

Novo Banco, S.A. informs on reorganisation and increase in share capital

Novo Banco, SA (“novobanco”) informs that, following the General Shareholders Meeting held today, the following points related to share capital were approved:

- the reallocation of free reserves, following its reallocation on the approved 2023 accounts, in the amount of 5,000,000,000.00 Euros to absorb losses;
- the reduction of the share capital in 3,351,516,580.00 Euros from the current amount of 6,567,843,862.91 Euros to the amount of 3,216,327,282.91 Euros, to cover negative retained earnings in the amount of 2,870,294,596.73 Euros, and to reinforce the legal reserves in the amount of 481,221,983.27 Euros;
- the share capital increase, in accordance with the applicable legal regime, in the amount of 128,672,717.39 Euros, increasing the share capital from 3,216,327,282.91 Euros to 3,345,000,000.30 Euros, following the conversion of the conversion rights attributed to the State for the financial year ended 31 December 2020, this increase being carried out by incorporating the special reserve created by reference to the underlying deferred tax assets;
- the reduction of the number of shares representative of the share capital of Novo Banco, S.A. from 11,611,327,275 to 500,000,000.

Regarding the capital increase mentioned above, the Resolution Fund has exercised its rights and will be the holder of such shares, as per announcement on 4 June 2024.

Further, novobanco clarifies that the capital re-organisation referred above do not impact its total shareholders’ equity but rather have the effect of eliminating the negative retained earnings in novobanco’s individual accounts, which were accumulated during its restructuring period.

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, 7 June 2024
Novo Banco, S.A.