

Novo Banco, S.A. announces early termination of the Contingent Capital Agreement

Novo Banco, S.A. (“novobanco” or the “Bank”) informs that the Bank, the Resolution Fund and Nani Holdings have agreed today to terminate the Contingent Capital Agreement (“CCA”) ahead of its contractual maturity in December 2025.

The CCA, established in October 2017, was a financial mechanism designed to ensure that, following the verification of certain conditions, the Bank maintained agreed capital levels to support its operations during its restructuring phase.

As of September 2024, the Bank had registered a CCA receivable of €161.6 million and a liability towards Resolution Fund of €98.9 million.

Under the terms of the agreement reached today:

- The Bank and the Resolution Fund have settled all outstanding disputes related to unpaid CCA amounts;
- All existing payment obligations between the parties are settled, and no financial flows result from this agreement;
- The termination is expected to impact the Bank's financials as follows:
 - Income Statement: a cost of €62.7 million;
 - Capital Ratios: an increase of approximately 47 basis points (pro-forma September 2024 accounts).

The termination of the CCA also determines:

- The dissolution of the Monitoring Committee, a statutory advisory body established in the Bank's Articles of Association in the context of the CCA;
- The extinction of novobanco's limitation on the servicing rights over CCA assets;
- The removal of the contractual dividend ban.

This announcement is made in accordance and for the purpose of article of article 29-Q, No. 3 of the Portuguese Securities Code and the article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council.

Lisbon, 9 December 2024
Novo Banco, S.A.