

Novo Banco, S.A. informs on Sale and Purchase Agreements of Non-Performing Loans and related exposures

Novo Banco, SA (“**novobanco**” or the “Bank”) informs that following a competitive bid process the Bank signed Sale and Purchase Agreements with a consortium of funds managed by WEST INVEST UK LIMITED PARTNERSHIP and LX INVESTMENT PARTNERS III S.À.R.L. respectively, for the sale of its Project Orion, a portfolio of non-performing loans and related exposures.

The portfolio comprises more than 12 thousand loans and, as of September 2021, its outstanding balance amounted to 231.3 million euro. The portfolio sale price totalled 64.7 million euro.

The completion of this transaction, on the agreed terms, is expected to have a marginal positive impact on **novobanco**’s capital position and in 2021 income statement.

Project Orion includes loans and exposures covered by the Contingent Capital Agreement and is subject to perimeter adjustments usual in transactions of this nature.

Together these agreements represent a 168.1 million euro reduction of non-performing loans (“NPL”) and are an important milestone for **novobanco**, allowing the Bank to pursue its strategy of converging towards EU average.

This announcement is made in accordance and for the purpose of article 248-A of the Portuguese Securities Code.

Lisbon, December 23, 2021
Novo Banco, S.A.