMENT

CEO remuneration (DKKm) ■ TSR ■ EPS



<sup>1</sup> TSR and EPS (rebased to index 100 in 2018)

## INCENTIVE METRICS AND HOW IT LINKS TO OUR STRATEGY

### Short-term incentive plan (STIP)

#### Like-for-like growth (60%)

Revenue growth is the most important value driver. Like-for-like measures revenue growth in the existing store network and is the most important revenue key performance indicator (KPI). Like-for-like growth keeps us focused on consistent and sustainable delivery of the Phoenix strategy. Success towards our growth pillars feeds directly into like-for-like growth:

1. Brand
2. Design
3. Personalisation
4. Core markets

#### Earnings before interest & tax (EBIT) margin, (40%)

The combination of like-for-like growth and EBIT-margin targets drives focus towards profitable growth and consistent cost discipline. Maintaining a high EBIT-margin generates value for our shareholders.

### Long-term incentive plan (LTIP)

#### EPS (75%)

Measures the creation of consistent long-term value for shareholders. The KPI measures the combined effect of revenue growth, bottom-line growth, cash generation and capital efficiency. This is a barometer of the success of our Phoenix strategy directly measuring outputs over the long term.

#### Progress as a sustainability leader (25%)

A core part of our Phoenix strategy is sustainability. As the global leader in our industry, we have a duty to rethink the production of jewellery, keeping the planet and its people in mind. Our LTIP contains metrics linked to our Group sustainability goals.

- Low-carbon business
- Circular innovation
- Inclusive, diverse and fair culture

Not only do we see this as the right thing to do, but we believe progress towards these goals will lead to financial returns over the long term, making inclusion in the LTIP imperative.

# BUSINESS HIGHLIGHTS 2023

## Continuing our growth journey by strengthening our brand

2023 was another strong year of growth guided by the Phoenix strategy. We invested heavily in our brand, our workforce and other foundational aspects of our business which consistently yielded positive results. However, looking ahead with our new roadmap we will continue to scale up investments to transform the perception of Pandora into a full jewellery brand. The Remuneration Committee noted, in particular, our leadership achievements in:

- Very strong financial performance, with a record-high revenue of DKK 28.1 billion, corresponding to organic growth of 8%.
- Broad-based growth across most geographies despite low consumer sentiments across many markets.
- Maintaining a high EBIT margin and delivering on the guidance to the capital markets.
- Great positive feedback from our Capital Markets Day in London on 5 October.
- Pandora was among TIME Magazine's list of World's Best Companies 2023. The companies were assessed on the three dimensions of employee satisfaction, revenue growth and sustainability. This emphasises Pandora's commitment to our employees, our investors and our planet.

- Reaching a major milestone on our sustainability leadership journey by completing our transition in December 2023 to source-only recycled silver and gold for all our jewellery one year ahead of our target. This is a great achievement that can be linked directly to our sustainability performance condition in our LTIP for both 2022 and 2023.
- Continuing our healthy performance culture by focusing on feedback from colleagues and leaders in the organisation, creating a stronger feedback culture and giving leaders a better performance assessment view.
- Investing in strong brand momentum generating increased market penetration, building on our already leading position in the jewellery market.
- Solid core business growth in our Pandora Moments collection, while still fuelling our business with growth in newer collections.
- Very strong growth in finished jewellery such as the Pandora Timeless collection that grew by 20%.
- Strong progress in our entry to the Diamond category by expanding our assortment significantly.
- Continued strong and profitable network expansion supporting our record-high revenue in 2023.





In the context of an exceptionally strong year for Pandora, the company's financial and non-financial performance was reflected in the Executive Management team's annual STIP and LTIP scorecards. The company's level of financial performance resulted in an outcome for both scorecards based on their targets. The Remuneration Committee also considered the reward outcomes to ensure that Pandora's Executive Management members are rewarded appropriately and in a fair and responsible manner, for their individual contributions to the success of Pandora and in accordance with Pandora's Remuneration Policy. The Remuneration Committee met six times in 2023.



## MAIN AREAS OF FOCUS

### Previous performance period

- Reviewing the 2022 performance and approving the achievement under the STIP for 2022, which achieved a 95% payout, and the LTIP for 2020, which achieved a 200% payout.

### Current performance period

- Deciding on the proposed reward levels for 2023 – annual salary increase, STIP and LTIP metrics and KPIs for 2023.
- Evaluating the progress of the STIP and the LTIP during 2023 in the current macroeconomic context, business results and the Executive Management's contribution to the results. Sustainability as a performance condition has been kept in LTIP for 2023, to continue the alignment with the Phoenix strategy.
- Reviewing our proposition towards our wider workforce.
- Reviewing the CEO's relocation package to align with Pandora's policy for other senior employees.

### Governance activities

- Considering shareholder feedback received during engagement following the AGM and the 2023 Capital Markets Day.
- Preparing the Annual Remuneration Report 2023 in accordance with company law requirements and guidelines for listed company remuneration reports, shareholder feedback and general best practice trends in executive remuneration disclosures. This included reviewing the level of external assurance of the Remuneration Report 2023 in relation to the accuracy of disclosures.
- Monitoring any new governance requirements and changes in remuneration regulations.

### Future performance periods

- Reviewing the operation of the STIP and LTIP for 2024 for consistency with the Phoenix strategy.
- Benchmarking remuneration for Executive Management and Board of Directors and aligning remuneration levels with the market.

# BOARD OF DIRECTORS' REMUNERATION

The remuneration of the Board of Directors in 2023 was in accordance with the Remuneration Policy. Board members' compensation is made up of two main elements:

- An annual remuneration based on a fixed annual base fee set at DKK 550,000 since the 2023 AGM when the fixed annual base fee was increased by 10% from DKK 500,000. Board members receive a multiplier of the fixed annual fee based on their position on the Board and participation in committees.
- A fixed travel allowance for additional time commitments and attending meetings outside of their country of residence. The allowance amounts were increased by 10% at the AGM 2023 from DKK 60,000 to DKK 66,000 for each event of intercontinental travel and from DKK 30,000 to DKK 33,000 for each event of continental travel.

The table below summarises the fees for members of the Board of Directors.

No ad hoc fees were paid in 2023.

In addition to the actual remuneration reflected above, Board members are entitled to reimbursement of costs and expenses incurred.

## BOARD OF DIRECTORS 2023 FEE STRUCTURE

2023 Fee structure	Board of Directors				Audit Committee				Other committees			
	prior to AGM 2023		post AGM 2023		prior to AGM 2023		post AGM 2023		prior to AGM 2023		post AGM 2023	
	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK
Chair	3.0x	1,500,000	3.0x	1,650,000	0.8x	400,000	0.8x	440,000	0.5x	250,000	0.5x	275,000
Deputy Chair	1.5x	750,000	1.5x	825,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member	1.0x	500,000	1.0x	550,000	0.4x	200,000	0.4x	220,000	0.25x	125,000	0.25x	137,500



The Board of Directors' 2023 remuneration table includes the remuneration paid to Board members in their capacity as members of the Board of Directors of Pandora. The number of travel allowances paid to members reflects their attendance at Pandora-related meetings outside their country of residence. Excluding travel allowances, the overall level of fees paid increased by approximately 10%, reflecting the increase approved at the AGM. The overall fees increased by 22% due to the increased level of travel and travel allowance in 2023 compared to 2022 as well as an additional Board member with social contribution fees. Historical information on fees paid to the individual members of the Board of Directors is available in the comparison tables in [Appendix 4](#).

**BOARD OF DIRECTORS' 2023 REMUNERATION**DKK million<sup>1</sup>

Board member	Role	Audit Committee	Remuneration Committee	Nomination Committee	Base fees	Committee fees	Total	Other <sup>2</sup>	Travel allowances	Total incl. other & travel
Peter A. Ruzicka	Chair		Chair	Member	1.6	0.4	2.0	0.4	0.7	3.1
Christian Frigast	Deputy Chair		Member	Chair	0.8	0.4	1.2	0.0	0.1	1.3
Birgitta Stymne Göransson	Board member	Member		Member	0.5	0.3	0.9	0.2	0.2	1.3
Marianne Kirkegaard	Board member			Member	0.5	0.1	0.7	0.0	0.2	0.8
Catherine Spindler	Board member	Member			0.5	0.2	0.8	0.0	0.2	0.9
Jan Zijderveld	Board member	Member	Member		0.5	0.3	0.9	0.0	0.1	1.0
Lilian Fossum Biner	Board member	Chair			0.4	0.3	0.8	0.2	0.2	1.2
Heine Dalsgaard	Former Board member	Chair			0.1	0.1	0.2	0.0	0.0	0.2
<b>Total Board remuneration 2023</b>					<b>5.1</b>	<b>2.3</b>	<b>7.4</b>	<b>0.9</b>	<b>1.7</b>	<b>10.0</b>
<b>Total Board remuneration 2022</b>					<b>4.8</b>	<b>2.0</b>	<b>6.8</b>	<b>0.5</b>	<b>0.9</b>	<b>8.2<sup>3</sup></b>
<b>Total Board remuneration annual change, %</b>							<b>10%</b>			<b>22%</b>

<sup>1</sup> Pandora pays social security contributions levied in respect of remuneration made to members of the Board of Directors as applicable.

<sup>2</sup> Social security costs in Norway and Sweden in respect of fees paid to the Chair and a Board member, respectively.

<sup>3</sup> The number reported in the 2022 Remuneration Report missed a travel allowance payment to the Chairman of DKK 60,000. This has been corrected in the 2023 Remuneration Report.

# MEMBERS OF THE BOARD OF DIRECTORS' INTERESTS IN PANDORA SHARES

Board members are required to hold a minimum level of Pandora shares ("share ownership requirement") to align their interests with those of the company's shareholders and executive team. Several Board members hold a number of Pandora shares that is significantly above their share ownership requirement.

Board members are required to purchase (if relevant) and hold Pandora shares to meet the share ownership requirement for as long as they serve as members of the Board of Directors. The share ownership requirement for each member of the Board of Directors is set at 1X the annual fee before taxes (DKK 550,000). The share ownership requirement must be fulfilled within 24 months from the day of the member's appointment to the Board of Directors. The table sets out the development of each board member's shareholding in Pandora during 2023:

SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS		Shares held at	Purchases	Sales	Shares held at	Market value	Holding as multiple
Board member	Role	31 December 2022	in 2023	in 2023	31 December 2023	DKKm <sup>2</sup>	of share ownership requirement
Peter A. Ruzicka	Chair	32,000	-	-4,000	28,000	26.1	16X
Christian Frigast	Deputy Chair	53,261	-	-	53,261	49.7	60X
Birgitta Stymne Göransson	Board member	2,975	-	-	2,975	2.8	5X
Marianne Kirkegaard	Board member	2,968	-	-	2,968	2.8	5X
Catherine Spindler	Board member	700	-	-	700	0.7	1X
Jan Zijderveld <sup>3</sup>	Board member	1,270	-	-	1,270	1.2	2X
Lilian Fossum Biner <sup>3</sup>	Board member	-	365	-	365	0.3	1X
Heina Dalsgaard	Former Board member	2,442	-	-2,442	0	0	N/A
<b>Total</b>		<b>95,616</b>	<b>365</b>	<b>-6,442</b>	<b>89,539</b>	<b>83.6</b>	<b>16X</b>

<sup>1</sup> The annual fee for this purpose is the gross fixed annual base fee (including multiples thereof for the Chair and Deputy Chair), but not including any committee fees.

<sup>2</sup> Market value is based on the share price of DKK 933.2 as of close of business 29 December 2023.

<sup>3</sup> New board members joining in connection with the AGM 2021 and AGM 2023 must fulfil the share ownership requirement by March 2023 and March 2025, respectively (applies to Jan Zijderveld and Lilian Fossum Biner), that is within 24 months from the day of appointment to the board of Directors.

# EXECUTIVE MANAGEMENT REMUNERATION

## Components of Executive Management remuneration

Members of Executive Management receive the following remuneration:

- Fixed annual base salary (members of Executive Management do not receive any company-paid pension contributions).
- STIP, based on Pandora's performance during the current performance year.
- LTIP, based on Pandora's performance during a three-year performance period, and with a further two-year holding period before shares awarded can be sold (five-year vesting and holding period in total).
- Other customary benefits on terms generally aligned with the wider work force.

The combination of fixed and incentive-based remuneration has been chosen to ensure that Pandora has the flexibility to recruit and retain key talent in a highly competitive, international talent market. The Board of Directors believes that incentive plans can be key drivers

behind exceptional Pandora performance and that it is appropriate to strongly align the interests of the members of Executive Management with those of Pandora's shareholders.

## Fixed annual base salary for Executive Management

The Remuneration Committee benchmarked Executive Management base salaries against comparable positions in European<sup>1</sup> and Danish<sup>2</sup> peers to support the pay review combined with the performance of Executive Management and the financial performance of Pandora. Benchmarking of executive remuneration is conducted with advice from the Remuneration Committee's independent external advisor, Willis Towers Watson. The Remuneration Committee recommended to the Board of Directors that the fixed annual base salary of the CEO should be increased by 5% from DKK 10.9 million (2022) to DKK 11.5 million (2023), and that the fixed annual base salary of the CFO should be increased by 3% from DKK 6.2 million (2022) to DKK 6.4 million (2023). These increases

are consistent with the range of increases awarded to the wider work force of Pandora A/S. The Board of Directors approved the recommendation effective from 1 March 2023. The fixed annual base salary (annual salary including any pension contributions) and overall reward opportunity provided to the CEO and CFO are considered to be broadly competitive with the appropriate peer groups. Salary increases in future years are expected to evolve in line with the pay-for-performance principles set out in the Remuneration Policy.

<sup>1</sup> European benchmarking peer group 2023: Inditex, EssilorLuxottica, Kering, Richemont, adidas, H&M, Swatch, Moncler, PUMA, Burberry, Hugo Boss, Dufry, TOD's, ASOS.

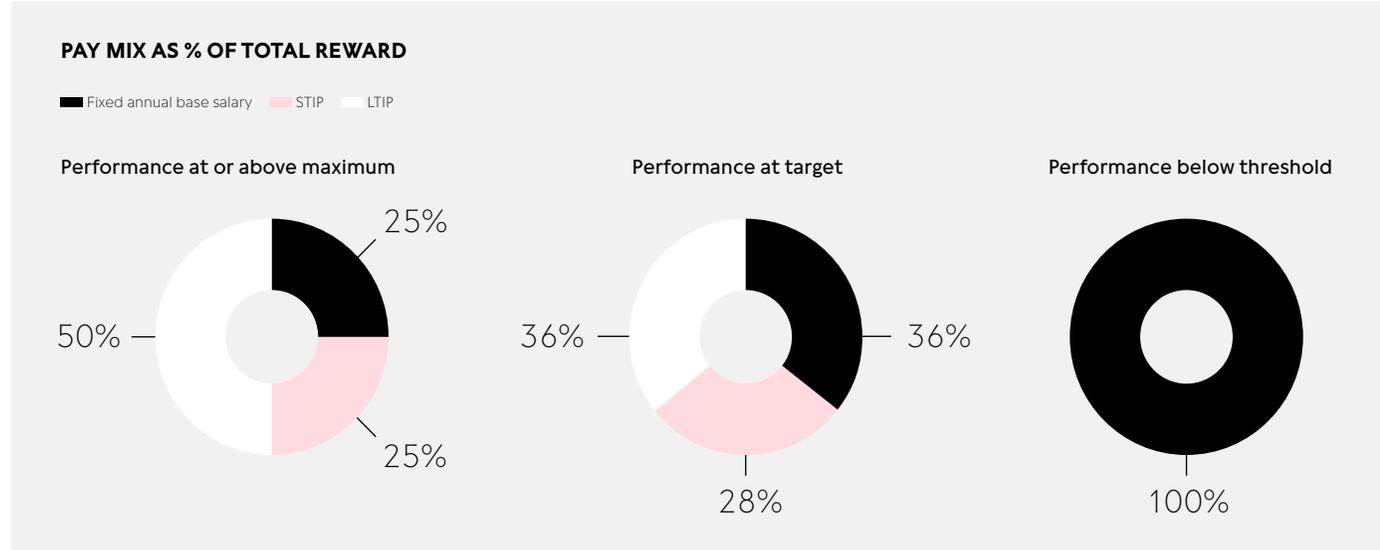
<sup>2</sup> Danish benchmarking peer group 2023: Novo Nordisk, Ørsted, Maersk, DSV, Coloplast, Vestas Wind Systems, Genmab, Carlsberg, Novozymes, Chr. Hansen, Demant, ROCKWOOL Group, GN Store Nord, Royal Unibrew, Ambu, Netcompany, ISS, Bavarian Nordic, FLSmidth & Co.

### Pay mix for Executive Management

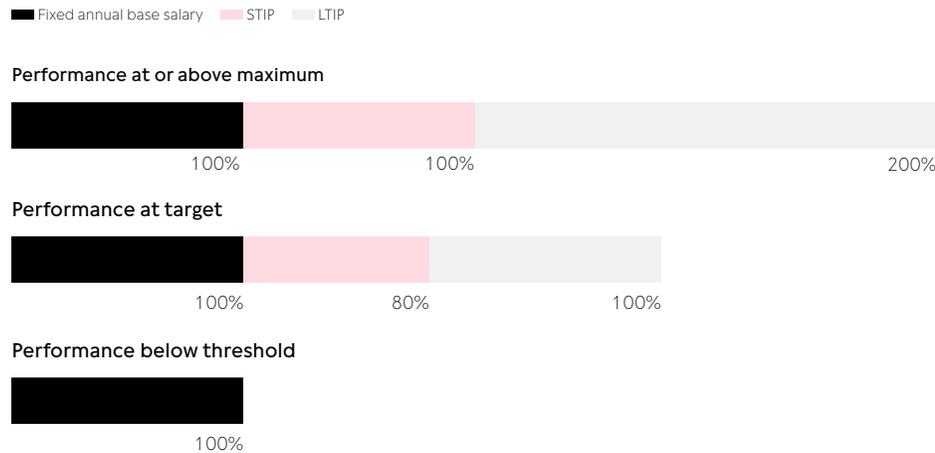
In 2023, the pay mix for Executive Management was as shown to the right.

In line with the Remuneration Policy, the STIP target opportunity for Executive Management is set at 80% of the fixed annual base salary, and the actual STIP payout may be in the range of 0-125% (that is maximum 100% of the fixed annual base salary for Executive Management).

The LTIP is in the form of Performance Share Units (PSUs), so the number of PSUs actually awarded as shares at the end of the vesting period, and subject to a further two-year holding period (that is a total vesting and holding period of five years), may be in the range of 0-200% of the target grant level of PSUs. The performance conditions are such that the maximum allocation of PSUs to all participants under the LTIP in 2023 will only be awarded in shares if the performance conditions set by the Board are fully achieved.



### TOTAL REWARD – PAY ELEMENTS' AS % OF FIXED ANNUAL BASE SALARY<sup>2</sup>



<sup>1</sup> In line with usual communication practice and the level of benefits in proportion to total reward, these illustrations include fixed annual base salary, STIP and LTIP only.  
<sup>2</sup> Fixed annual base salary is defined in accordance with the Remuneration Policy.

## Remuneration of Executive Management for 2023

In 2023, the remuneration of Executive Management was in accordance with the Remuneration Policy. The table provides an overview of the remuneration awards and outcomes for 2023, valued on the basis of remuneration awarded during the year (consistent with the way in which remuneration is determined in practice in accordance with the Remuneration Policy). Further details including variable pay proportion of total pay are available in [Appendix 4](#). ↗

The change in total remuneration of Executive Management from 2022 to 2023 was primarily due to the increase in base salary resulting in a higher LTIP grant. The historic view of Executive Management remuneration, including expenses for current and former members of Executive Management, is set out in [Appendix 4](#). ↗

### Short-term incentive plan (STIP)

The STIP is cash-based and designed to incentivise and encourage Executive Management to achieve high performance and promote achievement of Pandora's short-term objectives on a basis that is consistent, overall, with the sustainable delivery of long-term objectives. Our guiding philosophy is to reward employees based on the tangible impact they have on Pandora's performance. For instance, leaders within specific geographical clusters would receive compensation

in accordance with the performance of their respective region. The performance targets for Executive Management are therefore aligned with the global short-term performance of Pandora. It is Pandora's practice to communicate KPIs after the end of their performance period due to the commercial sensitivity of the financial KPIs.

### STIP 2023

The KPIs for 2023 were based on (i) a 60% like-for-like growth and (ii) a 40% EBIT margin in order to align with the Phoenix strategy. The weighting of like-for-like growth has been kept at 60% to maintain focus on consistent delivery of the growth ambition connected to the Phoenix strategy. STIP 2023 was paid out at 92% x fixed annual base salary (a business performance multiplier of 115% of the target of 80% x fixed annual base salary).

The STIP award for 2023 will be paid in cash in March 2024.

## EXECUTIVE MANAGEMENT REMUNERATION

DKK million		Fixed pay and benefits			Variable pay			Total remuneration awarded
Name	Role	Fixed annual base salary received	Other benefits <sup>1</sup>	Total fixed remuneration	STIP award	LTIP grant <sup>2</sup>	Total variable remuneration	
Alexander Lacik	CEO	11.4	2.4	13.7	10.5	11.5	22.0	35.8
Anders Boyer	CFO	6.4	0.3	6.6	5.9	6.4	12.3	18.9
<b>Total 2023</b>		<b>17.8</b>	<b>2.6</b>	<b>20.4</b>	<b>16.4</b>	<b>17.9</b>	<b>34.3</b>	<b>54.7</b>
<b>Total 2022</b>		<b>17.1</b>	<b>2.6</b>	<b>19.6</b>	<b>16.2</b>	<b>17.1</b>	<b>33.4</b>	<b>53.0</b>

<sup>1</sup> Other benefits including relocation allowance for CEO: car allowance, phone, internet allowance, company healthcare, housing allowance (for CEO only) and reimbursement of education fees (for CEO only).

<sup>2</sup> Grant is shown at target value, which is the intended fair value at the time of grant, based on the average closing price of Pandora's shares on Nasdaq Copenhagen over the last five trading days after the publication of the Annual Report for 2022 (DKK 635.8). As there are differences in both the reporting and methodology of LTIP in the Remuneration Report and the company's Annual Report 2023, the actual value of the grant at the eventual grant date in accordance with the IFRS2 accounting standard may differ from what is shown, as will the recognition of the LTIP expense over the period in which service is provided. This is explained further in Appendix 3.

STIP 2023		Threshold 0% x fixed annual base salary	Target 80% x fixed annual base salary	Maximum 100% x fixed annual base salary (125% x target)	Weight	Achievement	
Metrics						Actual, %	x target, 0-125%
Performance conditions	Like-for-like growth FY 2023 vs FY 2022, %	-10%	-4%	0%	60%	6%	125%
	EBIT-margin, %	23.5%	25.0%	26.0%	40%	25.0%	100%
<b>Total</b>					<b>100%</b>		<b>115%</b>

### Long-term incentive plan (LTIP)

The purpose of the LTIP is to incentivise performance, ensure the commitment and retention of Executive Management, and align their interests with those of the company’s shareholders. The LTIP rewards Executive Management for dedicated and focused results intended to achieve and support the long-term interests of Pandora, including a significant focus on the company’s sustainability agenda.

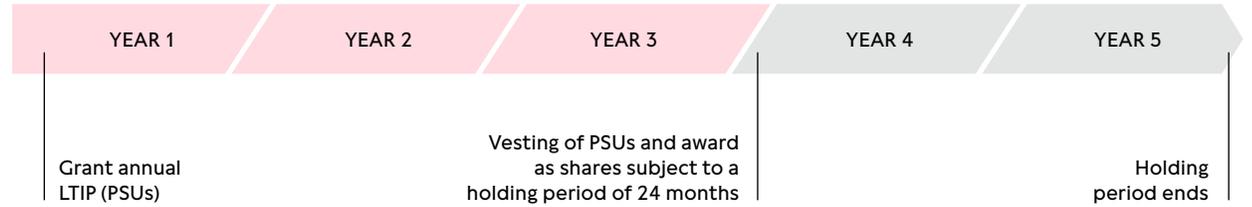
In 2023, Pandora continued striving to lead the jewellery industry in sustainability by further progressing on its ambitious targets within climate, circularity, inclusion and diversity. In addition, at Pandora, strong financial performance and sustainability go hand in hand, and so Pandora’s financing is linked to our greenhouse gas emission reductions and procurement of recycled silver and gold. In 2023, we successfully placed an aggregate principal amount of EUR 500 million in sustainability-linked Eurobonds and launched our first share buy-back programme linked to sustainability.

The LTIP is granted annually to Executive Management in PSUs. The performance period for PSUs is three financial years, after which the PSUs vest (subject to meeting the performance conditions set by the Board of Directors). After vesting, the shares awarded are subject to a further two-year holding period, during which Executive Management is restricted from selling the shares, except for sales to pay taxes at vesting. During the holding period, vested shares are eligible to dividends, if paid. At the end of the holding period, and subject always to compliance with the share ownership requirement of the Remuneration Policy and restrictions in respect of relevant insider rules, Executive Management may sell their shares.

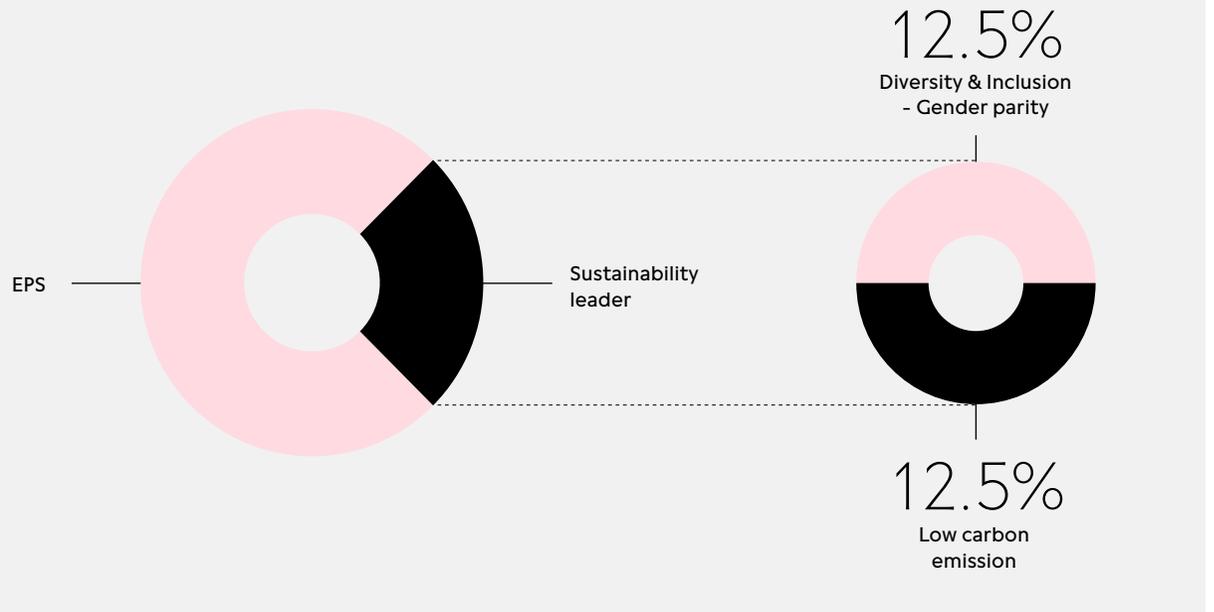
In addition, Executive Management must meet and continues to be subject to a share ownership requirement to maintain a shareholding of a market value corresponding to the gross fixed annual base salary applicable at any time.

In 2022, sustainability targets were included in the LTIP for Executive Management with a weighting of 25% of performance, which is also included for LTIP 2023. The application of sustainability as a performance condition in the LTIP is to reflect Pandora’s commitment towards becoming a sustainability leader.

### VESTING AND HOLDING PERIOD FOR THE LTIP 2023 FOR EXECUTIVE MANAGEMENT:



### PERFORMANCE CONDITIONS FOR LTIP 2023





## LTIP 2023

The LTIP 2023 provided for a target award of 28,114 shares<sup>1</sup> (maximum: 56,228 shares) to Pandora's Executive Management, subject to fulfilment of performance conditions. The granted PSUs are due to vest in 2026 following the publication of Pandora's Annual Report for 2025, subject to meeting the performance conditions in the range 0-200% of the target PSUs granted.

The 2023 performance conditions are set out in the table:

- EPS to measure long-term value creation through direct measure of Pandora's financial performance.
- Progress as a sustainability leader which consists of two components: Our science-based target to reduce our greenhouse gas emissions (low carbon emission) and our D&I target to achieve gender parity in leadership<sup>2</sup>.

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.

## LTIP 2022

The LTIP 2022 provided for a target award of 21,053 shares<sup>3</sup> (maximum: 42,106 shares) to Pandora's Executive Management, subject to performance (the award is in the form of PSUs). The granted PSUs will vest as shares in 2025 following the publication of Pandora's Annual Report for 2024, subject to the performance conditions in the range 0-200% of the target PSUs granted.

The 2022 performance conditions are set out in the table.

LTIP 2023 FOR EXECUTIVE MANAGEMENT			Vesting % for achievement of performance conditions			
	Metric	Weight	Below threshold	At threshold	At target	At or above stretch
Performance conditions	EPS	75%	0%	50%	100%	200%
	Progress as a sustainability leader <sup>1</sup>	25%	0%	0%	100%	200%
	<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>37.5%</b>	<b>100%</b>	<b>200%</b>
<b>Shares awarded</b>			<b>0</b>	<b>10,543</b>	<b>28,114</b>	<b>56,228</b>
<b>Value at reference share price</b>			<b>0</b>	<b>DKK 6.7m</b>	<b>DKK 17.9m</b>	<b>DKK 35.7m</b>

<sup>1</sup> Pandora's sustainability will be addressed against 2025 objectives based on Pandora's progress as a sustainability leader.

LTIP 2022 FOR EXECUTIVE MANAGEMENT			Vesting % for achievement of performance conditions			
	Metric	Weight	Below threshold	At threshold	At target	At or above stretch
Performance conditions	EPS	75%	0%	50%	100%	200%
	Progress as a sustainability leader <sup>1</sup>	25%	0%	0%	100%	200%
	<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>37.5%</b>	<b>100%</b>	<b>200%</b>
<b>Shares awarded</b>			<b>0</b>	<b>7,895</b>	<b>21,053</b>	<b>42,106</b>
<b>Value at reference share price</b>			<b>0</b>	<b>DKK 6.4m</b>	<b>DKK 17.1m</b>	<b>DKK 34.3m</b>

<sup>1</sup> Pandora's sustainability will be addressed against 2024 objectives based on Pandora's progress as a sustainability leader.

<sup>1</sup> The target grant of PSUs was calculated based on the target grant level of 100% x fixed annual base salary and a reference share price of DKK 635.8 (the average closing price of Pandora's shares on Nasdaq Copenhagen over the last five trading days after publication of the Annual Report for 2022).

<sup>2</sup> Circular was removed from the sustainability targets due to Pandora planning to complete this sustainability target by 2025. Therefore, it will not be applicable as a FY2026 target.

<sup>3</sup> The target grant of PSUs was calculated based on the target grant level of 100% x fixed annual base salary and a reference share price of DKK 814.28 (the average price of Pandora's shares on Nasdaq Copenhagen over the last five trading days of 2021).

## LTIP 2021

The LTIP 2021 provided for a target award of 25,144 shares<sup>1</sup> (maximum: 50,288 shares) to Pandora's Executive Management, subject to performance (the award is in the form of PSUs). At the end of 2023, EPS performance conditions were achieved above maximum target, while the TSR performance condition reached rank 5 among the TSR peer group, vesting at 181.2%, thus the LTIP 2021 will vest at 190.6% on 7 February 2024. The vested shares are subject to the two-year holding period expected to end on 7 February 2026.

The 2021 performance conditions are set out in the table.

## LTIP 2020

In line with the then applicable Remuneration Policy approved at the 2020 Annual General Meeting, the format of the LTIP awards was changed to PSUs for the 2020 awards. In addition to the three-year performance measures, there was a two-year holding period after vesting for Executive Management.

The LTIP 2020 provided for a target award of 50,331 shares<sup>2</sup> (maximum allocation of 100,661 shares) to Pandora's Executive Management. At the end of 2022, both EPS and TSR were achieved above

maximum, thus the LTIP 2020 vested at maximum on 8 February 2023. The vested shares were subject to the two-year holding period expected to end on 8 February 2025.

The 2020 performance conditions are set out in the table.

## Other customary benefits

Members of Executive Management do not receive any Pandora-paid pension contribution as it is included in the fixed annual base salary and taken into account when benchmarking total remuneration. Other benefits – car allowance, annual health check, company canteen, company-paid health insurance, internet and phone allowance – are provided on the same basis as is available to other senior employees based in Denmark.

## Relocation allowances

In accordance with the relocation and settlement agreement for the CEO and Pandora's policy for other senior employees, the CEO continued to receive ongoing support through 2023 in respect of tax filing, reimbursement of education fees and mobility allowances for housing, transport and living expenses. The relocation allowance was extended throughout 2023, including housing and transportation allowance. The CEO housing allowance is due to decrease from 2024.

LTIP 2021 FOR EXECUTIVE MANAGEMENT			Vesting % for achievement of performance conditions			
	Metric	Weight	Below threshold	At threshold	At target	At or above stretch
Performance conditions	EPS	50%	0%	0%	100%	200%
	Relative TSR <sup>1</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 reference share price</b>			<b>0</b>	<b>DKK 4.1m</b>	<b>DKK 16.6m</b>	<b>DKK 33.2m</b>

<sup>1</sup> Pandora's relative TSR was ranked (over the period from December 2020 to December 2023) against a group of 14 industry peers (down from original 15 due to the removal of Capri Holding A/S). The threshold is a TSR ranking at the median; the stretch is a TSR ranking at the top quartile, and pro-rata in between. The exact ranking is shown in Appendix 1.

LTIP 2020 FOR EXECUTIVE MANAGEMENT			Vesting % for achievement of performance conditions			
	Metric	Weight	Below threshold	At threshold	At target	At or above stretch
Performance conditions	EPS	50%	0%	0%	50%	100%
	Relative TSR <sup>1</sup>	50%	0%	25%	50%	100%
	<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>12.5%</b>	<b>50%</b>	<b>100%</b>
<b>Maximum number of PSUs allocated</b>			<b>0</b>	<b>12,583</b>	<b>50,331</b>	<b>100,661</b>
<b>Value at the allocation share price</b>			<b>0</b>	<b>DKK 3.6m</b>	<b>DKK 14.5m</b>	<b>DKK 29.0m</b>

<sup>1</sup> Pandora's relative TSR was ranked (over the period from December 2019 to December 2022) against a group of 15 industry peers. The threshold for the vesting of 25% of the PSUs linked to the TSR objective is a TSR ranking at the median; the maximum for the vesting of 100% of the PSUs is a TSR ranking at the top quartile. If the final achievement on the TSR metric is in between the threshold and maximum, the vesting is pro-rated accordingly.

<sup>1</sup> The target grant of PSUs was calculated based on the target grant level of 100% x fixed annual base salary and a reference share price of DKK 660.24 (the average price of Pandora's shares on Nasdaq Copenhagen over the last five trading days of 2020).

<sup>2</sup> Based on a par level of 100% x fixed annual base salary and an allocation share price of DKK 288.10 (the average price of Pandora's shares on Nasdaq Copenhagen over the last five trading days of 2019).

# EXECUTIVE MANAGEMENT'S INTERESTS IN PANDORA SHARES

A shareholding requirement applies for Executive Management. Together with the design of the incentive arrangements, the requirement ensures that the value realised by Executive Management is directly linked to long-term sustainable business performance. The shareholding requirement is set at 1x gross fixed annual base salary as applicable in the current year. Vested LTIP shares can be included towards meeting the requirement. Both the CEO and CFO hold a number of Pandora shares that is significantly above the requirements set out by our Remuneration Policy.

The table below sets out the development of Executive Management's shareholdings in Pandora during the financial year. The three tables on the following page provide details of the share movements during 2023.

In 2023, Executive Management members received allocations of PSUs under the LTIP 2023. Together with allocations received in previous years, the remuneration approach and significant shareholding of Executive Management ensure alignment with shareholders' short-term and long-term interests through both shares held and conditional shares dependent on the performance of Pandora over subsequent periods.

## SHARES HELD BY EXECUTIVE MANAGEMENT

Name	Role	Shares held at 31 December 2022	Market value in DKKm (Dec 2022) <sup>1</sup>	Purchases in 2023	Sales in 2023	Vested shares in 2023	Shares in holding period 31 December 2023	Shares held 31 December 2023	Market value in DKKm (December 2023) <sup>2</sup>	Holdings (X share ownership requirement)
Alexander Lacik	CEO	176,627	86.2	-	13,350	62,479	62,479	225,756	210.7	18X
Anders Boyer	CFO	103,471	50.5	-	16,032	46,047	38,182	133,486 <sup>3</sup>	124.6	19X
<b>Total</b>		<b>280,098</b>	<b>136.7</b>	<b>-</b>	<b>29,382</b>	<b>108,526</b>	<b>100,661</b>	<b>359,242</b>	<b>335.2</b>	<b>19X</b>

<sup>1</sup> Market value is based on the share price of DKK 488.1 as of close of business on 30 December 2022.

<sup>2</sup> Market value is based on the share price of DKK 933.2 as of close of business on 29 December 2023.

<sup>3</sup> Company announcement no. 824 from 9 November 2023 stated an incorrect shareholding for Anders Boyer of 131,771 shares. The correct shareholding of 133,486 shares has been used in the calculation.

**UNVESTED SHARES ALLOCATED TO EXECUTIVE MANAGEMENT**

**Unvested shares at 31 December 2022**

Name	Role	Options in holding	Conditional value of options DKK m <sup>1</sup>	Target number of PSUs	Maximum number of PSUs <sup>3</sup>	Conditional value at target DKKm <sup>1</sup>	Conditional value at max DKKm <sup>1</sup>
Alexander Lacik	CEO	36,384	17.8	60,555	121,109	29.6	59.1
Anders Boyer	CFO	40,098	19.6	35,973	71,946	17.6	35.1
<b>Total</b>		<b>76,482</b>	<b>37.3</b>	<b>96,528</b>	<b>193,055</b>	<b>47.1</b>	<b>94.2</b>

**Movements in 2023**

Name	Role	Options exercised	New allocations of PSUs at target	New allocations of PSUs at maximum	PSUs cancelled	PSUs vested
Alexander Lacik	CEO	0	18,034	36,068	0	62,479
Anders Boyer	CFO	7,865	10,080	20,160	0	38,182
<b>Total</b>		<b>7,865</b>	<b>28,114</b>	<b>56,228</b>	<b>0</b>	<b>100,661</b>

**Unvested shares at 31 December 2023**

Name	Role	Options in holding	Conditional value of options DKK m <sup>2</sup>	Target number of PSUs	Maximum number of PSUs	Conditional value at target DKKm <sup>2</sup>	Conditional value at max DKKm <sup>2</sup>
Alexander Lacik	CEO	36,384	34.0	47,349	94,698	44.2	88.4
Anders Boyer	CFO	32,233	30.1	26,962	53,924	25.2	50.3
<b>Total</b>		<b>68,617</b>	<b>64.0</b>	<b>74,311</b>	<b>148,622</b>	<b>69.3</b>	<b>138.7</b>

<sup>1</sup> Market value is based on the share price of DKK 488.1 as of close of business on 30 December 2022.

<sup>2</sup> Market value is based on the share price of DKK 933.2 as of close of business on 29 December 2023.

<sup>3</sup> The LTIP 2019 grant was granted as an option grant, but was previously incorrectly reported as unvested PSUs until the end of the holding period. This correction results in the unvested "Maximum number of PSUs" in this report being different from the unvested "Maximum number of PSUs" as of 31 December 2022 in the Remuneration Report 2022.



# EXECUTIVE MANAGEMENT RELATIONSHIP TO GROUP PAY STRUCTURES

Pay structures and salary budgets are managed on an organisation-wide basis – ensuring that reward structures and processes in Pandora continue to be fit for purpose. The table summarises the key elements of the remuneration structure for Executive Management and how these currently flow through to the rest of the organisation.

Given the relationship between the principles for Executive Management and the wider workforce, base salary developments for Executive Management are generally expected to be comparable to those for the wider workforce. The developments in Total Reward levels for Executive Management – as set out in [Appendix 4](#) – have, however, varied significantly more due to (i) the higher proportion of variable pay (which is linked to Pandora performance, especially the link to long-term performance through the LTIP) at Executive Management level, and (ii) changes in the employee mix (including movements in the proportions of the workforce employed in different geographies with different underlying pay levels).

## GROUP PAY STRUCTURES:

### REWARD ELEMENT

### ALIGNMENT WITH THE WIDER WORKFORCE

#### Fixed pay

- Fixed annual base salary

✓ The broad principles of the Remuneration Policy also apply when making remuneration decisions for all employees across Pandora, although, for roles below the most senior levels, different labour market dynamics may lead to local rather than international pay comparisons being more appropriate.

- Retirement benefit

For roles below Executive Management, company contributions are provided in line with the local market level.

- Car allowance

✓ For roles below Executive Management, a car allowance depends on the role and local market practice.

#### Other benefits

✓ For roles below Executive Management, benefits provided depend on local market practice.

#### Short-term incentive

- Link to Pandora performance

✓ Employees at management level and above are eligible for a Group bonus linked to business performance. From 2023, the individual bonus payout is also linked to the individual's contribution to the delivery of our Phoenix strategy and values (via the performance evaluation). For roles in our Retail or Production and Distribution environments, the incentive outcome will relate more to the local achievement.

#### Long-term incentive

- Form of award

PSUs are awarded at vice president level and above.

- Holding period requirement

There is no holding period applied below Executive Management level.

- Share ownership requirement

There is no share ownership requirement below Executive Management level.

# OTHER DISCLOSURES

## Share price performance

In 2023, reflecting good momentum on many strategic initiatives, the Pandora share price increased by 91% and closed at a price of DKK 933.2. Adjusted for dividends, the TSR was 88%, the highest among peers as set out in [Appendix 1](#). ↗ The TSR over the three-year period from 2021 increased by 59%, ranking as the fifth highest return compared to peers. The TSR since 2022 ranks Pandora as fifth among peers, with a TSR of 20%.

## Shareholder engagement

As in previous years, throughout 2023 we continued to discuss our Remuneration Policy and approach with larger shareholders and investor representative bodies and more particularly when decisions, disclosures and policy changes required more extensive feedback. We plan to continue this dialogue in 2024.

The Annual Remuneration Report will continue to be submitted for an advisory vote at our AGMs.

## Remuneration from Group companies

No member of the Board of Directors or Executive Management received any other remuneration from other Group companies.

## Claw-back

During 2023, Pandora has not exercised any claw-back provisions related to the STIP or LTIP.

## Deviation from the Remuneration Policy

During 2023, Pandora has not found any reason to deviate from the framework set out by its current Remuneration Policy.

## Discretion

During 2023, Pandora has not found any reason to use its discretion to adjust target performance or payout.



# STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors has today considered and approved the Remuneration Report of Pandora A/S for the financial year 2023.

This annual remuneration report (the “Annual Remuneration Report”) of Pandora A/S, CVR no. 28505116 (the “Company” or “Pandora”), has been prepared considering the requirements of section 139b of the Danish Companies Act. The Annual Remuneration Report provides an overview of the total remuneration received by each member of the Board of Directors (the “Board”) and of the Executive Management (“Executive Management”) for the financial year 2023 with comparative figures for prior years. In line with the guidelines issued by the Danish Business Authority, five-year historical comparative figures have been provided. The Executive Management includes the members of the Executive Management of Pandora registered as such with the Danish Business Authority.

In our opinion, the Annual Remuneration Report provides a fair presentation and complete overview of the remuneration that the individual management members were awarded during the financial year 2023, and the Annual Remuneration Report explains how the overall remuneration is in accordance with the Remuneration Policy, including how the remuneration contributes towards promoting the business strategy and creation of value by supporting the Company’s short-term and long-term objectives.

## Our approach to remuneration

The remuneration of the Board and Executive Management during the past financial year has been provided in accordance with the remuneration policy (the “Remuneration Policy”) of Pandora approved by the annual general meeting (AGM) in 2021, which is available on [pandoragroup.com/investor](https://pandoragroup.com/investor). 

The overall purpose of the Remuneration Policy is to attract, retain and motivate Pandora’s Executive Management and members of the Board while supporting the long-term interests of Pandora, including its sustainability. The Remuneration Committee notes the support received from the shareholders in favour of the Remuneration Policy at Pandora’s AGM 2021. Our engagements with shareholders in 2023 helped us understand the voting outcome and expectations for further clarity around certain aspects of the Remuneration Policy. This Remuneration Report, to be tabled for an advisory vote at Pandora’s AGM 2024, illustrates how we have promoted and will continue to promote a healthy performance culture in a transparent remuneration framework that aligns the interests of Pandora’s Executive Management and the long-term interests of the shareholders.

Copenhagen 7 February 2024

## Board of Directors

Peter A. Ruzicka  
Chair

Christian Frigast  
Deputy Chair

Birgitta Stymne  
Göransson

Marianne  
Kirkegaard

Catherine  
Spindler

Jan Zijderveld

Lilian Fossum Biner

# INDEPENDENT AUDITOR'S REPORT

## To the shareholders of Pandora A/S

As agreed with the Company's Board of Directors, we have examined whether the Remuneration Report of Pandora A/S for the period 1 January 2023 – 31 December 2023 includes the disclosures required pursuant to section 139b(3) of the Danish Companies Act and whether the information pertaining to remuneration, including performance share units, individual shareholdings and financial performance included in the Remuneration Report tables on [pages 7-9](#), [page 12](#) and [pages 14-17](#) as well as [Appendices 2-5](#) is accurate.

The degree of assurance we express in this Report is reasonable.

## Board of Directors' responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of the Remuneration Report in accordance with section 139b(3) of the Danish Companies Act and the Remuneration Policy as adopted by the Annual General Meeting on 11 March 2021.

The Board of Directors is also responsible for such internal control that the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error.

## Auditor's independence and quality control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, as well as ethical requirements applicable in Denmark.

EY Godkendt Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Auditor's responsibilities

Our responsibility is to express a conclusion on Remuneration Report based on our examinations. We conducted our examinations in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit legislation to obtain reasonable assurance for purposes of our conclusion.

As part of our examinations, we performed the below procedures:

- We have verified that the Remuneration Report includes the information on remuneration for each individual member of the Board of Directors and Executive Board as required by section 139 b(3), item 1-6 of the Danish Companies Act.
- We have reconciled the information on financial performance for the Group and Parent Company included in the Remuneration Report to the financial highlights and other financial information as per the Annual Report for the financial year 2023 and, in



addition, we have on a sample basis recalculated the average remuneration of Group and Parent Company employees based on full-time equivalents of other employees than the registered executives.

- We have examined Management's process for recording, collecting and presenting information on fixed base salary, short term incentives (STI) and other benefits to the Executive Board and remuneration to the Board of Directors and on a sample basis verified such information to employment contracts and other agreements and actual disbursements.
- We have examined Management's process for recording, collecting and presenting information on long term incentives (LTI) and on a sample basis verified such information to contracts, individual allocated, vested and cancelled LTIs.
- We have examined Management's process for recording, collecting and presenting no. of shares held by the individual members of the Board of Directors and Executive Board and on a sample basis verified such information to supporting documentation.

In our opinion, the examinations performed provide a sufficient basis for our opinion.

### Conclusion

In our opinion, the Remuneration Report, in all material respects, includes the disclosures required pursuant to section 139b(3) of the Danish Companies Act and the information pertaining to remuneration, including performance share units, individual shareholdings and financial performance included in the Remuneration Report tables on [pages 7-9](#), [page 12](#) and [pages 14-17](#) as well as [Appendices 2-5](#), is accurate.

Copenhagen,  
7 February 2023  
EY Godkendt  
Revisionspartnerselskab  
CVR no. 30 70 02 28

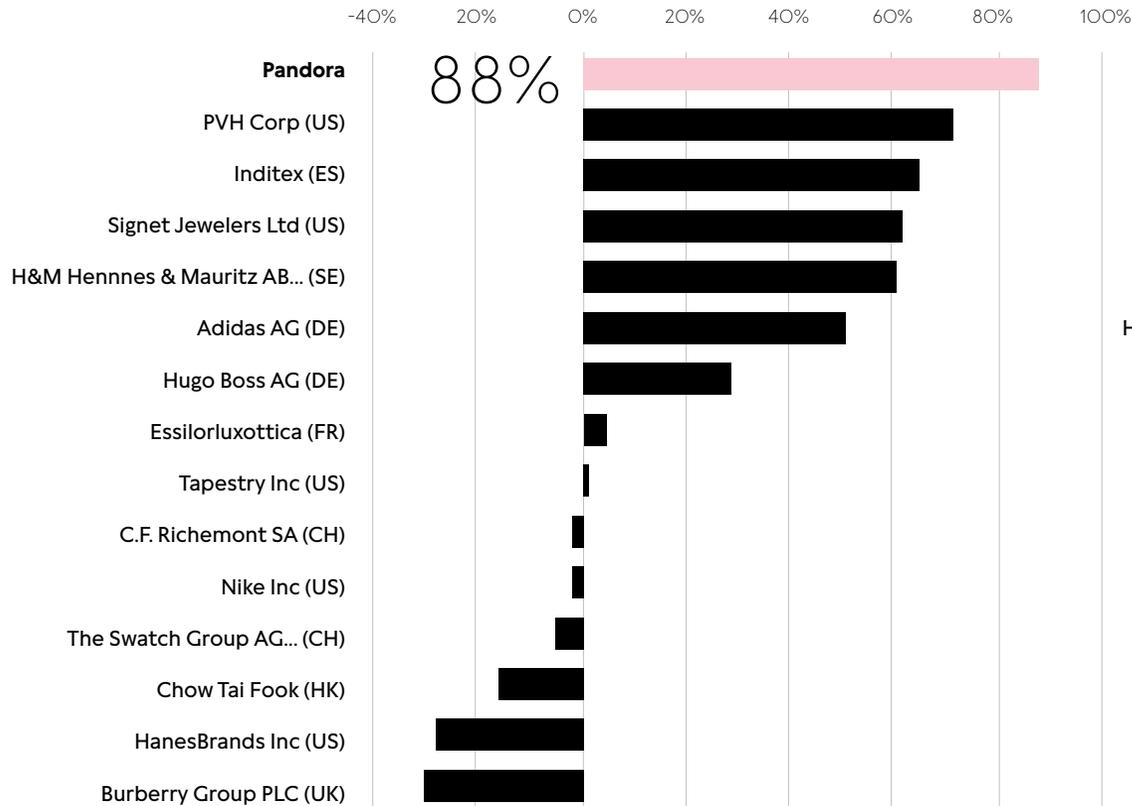
**Torben Bender**  
State Authorised  
Public Accountant  
mne21332

**Jens Thordahl Nøhr**  
State Authorised  
Public Accountant  
mne32212

APPENDIX 1

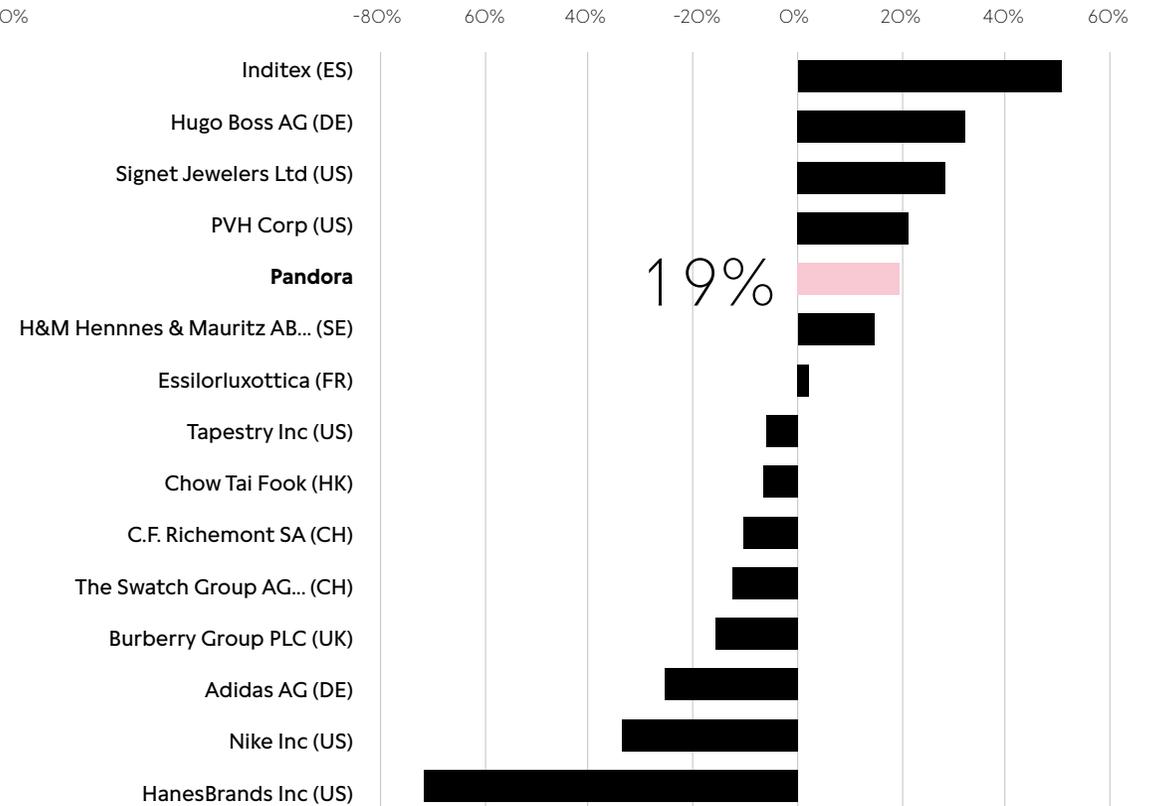
# PANDORA'S TOTAL SHAREHOLDER RETURN RELATIVE TO PEERS

DECEMBER 2022 AVERAGE TO 30 DECEMBER 2023



Pandora's relative TSR was ranked against a group of 14 industry peers (the Board of Directors approved the removal of Capri Holding A/S due to its pending acquisition by Tapestry Inc. resulting in a peer group of 14 peers down from 15 peers).

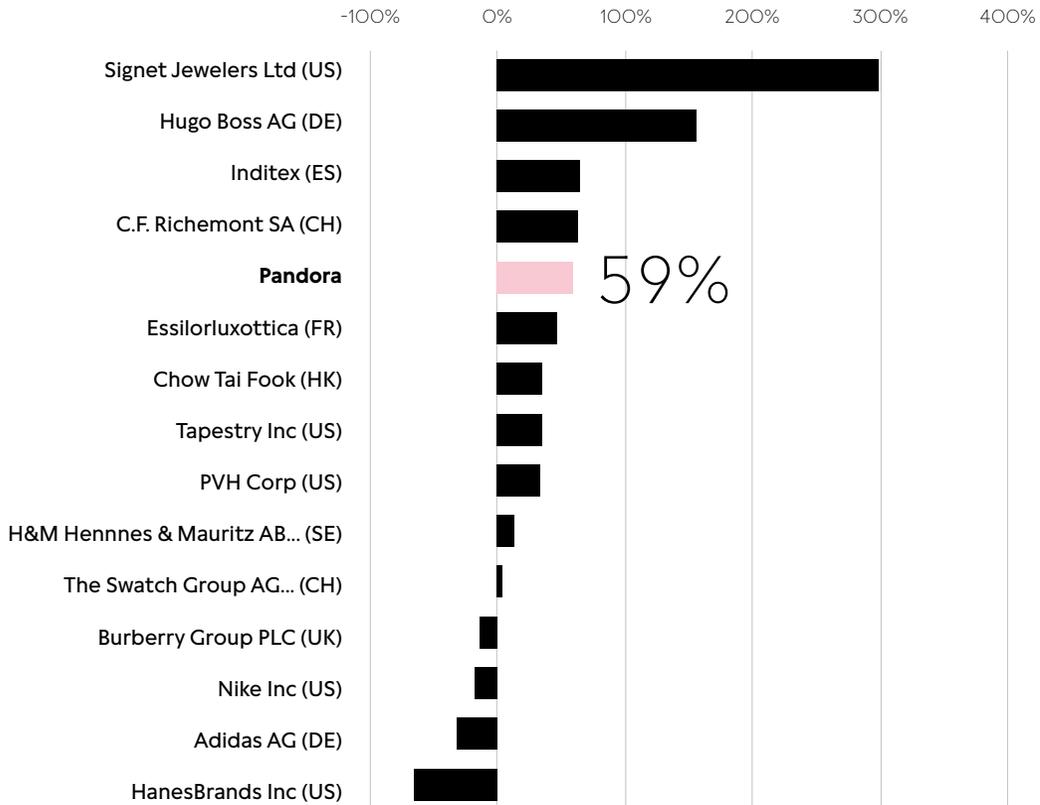
DECEMBER 2021 AVERAGE TO 30 DECEMBER 2023



APPENDIX 1

# PANDORA'S TOTAL SHAREHOLDER RETURN RELATIVE TO PEERS

DECEMBER 2020 AVERAGE TO 30 DECEMBER 2023



APPENDIX 2

STIP FOR EXECUTIVE MANAGEMENT

STIP ACHIEVEMENT HISTORY

Programme	Performance period	Metrics	Weights	Achievement as % of maximum
2023	1 January 2023 – 31 December 2023	Like-for-like growth	60%	100%
		EBIT margin	40%	80%
		<b>Total</b>	<b>100%</b>	<b>92%</b>
2022	1 January 2022 – 31 December 2022	Like-for-like growth	60%	91%
		EBIT margin	40%	100%
		<b>Total</b>	<b>100%</b>	<b>95%</b>
2021	1 January 2021 – 31 December 2021	Like-for-like growth	50%	100%
		EBIT margin	50%	100%
		<b>Total</b>	<b>100%</b>	<b>100%</b>
Revised 2020	1 January 2020 – 31 December 2020	Revenue	50%	100%
		Adjusted EBIT (excl. restructuring)	50%	100%
		<b>Total</b>	<b>100%</b>	<b>100%</b>
2020	1 January 2020 – 31 December 2020	Like-for-like revenue growth	40%	0%
		EBIT margin (excl. restructuring)	60%	0%
		<b>Total</b>	<b>100%</b>	<b>0%</b>
2019	1 January 2019 – 31 December 2019	Like-for-like revenue growth	30%	25%
		EBIT margin (excl. restructuring)	70%	78%
		<b>Total</b>	<b>100%</b>	<b>62.2%</b>

STIP PAY-OUT HISTORY

Name	Position	Programme	Achievement as % of maximum	Pay-out (DKKm)
Alexander Lacik	CEO	<b>2023</b>	<b>92%</b>	<b>10.5</b>
		2022	95%	10.3
		2021	100%	10.5
		Revised 2020	100%	9.0
		2019	62.2%	3.9
Anders Boyer	CFO	<b>2023</b>	<b>92%</b>	<b>5.9</b>
		2022	95%	5.9
		2021	100%	6.1
		Revised 2020	100%	5.5
		2019	62.2%	3.4
Jeremy Schwartz	Former COO	2019	62.2%	2.9
Anders Colding Friis	Former CEO	Revised 2020	100%	5.8
		2019	62.2%	5.4
Peter Vekslund	Former CFO	Revised 2020	100%	0.3
		2019	62.2%	2.6

**APPENDIX 3**

**LTIP FOR EXECUTIVE MANAGEMENT**

**LTIP ACHIEVEMENT HISTORY**

Unvested programme	Performance period	End of holding period	Metrics	Weight	Achievement (range 0-200%)
2023	1 January 2023 – 31 December 2025	After publication of 2027 Annual Report – expected February 2028	EPS FY 2025	75%	Currently trending at 200%
			Low carbon emission	12.5%	Currently on track at 100%
			D&I gender parity	12.5%	Currently on track at 100%
			<b>Total</b>	<b>100%</b>	<b>175%</b>
2022	1 January 2022 – 31 December 2024	After publication of 2026 Annual Report – expected February 2027	EPS FY 2024	75%	Currently trending at 200%
			Low carbon emission	8.3%	Currently trending at 150%
			Circular	8.3%	Currently trending at 200%
			D&I gender parity	8.3%	Currently trending at 200%
<b>Total</b>	<b>100%</b>	<b>195.8%</b>			
2021	1 January 2021 – 31 December 2023	After publication of 2025 Annual Report – expected February 2026	Relative TSR	50%	Rank 5 – 181.2%
			EPS FY2023	50%	200%
			<b>Total</b>	<b>100%</b>	<b>190.6%</b>
Vested programme	Performance period	End of holding period	Metrics	Weight	Achievement (range 0-200%)
2020	1 January 2020 – 31 December 2022	After publication of 2024 Annual Report – expected February 2025	Relative TSR	50%	200%
			EPS FY2022	50%	200%
			<b>Total</b>	<b>100%</b>	<b>200%</b>
2019	1 January 2020 – 31 December 2021	After publication of 2023 Annual Report – expected February 2024	Relative TSR	71.3%	200%
			STIP 2019 result	28.7%	124.4%
			<b>Total</b>	<b>100%</b>	<b>178.3%</b>

APPENDIX 3

LTIP FOR EXECUTIVE MANAGEMENT (CONTINUED)

LTIP ALLOCATION HISTORY

Name	Position	Programme	Maximum number of options/PSUs allocated	Target value of grant (at grant date) DKKm	Total IFRS2 expense expected (at grant date) DKKm	Options/PSUs cancelled	PSUs vested	Options/PSUs in holding period	Options/PSUs exercised/awarded in shares	Share price at exercise/award DKK	Exercise price DKK	Value realised DKKm
Alexander Lacik	CEO	<b>2023</b>	<b>36,068</b>	<b>11.5</b>	<b>11.1</b>	-	<b>TBD</b>	-	-	-	-	-
		2022	26,822	10.9	8.2	-	TBD	-	-	-	-	-
		2021	31,808	10.5	11.1	-	Yes	30,314	-	-	-	-
		2020	62,479	9.0	14.3	-	-	62,479	Yes	647.2	-	40.44
		2019	40,813	6.2	6.4	-4,429	-	36,384	-	-	TBD	-
Anders Boyer	CFO	<b>2023</b>	<b>20,160</b>	<b>6.4</b>	<b>6.2</b>	-	<b>TBD</b>	-	-	-	-	-
		2022	15,284	6.2	4.6	-	TBD	-	-	-	-	-
		2021	18,480	6.1	6.4	-	Yes	17,612	-	-	-	-
		2020	38,182	5.5	8.7	-	-	38,182	Yes	647.2	-	24.71
		2019	36,157	5.5	5.7	-3,924	-	32,233	-	-	TBD	-
Anders Colding Friis	Former CEO	2020	14,039	2.0	3.2	-	-	14,039	Yes	647.2	-	9.09
		2019	31,820	4.8	5.0	-3,453	-	28,367	-	-	TBD	-
Peter Vekslund	Former CFO	2020	791	0.1	0.2	-	-	791	Yes	647.2	-	0.51
		2019	9,734	1.5	1.5	-1,056	-	8,678	-	-	TBD	-

APPENDIX 3

LTIP FOR EXECUTIVE MANAGEMENT (CONTINUED)

LTIP expense and remuneration proportions to total remuneration

Taking into account the methodology of expensing share-based awards over the vesting period under the relevant accounting standard for disclosing share-based payments (International Financial Reporting Standard 2 (IFRS2)), the table provides an overview of the key remuneration accounting cost for Executive Management for the financial year 2023:

Name	Role	Fixed annual base salary received	Fixed annual base proportion of total remuneration	Other benefits	Other benefits proportion of total remuneration	Expense for short-term incentive	Short-term incentive proportion of total remuneration	IFRS2 expense for long-term incentive				Long-term incentive proportion of total remuneration	Total remuneration cost
								LTIP 2021	LTIP 2022	LTIP 2023	LTIP total		
Alexander Lacik	CEO	11.4	30%	2.4	6%	10.5	27%	5.4	5.0	3.7	14.1	37%	38.4
Anders Boyer	CFO	6.4	31%	0.3	1%	5.9	29%	3.1	2.9	2.2	8.1	39%	20.6
<b>Total 2023 for current Executive Management</b>		<b>17.8</b>	<b>30%</b>	<b>2.6</b>	<b>4%</b>	<b>16.4</b>	<b>28%</b>	<b>8.5</b>	<b>7.9</b>	<b>5.8</b>	<b>22.2</b>	<b>38%</b>	<b>59.0</b>
<b>Total 2022 for current Executive Management</b>		<b>17.1</b>	<b>29%</b>	<b>2.6</b>	<b>4%</b>	<b>16.2</b>	<b>27%</b>	<b>8.5</b>	<b>4.2</b>	<b>N/A</b>	<b>23.2</b>	<b>39%</b>	<b>59.0</b>
<b>Annual change for current Executive Management (2022-2023)</b>													<b>0.0%</b>
<b>Total 2023 for current and former Executive Management</b>		<b>17.8</b>	<b>30%</b>	<b>2.6</b>	<b>4%</b>	<b>16.4</b>	<b>28%</b>	<b>8.5</b>	<b>7.9</b>	<b>5.8</b>	<b>22.2</b>	<b>39%</b>	<b>59.0</b>
<b>Total 2022 for current and former Executive Management</b>		<b>17.1</b>	<b>29%</b>	<b>2.6</b>	<b>4%</b>	<b>16.2</b>	<b>27%</b>	<b>8.5</b>	<b>4.2</b>	<b>N/A</b>	<b>23.2<sup>1</sup></b>	<b>39%</b>	<b>59.0</b>
<b>Annual change for current and former Executive Management (2022-2023)</b>													<b>0.0%</b>

<sup>1</sup> Total LTIP expense for 2022 includes DKK 10.5m expense for LTIP 2020.

APPENDIX 3

LTIP FOR EXECUTIVE MANAGEMENT (CONTINUED)

The accounting expense of the share-based grants over the period reflects only a proportion of the total grant value. The table reconciles the par value of the share units allocated at the allocation date with the

accounting expense according to IFRS2 to give a more detailed illustration of the alignment of interests between Executive Management and the company's shareholders.

RECONCILIATION OF LTIP ALLOCATIONS TO LTIP EXPENSE FOR EXECUTIVE MANAGEMENT

Name and position	Programme	Target value of grant (DKKm)	Maximum options and PSUs granted	PSUs cancelled	PSUs vested	Shares subject to holding period	LTIP grant			IFRS 2 expense (DKKm)				
							Maximum unvested options and PSUs			Total expected, effective as of the grant date	Total expected, effective as of year-end 2023	Total recognised as of year-end 2022	Total not recognised as of year-end 2023	2023 expense recognised
							PSUs end 2023	Options in holding period	Total					
Alexander Lacik (CEO)	<b>LTIP 2023</b>	<b>11.5</b>	<b>36,068</b>	-	-	-	<b>36,068</b>	-	<b>36,068</b>	<b>11.1</b>	<b>11.1</b>	<b>n/a</b>	<b>7.4</b>	<b>3.7</b>
	LTIP 2022	10.9	26,822	-	-	-	26,822	-	26,822	8.2	14.3	2.7	6.5	5.0
	LTIP 2021	10.5	31,808	-	-	-	31,808	-	31,808	11.1	16.2	10.8	-	5.4
	LTIP 2020	9.0	62,479	-	62,479	62,479	-	-	-	14.3	19.4	19.4	-	-
	LTIP 2019	6.2	40,813	-4,429	-	36,384	-	36,384	-	6.5	5.5	5.5	-	-
	<b>Total</b>	<b>48.1</b>	<b>197,990</b>	<b>-4,429</b>	-	<b>98,863</b>	<b>94,698</b>	-	<b>94,698</b>	<b>51.2</b>	<b>66.5</b>	<b>38.4</b>	<b>13.9</b>	<b>14.1</b>
Anders Boyer (CFO)	<b>LTIP 2023</b>	<b>6.4</b>	<b>20,160</b>	-	-	-	<b>20,160</b>	-	<b>20,160</b>	<b>6.2</b>	<b>6.2</b>	<b>n/a</b>	<b>4.1</b>	<b>2.1</b>
	LTIP 2022	6.2	15,284	-	-	-	15,284	-	15,284	4.6	8.1	1.5	3.7	2.9
	LTIP 2021	6.1	18,480	-	-	-	18,480	-	18,480	6.4	9.4	6.3	-	3.1
	LTIP 2020	5.5	38,182	-	38,182	38,182	-	-	-	8.7	11.9	11.9	-	-
	LTIP 2019	5.5	36,157	-3,924	-	32,233	-	32,233	-	5.7	4.9	4.9	-	-
	<b>Total</b>	<b>29.7</b>	<b>128,263</b>	<b>-3,924</b>	-	<b>70,415</b>	<b>53,924</b>	-	<b>53,924</b>	<b>31.6</b>	<b>40.5</b>	<b>24.6</b>	<b>7.8</b>	<b>8.1</b>
<b>Total for current Executive Management</b>		<b>77.8</b>	<b>326,253</b>	<b>-8,353</b>	<b>100,661</b>	<b>169,278</b>	<b>148,622</b>	<b>68,617</b>	<b>148,622</b>	<b>82.8</b>	<b>107.0</b>	<b>63.0</b>	<b>21.7</b>	<b>22.2</b>

APPENDIX 4

FIVE-YEAR COMPARISON OF EXPENSED REMUNERATION

The development in the expensed remuneration of the Board of Directors and Executive Management over the past five financial years is summarised below:

Five-year history of remuneration of Executive Management and the Board of Directors		2023			2022			2021			2020			2019		
Name	Position	DKKm	Annual change, %	Variable proportion <sup>1</sup>	DKKm	Annual change, %	Variable proportion	DKKm	Annual change, %	Variable proportion	DKKm	Annual change, %	Variable proportion	DKKm	Annual change, %	Variable proportion
Alexander Lacik	CEO	38.4	1%	64%	38.1	-1%	66%	38.5	49%	68%	25.9	-14%	61%	29.9	-	18%
Anders Boyer	CFO	20.6	-2%	68%	21.0	-6%	69%	22.2	35%	72%	16.4	16%	66%	14.2	82%	41%
Jeremy Schwartz	Former COO	-	-	-	-	-	-	-	-	-	-	-	-	12.3	78%	24%
Anders Colding Friis	Former CEO <sup>2</sup>	-	-	-	-	-	-	1.1	-48%	100%	2.1	-	100%	-1.8	-	100%
Peter Vekslund	Former CFO <sup>2</sup>	-	-	-	-	-	-	0.1	-	100%	-	-	100%	-0.8	-	100%
<b>Total for Executive Management</b>		<b>59.0</b>	<b>0%</b>	<b>65%</b>	<b>59.0</b>	<b>-5%</b>	<b>67%</b>	<b>61.9</b>	<b>39%</b>	<b>70%</b>	<b>44.5</b>	<b>-17%</b>	<b>65%</b>	<b>53.7</b>	<b>-26%</b>	<b>21%</b>
Peter A. Ruzicka	Chair	3.1	7%	-	2.6	7%	-	2.4	-	-	2.4	- <sup>3</sup>	-	0.1	-	-
Christian Frigast	Deputy Chair	1.3	16%	-	1.2	15%	-	1.0	0%	-	1.0	1%	-	0.9	0%	-
Birgitta Stymne Göransson	Board member	1.3	16%	-	1.1	11%	-	1.0	9%	-	0.9	-7%	-	1.0	-2%	-
Marianne Kirkegaard	Board member	0.8	29%	-	0.6	-2%	-	0.7	17%	-	0.6	-	-	-	-	-
Catherine Spindler	Board member	0.9	20%	-	0.8	16%	-	0.7	40%	-	0.5	-	-	-	-	-
Jan Zijderveld	Board member	1.0	17%	-	0.9	71%	-	0.5	-	-	-	-	-	-	-	-
Lilian Fossum Biner	Board member	1.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heine Dalsgaard <sup>4</sup>	Former Board member	0.2	-77%	-	1.0	32%	-	0.7	-	-	-	-	-	-	-	-
Andrea Dawn Alvey <sup>5</sup>	Former Board member	-	-	-	-	-	-	0.2	-75%	-	0.8	-4%	-	0.8	-8%	-
Isabelle Parize <sup>6</sup>	Former Board member	-	-	-	-	-	-	0.6	-14%	-	0.7	-9%	-	0.8	-	-
Ronica Wang <sup>5</sup>	Former Board member	-	-	-	-	-	-	0.2	-71%	-	0.7	-16%	-	0.9	3%	-
Peder Tuborgh <sup>7</sup>	Former Chair	-	-	-	-	-	-	-	-	-	-	-	-	1.5	0%	-
Per Bank <sup>8</sup>	Former Board member	-	-	-	-	-	-	-	-	-	0.2	-77%	-	0.6	0%	-
John Peace <sup>8</sup>	Former Board member	-	-	-	-	-	-	-	-	-	0.2	-73%	-	0.6	-	-
Bjørn Gulden <sup>9</sup>	Former Board member	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-75%	-
<b>Total for Board of Directors</b>		<b>10.0</b>	<b>22%</b>	<b>-</b>	<b>8.2</b>	<b>2%</b>	<b>-</b>	<b>7.9</b>	<b>-1%</b>	<b>-</b>	<b>8.0</b>	<b>9%</b>	<b>-</b>	<b>7.4</b>	<b>5%</b>	<b>-</b>

<sup>1</sup> This is the proportion of the remuneration expense for the year that relates to STIP and LTIP – the remainder relates to remuneration elements that are not linked to Pandora performance, such as fixed salary and other benefits.

<sup>2</sup> Accounting expense for 2019 and 2020 in relation to Anders Colding Friis (released effective 1 September 2018 and expiry of employment on 31 August 2020) and Peter Vekslund (released effective 1 August 2018 and expiry of employment on 31 January 2020) reflects actual incidence of expense for incentive programmes compared to the amounts anticipated in prior years – no service was provided over the period. The annual change in remuneration for these years is therefore not meaningful and has not been included in the tables above.

<sup>3</sup> Peter A. Ruzicka was first appointed to the Board of Directors in December 2019 and was appointed Chair effective 1 January 2020. The annual change in remuneration for these years is therefore not meaningful and has not been included in the tables above.

<sup>4</sup> Heine Dalsgaard left the Board of Directors at the AGM on 16 March 2023.

<sup>5</sup> Andrea Dawn Alvey and Ronica Wang left the Board of Directors at the AGM on 11 March 2021.

<sup>6</sup> Isabelle Parize left the Board of Directors on 4 November 2021.

<sup>7</sup> Peder Tuborgh left the Board of Directors at the end of December 2019.

<sup>8</sup> Per Bank and John Peace left the Board of Directors after the AGM in March 2020.

<sup>9</sup> Bjørn Gulden left the Board of Directors after the AGM in March 2019.

**APPENDIX 5**

## FIVE-YEAR COMPARISON OF PANDORA PERFORMANCE, INCLUDING CHANGES IN THE LEVEL OF REWARD IN THE WIDER WORKFORCE

Five-year history of financial performance and average staff cost	2023	2022	2021	2020	2019
<b>Financial performance</b>					
Organic growth, %	8%	7%	23%	-11%	-8%
Like-for-like growth, %	6%	4%	20%	-12%	-8%
EBIT margin excluding restructuring costs, %	25.0%	25.5%	25.0%	20.4%	26.8%
Net profit (DKKm)	4,740	5,029	4,160	1,938	2,945
Earnings per share (EPS), basic – DKK	55.5	54.2	42.1	20.0	30.3
Earnings per share (EPS), diluted – DKK	55.1	53.7	41.7	19.9	30.1
Annual change in earnings per share, diluted, %	3%	29%	110%	-33%	-36%
<b>Average remuneration of Group employees</b>					
Group employees (FTE)	27,480	26,986	22,441	22,336	23,736
Average staff costs (DKKm)	0.25	0.22	0.22	0.20	0.20
Annual change in average remuneration of a Group employee, %	11%	0%	12%	-1%	7%
<b>Parent Company details (Pandora A/S)</b>					
Net profit (DKKm)	4,715	12,671	5,420	1,624	1,789
Average remuneration (DKKm)	1.23	1.10	1.16	1.07	0.92
Annual change in average remuneration of a Parent Company employee, %	11%	-5%	9%	17%	20%

PANDORA