

## CONFERENCE CALL (English)

10:00 a.m. (Brasília) /

9:00 a.m. (NYC)

Brazil: +55 (11) 3181-8565

+55 (11) 4210-1803

U.S. Toll Free: +1 (844) 204-8942

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Password: B3

Webcast:

<https://choruscall.com.br/b3/2q21.htm>

## CONFERENCE CALL (Portuguese)

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## B3 ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2021

**São Paulo, August 11, 2021** - B3 S.A. – Brasil, Bolsa, Balcão (“B3” or “Company”; ticker B3SA3) reports today its second quarter (2Q21) earnings. Total revenues reached R\$2,675.8 million, a 25.7% increase over the same period of the previous year, while recurring EBITDA totaled R\$1,853.3 million, up by 30.6%. The Company’s recurring net income<sup>1</sup> totaled R\$1,231.0 million.

### MESSAGE FROM B3’S MANAGEMENT

In 2Q21, capital markets continued to show strong activity, presenting growth both in equity funding, which amounted to R\$46.4 billion, with 13 IPOs and 10 follow-ons, and in new fixed-income issues. The number of individual investors in the equities market increased by 8.9% in the period, reaching 3.2 million individuals.

In the equities segment, ADTV amounted to R\$33.1 billion, up by 17.1% compared to 2Q20, and 10.0% down against 1Q21, as a result of lower market volatility compared to earlier this year. In our infrastructure for financing unit, the number of financed vehicles increased by 71.0% and 6.1% compared to 2Q20 and 1Q21 respectively.

In June, we launched a new interface in the Investor Electronic Channel (CEI), a platform that gathers information on individuals’ investments in the markets that we operate, providing a renewed user experience, more aligned to investors’ needs. This launch comes in the back of several other initiatives targeted at individuals, such as new educational trails published in our Education Hub, in line with our purpose of encouraging financial education and stimulating the growth of our investor base in a sensible and sustainable way.

In line with our strategy to be a customer-oriented and innovative company, in April we launched a new feature in our OTC platform (NoMe) that offers simplified interfaces and usability, catering to the demands of new players of the financial market, which are more dynamic and require agile solutions.

We also continued to deliver our roadmap of products and operational improvements in all business segments. The highlights this quarter were: in the listed segment (i) automatic exercise of options, (ii) cryptocurrency ETFs, (iii) back-office automations for judicial asset freezing; in OTC (iv) integration with Portal de Documentos for CPRs (agriculture funding instruments), (v) Sinacor integrations for post-trading of sovereign bonds; and in new growth verticals (vi) inclusion of new insurance segments in our registry platform, in compliance with Susep Circular 624.

In order to support our accelerated pace of new product launches and business expansion, we reviewed our guidance for adjusted operating expenses for the year by roughly 5%.

Also, in July we announced the investment in Dimensa (former “TFS – TOTVS Financial Services”), a leading back-office software solutions company for financial service companies controlled by TOTVS. This investment, which is still subject to regulatory approvals, amounts to R\$600 million, and is part of our strategy to expand our presence in areas adjacent to our core business and aims at strengthening our relationship with clients in our ecosystem.

In May we issued R\$3.0 billion debentures in the local market, reaching a gross debt to recurring EBITDA of 1.4x. The maintenance of high volumes in our platforms contributed to our strong financial performance in the second quarter. Revenues totaled R\$2.7 billion, in line with 1Q21, and 26% higher than in 2Q20. Our operating leverage and expenses discipline contributed for a 30.6% growth in recurring EBITDA, which reached R\$1.9 billion.

In 2Q21, following the recommendation of our legal advisors, we reviewed the risk classification of one of our legal contingencies from remote to possible. The discussion involving B3’s predecessor BM&F dates back to the January 1999 devaluation of the Real, and relates to alleged transactions performed by the Central Bank of Brazil in the dollar FX futures market (more details on Note 11.f.ii of the financial statements). As per current accounting rules, no provisions are required for this case.

(In R\$ millions)	2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
Total revenues	2,675.8	2,129.1	25.7%	2,667.6	0.3%
Net revenues	2,417.7	1,908.3	26.7%	2,396.7	0.9%
Expenses	(749.3)	(733.4)	2.2%	(661.2)	13.3%
Financial result	132.1	(11.4)	-1257.7%	(43.8)	-401.2%
Net income	1,193.3	891.8	33.8%	1,256.0	-5.0%
<i>Adjusted expenses</i>	<i>(324.4)</i>	<i>(275.3)</i>	<i>17.9%</i>	<i>(291.7)</i>	<i>11.2%</i>
<b>Recurring EBITDA</b>	<b>1,853.3</b>	<b>1,419.2</b>	<b>30.6%</b>	<b>1,946.3</b>	<b>-4.8%</b>
<i>EBITDA margin (recurring)</i>	<i>80.9%</i>	<i>74.4%</i>	<i>658 bps</i>	<i>83.1%</i>	<i>-218 bps</i>
<i>Recurring net income</i>	<i>1,231.0</i>	<i>1,012.0</i>	<i>21.6%</i>	<i>1,336.1</i>	<i>-7.9%</i>

### Guidance for 2021:

- **REAFFIRMED:** (i) Leverage (up to 1.5x Gross Debt/recurring LTM EBITDA), (ii) capex (R\$420-460 million), (iii) revenue-linked expenses (R\$225-265 million), (iv) D&A (R\$1,060-1,110 million), and (v) payout (120-150% of accounting net income).
- **REVISED:** Adjusted operating expenses<sup>2</sup> budget to R\$1,295 - 1,345 million (previously from R\$1,225 - \$1,275 million) (R\$1,175 million in 2020).

<sup>1</sup> See the conciliation on page 6

<sup>2</sup> Expenses adjusted for: (i) depreciation and amortization; (ii) expenses related to long-term incentive plans (compensation); (iii) provisions; (iv) revenue-linked expenses and; (v) extraordinary and non-recurring expenses with contract termination as announced in the [Notice to the Market](#) dated 04/29/2021.

## OPERATIONAL PERFORMANCE

All comparisons in this document are in relation to the second quarter of 2020 (2Q20), unless otherwise stated.

### Listed

In 2Q21, the performance of the listed segment was driven by: (i) the appreciation of assets in the cash equities segment, as the Ibovespa index surpassed 130,000 points and reached a historical peak, (ii) new public offerings in the quarter, which achieved record volumes of R\$46.4 billion with 13 IPOs and 10 follow-ons, (iii) the growth of 48.8% in the base of individual investors, and (iv) lower market volatility.

### Equities

		2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
Cash market	ADTV (R\$ million)	33,146.4	28,300.4	17.1%	36,817.9	-10.0%
	Margin (bps)	3.799	3.955	-0.156 bps	3.828	-0.030 bps
Average market capitalization	(R\$ billion)	5,485.8	3,565.7	53.8%	5,161.2	6.3%
Turnover velocity	Annualized (%)	149.2%	197.6%	-4,838 bps	176.2%	-2,696 bps
Options market (stock/indices)	ADTV (R\$ million)	730.6	789.2	-7.4%	925.1	-21.0%
	Margin (bps)	13.131	9.046	4.085 bps	11.672	1.459 bps
Forward market	ADTV (R\$ million)	427.9	144.7	195.7%	416.6	2.7%
	Margin (bps)	9.356	13.041	-3.685 bps	8.954	0.402 bps
Stock indices futures	ADV (thousands of contracts)	3,531.7	2,356.6	49.9%	3,804.5	-7.2%
	Average RPC (R\$)	0.914	1.057	-13.6%	0.908	0.6%
Number of individual investors (CPFs)	Average (thousand)	3,163.8	2,126.0	48.8%	2,906.2	8.9%
Number of accounts in depository	Average (thousand)	3,774.0	2,534.7	48.9%	3,489.6	8.1%
Securities lending	Average open positions (R\$ billion)	109.4	67.1	63.1%	104.8	4.4%

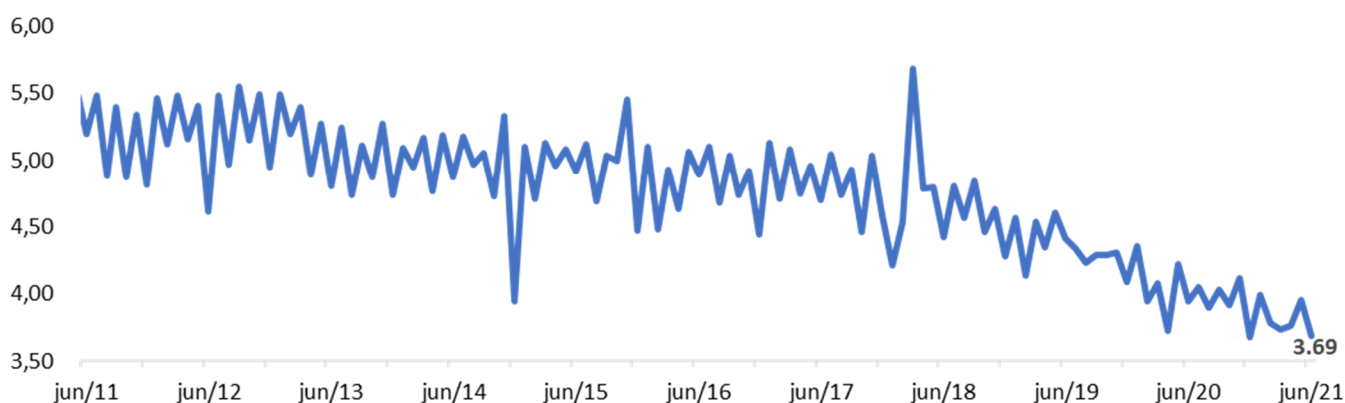
Note: "ADTV" stands for Average Daily Traded Value; "ADV" stands for Average Daily Volume; "RPC" stands for Revenue per Contract; "bps" stands for basis points; "turnover velocity" results from dividing the volume traded on the spot market in the period by the average market capitalization for the year.

In the equities segment, the highlights were the 17.1% growth in the average daily volume traded in the cash equities market (ADTV) and the 49.9% growth in the volume of stock indices futures contracts. In the cash equities market, this increase reflects a higher average market capitalization, driven by IPOs held in the last twelve months, and the recovery of the assets listed in the segment, which depreciated in 2Q20 due to the pandemic. Turnover velocity was 149.2%, down against the high levels recorded in the same period of the previous year, when volatility was high due to the uncertainty caused by the first wave of Covid-19 in Brazil. The positive performance of futures contracts is explained by the growth in trading of the "mini" version of these contracts, particularly, by High Frequency Traders (HFT) and individuals.

The trading/post-trading margin in cash equities market was 3.799 bps. The 0.156 bps decrease was mainly due to the new pricing policy for the equities market, in effect since Feb/21<sup>3</sup>, which replaced the progressive discount model based on global ADTV by lower prices for all investors and larger discounts for day traders. The average RPC of stock indices future contracts was R\$0.914, down by 13.6% against the previous period, particularly due to the increase in volumes and higher participation of day traders.

The new pricing policy for equities is consistent with B3's strategy to lower fees by sharing operating leverage gains.

### Margin in the equities market (bps)



Note: Margin in bps includes fees at both ends of trades (buy + sell).

<sup>3</sup> In February 2021, the intermediate model for the new price policy for cash equities came into effect, as announced in December 2020. The main changes introduced in this intermediate model were a) replacement of the discount model based on global ADTV for reduced fees, b) adjustments in day trade fees and c) review of custody fees for local investors, with exemption for accounts with balance of up to R\$20 thousand, in addition to eliminating monthly maintenance fees. Further details available in the [Material Fact](#) dated 12/10/2020.

The average number of accounts in the equities' depository was up by 48.9%, reflecting the increased interest of local investors in searching for diversification of their portfolio. This trend has been noticed in recent years and is supported by historical low levels of inflation and interest rates, despite the 3.25 p.p. increase in the Selic rate in 2021. Finally, the volume of outstanding positions for securities lending grew 63.1% year-over-year, influenced by the appreciation of assets in the stock market.

## FICC

		2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
Interest rates in BRL	ADV (thousands of contracts)	2,951.5	2,822.0	4.6%	3,860.2	-23.5%
	Average RPC (R\$)	0.958	0.851	12.6%	0.855	12.1%
Interest rates in USD	ADV (thousands of contracts)	275.3	257.3	7.0%	322.7	-14.7%
	Average RPC (R\$)	2.808	2.491	12.8%	2.750	2.1%
FX rate	ADV (thousands of contracts)	1,040.7	979.2	6.3%	1,127.2	-7.7%
	Average RPC (R\$)	5.662	5.317	6.5%	5.495	3.1%
Commodities	ADV (thousands of contracts)	23.0	10.1	127.6%	13.9	65.5%
	Average RPC (R\$)	2.166	2.177	-0.5%	2.516	-13.9%
Total	ADV total (thousands of contracts)	4,290.5	4,068.6	5.5%	5,324.0	-19.4%
	Average RPC (R\$)	2.224	2.033	9.4%	1.957	13.7%

The average daily volume in 2Q21 was 4.3 million contracts, up by 5.5%, reflecting higher volumes traded in all products. Average RPC grew 9.4% in the period, primarily influenced by (i) the 1.8% appreciation of the USD against the BRL at the end of the months, which had a positive impact on the RPC of FX rates and interest rates contracts in USD, since they are priced in US dollars and referenced on the FX rate of the last day of the month prior to the trading, (ii) the lower concentration of day trade in the trading of FX contracts, resulting in higher RPC for this product, and (iii) the increase in longer-term interest rate contracts in BRL, which have a higher RPC.

## OTC

### Fixed Income Instruments

		2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
New Issues	Bank funding (total in R\$ billions)	3,137.4	2,812.1	11.6%	2,757.7	13.8%
	Other (total in billions)	149.8	217.5	-31.1%	141.1	6.2%
Outstanding balance	Bank funding (average in R\$ billions)	2,161.4	1,929.6	12.0%	2,168.0	-0.3%
	Corporate debt (average in R\$ billions)	706.2	693.1	1.9%	689.1	2.5%
	Other (average in R\$ billions)	846.7	773.8	9.4%	765.4	10.6%
Treasury Direct	Number of investors (average in thousands)	1,529.0	1,273.8	20.0%	1,471.7	3.9%
	Stock (average in R\$ billions)	67.6	66.0	2.5%	66.8	1.3%

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 and CDCA) and funding instruments (CCB, CCCB, NCE, CCE, Export Notes, and NC).

In 2Q21, volume of new issues volumes and the outstanding positions of bank funding instruments increased by 11.6% and 12.0% respectively, mainly due to the increase in issuances of certificates of deposit by banks, which represented 75.3% of new issues in the quarter, with financial institutions increasing their liquidity to fund the expansion of credit and strengthen their balance sheets. The average outstanding balance of corporate debt instruments increased by 1.9%, with debentures of leasing accounting for 22.7% of the outstanding balance of corporate debt in 2Q21 (vs. 30.0% in 2Q20).

Another highlight in the fixed-income market was the continuous growth in Treasury Direct (TD), where number of investors and outstanding balance were up by 20.0% and 2.5%, respectively. B3 offers an incentive program for brokerage firms to increase the number of investors in this product, which is reviewed on a yearly basis. In 2021, in order to adjust the program to different client sizes, we announced a new format with two incentive models, depending on the broker's outstanding balance<sup>4</sup> in TD. The budget for the program in 2021 is R\$85 million, which is recognized as a revenue-linked expense. Additionally, in July 2020, B3 and the National Treasury announced that, as of August 2020, the custody fee for investments in Treasury Selic has been waived for the first R\$10 thousand invested.

### OTC Derivatives and Structured Transactions

		2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
Issues	(total in R\$ billion)	2,618.5	3,540.9	-26.0%	2,892.3	-9.5%
Stock	(average in R\$ billion)	4,919.9	4,018.8	22.4%	4,659.5	5.6%

<sup>4</sup> Brokers holding outstanding balances of Treasury Direct (TDs) that are worth less than R\$4 billion are covered by Model I, in which case the incentive is a variable amount depending on investor base (R\$200 per customer added); Brokerage firms holding an outstanding balance of more than R\$4 billion in TDs are covered by Model II, in which incentive is calculated as a percentage of the outstanding balance and its amount depends on growing the investor base and may reach up to 0.25% for the highest range.

Registrations of new issues on the OTC derivatives and structured notes market fell by 26.0%, mainly due to the high comparison base in 2Q20, a period that was influenced by volatility resulting from the beginning of the pandemic in Brazil, when there was a large number of early terminations of swaps and forward contracts (“Issues” account for both new registrations and early terminations). On the other hand, the average outstanding balance was up by 22.4%, reflecting the growth in instruments issued in previous quarters and that were carried over to the current outstanding balance.

### Infrastructure for Financing

		2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
SNG	Number of vehicles sold (thousands)	4,699.7	1,768.4	165.8%	4,373.1	7.5%
	Number of vehicles financed (thousands)	1,487.8	870.3	71.0%	1,402.7	6.1%
	% vehicles financed / vehicles sold	31.7%	49.2%	-17.6 pp	32.1%	-0.4 pp
Contracts System	Contracts added (thousands)	767.5	487.8	57.4%	798.8	-3.9%
	% Contracts added / vehicles financed	51.6%	56.0%	-4.5 pp	56.9%	-5.4 pp

The number of vehicles sold grew by 165.8% and 7.5% respectively in the annual and quarterly comparison, reflecting the recovery of this market, which was heavily affected by the restrictive and social distancing measures adopted in the 1H20, in response to the first wave of contamination of the Covid-19 pandemic in Brazil, and in 1Q21, in response to the second wave.

The number of additions to the National Liens System (SNG) increased by 71.0% against 2Q20, and 6.1% against 1Q21, reflecting the above-mentioned facts and lower credit penetration in the total of vehicles sold. The number of transactions in the Contracts System increased by 57.4% in the quarter. It is worth noting that, aiming at complying with Contran Resolution 807, in February 2021, we replaced *Integra +* by *SEND* – Data Sending System, a new product that changed our contract data availability model, and that required customer migration efforts.

### Technology, data and services

		2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
Monthly Utilization	Average number of customers	15,937	13,868	14.9%	15,188	4.9%
CIP	Number of electronic cash transfers (TEDs) processed (thousands)	229,027	299,206	-23.5%	249,174	-8.1%

The average number of customers that pay for the monthly use of OTC segment systems increased by 14.9%, mainly due to the fund industry’s growth in Brazil. The number of TEDs [electronic transfers] processed was down by 23.5%, due to growing use of instant payment (PIX) in the period in detriment of TEDs.

## INCOME STATEMENT

### Revenues

**Total revenues:** R\$2,675.8 million, up by 25.7%, showing growth in all our segments.

**Listed:** R\$1,807.5 million (67.6% of the total), up by 19.5%.

- **Equities and equity instruments:** R\$1,214.7 million (45.4% of total), up by 22.1% in the period.
  - **Trading and post-trading:** R\$1,064.4 million (39.8% of total), up by 19.1%, reflecting growing volumes traded in cash equities and stock indices futures.
  - **Depository:** R\$38.0 million (1.4% of total), down by 5.8% in the period, mainly due to the new pricing policy for the equities market, which came into effect in February/21 and replaced the monthly maintenance fee for a new pricing table for local investors, with exemption for accounts with balances of up to R\$20 thousand.
  - **Securities lending:** R\$69.2 million (2.6% of total), up by 66.1%, due to the 63.1% increase in the average financial volume of outstanding positions.
  - **Listing and solutions for issuers:** R\$43.1 million (1.6% of total), up by 126.2% mainly due to higher number of public offerings, which totaled 23 offerings (13 IPOs and 10 follow-ons) in 2Q21, with a total raised of R\$46.4 billion, versus R\$5.0 billion in 2Q20 (1 IPO and 2 follow-ons).
- **FICC** R\$592.9 million (22.2% of total), up by 14.6%, mainly reflecting (i) higher volumes traded in all contracts, and (ii) a 9.4% increase in the average RPC of contracts, positively impacted by the appreciation of the US dollar in the period, and increased participation of trades with longer-term contracts, which have higher RPC.

**OTC:** R\$280.6 million (10.5% of total), up by 6.8%.

- **Fixed income instruments:** R\$165.4 million (6.2% of total), an increase of 2.2%, mainly due to (i) the growth in issuances and the outstanding balance of bank funding instruments, in particular certificates of deposits, despite (iii) reduction in revenue from Tesouro Direto, which in 2Q21 was R\$39.1 million (market incentives linked to this product totaled R\$12.6 million in the quarter and are classified as an revenue-linked expenses), while in 2Q20, revenue was R\$39.6 million. It is worth mentioning that since Aug/20 the custody fee for investments in the Selic Treasury is exempt for the first R\$10 thousand of balance for all investors.
- **Derivatives and structured transactions:** R\$71.2 million (2.7% of total), up by 12.9%, mainly due to the increased average financial volume of the outstanding balance of derivatives and structured transactions.
- **Other:** R\$44.0 million (1.6% of total), up by 15.9%, reflecting increased outstanding balance of fund quotas.

**Infrastructure for financing:** R\$116.8 million (4.4% of total), an increase of 48.5%, due to the low numbers in 2Q20, strongly affected by the Covid-19 pandemic in Brazil, and (i) annual adjustment of prices according to inflation (IPCA), (ii) growth of new services in the segment, in particular the operations of the Portal de Documentos and the Real Estate Platform, despite (iii) lower revenues from services related to contracts registration (*SEND*), as a result of the change in the model of services provided to financial institutions.

**Technology, data and services:** R\$342.5 million (12.8% of total), up by 24.3%.

- **Technology and access:** R\$213.6 million (8.0% do total), up by 20.0%, with emphasis on the growth of the monthly utilization line, driven by (i) the 14.9% increase in customers accessing OTC platforms, and (ii) the annual adjustment of prices according to inflation (IPCA).
- **Data and analytics:** R\$68.9 million (2.6% of total), up by 8.8%, mainly due to the review of accounts and services provided to customers, which resulted in collection of invoices from previous months in the Market Data service.
- **Bank:** R\$20.4 million (0.8% of total), up by 72.7%, mainly due to the higher volume of BDRs in the period.
- **Other:** R\$39.7 million (1.5% of total), up by 77.0%, with emphasis on the growth of revenues from auctions.

**Reversal of Provisions and Recovery of Expenses:** R\$128.4 million (4.8% of total), explained by (i) the recovery of tax expenses, in the amount of R\$112.3 million, related to the payment of PIS and COFINS taxes on capital gains from the sale of equity interest in the CME Group, completed in April 2016, and (ii) reduction in fines and interest on ISS provisions, in the amount of R\$16.0 million, as a result of the Company's adhesion to the Incentivized Debt Installments Program (*Programa de Parcelamento Incentivado de Débitos – PPI*) of the city of São Paulo.

**Net revenues:** up by 26.7%, reaching R\$2,417.7 million.

#### Expenses

Expenses totaled R\$749.3 million, up by 2.2%.

- **Personnel and charges:** R\$274.9 million, up by 32.6%, mainly explained by (i) the annual salary adjustment by inflation, (ii) new hires, and (iii) the recognition of extraordinary and non-recurring expenses with termination of employment contract, granting of shares and bonuses linked to non-competition agreement arising from changes in the Company's senior management team, as announced in the [Notice to the Market](#) on April 29, 2021. Excluding this non-recurring effect, the increase in personnel expenses was 9.1%.
- **Data processing:** R\$90.5 million, an increase of 43.2%, due to the intensification of projects to increase capacity and new features in our platforms.
- **Depreciation and amortization:** R\$264.8 million, up by 8.4%.
- **Revenue-linked expenses:** R\$63.1 million, an increase of 55.2%, mainly due to (i) higher expenses with Portal de Documentos operations, with increased volume of real estate financing transactions, and (ii) a larger number of IPOs in the quarter.
- **Third-party services:** totaled R\$13.2 million, up by 16.7%, due to higher expenses with consulting and legal fees.

**Others:** totaled R\$26.7 million, down by 82.3%, due to the reduction in provisions for court disputes, for which a portion of the amount discussed is updated according to B3SA3 prices. It is worth noting that in recent quarters the main cases under discussion were closed (Spread) and/or revised their probability of loss (Vega and BMD), thus reducing the exposure of B3's results to fluctuations in the price of our shares.

**Adjusted Expenses:** R\$324.4 million, up by 17.9%, mainly reflecting the growth in data processing and personnel expenses, as explained above.

## Reconciliation of adjusted expenses

(In R\$ millions)	2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
<b>Expenses</b>	<b>(749.3)</b>	<b>(733.4)</b>	<b>2.2%</b>	<b>(661.2)</b>	<b>13.3%</b>
(+) Depreciation and amortization	264.8	244.2	8.4%	264.4	0.1%
(+) Long term stock-based compensation	34.8	35.1	-1.0%	41.6	-16.5%
(+) Provisions (recurring and non-recurring)	13.9	138.1	-89.9%	4.4	218.9%
(+) Revenue-linked expenses	63.1	40.6	55.2%	59.2	6.6%
(+) Extraordinary and non-recurring expenses with Contract Termination	48.4	-	-	-	-
<b>Adjusted expenses</b>	<b>(324.4)</b>	<b>(275.3)</b>	<b>17.9%</b>	<b>(291.7)</b>	<b>11.2%</b>

## EBITDA

Recurring EBITDA totaled R\$1,853.3 million, up by 30.6%, in line with revenues performance. Recurring EBITDA margin was 80.9%, 658 bps higher.

(In R\$ millions)	2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
<b>EBITDA</b>	<b>1,933.2</b>	<b>1,419.2</b>	<b>36.2%</b>	<b>1,999.9</b>	<b>-3.3%</b>
(+) Recovery of non-recurring expenses	(112.3)	-	-	-	-
(+) Reversal of non-recurring provisions	(16.0)	-	-	(53.6)	-70.2%
(+) Extraordinary and non-recurring expenses with Contract Termination	48.4	-	-	-	-
<b>Recurring EBITDA</b>	<b>1,853.3</b>	<b>1,419.2</b>	<b>30.6%</b>	<b>1,946.3</b>	<b>-4.8%</b>
<i>Recurring EBITDA margin</i>	<i>80.9%</i>	<i>74.4%</i>	<i>658 bps</i>	<i>83.1%</i>	<i>-218 bps</i>

## Financial Result

The financial result for 2Q21 was positive by R\$132.1 million. Financial revenues reached R\$179.8 million, up by 68.4%, mainly due to (i) higher interest rates, (ii) the increase in the balance of financial investments, and (iii) the recognition of revenues of R\$ 37.9 million from interest from the recovery of PIS and COFINS expenses on capital gains on the sale of equity interest in CME Group, as mentioned in the line of reversal of provisions and recovery of expenses. In turn, financial expenses amounted to R\$125.3 million, up by 57.2%, mainly explained by the Company's higher indebtedness.

(In R\$ millions)	2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
<b>Financial result</b>	<b>132.1</b>	<b>(11.4)</b>	<b>-1257.7%</b>	<b>(43.8)</b>	<b>-401.2%</b>
Financial Income	179.8	106.8	68.4%	82.5	117.9%
Financial expenses	(125.3)	(79.7)	57.2%	(71.4)	75.5%
Net FX variations	77.5	(38.5)	-301.4%	(55.0)	-241.1%

In addition, it is important to note that the financial result was also impacted by the effects of the FX rate variation on foreign currency loans and on the Company's investment abroad, with this impact being neutralized by changes in the income tax and social contribution line (hedge structure). The table below isolates these effects from both the financial result, and income tax and social contribution.

Hedge Impact in the Results (in R\$ millions)	2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
Net Financial Income	132.1	(11.4)	-1257.7%	(43.8)	-401.2%
(+/-) Effects of the hedge on net financial income	(110.9)	43.5	-354.9%	79.9	-238.9%
<b>Adjusted net financial income (excluding the effects of the hedge)</b>	<b>21.2</b>	<b>32.1</b>	<b>-34.0%</b>	<b>36.0</b>	<b>-41.2%</b>
Income before income tax	1,801.7	1,164.1	54.8%	1,692.9	6.4%
(+/-) Effects of the hedge on net financial income	(110.9)	43.5	-354.9%	79.9	-238.9%
<b>Income before tax and social contribution (excluding hedge effect)</b>	<b>1,690.8</b>	<b>1,207.6</b>	<b>40.0%</b>	<b>1,772.8</b>	<b>-4.6%</b>
Income and social contribution taxes	(608.4)	(272.4)	123.4%	(436.9)	39.3%
(+/-) Effects of the hedge on income and social contribution taxes	110.9	(43.5)	-354.9%	(79.9)	-238.9%
<b>Adjusted income and social contribution taxes (excluding the effects of the hedge)</b>	<b>(497.5)</b>	<b>(315.9)</b>	<b>57.5%</b>	<b>(516.7)</b>	<b>-3.7%</b>
<b>Effective Rate on Income Before Adjusted Income Tax and Social Contribution (excluding hedging effects) - (B) / (A)</b>	<b>29.4%</b>	<b>26.2%</b>	<b>32.7 bps</b>	<b>29.1%</b>	<b>2.8 bps</b>

## Income tax and social contribution

Income tax and social contribution totaled R\$608.4 million in 2Q21 and was impacted by the payment of interest on capital (IoC) in the amount of R\$280.0 million. Current tax totaled R\$285.2 million, R\$54.3 million of which will affect next quarter's cash flow. Deferred income tax and social contribution line was R\$323.1 million, with no cash impact, mainly consisting of temporary difference of tax amortizations of goodwill, in the amount of R\$119.6 million, and R\$203.5 million of tax credits constitution.

In addition, the income tax and social contribution line was also impacted by the hedge structure, as mentioned above in the financial result.

## Net Income

Net income attributed to B3's shareholders was R\$1,193.3 million, an increase of 33.7%, reflecting the Company's positive operating performance across all business lines in the quarter.

### Adjustments to net income

(In R\$ millions)	2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
<b>Net income (attributable to shareholders)</b>	<b>1,193.3</b>	<b>892.4</b>	<b>33.7%</b>	<b>1,256.0</b>	<b>-5.0%</b>
(+) Non-recurring provisions	(16.0)	-	-	(53.6)	-70.2%
(+) Recovery of non-recurring expenses	(150.2)	-	-	-	-
(+) Extraordinary and non-recurring expenses with Contract Termination	48.4	-	-	-	-
(+) Tax impacts from non-recurring items	40.1	-	-	18.2	119.8%
(+) Amortization of intangibles (Cetip combination)	115.5	119.6	-3.4%	115.5	0.0%
<b>Recurring net income</b>	<b>1,231.0</b>	<b>1,012.0</b>	<b>21.6%</b>	<b>1,336.1</b>	<b>-7.9%</b>
(+) Deferred Tax (goodwill from Cetip combination)	119.6	119.6	0%	119.6	0.0%
<b>Recurring net income adjusted by goodwill tax benefit</b>	<b>1,350.7</b>	<b>1,131.6</b>	<b>19.4%</b>	<b>1,455.7</b>	<b>-7.2%</b>

Note: amounts net of tax calculated at a rate of 34% on the deductible portion.

Excluding the abovementioned non-recurring items, net income would have reached R\$1,231.0 million<sup>5</sup> in the quarter, an increase of 21.6%. Additionally, if adjusted for the tax benefit resulting from amortization of goodwill related to the combination with Cetip, net income would have totaled R\$1,350.7 million.

## MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2021

### Assets, Liabilities and Shareholders' Equity Accounts

The Company ended the quarter with total assets of R\$49.5 billion, up by 6.9% from December 2020. Cash and cash equivalents (current and non-current) totaled R\$21.5 billion. The cash position includes (i) R\$280 million in interest on capital paid in July 2021, and (ii) R\$1,023.5 million in dividends paid in July 2021. Please note that the R\$600-million investment in TFS announced on July 12<sup>th</sup> is still contingent on regulatory approvals, and it has not yet affected our financial statements and cash position in 2Q21.

As for liabilities, B3's gross indebtedness in the end of 1Q21 was R\$10.1 billion (87% long term and 13% short term), corresponding to 1.4x recurring EBITDA for the previous 12 months. Shareholders' equity in the end of June 2021 was R\$22.7 billion, consisting mainly of capital stock of R\$12.5 billion and capital reserves of R\$8.3 billion (vs. R\$9.1 billion in December 2020).

## OTHER INFORMATION

### CAPEX

In the quarter, CAPEX totaled R\$80.7 million, mainly for technological upgrades in all segments of B3, new product developments, and our headquarters retrofit project (engineering, furniture and technology).

### Distributions to shareholders

On June 26, 2021, the Board of Directors approved the payment of IoC for 2Q21, in the amount of R\$280.0 million, and dividends in the amount of R\$1,023.5, paid on July 7<sup>th</sup>. Additionally, share buybacks under the 2021 Buyback Program totaled R\$352.7 million in the quarter, totaling R\$1,656.2 million in cash distributions to shareholders.

<sup>5</sup> The purpose of B3's recurring net income metric is to facilitate comparison across periods and consequently assessments of B3's performance, highlighting non-recurring items that are not necessarily directly related to the normal course of its business.

## Contingency Prognosis Review

In this quarter, the prognosis of chances of loss related to the dispute referred to in Note 11.f.ii of the Financial Statements was reviewed, having its risk assessment adjusted from remote to possible, with no impact on financial statements (no required provisions). Even though it was not required, the Company has historically provided disclosure on this dispute due to its size.

## SUSTAINABILITY

In order to leverage our strategic objectives and foster a resilient business environment in line with the best environmental, social and corporate governance (ESG) practices, we base our sustainability strategy on three pillars: i) to have best sustainability practices in place, ii) to promote healthy ESG practices in the Brazilian market, and iii) to strengthen our current product portfolio and open new fronts of action in the financial market, in line with the ESG agenda.

In the first half of 2021, we made important advances in our strategy:

- Release of the Annual Report, which is now audited externally, reinforcing our commitment to transparency, credibility and operational strength. In addition to the guidelines of the Global Reporting Initiative (GRI), adopted since 2009, we have incorporated the indicators of the Sustainability Accounting Standards Board (SASB) and some elements of the Integrated Report (IIRC), reinforcing our commitment to adhere to the best market practices.
- Revision of the Materiality Matrix to identify and prioritize the most relevant topics for B3 and its stakeholders. The material topics identified were as follow: Responsible Market Infrastructure; Corporate Governance and Encouragement of Good ESG Practices; Centrality on Customers; and Social Responsibility and People Management.
- Approval of R\$20.2 million for structural improvements in public education, and allocation of R\$11 million for projects to fight the impacts of the pandemic in the areas of health and food, reinforcing our contribution to society through B3 Social.
- Regarding Decarbonization Credits (CBIOS), since the platform was launched, in April 2020, more than 33.4 million CBIOS were registered. Over 17.5 million of these assets were retired within B3's environments, strengthening our engagement and contribution to the climate change agenda, and our search for a more resilient and low-carbon economy.
- In recognition to our social and environmental practices, we continued to participate in CDP's Climate Resilience Index, and we were recognized as one of the best companies for women to work in Brazil by the Great Place to Work (GPTW) survey.
- Review of ISE B3 methodology, in order to simplify and improve its transparency for investors, and to impose more rigorous requirements for admission to the index, which now has stricter social and environmental criteria.



**CONSOLIDATED INCOME STATEMENT**

(In R\$ thousands)	2Q21	2Q20	2Q21/2Q20 (%)	1Q21	2Q21/1Q21 (%)
<b>Total revenue</b>	<b>2,675,753</b>	<b>2,129,064</b>	<b>25.7%</b>	<b>2,667,602</b>	<b>0.3%</b>
<b>Listed</b>	<b>1,807,529</b>	<b>1,512,047</b>	<b>19.5%</b>	<b>1,892,963</b>	<b>-4.5%</b>
<b>Cash equities and equities instruments</b>	<b>1,214,660</b>	<b>994,883</b>	<b>22.1%</b>	<b>1,267,752</b>	<b>-4.2%</b>
Trading and post-Trading	1,064,400	893,887	19.1%	1,140,855	-6.7%
Depository	37,941	40,257	-5.8%	40,465	-6.2%
Securities lending	69,249	41,700	66.1%	43,914	57.7%
Listing and services for issuers	43,070	19,039	126.2%	42,518	1.3%
<b>Interest Rates BRL, FX and commodities</b>	<b>592,869</b>	<b>517,164</b>	<b>14.6%</b>	<b>625,211</b>	<b>-5.2%</b>
Trading and Post-Trading	592,869	517,164	14.6%	625,211	-5.2%
<b>OTC</b>	<b>280,598</b>	<b>262,784</b>	<b>6.8%</b>	<b>269,545</b>	<b>4.1%</b>
Fixed Income	165,386	161,763	2.2%	160,569	3.0%
Derivatives	71,181	63,029	12.9%	67,067	6.1%
Other	44,031	37,992	15.9%	41,909	5.1%
<b>Infrastructure for financing</b>	<b>116,753</b>	<b>78,639</b>	<b>48.5%</b>	<b>122,104</b>	<b>-4.4%</b>
<b>Technology, data and services</b>	<b>342,458</b>	<b>275,547</b>	<b>24.3%</b>	<b>327,514</b>	<b>4.6%</b>
Technology and access	213,560	178,034	20.0%	198,341	7.7%
Data and analytics	68,854	63,308	8.8%	76,516	-10.0%
Bank	20,392	11,809	72.7%	18,453	10.5%
Other	39,652	22,396	77.0%	34,204	15.9%
<b>Reversal of provisions and recovery of expenses</b>	<b>128,415</b>	<b>47</b>	<b>-</b>	<b>55,476</b>	<b>131.5%</b>
<b>Revenue deductions</b>	<b>(258,059)</b>	<b>(220,732)</b>	<b>16.9%</b>	<b>(270,898)</b>	<b>-4.7%</b>
PIS and Cofins	(217,465)	(185,288)	17.4%	(227,821)	-4.5%
Service tax	(40,594)	(35,444)	14.5%	(43,077)	-5.8%
<b>Net revenues</b>	<b>2,417,694</b>	<b>1,908,332</b>	<b>26.7%</b>	<b>2,396,704</b>	<b>0.9%</b>
<b>Expenses</b>	<b>(749,285)</b>	<b>(733,372)</b>	<b>2.2%</b>	<b>(661,217)</b>	<b>13.3%</b>
Personnel	(274,929)	(207,403)	32.6%	(227,342)	20.9%
Data processing	(90,490)	(63,183)	43.2%	(69,596)	30.0%
Depreciation and amortization	(264,750)	(244,232)	8.4%	(264,409)	0.1%
Revenue-linked expenses	(63,085)	(40,635)	55.2%	(59,156)	6.6%
Third-party services	(13,187)	(11,303)	16.7%	(11,952)	10.3%
Maintenance	(5,681)	(5,718)	-0.6%	(5,090)	11.6%
Marketing	(3,682)	(3,933)	-6.4%	(2,908)	26.6%
Taxes	(3,088)	(2,658)	16.2%	(2,908)	12.4%
Board and committee members' compensation	(3,720)	(3,242)	14.7%	(3,234)	15.0%
Others	(26,673)	(151,065)	-82.3%	(14,782)	80.4%
<b>Operating income</b>	<b>1,668,409</b>	<b>1,174,960</b>	<b>42.0%</b>	<b>1,735,487</b>	<b>-3.9%</b>
<i>Operating margin</i>	69.0%	61.6%	744 bps	72.4%	-340 bps
<b>Equity in income of investees</b>	<b>1,227</b>	<b>582</b>	<b>110.8%</b>	<b>1,240</b>	<b>-1.0%</b>
<b>Financial result</b>	<b>132,086</b>	<b>(11,409)</b>	<b>-1257.7%</b>	<b>(43,848)</b>	<b>-401.2%</b>
Financial income	179,824	106,771	68.4%	82,512	117.9%
Financial expenses	(125,268)	(79,688)	57.2%	(71,394)	75.5%
Net FX variation	77,530	(38,492)	-301.4%	(54,966)	-241.1%
<b>Income before taxes</b>	<b>1,801,722</b>	<b>1,164,133</b>	<b>54.8%</b>	<b>1,692,879</b>	<b>6.4%</b>
<b>Income tax and social contribution</b>	<b>(608,411)</b>	<b>(272,374)</b>	<b>123.4%</b>	<b>(436,852)</b>	<b>39.3%</b>
Current	(285,289)	(145,501)	96.1%	(209,439)	36.2%
Deferred	(323,122)	(126,873)	154.7%	(227,413)	42.1%
<b>Net income</b>	<b>1,193,311</b>	<b>891,759</b>	<b>33.8%</b>	<b>1,256,027</b>	<b>-5.0%</b>
<i>Net margin</i>	49.4%	46.7%	263 bps	52.4%	-305 bps
<b>Attributable to:</b>					
B3's shareholders	<b>1,193,336</b>	<b>892,388</b>	<b>33.7%</b>	<b>1,256,038</b>	<b>-5.0%</b>
<i>Net margin</i>	49.4%	46.8%	260 bps	52.4%	-305 bps
Minority interest	(25)	(629)	-96.0%	(11)	127.3%

## SUMMARY OF CONSOLIDATED BALANCE SHEET

ASSETS	06/30/2021	12/31/2020	LIABILITIES AND EQUITY	06/30/2021	12/31/2020
<b>Current assets</b>	<b>19,858,805</b>	<b>17,086,412</b>	<b>Current liabilities</b>	<b>12,507,996</b>	<b>9,678,085</b>
Cash and cash equivalent	2,065,184	1,438,420	Collateral for transactions	7,229,577	5,695,723
Financial investments	16,265,035	14,003,987	Financial instruments for hedge	25,344	9,298
Other	1,528,586	1,644,005	Loans and debentures	1,307,141	79,401
<b>Long-term non-current assets</b>	<b>14,878</b>	<b>14,878</b>	Other	3,945,934	3,893,663
<b>Non-current assets</b>	<b>29,657,127</b>	<b>29,231,493</b>	<b>Non-current liabilities</b>	<b>14,318,713</b>	<b>12,133,274</b>
<b>Long-term receivables</b>	<b>3,500,796</b>	<b>2,690,449</b>	Loans and debentures	8,750,636	6,980,365
Financial investments	3,219,609	2,408,519	Deferred income tax and social contribution	5,008,677	4,529,334
Other	281,187	281,930	Other	559,400	623,575
<b>Investments</b>	<b>49,778</b>	<b>48,070</b>	<b>Equity</b>	<b>22,704,101</b>	<b>24,521,424</b>
<b>Property and equipment</b>	<b>811,687</b>	<b>808,894</b>	Capital	12,548,655	12,548,655
<b>Intangible assets</b>	<b>25,294,866</b>	<b>25,684,080</b>	Capital reserve	8,308,350	9,097,646
Goodwill	22,408,527	22,408,526	Other	1,835,659	2,863,650
Software and projects	2,886,339	3,275,554	Non-controlling interests	11,437	11,473
<b>Total assets</b>	<b>49,530,810</b>	<b>46,332,783</b>	<b>Total liabilities and equity</b>	<b>49,530,810</b>	<b>46,332,783</b>