

PANDORA COUNTRY-BY- COUNTRY TAX REPORT

FINANCIAL YEAR 2023
FEBRUARY 2024



1 OUR APPROACH TO TAXES

Being a leader within sustainability is an important foundation for Pandora's growth journey. Our sustainability strategy is also reflected in our approach to taxes, and we aim to pay a fair tax in all the markets where we operate. Pandora is committed to ensure compliance with the letter and spirit of tax law in the markets where we operate, while striving to maximise shareholder value in a responsible way. The Group tax policy, which has been approved by the Board of Directors of Pandora, is available on pandoragroup.com and includes more information on our approach to taxes.

Pandora operates globally under a vertically integrated business model, and we own a significant part of our value chain from production to retail. Pandora's transfer pricing policy follows a so-called principal operating model, where profit follows risk and value creation throughout the value chain. While all steps of the value chain are important to Pandora, Pandora A/S is the principal value driver and also assumes the majority of business risks. Pandora allocates a profit margin, based on benchmark studies, to entities in the Group, and the residual profit (or loss) in the value chain remains with Pandora A/S. With a principal operating model, Pandora by nature has a significant number of intercompany transactions.

All intercompany transactions are based on arm's length standard and therefore priced on a basis consistent with the way unrelated parties would have priced such transactions. This impacts the taxes we pay in the countries in which we do business. Pandora understands the need for more transparency by both taxpayers and tax administrations, and the need to provide more clarity about Pandora's position on tax. In doing so we provide a full country-by-country reporting for all markets.

2 OUR COUNTRY-BY-COUNTRY REPORTING

The ultimate parent undertaking is Pandora A/S which is located in Denmark.

The reporting period is 1 January 2023 – 31 December 2023 for all countries. This country-by-country reporting includes data for all countries where Pandora has a taxable presence. Information regarding branches is reported for the country where the branch has a permanent establishment and tax residency.

The data is sourced from the group consolidation reporting system and is based on the accounting information collected for the Pandora Group Annual report for 2023 which is based on the International Financial Reporting Standards (IFRS). The currency is DKK.

The financial information has been prepared under Pandora's general financial policies. The country-by-country reporting is not subject to an external audit opinion.

DEFINITIONS

Business activity – reflects the main activity carried out in that country which can be distribution, production, central warehouse, headquarters and service.

Total revenue, - includes third party revenue, related party revenue, other income and financial income but excludes dividends.

Profit before tax – is based on the IFRS principles and can vary from the local financial statements. Dividends from subsidiaries are excluded from the profit before tax.

Tax paid - reflects the cash tax payments for 2023 and consists of both tax prepayments for 2023 and tax payments for prior years.

Current income tax charge for the year – is the calculated tax expense related to expected taxable profit based on local principles for 2023.

The majority of the companies pay the final tax for the current year (2023) in the following year (2024), and this can give a difference between tax paid and current income tax charge.

Employees (FTE) – average number of full-time employees during the year.

Accumulated earnings - reflect the profits at the end of the year that are retained and not used for any other purpose.

COUNTRY BY COUNTRY REPORTING PANDORA GROUP 2023 - DKK million

● Distribution
 ● Warehouse
 ● Production
 ● Headquarter
 ● Service
 ● Dormant

Country	Business activities	Total revenue	Third party revenue	Profit before tax	Tax paid	Current income tax charge for the year	Employees (FTE)	Accumulated earnings
Argentina	●	78	75	47	0	6	49	15
Australia	●	1,683	1,412	322	102	102	337	162
Austria	●	130	129	5	2	1	54	12
Belgium	●	177	177	3	2	1	117	-1
Brazil	●	232	208	-99	-1	0	402	-376
Canada	●	1,455	812	26	3	11	328	4
Chile	●	177	141	6	1	1	189	16
China	●	738	551	-4	0	0	1,026	-77
Colombia	●	130	108	47	3	17	108	34
Czech Republic	●	194	192	5	2	1	97	7
Denmark	● ●	15,953	-42	4,223	1,379	958	1,031	13,528
Dubai	●	193	180	10	0	0	120	113
Finland	●	10	9	1	0	0	-	2
France	●	1,280	1,196	38	18	19	576	84
Germany	● ●	1,970	1,527	82	33	27	927	65
Greece	●	13	12	0	0	0	2	-0
Hong Kong	●	176	171	-23	-4	0	101	-93
Hungary	●	166	164	6	1	1	76	11
Ireland	●	249	246	5	2	0	132	83
Isle of Man	●	6	6	0	0	0	8	0
Italy	●	2,600	2,540	114	30	61	927	60
Japan	●	90	90	-3	0	0	78	-34
Jersey	●	6	6	0	0	0	8	0
Luxembourg	●	12	12	0	0	0	4	12
Macao	●	16	16	-2	0	0	14	5
Mexico	●	1,771	1,243	44	34	39	774	26
Netherlands	●	275	269	14	2	5	96	31
New Zealand	●	139	131	34	10	9	65	182
Norway	●	15	15	0	0	0	6	1
Panama	● ●	228	34	10	1	1	92	24
Peru	●	471	41	4	6	1	48	6
Poland	● ●	983	759	30	19	10	576	51
Portugal	●	320	309	12	4	3	184	13
Romania	●	130	129	3	1	1	79	7
Singapore	●	105	104	-5	1	1	73	8
Slovakia	●	35	35	1	0	1	29	2
SouthAfrica	●	81	79	-7	0	0	110	6
Spain	●	1,258	1,252	57	32	17	679	150
Sweden	●	55	54	2	1	0	21	8
Switzerland	●	164	163	9	1	1	39	16
Taiwan	●	146	146	2	1	1	96	3
Thailand	● ● ●	5,750	0	628	34	27	13,089	323
Turkey	●	476	471	142	35	32	241	80
UK	●	4,203	3,823	309	50	32	1,996	595
USA	● ●	17,133	8,939	290	24	67	2,474	103
Vietnam	●	0	0	-4	0	0	2	-3
Eliminations		4	203	-153	0	-8	0	-7,485

