DISCLOSURE AND DEFINITION NOTE
5 May 2020

KEY DISCLOSURE INFORMATION FOR PANDORA'S Q1 2020 INTERIM FINANCIAL REPORT

In the quarterly results for Q1 2020, Pandora has disclosed and included a new key performance indicator (KPI) to the reporting.

Pandora's current like-for-like definition is defined as total sales-out growth for stores which have been open for more than 12 months. If a store is temporarily closed, the specific store is taken out of the like-for-like figure while closed.

However, given the current and extraordinary situation in COVID-19, the current like-for-like definition is not representative for the Company's performance as a large part of all stores were temporarily closed from mid-March.

In the Q1 2020 company announcement, Pandora has therefore, as a supplementary information, introduced another like-for-like measure which includes temporarily closed stores. The name of the KPI will be "Sell-out growth including temporarily closed stores" to clearly distinguish it from the normal like-for-like definition. The KPI will not include stores that have been opened for less than a year. The measure will be provided on a group- and key markets level similar to the like-for-like number.

The objective of adding a new KPI is to better reflect the Company's performance during the impact of COVID-19 – or as long as stores are temporarily closed. The disadvantage of the KPI is that it does not give a reasonable indication of the brand health and brand performance as it will be impacted both by store closing and later by store openings. However, the disclosure of this new KPI will enhance the transparency of the Company's performance and underlying drivers during this period of massive store closures. We will of course continue to disclose the normal like-for-like number also.

We hope that this is helpful to create transparency on performance during these unusual circumstances.

If you have any questions or comments to the above, please do not hesitate to reach out the investor relations team.