

Final Terms dated 30 May 2023

Novo Banco, S.A.

Legal Entity Identifier (LEI): 5493009W2E2YDCXY6S81

**Issue of €500,000,000 9.875 per cent. Reset Callable Tier 2 Notes due December 2033
under the €5,000,000,000**

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES (ECPS) ONLY TARGET MARKET – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 19 May 2023 which constitutes a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of

the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Final Terms and the Base Prospectus are available for inspection at the office of the Issuer and on the website of Euronext Dublin at <https://live.euronext.com/en/markets/dublin/bonds/list>.

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| 1. | Issuer: | Novo Banco, S.A. |
| 2. | (i) Series Number: | 2 |
| | (ii) Tranche Number: | 1 |
| | (iii) Date on which the Notes become fungible: | Not Applicable |
| 3. | Specified Currency or Currencies: | Euro (“€”) |
| 4. | Aggregate Principal Amount of Notes: | |
| | (i) Series: | €500,000,000 |
| | (ii) Tranche: | €500,000,000 |
| 5. | Issue Price: | 100.00 per cent. of the Aggregate Principal Amount |
| 6. | Specified Denomination: | €100,000 |
| 7. | (i) Issue Date: | 1 June 2023 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 1 December 2033 |
| 9. | Interest Basis: | 9.875 per cent. Reset Notes
(further particulars specified below) |
| 10. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their principal amount |
| 11. | Change of Interest Basis: | Not Applicable |
| 12. | Call Options: | Call Option
Clean-up Call Option
(further particulars specified below) |
| 13. | (i) Status of the Notes: | Tier 2 Notes |
| | (ii) Date Board approval for issuance of Notes obtained: | 19 May 2023 |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 14. | Fixed Rate Note Provisions: | Not Applicable |
| 15. | Reset Note Provisions: | Applicable |
| | (i) Initial Rate of Interest: | 9.875 per cent. per annum payable annually in arrear |

(ii)	First Margin:	+6.714 per cent. per annum
(iii)	Subsequent Margin:	Not Applicable
(iv)	Reset Note Interest Payment Date(s):	1 December in each year commencing on 1 December 2023 up to (and including) the Maturity Date, with a short first coupon payable on 1 December 2023
(v)	First Reset Date:	1 December 2028
(vi)	Second Reset Date:	Not Applicable
(vii)	Subsequent Reset Date:	Not Applicable
(viii)	Business Centre(s):	Lisbon and London
(ix)	Reset Rate:	Single Mid-Swap Rate
(x)	Relevant Screen Page:	Reuters EURSFIXA
(xi)	Mid-Swap Maturity:	6 months
(xii)	Fixed Leg Swap Duration:	Annual
(xiii)	Benchmark Duration:	Fixed Leg Swap Duration
(xiv)	Reset Rate Time:	11.00 a.m. (Brussels time)
(xv)	Day Count Fraction:	Actual/Actual – ICMA
(xvi)	Determination Date(s):	1 December in each year
16.	Floating Rate Note Provisions:	Not Applicable
17.	Zero Coupon Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

18.	Call Option:	Applicable
(i)	Optional Redemption Date(s):	Any date during the period from (and including) 1 June 2028 to (and including) 1 December 2028
(ii)	Optional Redemption Amount(s) of each Note:	€100,000 per Specified Denomination
(iii)	Make-Whole Reference Bond:	Not Applicable
(iv)	Quotation Time:	Not Applicable
(v)	Redemption Margin:	Not Applicable
(vi)	Reference Screen Page:	Not Applicable
(vii)	If redeemable in part:	
(a)	Minimum Redemption Amount:	Not Applicable
(b)	Maximum Redemption Amount:	Not Applicable
(viii)	Notice period:	As per Condition 4(f)
19.	Clean-up Call Option:	Applicable

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| (i) | Clean-up Call Minimum Percentage: | 75 per cent. |
| (ii) | Clean-up Call Option Amount: | €100,000 per Specified Denomination |
| (iii) | Notice periods: | Minimum period: 10 days
Maximum period: 60 days
The Clean-up Call Effective Date is the Issue Date |
| 20. | Final Redemption Amount of each Note: | €100,000 per Specified Denomination |
| 21. | Early Redemption Amount:
Early Redemption Amount(s) per Specified Denomination payable on redemption for taxation reasons, on a Capital Disqualification Event or on event of default (as described in Condition 6): | €100,000 per Specified Denomination |
| 22. | Substitution and Variation: | Applicable |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 23. | Financial Centre(s): | Not Applicable |
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RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. The ratings definitions provided in Part B, Item 2 of these Final Terms have been extracted from the websites of DBRS and Moody's.

The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by DBRS and Moody's, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: [CARLOS JORGE FERREIRA BRANDÃO]

By: [MARK GEORGE BOURKE]

Duly authorised

PART B – OTHER INFORMATION

1. Listing

- (i) Listing and admission to trading: Application has been made for the Notes to be admitted to the Official List of Euronext Dublin and to be admitted to trading on the regulated market of Euronext Dublin with effect from 1 June 2023. No assurance can be given that such listing will be obtained and/or maintained.
- (ii) Estimate of total expenses related to admission to trading: €1,050

2. Ratings

- Ratings: The Notes are expected to be rated B by DBRS on or shortly after the Issue Date.
- An obligation rated ‘B’ denotes highly speculative credit quality. There is a high level of uncertainty as to the capacity to meet financial obligations.
- (Source: https://www.dbrsmorningstar.com/understanding-ratings#about_ratings under ‘Rating Scales – Long Term Obligations Rating Scale’)
- The Notes are expected to be rated B1 by Moody’s on or shortly after the Issue Date.
- An obligation rated ‘B’ is considered speculative and is subject to high credit risk. The modifier ‘1’ indicates a ranking in the higher end of that generic rating category.
- (Source: <https://ratings.moody.io/ratings>)
- No assurance can be given that such ratings will be obtained and/or retained.
- DBRS and Moody’s are established in the European Union and registered under Regulation (EC) No 1060/2009.

3. Interests of Natural and Legal Persons involved in the Issue

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. Estimated Net Proceeds

- Estimated net proceeds: €497,750,000
- Use of proceeds: The net proceeds from the issue of the Notes will be applied by the Issuer for general corporate purposes, including the refinancing of existing debt. Such refinancing may relate to the repurchase of some or all of the Issuer’s outstanding €400,000,000 8.500 per cent. Fixed Rate Reset Callable Subordinated Notes due 2028 (ISIN: PTNOBFOM0017) pursuant to the tender offer announced by the Issuer on 22 May 2023.

6. Operational Information

ISIN:	PTNOBLOM0001
Common Code:	263077563
CFI:	As updated, as set out on the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
FISN:	As updated, as set out on the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
Trade Date:	24 May 2023
Any clearing system(s) other than Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A and the relevant identification number(s):	Not Applicable
Delivery:	Delivery against payment
Name and address of additional Paying Agent(s) (if any):	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be registered with <i>Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.</i> in its capacity of securities settlement system and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

7. **Distribution**

(i) Method of distribution:	Syndicated
(ii) If syndicated:	
(A) Names of Managers:	BofA Securities Europe SA Citigroup Global Markets Europe AG Crédit Agricole Corporate and Investment Bank Credit Suisse Bank (Europe), S.A. J.P. Morgan SE Société Générale
(B) Stabilisation Manager(s) (if any):	J.P. Morgan SE
(iii) If non-syndicated, name of Dealer:	Not Applicable

- (iv) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA Not Applicable
- (v) Prohibition of Sales to EEA Retail Investors: Applicable
- (vi) Prohibition of Sales to UK Retail Investors: Applicable