

B3 ANNOUNCES RESULTS FOR THE FOURTH QUARTER OF 2023

São Paulo, February 22, 2024 – B3 S.A. - Brasil, Bolsa, Balcão (“B3” or “Company”; B3SA3) reports today its earnings for the 4th quarter of 2023 (4Q23). Total revenues reached R\$2,493.6 million, down by 2.9% against 4Q22 and in line with 3Q23. Recurring EBITDA amounted to R\$1,459.6 million, down by 10.3% against 4Q22 and 9.8% against 3Q23, while recurring net income¹ was R\$1,057.7 million, down by 8.2% against 4Q22 and 8.7% against 3Q23.

MESSAGE FROM B3's MANAGEMENT

Uncertainties about the behavior of interest rates in the US and in the world's main economies continued to affect global capital markets, with a negative impact on the trading volumes of equities on the world's main exchanges. In Brazil, the Central Bank announced 3 cuts of 0.5 p.p. each during the quarter, taking the basic interest rate to 11.75% p.a. by the end of 2023. Additionally, there was another cut at the beginning of 2024 which led the interest rate to 11.25% p.a.

Even though reductions in interest rates have occurred throughout the year in Brazil, the high level of interest rate has not allowed the Cash Equities and Equity Instruments segment to show consistent recovery in 4Q23. The average daily traded volume (ADTV) in cash equities totaled R\$24.3 billion in 4Q23, up by 2.0% compared to 3Q23, reflecting a slight recovery in capital markets activity after a seasonally weaker period, however 24.8% below the 4Q22, mainly due to the 2022 elections which impacted the segment's volumes in the period.

In Listed Derivatives, the average daily volume (ADV) totaled 6.2 million contracts, up by 4.8% and 35.7% compared to 3Q23 and 4Q22, respectively, mainly due to the positive performance of Interest Rate contracts in BRL. In the OTC segment, the scenario of higher interest rates continued to favor volumes with growth of 14.3% in the outstanding balance of fixed income instruments and 26.4% in the balance of Treasury Direct compared to 4Q22.

Regarding the results for the period, B3 recorded total revenues of R\$2.5 billion, in line with the previous quarter and 2.9% below 4Q22. It is worth highlighting that the growth in total expenses of 9.9% and 18.9% in compared to 4Q22 and 3Q23, respectively, was impacted mainly by expenses incurred due to the operations of the Desenrola program platform and contributions related to self-regulation activity to face future cash needs, at least, for the next two years. Even with these items, B3 was able to reach the lower end of its expense guidance band as signaled throughout the year. Recurring net income reached R\$1.1 billion, down 8.7% and 8.2% compared to 3Q23 and 4Q22, respectively.

Distributions in the quarter totaled R\$1.4 billion, of which R\$500 million in buybacks, R\$604 million in dividends, including R\$374 million approved on 02/22/2024, and R\$334 million in interest on capital. In the year, distributions totaled R\$5.0 billion, representing a payout ratio of 122%. The execution of the share buyback program, which accounted for 49% of distributions, represented the acquisition of 3% of the Company's capital stock in 2023.

In relation to the strategic advances of the quarter, in November B3 successfully launched its platforms for trading of large blocks of shares. The ADTV of these solutions in December was R\$6.7 million.

In December, B3 announced an agreement with ACX Holding, one of the main trading platforms for the carbon credits market in the world, with the aim of establishing the operation of a platform of this nature in the Brazilian market. This transaction is aligned with the Company's strategy of developing new products and advancing the ESG (Environmental, Social and Governance) agenda to promote sustainable economic development.

Furthermore, in line with its strategy of developing products in its core businesses to better serve customers, in January B3 launched a new type of stock and ETFs options with weekly maturities, which will initially be available for 15 securities and reflects the objective of expanding the number of strategies accessible to customers, as well as liquidity.

Additionally, as part of the Company's technological modernization efforts and the agreement signed in 2022 with Microsoft and Oracle to migrate systems to the cloud, B3 announced in January the beginning of the operations of the FX clearinghouse with 100% cloud infrastructure. Updating the technological infrastructure enables the development of new products more efficiently, in line with the sophistication of this market.

Finally, in February, Dimensa, a joint venture between B3 and Totvs specializing in technology for the financial sector, completed the acquisition of Quiver, a software company for managing insurance policies. This move is mainly targeted to expand Dimensa's scope of activities to a new market, with gains in scale and portfolio expansion.

(In R\$ millions)	4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
Total revenues	2,493.6	2,568.7	-2.9%	2,490.1	0.1%
Net revenues	2,242.2	2,307.5	-2.8%	2,248.2	-0.3%
Expenses	(1,072.8)	(976.5)	9.9%	(902.2)	18.9%
Financial Result	24.5	48.6	-49.5%	39.1	-37.3%
Net income for the period	915.5	1,003.8	-8.8%	1,074.2	-14.8%
Adjusted expenses ²	(633.1)	(561.0)	12.9%	(503.9)	25.6%
Recurring EBITDA	1,459.6	1,626.7	-10.3%	1,617.7	-9.8%
Recurring EBITDA margin	65.1%	70.5%	-540 bps	72.3%	-721 bps
Recurring net income	1,057.7	1,151.6	-8.2%	1,159.0	-8.7%

¹ See reconciliation on page 6.

² Expenses adjusted for: (i) depreciation and amortization; (ii) long-term share-based incentive program – principal and charges; (iii) provisions; (iv) revenue-linked expenses; and (v) M&A expenses.



4Q23

CONFERENCE CALL (English) 02/23

10:00 a.m. (BRT) / 8:00 a.m. (NYC)

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OPERATIONAL PERFORMANCE

Comparisons in this document are in relation to the fourth quarter of 2022 (4Q22), unless otherwise indicated.

Listed

Cash Equities and Equity Instruments

		4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
Cash equities market	ADTV (R\$ millions)	24,259	32,277	-24.8%	23,773	2.0%
	Margin (bps)	3.298	3.255	0.043 bps	3.348	-0.050 bps
Average market capitalization	(R\$ billions)	4,434	4,415	0.4%	4,386	1.1%
Turnover velocity	Annualized (%)	135.7%	182.8%	-4,709 bps	134.4%	129 bps
Options market (stock/indices)	ADTV (R\$ millions)	723	977	-26.0%	551	31.2%
	Margin (bps)	12.019	11.761	0.258 bps	12.739	-0.720 bps
Forward market	ADTV (R\$ millions)	303	264	14.6%	254	19.1%
	Margin (bps)	5.348	6.675	-1.326 bps	5.852	-0.504 bps
Stock indices future	ADV (thousands of contracts)	3,393	3,531	-3.9%	3,283	3.4%
	Average RPC (R\$)	0.936	0.925	1.1%	0.958	-2.3%
Number of individual investors	Average (thousands)	4,920	4,733	4.0%	5,006	-1.7%
Number of accounts in depository (total)	Average (thousands)	5,743	5,582	2.9%	5,866	-2.1%
Securities lending	Average open interest (R\$ billions)	132	128	3.0%	125	5.3%
	Average Lender Rate (% pa)	1.169%	1.279%	-11 bps	1.047%	12 bps

Note: ADTV stands for Average Daily Traded Volume; ADV stands for Average Daily Volume; RPC stands for Revenue per Contract; and bps stands for basis point.

In the Cash and Cash Equities Instruments market, there was a 24.8% decrease in the ADTV of cash equities, mainly explained by the comparison with a quarter of greater volatility due to the elections in 4Q22. Additionally, it is worth highlighting the widespread reduction in global equities markets volumes, influenced by monetary tightening cycles in the main economies, despite consecutive cuts in the basic interest rate in Brazil which still remains at high levels. In the case of stock indices futures, the 3.9% reduction in the average number of contracts traded is explained by the decrease in the trading of the mini and standard versions of the contracts, mainly the Ibovespa Future.

The trading/post trading margin in the cash equities market was 3.298 bps. Compared to 4Q22, despite the lower volume, (i) lower participation by foreigners and individuals and higher participation by local institutional investors; and (ii) a higher volume traded through market maker and liquidity provider programs, which have lower fees, contributed to a relatively stable margin. The average revenue per contract (RPC) of stock indices futures increased by 1.1%, mainly due to (i) the reduction in volumes, which reduces the discounts, and (ii) price adjustment for High Frequency Traders (HFTs) in the mini version of these contracts, which took place in the first quarter of 2023.

Margin in the equities market (bps)



Note: The margin in bps considers the fees at both ends of the operation (buy + sell). 3.29 bps was the average margin in the last month of the period (Dec/23).

The average number of accounts at the equities' depository increased 2.9% compared to 4Q22, while compared to 3Q23 there was a reduction of 1.7%. This decrease is explained by the migration of level for a BDR in Aug/23, which resulted in the redemption of the amount invested and closure of the accounts that only contained this security.

Interest Rates, FX and Commodities

		4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
Interest rates in BRL	ADV (thousands of contracts)	4,872	3,169	53.7%	4,680	4.1%
	Average RPC (R\$)	0.815	1.047	-22.1%	0.853	-4.4%
Interest rates in USD	ADV (thousands of contracts)	314	297	5.7%	301	4.2%
	Average RPC (R\$)	2.037	2.183	-6.7%	2.011	1.3%
FX rates	ADV (thousands of contracts)	960	1,063	-9.7%	882	8.9%
	Average RPC (R\$)	4.725	5.107	-7.5%	4.787	-1.3%
Commodities	ADV (thousands of contracts)	24	17	39.1%	26	-7.6%
	Average RPC (R\$)	1.713	1.940	-11.7%	1.733	-1.1%
Total	Total ADV (thousands of contracts)	6,170	4,547	35.7%	5,889	4.8%
	Average RPC (R\$)	1.491	2.074	-28.1%	1.507	-1.0%

The ADV totaled 6.2 million contracts, up by 35.7%, reflecting the 53.7% growth in the ADV for Interest Rates in BRL, mainly influenced by DI Futures contracts (+30.7%) and Options on DI Spot Rate (+168.2%). The average RPC was down by 28.1% in the period, influenced by the reduction in the RPC of all contracts, mainly by the 22.1% reduction in the RPC for Interest rates in BRL, which in turn is explained by the strong growth in volumes. Additionally, revenues from Interest in USD and FX contracts were impacted by the devaluation of the USD against BRL.

Finally, it is important to highlight that, in Oct/23, changes were made to the fees³ for Options on DI Spot Rate and to the price table for USD contracts, which also impacted the RPCs for Interest Rates in BRL and FX, respectively. The objective of these fees changes was, in the case of Options on DI Spot Rate, to improve the efficiency of volume discounts for the market, and, in USD derivatives, to correct possible distortions between different types of contracts.

OTC

Fixed Income Instruments

		4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
Issuances	Bank funding (total in R\$ billions)	4,205	4,101	2.6%	4,096	2.7%
	Other (total in billions)	497	306	62.1%	425	16.9%
Outstanding balance	Bank funding (average in R\$ billions)	3,019	2,794	8.0%	2,847	6.1%
	Corporate debt (average in R\$ billions)	1,003	982	2.2%	1,074	-6.6%
	Other (average in R\$ billions)	2,053	1,540	33.2%	1,920	6.9%
Treasury Direct	Number of investors (average in thousands)	2,450	2,114	15.9%	2,357	4.0%
	Outstanding Balance (average in R\$ billions)	124	98	26.4%	120	3.5%

Note: "Bank funding" includes DI, CDB, Letras Financeiras and other instruments such as RDB, LC, and DPGE.

"Other" includes real estate notes (LCI, CCI, CRI and LH), agribusiness certificates (CRA, LCA, CDCA, CLCA and CTRA) and funding instruments (CCB, CCCB, NCE, CCE, Export Notes, NC).

The volume of new issuances and the average outstanding balance of bank funding instruments registered in 4Q23 were up by 2.6% and 8.0%, respectively. Regarding issuances of other fixed income instruments, the 62.1% growth was mainly driven by the 73.6% increase in issuances of agribusiness instruments. The average outstanding balance of corporate debt instruments increased by 2.2%.

Another highlight of the fixed income market was the continuous growth in Treasury Direct (TD), in which the number of investors and outstanding balance were up by 15.9% and 26.4%, respectively. B3 offers an incentive program for brokerage firms to increase the number of investors in this product, which is revised annually. The incentive program has two models depending on the broker's⁵ outstanding balance in TD. For 2023, program incentives totaled R\$66.4 million.

OTC Derivatives and Structured Notes

		4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
Issuances	(total in R\$ billions)	3,779	2,922	29.3%	2,898	30.4%
Outstanding balance	(average in R\$ billions)	6,168	5,650	9.2%	5,722	7.8%

Issuances in the OTC derivatives and structured notes market increased by 29.3%, mainly influenced by the 44.4% increase in Swap issuances and the 25.6% increase in Forward issuances. In the same comparison, the average outstanding balance went up by 9.2%.

³ For more information, access [Circular Letter dated 09/12/2023](#).

⁴ Brokers with a TD outstanding balance worth less than R\$4 billion are covered by Model I, in which case the incentive is a variable amount depending on the growth of the investor base (R\$200 per customer added); Brokerage firms holding an outstanding balance of R\$4 billion or more in TD are covered by Model II, in which the incentive is calculated as a percentage of the average balance, depending on the investor base growth, and may reach 0.20% for the highest range.

Infrastructure for Financing

		4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
SNG	Number of vehicles sold (thousands)	4,952	4,550	8.8%	4,861	1.9%
	Number of vehicles financed (thousands)	1,644	1,399	17.6%	1,543	6.6%
	% Vehicles financed / vehicles sold	33.2%	30.7%	2.5pp	31.7%	1.5pp

The number of vehicles sold in Brazil in 4Q23 increased by 8.8%, due to a positive scenario with lower interest rates and normalization of supply chains. Coupled with this, the number of financing vehicles grew 17.6% with the highlight being the 28.5% increase in the number of new cars financed. The percentage of financed vehicles reached 33.2% of vehicles sold, up by 2.5 p.p. compared to 4Q22.

Technology, Data and Services

		4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
Market data	OTC utilization	20,761	19,212	8.1%	20,293	2.3%
	Average number of customers	165	172	-4.4%	159	3.3%
	Co-location	94	89	4.9%	92	1.8%

The average number of customers for the monthly use of OTC systems increased by 8.1%, mainly as a result of the growth in the funds industry in Brazil. Another highlight was the co-location service, with a 4.9% increase in the number of customers.

INCOME STATEMENT

Revenues

Total revenues: R\$2,493.6 million, down by 2.9% against 4Q22. With revenues from the Listed segment decreasing 13.5%, the resilience of the Company's business structure once again was relevant, with the other segments performing well. Excluding the effects of the consolidation of Neurotech, total revenues would have been R\$2,455.7 million, down by 4.4% against 4Q22.

Listed: R\$1,419.2 million (56.9% of the total), down by 13.5%.

- **Cash Equities and Equity Instruments:** R\$853.2 million (34.2% of the total), down by 19.8%.
 - Trading and post-trading: R\$725.3 million (29.1% of the total), down by 20.5%, reflecting lower volumes in the period, influenced by the factors explained above.
 - Depository: R\$39.3 million (1.6% of the total), up by 12.7% in the period. The adjustment for inflation (IPCA) of the Central Depository fees⁵, that came into effect at the beginning of the year, along with a higher average balance in the depository during the period, explain the growth of this line.
 - Securities lending: R\$57.6 million (2.3% of the total), down by 33.5%, due to lower rates on contracts traded between participants in this product.
 - Listing and solutions for issuers: R\$31.0 million (1.2% of the total), up by 4.6%, mainly due to the inflation adjustment of the Fee Policy for Issuers and Public Offerings⁶, effective at the beginning of 2023.
- **Interest Rate, FX and commodities:** R\$566.0 million (22.7% of the total), a decrease of 2.1%, mainly reflecting (i) lower volumes and RPC in FX derivative contracts, as previously explained, partially offset by higher revenues from Interest Rates in BRL; and (ii) one less business day compared to 4Q22 (and four fewer days compared to 3Q23). It is worth noting that this line is impacted by the cash flow hedge accounting established during the issuance of the bond in Sep/21, in which the bond is the hedging instrument, and highly probable future revenues in USD (mainly related to listed FX derivative contracts in USD and Interest Rates contracts in USD) are the hedging objects. As a result, the effects of exchange rate fluctuations on the bond are stated in Shareholders' Equity and recognized in the income statement to the extent that revenues are realized. In 4Q23, the net impact of this structure was positive at R\$11.7 million, given the FX variation in the period.

OTC: R\$399.0 million (16.0% of the total), up by 14.7%.

- Fixed income instruments: R\$263.3 million (10.6% of the total), up by 15.5%, mainly due to (i) an 8.0% growth in the average outstanding balance of bank funding instruments; (ii) a higher average outstanding balance of corporate debt, which grew by 2.2% in the period; and (iii) an increase in revenues from Treasury Direct, which in 4Q23 was R\$56.6 million compared to revenues of R\$45.0 million in 4Q22. It is worth noting that market incentives linked to this product totaled R\$17.6 million in 4Q23 (vs. R\$17.8 million in 4Q22) and are classified as revenue-linked expenses.
- Derivatives and structured transactions: R\$76.9 million (3.1% of the total), up by 11.9% mainly explained by the increase in revenues from swaps and derivatives with CCP.
- Other: R\$58.8 million (2.4% of the total), up by 15.1% reflecting the 16.1% increase in the average outstanding balance of fund units.

⁵ For more information, access [Circular Letter dated 05/04/2023](#).

⁶ For more information, access [Circular Letter dated 11/08/2022](#).

Infrastructure for Financing: R\$153.2 million (6.1% of the total), up by 38.0%, mainly explained by revenues from the platform developed by B3 for the Desenrola program, in addition to the 17.6% growth in the number of vehicles financed.

Technology, Data and Services: R\$522.0 million (20.9% of the total), up by 11.5%.

- **Technology and access:** R\$292.5 million (11.7% of the total), an increase of 12.8%, reflecting both the increase in the number of customers in the OTC segment and the annual price adjustment for inflation in the monthly utilization line and in technology products, such as co-location.
- **Data and analytics:** R\$173.1 million (6.9% of the total), up by 18.3%. The performance mainly reflects the consolidation of Neurotech, offsetting lower market data revenues due to lower activity of intermediaries' customers and changes to product packages. Excluding Neurotech, this line would have decreased by 0.7%.
- **B3 Bank:** R\$31.1 million (1.2% of the total), down by 11.0%, mainly explained by lower revenues from BDRs and floating.
- **Other:** R\$25.2 million, (1.0% of the total), down by 8.9% mainly explained by lower revenues from custody of gold.

Net revenues: R\$2,242.2 million, down by 2.8% against 4Q22, and in line with 3Q23.

Expenses

Expenses amounted to R\$1,072.8 million, up by 9.9%. Excluding the effects from the consolidation of Neurotech, expenses would have totaled R\$1,045.6 million, up by 7.1% against 4Q22.

- **Personnel and charges:** R\$357.5 million, in line with 4Q22. The annual adjustment (bargaining agreement) of salaries, the adjustment of medical assistance plans and the consolidation of Neurotech offset the extraordinary expenses with terminations related to the efficiency gain project that occurred in 4Q22. Excluding Neurotech, there would have been a decrease of 4.9%.
- **Data processing:** R\$170.4 million, up by 19.4%, mainly due to expenses incurred with the operation of the Desenrola program platform, in addition to the inclusion of Neurotech and intensification of the use of cloud technology.
- **Depreciation and amortization:** R\$279.9 million, up by 8.4%, mainly explained by the consolidation of Neurotech, with the inclusion of the amortization of intangibles recognized in the transaction.
- **Revenue-linked expenses:** R\$69.3 million, in line with 4Q22. In relation to 3Q23, the 16.9% increase in the line is mainly explained by the greater volume of information acquired from external sources for data & analytics products.
- **Third-party services:** R\$47.7 million, down by 20.8% explained by non-recurring consultancy expenses in 4Q22, mainly related to the efficiency gain project.
- **Other:** R\$112.8 million, up by 104.4%, mainly due to contributions related to self-regulation activity to meet future cash needs, as well as updates to provisions related to ongoing disputes.

The following tables show the breakdown and evolution of adjusted expenses.

Reconciliation of adjusted expenses

(In R\$ millions)	4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
Expenses	(1,072.8)	(976.5)	9.9%	(902.2)	18.9%
(+) Depreciation and amortization	279.9	258.3	8.4%	281.6	-0.6%
(+) Long-term stock-based incentive program	39.8	46.3	-14.0%	41.6	-4.3%
(+) Provisions (recurring and non-recurring)	40.4	31.4	28.5%	14.7	174.0%
(+) Revenue-linked expenses	69.3	69.1	0.2%	59.3	16.9%
(+) M&A expenses	10.3	10.4	-0.4%	1.0	898.7%
Adjusted expenses	(633.1)	(561.0)	12.9%	(503.9)	25.6%

EBITDA

Recurring EBITDA totaled R\$1,459.6 million, down by 10.3%. The recurring EBITDA margin was 65.1%, down 540 bps. Compared to 3Q23, there was a decrease of 9.8% with a reduction of 721 bps in the margin.

(In R\$ millions)	4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
EBITDA	1,449.3	1,589.3	-8.8%	1,627.6	-11.0%
(+) Efficiency improvement project expenses	-	22.5	-	-	-
(+) Other non-recurring expenses (income)	-	4.5	-	(10.9)	-
(+) M&A expenses	10.3	10.4	-0.4%	1.0	898.7%
Recurring EBITDA	1,459.6	1,626.7	-10.3%	1,617.7	-9.8%
<i>Recurring EBITDA margin</i>	<i>65.1%</i>	<i>70.5%</i>	<i>-540 bps</i>	<i>72.3%</i>	<i>-721 bps</i>

Financial Result

The financial result was positive by R\$24.5 million in 4Q23. Financial revenues reached R\$398.7 million, down by 9.2%, mainly explained by a lower average cash balance (B3 and third parties') and a lower level of interest rates compared to 4Q22, partially offset by higher remuneration of balances in foreign currency given the increase in interest rates in the United States.

Financial expenses decreased by 5.7%, mainly explained by (i) a lower level of indebtedness; (ii) lower average interest rate in the period and (iii) lower interest expenses on debts in foreign currency, influenced both by, the devaluation of the USD against the BRL and by the repurchases of the 2031 Bond during in 1Q23. Compared to 3Q23, the 5.8% increase in financial expenses is mainly explained by interest expenses related to the 7th issuance of debentures, approved in Sep/23.

(In R\$ millions)	4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
Financial result	24.5	48.6	-49.5%	39.1	-37.3%
Financial revenues	398.7	439.2	-9.2%	416.5	-4.3%
Financial expenses	(386.6)	(409.8)	-5.7%	(365.3)	5.8%
Net FX variations	12.4	19.2	-35.6%	(12.1)	-

Additionally, it is important to note that the financial result was also impacted by the effects of FX variation on some of the Company's loans in foreign currency, such impact being offset by the changes in the income tax and social contribution line (hedge structure). The table below isolates these effects, both from the financial result and from income tax and social contribution.

(In R\$ millions)	4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
Net Financial Result	24.5	48.6	-49.5%	39.1	-37.3%
(+/-) Effects of hedge on financial result	(15.7)	(30.1)	-47.9%	19.3	-
Adjusted net financial result (excluding hedge effects)	8.8	18.5	-52.1%	58.4	-84.8%
Income before income tax	1,195.7	1,380.4	-13.4%	1,386.3	-13.8%
(+/-) Effects of hedge on financial result	(15.7)	(30.1)	-47.9%	19.3	-
Income before tax on adjusted profit (excluding hedge effects) – (A)	1,180.0	1,350.2	-12.6%	1,405.6	-16.1%
Income tax and social contribution	(279.9)	(376.4)	-25.6%	(312.0)	-10.3%
(+/-) Effects of hedge on income tax and social contribution taxes	15.7	30.1	-47.9%	(19.3)	-
Adjusted income and social contribution taxes (excluding hedge effects) – (B)	(264.2)	(346.3)	-23.7%	(331.3)	-20.3%
Effective Rate on Income Before Adjusted Income Tax and Social Contribution (excluding hedge effects) - (B) / (A)	22.4%	25.6%	-32.6 bps	23.6%	-11.8 bps

Income tax and social contribution

The income tax and social contribution line totaled R\$279.9 million in 4Q23 and was mainly impacted by the distribution of interest on capital (IoC) in the amount of R\$334.2 million and tax incentives recognized in the period. Current tax reached R\$350.4 million. The deferred income tax and social contribution line was R\$70.5 million, made up of tax credits recognized in the quarter. Furthermore, the income tax and social contribution line was also impacted by the hedging structure, as explained previously.

Net income

Net income attributed to B3 shareholders reached R\$915.5 million, down by 8.8%. Excluding the non-recurring items highlighted below, net income would have reached R\$1,057.7 million in the quarter, 8.2% below the same period of the previous year, reflecting the effects explained above.

Adjustments to net income

(In R\$ millions)	4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)
Net income (attributable to shareholders)	915.5	1,003.8	-8.8%	1,074.2	-14.8%
(+) Efficiency improvement project expenses	-	22.5	-	-	-
(+) Other non-recurring expenses (income)	-	4.5	-	(13.0)	-
(+) M&A expenses	10.3	10.4	-0.4%	1.0	898.7%
(+) Tax impacts from non-recurring items	(3.5)	(12.7)	-72.4%	(0.4)	898.7%
(+) Recovery of taxes	-	-	-	(38.4)	-
(+) Amortization of intangible assets (including Cetip combination)	135.3	123.1	9.9%	135.5	-0.1%
Recurring net income	1,057.7	1,151.6	-8.2%	1,159.0	-8.7%

Note: amortization of intangible assets net of taxes, calculated at a rate of 34% applied to the deductible portion.

MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2023

Assets, Liabilities and Shareholders' Equity Accounts

The Company ended the quarter with total assets of R\$49.4 billion, 3.8% above Dec/22. Cash and financial investments (current and non-current) totaled R\$18.4 billion, up by 3.7%, mainly reflecting the 7th issue of debentures in the amount of R\$2.6 billion, approved in Sep/23. The decrease of approximately R\$5.7 billion in the Capital Reserve line reflects the cancellation of 452.5 million treasury shares throughout 2023. The cash position at the end of the quarter included R\$334.5 million in interest on capital and R\$230.0 million in dividends, both paid in January.

At the end of 4Q23, B3 had a gross debt of R\$14.0 billion (70% long-term and 30% short-term), corresponding to 2.2x the recurring EBITDA for the last 12 months.

Shareholders' equity at the end of Dec/23 was R\$20.3 billion, mainly consisting of R\$12.5 billion in capital, R\$2.2 billion in capital reserves (vs. R\$8.0 billion in Dec/22) and the income reserves of R\$5.3 billion (vs. R\$3.7 billion in Dec/22).

OTHER FINANCIAL INFORMATION

CAPEX

During the quarter, investments of R\$103.4 million were made. Such investments were mainly used for technological updates in all B3 segments, which also include investments in capacity, security and development of new products and functionalities.

Distributions to shareholders

On December 21, 2023, the Board of Directors approved interest on capital and dividend distributions in the amounts of R\$334 million and R\$230 million, respectively, paid on January 8. Additionally, on February 22, 2024, the Board of Directors approved the payment of dividends relating to 4Q23 in the amount of R\$374 million. In the quarter, there were share buybacks under the 2023/2024 Buyback Program in the total amount of R\$500 million, which, together with dividends and JCP, totaled R\$1.4 billion returned to shareholders in the period. Subsequently, in Jan/24 and Feb/24, as part of the 2023/2024 Buyback Program, share buybacks were carried out totaling R\$344 million. Regarding the 2023 fiscal year, R\$5.0 billion were returned to shareholders through IoC, dividends and share buybacks, representing a payout ratio of 122%.

SUSTAINABILITY

During 4Q23, the main highlights in relation to B3's sustainability agenda were:

- Partnership with ACX, one of the main trading platforms for the carbon credits market in the world, with the aim of establishing the operation of a platform of this nature in the Brazilian market.
- In October, BB Asset launched DVER11, the first ETF that replicates IDIVERSA B3. With this, B3 now offers a real investment possibility to investors who want to build a portfolio with companies that stand out for their diversity.
- "ESG Data Insights" webinar, focusing on three aspects: highlighting the importance of ESG data; publicize the launch of new features of the ESG Workspace platform.

CONSOLIDATED INCOME STATEMENT

(In R\$ thousands)	4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23 (%)	Neurotech ¹ (4Q23)	B3 (Ex-Neurotech)
Total revenues	2,493,567	2,568,697	-2.9%	2,490,082	0.1%	37,859	2,455,708
Listed:	1,419,200	1,641,639	-13.5%	1,489,390	-4.7%	37,859	1,381,341
Cash Equities and Equity Instruments	853,220	1,063,725	-19.8%	902,258	-5.4%	-	853,220
Trading and post-trading	725,277	912,499	-20.5%	763,939	-5.1%	-	725,277
Depository	39,297	34,873	12.7%	38,467	2.2%	-	39,297
Securities lending	57,630	86,707	-33.5%	56,736	1.6%	-	57,630
Listing and solutions for issuers	31,016	29,646	4.6%	43,116	-28.1%	-	31,016
Interest Rates, FX and Commodities	565,980	577,914	-2.1%	587,132	-3.6%	-	565,980
Trading and post-trading	565,980	577,914	-2.1%	587,132	-3.6%	-	565,980
OTC	399,005	347,728	14.7%	376,214	6.1%	-	399,005
Fixed income	263,284	227,868	15.5%	245,223	7.4%	-	263,284
Derivatives	76,907	68,750	11.9%	71,947	6.9%	-	76,907
Other	58,814	51,110	15.1%	59,044	-0.4%	-	58,814
Infrastructure for Financing	153,168	110,978	38.0%	118,247	29.5%	-	153,168
Technology, Data and Services	521,991	468,251	11.5%	495,297	5.4%	37,859	484,132
Technology and access	292,546	259,290	12.8%	286,543	2.1%	-	292,546
Data and analytics	173,148	146,343	18.3%	149,791	15.6%	37,859	135,289
B3 Bank	31,099	34,961	-11.0%	30,720	1.2%	-	31,099
Other	25,198	27,657	-8.9%	28,243	-10.8%	-	25,198
Reversal of provisions and recovery of expenses	203	101	101.0%	10,934	-98.1%	-	203
Revenue deductions	(251,384)	(261,166)	-3.7%	(241,862)	3.9%	(2,159)	(249,225)
PIS and Cofins	(205,975)	(215,896)	-4.6%	(198,319)	3.9%	(1,402)	(204,573)
Service tax	(45,409)	(45,270)	0.3%	(43,543)	4.3%	(757)	(44,652)
Net Revenues	2,242,183	2,307,531	-2.8%	2,248,220	-0.3%	35,700	2,206,483
Expenses	(1,072,838)	(976,488)	9.9%	(902,168)	18.9%	(27,189)	(1,045,649)
Personnel and charges	(357,480)	(356,280)	0.3%	(345,781)	3.4%	(18,494)	(338,986)
Data processing	(170,383)	(142,642)	19.4%	(136,521)	24.8%	(3,694)	(166,689)
Depreciation and amortization	(279,911)	(258,259)	8.4%	(281,592)	-0.6%	(638)	(279,273)
Revenue-linked expenses	(69,269)	(69,104)	0.2%	(59,262)	16.9%	(2,274)	(66,995)
Third-party services	(47,717)	(60,221)	-20.8%	(22,318)	113.8%	(621)	(47,096)
General maintenance	(8,232)	(9,899)	-16.8%	(8,729)	-5.7%	(111)	(8,121)
Marketing	(19,706)	(17,202)	14.6%	(12,306)	60.1%	(500)	(19,206)
Taxes and fees	(3,284)	(3,762)	-12.7%	(3,327)	-1.3%	(33)	(3,251)
Board and committee members' compensation	(4,071)	(3,929)	3.6%	(4,069)	0.0%	-	(4,071)
Other	(112,785)	(55,190)	104.4%	(28,263)	299.1%	(825)	(111,960)
Operating income	1,169,345	1,331,043	-12.1%	1,346,052	-13.1%	8,511	1,160,834
<i>Operating margin</i>	52.2%	57.7%	-553 bps	59.9%	-772 bps	23.8%	52.6%
Impairment of assets	-	-	-	-	-	-	-
Equity in income of investees	1,782	741	140.5%	1,154	54.4%	-	1,782
Financial result	24,538	48,599	-49.5%	39,116	-37.3%	312	24,226
Financial revenues	398,726	439,201	-9.2%	416,482	-4.3%	450	398,276
Financial expenses	(386,571)	(409,834)	-5.7%	(365,312)	5.8%	(138)	(386,433)
Net FX variations	12,383	19,232	-35.6%	(12,054)	-	-	12,383
Income before tax	1,195,665	1,380,383	-13.4%	1,386,322	-13.8%	8,823	1,186,842
Income tax and social contribution	(279,860)	(376,401)	-25.6%	(312,015)	-10.3%	4,119	(283,979)
Current	(350,401)	(413,351)	-15.2%	(251,783)	39.2%	-	(350,401)
Deferred	70,541	36,950	90.9%	(60,232)	-	4,119	66,422
Net income for the period	915,805	1,003,982	-8.8%	1,074,307	-14.8%	12,942	902,863
<i>Net Margin</i>	40.8%	43.5%	-266 bps	47.8%	-694 bps	36.3%	40.9%
Attributed to:							
B3 Shareholders	915,543	1,003,830	-8.8%	1,074,241	-14.8%	12,942	902,601
<i>Net margin</i>	40.8%	43.5%	-267 bps	47.8%	-695 bps	36.3%	40.9%
Minority interest	262	152	72.4%	66	297.0%	-	262

¹ Includes intragroup revenues between B3 and Neurotech.

SUMMARY OF CONSOLIDATED BALANCE SHEET

ASSETS	12/31/2023	12/31/2022	LIABILITIES AND SHAREHOLDERS' EQUITY	12/31/2023	12/31/2022
Current	18,827,469	17,114,735	Current	12,154,194	9,306,446
Cash and cash equivalents	1,788,906	2,613,794	Collateral for transactions	3,617,169	4,756,602
Financial investments	14,160,858	12,283,245	Derivative financial instruments	9,608	16,318
Other	2,879,178	2,217,696	Loans and debentures	4,250,267	560,238
Long-term non-current assets	14,878	14,878	Other	4,277,150	3,973,288
Non-current	30,577,802	30,465,160	Non-current assets	16,981,329	18,005,184
Long-term receivables	2,836,883	3,095,484	Loans and debentures	9,759,402	11,550,937
Financial investments	2,417,923	2,809,553	Deferred income tax and social contribution	5,845,307	5,488,837
Other	418,960	285,931	Other	1,376,620	965,410
Investments	647,353	654,484	Shareholders' Equity	20,286,099	20,283,143
Property and equipment	872,894	920,622	Capital	12,548,655	12,548,655
Intangible assets	26,220,672	25,794,570	Capital reserve	2,208,753	7,957,428
Goodwill	24,459,017	23,696,956	Other	5,516,102	(234,946)
Software and projects	1,761,655	2,097,614	Minority interest	12,589	12,006
Total assets	49,421,622	47,594,773	Total liabilities and shareholders' equity	49,421,622	47,594,773