SUPPLEMENT DATED 27 FEBRUARY 2024 TO THE BASE PROSPECTUS DATED 19 MAY 2023

NOVO BANCO, S.A.

(*incorporated with limited liability in Portugal*)

€5,000,000,000

Euro Medium Term Note Programme

This supplement (the "**Supplement**") to the Base Prospectus dated 19 May 2023 (the "**Base Prospectus**") is prepared in connection with the €5,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by Novo Banco, S.A. (the "**Issuer**").

This Supplement constitutes a supplement for the purposes of Article 23(1) of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**").

This Supplement is supplemental to and should be read in conjunction with the Base Prospectus. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer that is the subject of this Supplement nor as an endorsement of the quality of any Notes that are the subject of the Supplement and investors should make their own assessment as to the suitability of investing in the Notes.

The purpose of this Supplement is to:

(i) update the information on the Issuer's ratings and capital requirements in the "*Risk Factors*" section;

(ii) incorporate by reference the Issuer's press release regarding its unaudited consolidated financial statements for the year ended 31 December 2023 and update the "*Documents Incorporated by Reference*" section;

(iii) update the section "*Description of the Issuer and of the Group*", namely, sub-section E "*Contingent Capital Agreement*" to reflect an update on the CCA, sub-section I "*Risk Management*" to reflect the Issuer's status as O-SII, sub-section L "*Management and Supervisory Corporate Bodies*" to reflect updates to the management and supervisory corporate bodies, sub-section P "*Rating*" to reflect changes to the Issuer's ratings and sub-section S "*Recent Developments*" to reflect updates to the Issuer's rating and regulatory capital requirements;

(iv) update the "*Taxation*" section to reflect changes in the law regarding the disclosure of items of income; and

(v) update the "*No significant change*" statement under the section "*General Information*".

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the Issuer's knowledge such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statement in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme since the publication of the Base Prospectus.

AMENDMENT TO THE "RISK FACTORS" SECTION

(i) On page 21 of the Base Prospectus, the first paragraph of the risk factor titled "*A reduction in the Issuer's credit ratings would increase its cost of funding and adversely affect the Group's financial condition and results of operation*" of sub-section B. "*Risks relating to the Issuer's business*" of the "*Risk Factors*" section shall be replaced by the following:

"Credit ratings affect the cost and other terms upon which the Group is able to obtain funding, including the availability of certain funding instruments. Rating agencies regularly evaluate the Issuer, and its long-term credit ratings are based on a number of factors, including its financial strength, the credit rating of Portugal and the conditions affecting the financial services industry generally and the Portuguese banking system in particular. The Issuer's long-term credit ratings are the following: "Ba1" for long term senior unsecured debt with a positive outlook and "Baa2" for long term deposits with a positive outlook by Moody's, and "BB (high)" for issuer rating and long-term senior debt rating with a stable trend and "BBB (low)" for long-term deposits rating with a stable trend by DBRS. On 1 February 2024, Fitch Ratings Ltd assigned an Investment Grade rating to the Issuer with "BBB-" issuer rating and long-term senior debt rating and "BBB" for long-term deposits rating with a stable outlook. Despite the recent upgrades and positive outlook on the Issuer's credit ratings, there can be no assurance that the rating agencies will maintain the current ratings or outlooks."

(ii) On page 27 of the Base Prospectus, the following wording shall be added to the sixth paragraph of the risk factor titled "*Risks relating to regulatory requirements*" of sub-section C "*Legal and regulatory risks*" of the "*Risk Factors*" section:

"In December 2023, the Issuer was notified by the European Central Bank that the Pillar 2 requirement (P2R) applicable would be 2.85% as of 1 January 2024 onwards, which represents a decrease of 15bps. Therefore the minimum prudential requirements applicable from 1 January 2024 onwards, calculated at the time were as follows: CET1: 8.72% (of which 4.5% corresponds to Pillar 1, 1.60% corresponds to Pillar 2 and 2.62% corresponds to the applicable Buffers), Tier 1: 10.76% (of which 6.0% corresponds to Pillar 1, 2.14% corresponds to Pillar 2 and 2.62% corresponds to the applicable Buffers) totalling a minimum prudential requirement of 13.47% (of which 8.00% corresponds to Pillar 1, 2.85% corresponds to Pillar 2 and 2.62% corresponds to the applicable Buffers). As disclosed on the press release regarding the Group's unaudited consolidated financial statements for the year ended 31 December 2023, which is incorporated by reference to the Base Prospectus pursuant to this supplement, the applicable Buffers have since been recalculated to 2.60%, reducing the required CET to 8.70% (from 8.72%), the required Tier 1 to 10.74% (from 10.74%)and the required total to 13.45% (from 13.47%). These requirements do not include: i) Phased regime for the introduction of a 0.5% O-SII reserve as a percentage of RWAs to start on 1-Jul-24 with 50% of the reserve (0.25% of RWAs), and 100% of the reserve starting on 1st July 2025 (0.50% of RWAs), as announced on 30-Nov-23; ii) Starting on 1-Oct-24, a buffer on exposures secured by residential real estate, expected to be ~30bps, as announced on 17-Nov-23. There can be no assurance that the SREP review to be conducted in the following years will not increase the minimum own funds requirement, including as a result of past or future stress test exercises conducted by the supervisory authorities."

(iii) On page 27 of the Base Prospectus, the seventh paragraph of the risk factor titled "*Risks relating to regulatory requirements*" of sub-section C "*Legal and regulatory risks*" of the "*Risk Factors*" section shall be replaced by the following:

"In addition, credit institutions identified as other systemically important institutions ("O-SIIs") are subject to an additional buffer requirement (the "O-SII Buffer"). According to the Bank of Portugal's decision, the O-SII buffer was not applicable to the Issuer since 2020 (but rather applicable to its indirect controlling shareholder LSF Nani Investments S.à r.l.). On 30 November 2023, the Bank of Portugal notified the Issuer of its decision to identify it as O-SII establishing a phased regime for the introduction of a 0.5% reserve as a percentage of the total risk-weighted assets ("**RWAs**") until 1st July 2025. The Issuer noted that this decision was in line with the Issuer's expectations and consistent with its ongoing funding plan, given that the O-SII buffer of 0.5% previously set at LSF Nani level was already considered under the Issuer's Minimum Requirement for Own Funds and Eligible Liabilities ("**MREL**"). On 15 November 2023, the Bank of Portugal, as the macroprudential authority, introduced a 4% sectoral systemic risk buffer, applicable to institutions using the IRB approach, on the risk exposure amount of all retail exposures to natural persons secured by residential real estate located in Portugal, starting from 1 October 2024. On 17 November 2023, the Issuer informed that the implementation of this measure would result, in a pro-forma basis, of an estimated increase of c.30 basis points in capital requirements. There can be no assurance that this or other capital buffers will not be applicable or increased in the following years."

(iv) On page 30 of the Base Prospectus, the second paragraph of the risk factor titled "*Minimum requirement for own funds and eligible liabilities could have a material effect on the Issuer*" of sub-section C "*Legal and regulatory risks*" of the "*Risk Factors*" section shall be replaced by the following:

"In accordance with Portuguese law, financial institutions will be required to meet certain MREL requirements. On 19 June 2023 Novobanco received the notification of the decision by the SRB, together with the Bank of Portugal. According to the decision, the Issuer should comply with MREL on a consolidated basis at the level of 14.64 per cent. of total risk exposure amount ("**TREA**") starting from 1 January 2022 (17.66 per cent. including the combined buffer requirement) and 23.47 per cent. of TREA from 1 January 2026 onwards, which shall be met at all times. The Issuer's MREL ratio as of 30 September 2023 was 22.8 per cent., which compares with 20.6 per cent. as of 31 December 2022. Novobanco has met the 1 January 2022 MREL target, as well as the interim non-binding 1 January 2023 target. The preferred resolution strategy for the Issuer is the single point of entry, with the Issuer being the resolution entity. Additionally, the Issuer is not subject to any subordination requirement. These MREL requirements, the resolution strategy and the lack of a subordination requirement may change from time to time."

AMENDMENT TO THE "DOCUMENTS INCORPORATED BY REFERENCE" SECTION

On 2 February 2024, the Issuer published its results presentation and press release regarding its unaudited consolidated financial statements for the year ended 31 December 2023. A copy of the Issuer's press release regarding its unaudited consolidated financial statements for the year ended 31 December 2023 has been filed with the Central Bank of Ireland.

In the "*Documents Incorporated by Reference*" section on page 48 of the Base Prospectus, the following shall be added as a new item 6 to the first paragraph:

"(6) press release regarding the Group's unaudited consolidated financial statements for the year ended 31 December 2023 (which can be viewed online at Novobanco_2023_Results_EN.pdf.coredownload.inline.pdf),"

AMENDMENT TO THE "DESCRIPTION OF THE ISSUER AND OF THE GROUP" SECTION

(i) The sixth paragraph of the sub-section titled "*E. Contingent Capital Agreement*" on page 93 of the Base Prospectus shall be replaced with the following:

"Lastly, regarding the 2021 financial year, the request of the Issuer pursuant to the CCA was €209.2 million. The Resolution Fund has refused the payment and the dispute resolution mechanisms foreseen in the CCA are being followed."

(ii) The following paragraphs shall be added to the end of "*Capital Management*" on page 111 of the sub-section titled "*I. Risk Management*" of the Base Prospectus:

"On 15 November 2023, the Bank of Portugal, as the macroprudential authority, introduced a 4 per cent. sectoral systemic risk buffer, applicable to institutions using the IRB approach, on the risk exposure amount of all retail exposures to natural persons secured by residential real estate located in Portugal, starting from 1 October 2024. On 17 November 2023, the Issuer informed that the implementation of this measure would result, in a pro-forma basis, of an estimated increase of c.30 basis points in capital requirements.

On 30 November 2023, the Issuer informed that it had been notified by the Bank of Portugal of its decision to identify it as O-SII establishing a phased regime for the introduction of a 0.5% reserve as a percentage of RWAs under the following terms: 50% of the reserve starting on 1st July 2024 (0.25% of RWAs), and 100% of the reserve starting on 1st July 2025 (0.50% of RWAs). The Issuer noted that this decision was in line with the Issuer's expectations and also consistent with its ongoing funding plan, given that the O-SII buffer of 0.5% previously set at LSF Nani level was already considered under the Issuer's MREL requirements.

In December 2023, the Issuer was notified by the European Central Bank that the Pillar 2 requirement (P2R) applicable would be 2.85% as of 1 January 2024 onwards, which represents a decrease of 15bps. Therefore the minimum prudential requirements applicable from 1 January 2024 onwards, calculated at the time were as follows: CET1: 8.72% (of which 4.5% corresponds to Pillar 1, 1.60% corresponds to Pillar 2 and 2.62% corresponds to the applicable Buffers), Tier 1: 10.76% (of which 6.0% corresponds to Pillar 1, 2.14% corresponds to Pillar 2 and 2.62% corresponds to the applicable Buffers) totalling a minimum prudential requirement of 13.47% (of which 8.00% corresponds to Pillar 1, 2.85% corresponds to Pillar 2 and 2.62% corresponds to the applicable Buffers). As disclosed on the press release regarding the Group's unaudited consolidated financial statements for the year ended 31 December 2023, which is incorporated by reference to the Base Prospectus pursuant to this supplement, the applicable Buffers have since been recalculated to 2.60%, reducing the required CET to 8.70% (from 8.72%), the required Tier 1 to 10.74% (from 10.74%)and the required total to 13.45% (from 13.47%). These requirements do not include: i) Phased regime for the introduction of a 0.5% O-SII reserve as a percentage of RWAs to start on 1-Jul-24 with 50% of the reserve (0.25% of RWAs), and 100% of the reserve starting on 1st July 2025 (0.50% of RWAs), as announced on 30-Nov-23; ii) Starting on 1-Oct-24, a buffer on exposures secured by residential real estate, expected to be ~30bps, as announced on 17-Nov-23. There can be no assurance that the SREP review to be conducted in the following years will not increase the minimum own funds requirement, including as a result of past or future stress test exercises conducted by the supervisory authorities."

(iii) The fourth, fifth and sixth paragraphs of "General and Supervisory Board" under the sub-section "*L. Management and Supervisory Corporate Bodies*" shall be replaced with the following:

"At the General Meeting of Shareholders of the Issuer that took place on 22 December 2022, Monika Wildner was appointed as an independent member of the General and Supervisory Board for the current mandate (2021-2024) of the GSB. Monika Wildner was approved by the competent authorities under the Fit & Proper process on 21 June 2023.

On 1 February 2023, the General and Supervisory Board approved, subject to Fit & Proper, Benjamin Dickgiesser as a new member of the Executive Board of Directors for the current mandate term until 2025, as the next Chief Financial Officer. On 24 February 2023, the Issuer announced the resignation of Benjamin Dickgiesser as a member of the General and Supervisory Board to become the next CFO, subject to Fit & Proper. The approval by the competent authorities under the Fit & Proper process to exercise the functions of the CFO was obtained and subsequently disclosed to the market on 1 October 2023.

Following the announcement of resignation of Benjamin Dickgiesser as a member of the General and Supervisory Board, the Bank initiated the Fit & Proper process of Evgeniy Kazarez as candidate to the General and Supervisory Board for the current mandate (2021-2024). Following the approval by the competent authorities under the Fit & Proper process, Evgeniy Kazarez has effectively become a member of the General and Supervisory Board on 7 November 2023."

(iv) The last paragraph on page 114, together with the table showing the members of the GSB, of "*General and Supervisory Board*" under the sub-section "*L. Management and Supervisory Corporate Bodies*" shall be replaced with the following:

"The following table sets out the members of the GSB for the 2021-2024 term of office, as at the date of 27 February 2024, with an indication of name, position and principal activities of the members outside of the Group:

Name	**GSB Position**	**GSB Committees Position**	**Principal activities outside of the Group**
Byron James Macbean Haynes	Chairman	Chair of the GSB and Remuneration Committee Member of the Audit Committee and of the Risk Committee	Chairman of the audit committee at Nani Holdings SGPS, S.A. Non-executive director at Saffron Brand Consultant
Karl-Gerhard Eick	Vice-Chairman	Chair of the Audit Committee Member of the Risk Committee and the Remuneration Committee	Chairman of the Supervisory Board of IKB Deutsche Industriebank AG Member of Audit Committee of Nani Holdings
Monica Wildner	Member	Member of the Audit Committee and of the Risk Committee and of	Non-Executive Director at Addiko Bank

Name	GSB Position	GSB Committees Position	Principal activities outside of the Group
		the Remuneration Committee	Non-Executive Director at Austrian Volksbank Wien AG Independent attorney at law
Kambiz Nourbakhsh	Member	Member of the Audit Committee and of the Risk Committee, Compliance Committee and of the Remuneration Committee	Senior Managing Director at Lone Star Switzerland Acquisitions GmB (self-stated name Nani) Member of the Audit Committee at Nani Holdings Non-Executive Director in Mastiff MidCo
Mark Andrew Coker	Member	Member of the Compliance Committee and of the Nomination Committee	Managing Director at Lone Star Europe Acquisitions Non-Executive Director at Lone Star International Finance DAC Non-Executive Director at Lone Star Capital Investments S.a.r.l
John Ryan Herbert	Member	Chair of the Nomination Committee Member of the Compliance Committee	Director of DFC Corp Non-Executive Director Digital Core REIT Management PTE
Robert Alan Sherman	Member	Chair of the Compliance Committee	Non-Executive Director at Opportunity Network Senior Counsel of Greenberg Traurig Member of the Advisory Board of Rasky Partners

Name	GSB Position	GSB Committees Position	Principal activities outside of the Group
Carla Antunes da Silva	Member	Member of the Nomination Committee	Director at Lloyds Banking Group CEO at Lloyds Bank Corporate Markets
William Henry Newton	Member	Chair of the Risk Committee	Director at AVIN Consulting Ltd
Evgeniy Kazarez	Member	Member of the Risk Committee and of the Remuneration Committee Audit Committee Observer	Member of the Supervisory Board of IKB Deutsche Industriebank GmbH"

(v) The sole paragraph of the sub-section titled "*P. Ratings*" on page 137 of the Base Prospectus shall be replaced in its entirety with the following wording:

"The Issuer's long-term credit ratings are the following: "Ba1" for long term senior unsecured debt with a positive outlook and "Baa2" for long term deposits with a positive outlook by Moody's, "BB (high)" for issuer rating and long-term senior debt rating with a stable trend and "BBB (low)" for long-term deposits rating with a stable trend by DBRS. On 1 February 2024, Fitch Ratings Ltd assigned an Investment Grade rating to the Issuer with "BBB-" issuer rating and long-term senior debt rating and "BBB" for long-term deposits rating with a stable outlook."

(vi) The following paragraphs shall be added to the end of the sub-section titled "*S. Recent Developments*" on page 146 of the Base Prospectus:

"On 24 May 2023 the Issuer announced that it had launched a 10.5NC5.5 Tier 2 bond in the amount of € 500 million, with maturity on 1 December 2033 and an early redemption option by the Bank at the end of 5 years. The notes were subscribed at 100% price and have an annual interest rate of 9.875% in the first 5 years, and 5 years mid-swaps plus a margin thereafter. At the same time the Bank also announced a tender offer on its existing Tier 2 securities (8.5% Fixed Rate Reset Callable Subordinated Notes due 2028, ISIN: PTNOBFOM0017), allowing investors to roll their exposures. The new bond issue was intended as a replacement of the existing Tier 2. On 31 May 2023 the Issuer announced that a total of €206.4 million was tendered and accepted on the tender offer of the existing Tier 2 and on the 1 June 2023 the Issuer announced the early redemption of the remaining outstanding nominal of that bond, to be effected on 6 July 2023, in compliance with the contractual terms of the Notes (€193.6 million).

On 22 June 2023 the Issuer announced that it had been notified by the Bank of Portugal of its MREL requirements, on a consolidated basis, as determined by the Single Resolution Board, from 1 January 2026, the MREL requirement will be equivalent to 23.47% of TREA plus the then applicable combined buffer requirement (including LSF Nani Investments S.à.r.l. O-SII, 3.02% at that date) and 5.91% of the Leverage Ratio. In addition, the Issuer also noted that no minimum subordination requirement was applied.

On 22 June 2023 the Issuer announced that, following the announcement on September 19th, 2022, and the authorization of the relevant regulatory authorities (fit and proper), Monika Wildner had joined the current mandate of the GSB of the Issuer, as an independent member.

On 30 July 2023 the Issuer announced that it was subject to the 2023 EU-wide stress test conducted by the ECB. The Issuer noted the announcements made by the ECB on the EU-wide stress test and the outcomes of this exercise. The adverse stress test scenario was set by the ECB and covered a three-year time horizon (2023-2025). Under the theoretical adverse scenario, the Issuer's CET1 ratio would fall by 600-899 basis points to lower than 8% after three years. The stress test exercise results are not a forecast of either the financial performance or the capital ratios of the Issuer. When analysing results, it should also be taken into account that the exercise has been carried out applying a static balance sheet assumption as of December 2022. Since then, the Issuer has generated c.200 basis points of CET1 ratio to 15.1% (fully loaded), with organic capital generation guidance at 350 basis points for the year of 2023. Projections, under this stress test, consider approximately €55mn of Core Operating Income on three-year average, which compares with an actual result of €444mn in only the first half of 2023 and does therefore not factor in the current earnings profile of the Issuer after having completed its restructuring. The 2023 EU-wide stress test does not contain a pass-fail threshold and instead is designed to be used as a source of information for the purposes of the Supervisory Review and Evaluation Process (SREP). The Issuer further announced that it did not expect the outcome of this stress test to have a negative impact on its capital requirements.

On 1 October 2023 the Issuer announced that, following the announcement on 1 February 2023 and the authorization of the relevant regulatory authorities (fit and proper), Benjamin Dickgiesser has joined the EBD of the Issuer for the current mandate 2022-2025 as Chief Financial Officer.

On 30 November 2023, the Issuer informed that it had been notified by the Bank of Portugal of its decision to identify it as O-SII establishing a phased regime for the introduction of a 0.5% reserve as a percentage of RWAs, as described in the section "*Description of the Issuer and the Group*" under the caption "*Capital Management*".

On 4 December 2023, the Issuer informed that it had been notified by the ECB of its minimum prudential requirements applicable in 2024, as described in the risk factor titled "*Risks relating to regulatory requirements*" of sub-section C "*Legal and Regulatory Risks*" of the "Risk Factors" section and "*Description of the Issuer and the Group*" under the caption "*Capital Management*".

On 13 December 2023, the Issuer informed that DBRS upgraded by two notches to the issuer rating and the long-term senior debt rating to "BB (high)" with a stable trend and the long-term deposits rating to "BBB" (low).

On 1 February 2024, the Issuer informed that Fitch Ratings Ltd assigned an investment grade rating to the Issuer with "BBB-" issuer rating and long-term senior debt rating and "BBB" for long-term deposits rating with a stable outlook."

AMENDMENT TO THE "TAXATION" SECTION

In the "*Taxation*" section, under the sub-section "*General tax regime—Capital gains and capital losses arising from the disposal of Notes for consideration*" on pages 148 and 149 of the Base Prospectus, the last paragraph shall be replaced by the following:

"Portuguese resident individuals with an annual taxable income equal to or higher than €81,199 are required to mandatorily include the annual capital gain and loss balance in their taxable income together with the remaining items of income derived, if such capital gains and losses arise from the disposal of securities, such as the Notes, held for a period of less than 365 days. This balance is taken into consideration for the computation of the €81,199 threshold."

AMENDMENT TO THE "GENERAL INFORMATION" SECTION

In the "*General Information*" section, under the sub-section "*No significant change*" on page 170 of the Base Prospectus, the first sentence shall be replaced by the following:

"There has been no significant change in the financial performance or financial position of the Group since 31 December 2023."