



1Q23

CONFERENCE CALL (English)

05/12

10:00 a.m. (BRT) / 9:00 a.m. (NYC)

Brazil: +55 (11) 3181-8565

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Password: B3

Webcast:

<https://choruscall.com.br/b3/1q23.htm>

CONFERENCE CALL (Portuguese)

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São Paulo, May 11, 2023 – B3 S.A. - Brasil, Bolsa, Balcão (“B3” or “Company”; B3SA3) reports today its earnings for the 1st quarter of 2023 (1Q23). Total revenues reached R\$2,460.5 million, down by 3.3% vs. 1Q22 and 4.2% vs. 4Q22. Recurring EBITDA amounted to R\$1,622.1 million, down by 5.8% vs. 1Q22 and in line with 4Q22, while recurring net income¹ totaled R\$1,216.3 million, down by 1.9% vs. 1Q22 and up by 5.6% vs. 4Q22.

MESSAGE FROM B3's MANAGEMENT

In the first quarter of 2023, the global capital market expressed concerns about signs of instability in the banking sector around the world that, added to the continuity of interest rates and inflation at high levels, have resulted in a downward revision of the outlook for economic growth in developed countries.

In Brazil, the uncertainties arising from market expectations regarding the new fiscal framework and its impacts on interest rates also contributed to the high volatility environment, with the interest rate maintained at 13.75% during the quarter.

In this scenario, there was a reduction in the average daily traded volume (ADTV) in the cash equities market, which totaled R\$25.2 billion in the quarter, a 19.2% decrease in relation to the same quarter of 2022, a period in which the interest rate was on an upward trajectory, but at lower levels than the current one. Compared to 4Q22, the decline in ADTV was 21.9%, due to effects of the election period on volumes last quarter. Despite the drop in traded volumes, it is worth highlighting the maintenance of turnover velocity² above 150% in the quarter, reinforcing the new level of activity that the Brazilian market has reached.

On the other hand, in listed derivatives, average daily traded volume (ADV) totaled 6.1 million contracts, a historic record, and 36.0% and 33.1% above 1Q22 and 4Q22, respectively, reflecting high volatility in the future interest curve, mainly in February and March. In the OTC segment, higher interest rates continued to favor volumes, with the highlight being the 26.7% growth in fixed income instruments outstanding balance and the 28.0% growth in Treasury Direct outstanding balance compared to 1Q22.

Revenues totaled R\$2.5 billion, down by 3.3% compared to 1Q22 and 4.2% compared to previous quarter, with the decrease in the revenues from Cash Equities and Equity Instruments partially offset by the positive performance of the Company's other businesses. It is worth highlighting the positive effects of the Company's efficiency gain initiatives on expenses that presented a reduction of 0.5% compared to 1Q22 and 12.8% compared to 4Q22. With this, recurring net income reached R\$1.2 billion, a decrease of 1.9% in relation to 1Q22 and an increase of 5.6% in relation to the previous quarter. Distributions to shareholders for the quarter totaled R\$740.1 million, of which R\$393.1 million were in share buybacks and R\$347.0 million in interest on capital (IoC).

Regarding strategic advances in the quarter, B3 announced, in February, the development of a new cloud infrastructure for its central equities depository, expected to be completed by 2025. The benefits of transitioning to cloud are increased capacity, ability to receive new types of assets, service enhancements, and increased timeliness in reporting corporate events.

(In R\$ millions)	1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
Total revenues	2,460.5	2,544.6	-3.3%	2,568.7	-4.2%
Net revenues	2,209.4	2,284.7	-3.3%	2,307.5	-4.3%
Expenses	(851.8)	(856.4)	-0.5%	(976.5)	-12.8%
Financial Result	142.1	229.0	-37.9%	48.6	192.5%
Net income for the period	1,089.4	1,100.9	-1.1%	1,003.8	8.5%
Adjusted expenses ³	(468.6)	(431.9)	8.5%	(561.0)	-16.5%
Recurring EBITDA	1,622.1	1,722.7	-5.8%	1,626.7	-0.3%
Recurring EBITDA margin	73.4%	75.4%	-198 bps	70.5%	293 bps
Recurring net income	1,216.3	1,240.0	-1.9%	1,151.6	5.6%

¹ See reconciliation on page 7.

² Turnover velocity is the result of the division of the cash equities volume traded by the market capitalization in the period.

³ 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.

Operational Performance

All comparisons in this document are in relation to the first quarter of 2022 (1Q22), unless otherwise indicated.

Listed

Cash Equities and Equity Instruments

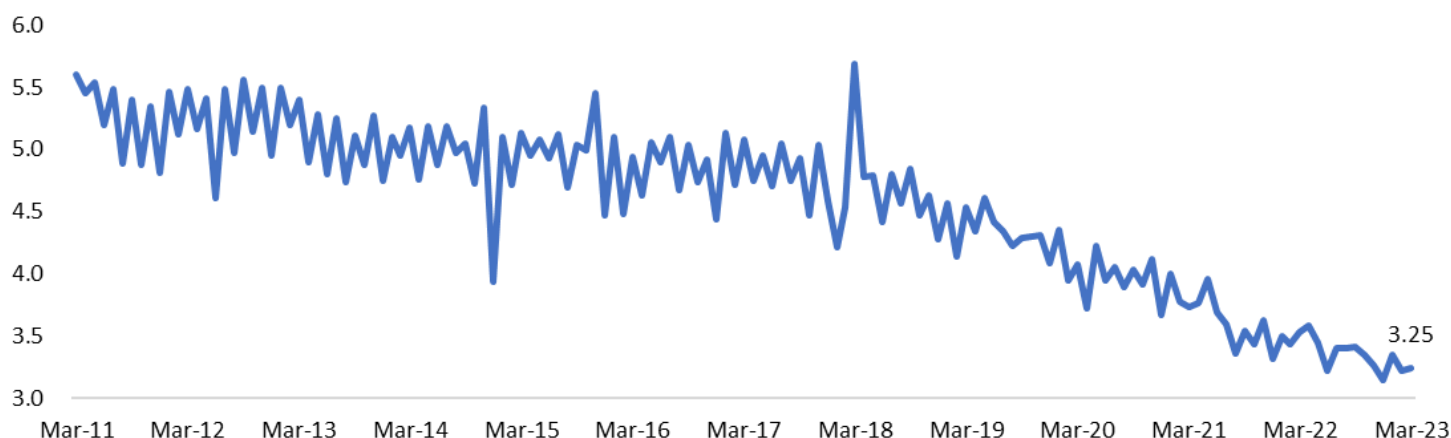
		1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
Cash equities market	ADTV (R\$ millions)	25,204.1	31,177.5	-19.2%	32,277.3	-21.9%
	Margin (bps)	3.273	3.493	-0.220 bps	3.255	0.018 bps
Average market capitalization	(R\$ billions)	4,076.2	4,701.9	-13.3%	4,414.7	-7.7%
Turnover velocity	Annualized (%)	153.3%	165.8%	-1,243 bps	182.8%	-2,944 bps
Options market (stock/indices)	ADTV (R\$ millions)	661.9	801.5	-17.4%	976.9	-32.2%
	Margin (bps)	11.719	13.364	-1.645 bps	11.761	-0.042 bps
Forward market	ADTV (R\$ millions)	279.9	251.4	11.3%	264.2	5.9%
	Margin (bps)	4.852	9.291	-4.439 bps	6.675	-1.823 bps
Stock indices futures	ADV (thousands of contracts)	3,263.5	3,763.5	-13.3%	3,531.3	-7.6%
	Average RPC (R\$)	0.976	0.891	9.5%	0.925	5.4%
Number of individual investors	Average (thousands)	5,246.8	4,252.7	23.4%	4,732.5	10.9%
Number of accounts in depository (total)	Average (thousands)	6,141.7	5,062.6	21.3%	5,582.5	10.0%
Securities lending	Pos. average open interest (R\$ billions)	124.6	112.2	11.1%	127.9	-2.6%

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

In Cash Equities and Equity Instruments, there was a 19.2% decrease in ADTV in the cash equities market, reflecting lower market turnover and market cap, mainly due to the high level of interest rates and the increased uncertainties in the macroeconomic scenario. For stock indices futures, the 13.3% reduction in ADV is explained by the decrease in trading activity of the "mini" version of these contracts.

The trading/post trading margin in cash equities was 3.273 bps. The decrease of 0.220 bps is explained by (i) customer mix, which includes the intensification of the Company's investments in providing greater liquidity to the market, by strengthening market makers and liquidity providers programs, such as the Liquidity Provider Pilot Program⁴, launched in Nov/22; and, to a lesser extent, (ii) the greater proportional volume of indices option exercises in the quarter, which is subject to a different fee. The RPC of stock indices futures contracts increased by 9.5%, especially due to lower volumes.

Margin in the equities market (bps)



Note: Margin in bps includes fees at both ends of trades (buy + sell). 3.25 bps was the average margin for the last month of the period (March 2023).

The average number of accounts in the equities depository increased 21.3%, mainly reflecting the end of the lock-up period and subsequent participation of individual investors in a public offering that took place in 2021, which also had an impact in Jan/23, in addition to the search by individual investors for greater diversification in their portfolios. Meanwhile, balance in securities lending operations increased 11.1%.

⁴ For more information, access [Circular Letter from 10/13/2022](#).

Interest Rates, FX and Commodities

		1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
Interest rates in BRL	ADV (thousands of contracts)	4,780.2	3,082.3	55.1%	3,169.0	50.8%
	Average RPC (R\$)	0.845	0.958	-11.8%	1.047	-19.3%
Interest rates in USD	ADV (thousands of contracts)	276.0	343.0	-19.5%	297.2	-7.1%
	Average RPC (R\$)	2.276	2.479	-8.2%	2.183	4.2%
FX rates	ADV (thousands of contracts)	976.8	996.5	-2.0%	1,063.5	-8.2%
	Average RPC (R\$)	5.101	5.401	-5.6%	5.107	-0.1%
Commodities	ADV (thousands of contracts)	18.8	27.4	-31.6%	17.2	9.2%
	Average RPC (R\$)	1.859	1.797	3.4%	1.940	-4.2%
Total	Total ADV (thousands of contracts)	6,051.7	4,449.2	36.0%	4,546.9	33.1%
	Average RPC (R\$)	1.602	2.076	-22.8%	2.074	-22.8%

The average daily volume in 1Q23 totaled 6.1 million contracts, a historic record, and an increase of 36.0%, reflecting the growth in ADV for Interest in BRL. The average RPC fell by 22.8%, influenced by the 11.8% decrease in the RPC for Interest in BRL, explained by the strong growth in volumes, and by the decreases of 8.2% and 5.6% in revenues from interest contracts in USD and FX, respectively, which in turn were impacted by the devaluation of the USD against BRL. In addition to the increase in volumes, the decrease in the RPC for Interest in BRL can also be explained by the greater concentration of short-term contracts in the total volume traded.

OTC

Fixed-Income Instruments

		1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
Issues	Bank funding (total in R\$ billions)	3,869.1	3,367.1	14.9%	4,100.6	-5.6%
	Other (total in billions)	305.3	253.0	20.7%	306.3	-0.3%
Outstanding balance	Bank funding (average in R\$ billions)	2,681.9	2,340.4	14.6%	2,794.0	-4.0%
	Corporate debt (average in R\$ billions)	1,015.7	839.5	21.0%	981.5	3.5%
	Other (average in R\$ billions)	1,660.4	1,049.8	58.2%	1,540.4	7.8%
Treasury Direct	Number of investors (average in thousands)	2,120.1	1,863.7	13.8%	2,113.7	0.3%
	Outstanding balance (average in R\$ billions)	102.1	79.8	28.0%	98.0	4.2%

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, NC).

With the maintenance of interest rates at high levels, the volume of new issues and the average outstanding positions of bank funding instruments recorded in 1Q23 grew, respectively, 14.9% and 14.6%, mainly due to growth of Bank Deposit Certificate (CDB) issues, which represented 78.3% of new issues during the quarter. Regarding issues of other fixed-income instruments, the 20.7% growth was influenced by a 36.1% increase in issues of real estate notes and a 12.2% increase in issues of agribusiness instruments. The average outstanding balance of corporate debt instruments increased by 21.0%.

Another highlight of the fixed-income market was the continuous growth in Treasury Direct (TD), in which number of investors and outstanding balance were up by 13.8% and 28.0%, respectively. B3 offers an incentive program for brokerage firms to increase the number of investors in this product, which is revised annually. In 2021, the incentive program was revised, and two incentive models were announced, which are based on the broker's outstanding balance⁵ in TD. For 2023, the incentives defined for the program total up to R\$65 million, the same amount as in 2022.

OTC Derivatives and Structured Notes

		1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
Issues	(total in R\$ billions)	3,162.4	3,044.1	3.9%	2,921.8	8.2%
Outstanding balance	(average in R\$ billions)	5,619.3	5,450.3	3.1%	5,649.9	-0.5%

Issues in the over-the-counter derivatives market and structured notes increased by 3.9%, mainly influenced by the increase in the issue of forward contracts. In the same comparison, the average outstanding balance went up by 3.1%.

⁵ 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

		1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
SNG	Number of vehicles sold (thousands)	4,236.1	3,489.9	21.4%	4,549.6	-6.9%
	Number of vehicles financed (thousands)	1,366.4	1,273.5	7.3%	1,398.6	-2.3%
	% Vehicles financed / vehicles sold	32.3%	36.5%	-4.2 p.p.	30.7%	1.5 p.p.

The number of vehicles sold in Brazil increased by 21.4%, reflecting an improvement in this market due to the reduction of production bottlenecks and the weak performance of 1Q22. In relation to vehicle financing, the growth was 7.3%, reflecting lower credit penetration due to the high level of interest rates.

Technology, Data and Services

		1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
OTC utilization		19,676	17,660	11.4%	19,212	2.4%
Market data	Average number of customers	159	161	-1.7%	172	-7.9%
Co-location		93	88	5.3%	89	3.7%

The average number of customers for the monthly use of OTC systems increased by 11.4%, mainly because of the fund industry's growth in Brazil. There was also a 5.3% growth in the number of clients using co-location services compared to the previous year, as a result of the service's capacity expansion.

INCOME STATEMENT

Revenues

Total revenues: R\$2,460.5 million, down by 3.3%. The performance of total revenues is mainly explained by a decrease in revenues from the Listed segment, partially offset by the increase in other segments.

Listed: R\$1,538.9 million (62.5% of total), down by 9.3%.

- **Cash Equities and Equity Instruments:** R\$922.2 million (37.5% of total), down by 17.8%.
 - Trading and post-trading: R\$776.6 million (31.6% of total), a decrease of 19.4%, mostly reflecting the lower volume traded in the cash equities market.
 - Depository: R\$34.0 million (1.4% of total), a decrease of 7.3% in the period, mainly explained by the lower average balance in the depository, due to the decrease in the market cap of companies in the period.
 - Securities lending: R\$82.1 million (3.3% of total), down by 9.9%, reflecting lower rates on contracts negotiated among participants in this modality.
 - Listing and solutions for issuers: R\$29.5 million (1.2% of total), a decrease of 4.2%, mainly due to the lower number of offerings in 1Q23.
- **Interest Rates, FX and Commodities:** R\$616.7 million (25.1% of total), up by 7.3%, mainly reflecting the strong performance of interest rate derivatives in BRL, offsetting the decrease in revenues from other products, as explained above. It is worth noting that this line is impacted by the cash flow hedge accounting constituted on the bond issue in Sep/21, in which the bond is the hedging instrument and the highly probable future revenues in USD (especially related to listed FX rate derivative contracts in USD and interest rate contracts in USD) are the hedging objects. As a result, the effects of exchange rate fluctuations on that bond are stated in Shareholders' Equity and recognized in the income statement to the extent that revenues are realized. In 1Q23, the net impact of that structure was positive by R\$5.5 million, based on the exchange rate fluctuation for the period.

OTC: R\$349.5 million (14.2% of total), up by 16.2%.

- Fixed-income instruments: R\$223.0 million (9.1% of total), up by 20.4%, mainly due to (i) growth of 14.9% in issues of bank funding instruments and 14.6% in the average outstanding balance of these instruments; (ii) higher average corporate debt outstanding, which increased by 21.0% in the period; and (iii) increased revenues from Treasury Direct, which amounted to R\$47.6 million for 1Q23, against revenues of R\$37.1 million in 1Q22. It should be noted that market incentives related to this product added up to R\$16.3 million in the quarter (R\$12.8 million in 1Q22) and are accounted for as revenue-linked expenses.
- Derivatives and structured transactions: R\$75.3 million (3.1% of total), up by 9.0%, mainly due to an increase in issues and outstanding balance of OTC derivatives and increase in revenues from issue of netting contracts.
- Other: R\$51.3 million (2.1% of total), up by 10.4%, reflecting the increase in issue and custody of fund quotas.

Infrastructure for Financing: R\$110.7 million (4.5% of total), up by 0.7%, mainly due to the increase in vehicle financing in the period.

Technology, Data and Services: R\$461.2 million (18.7% of total), up by 5.9%.

- **Technology and access:** R\$279.0 million (11.3% of total), up by 14.4%, reflecting both the increase in the number of clients and the annual price adjustments by inflation in the monthly usage line and technology products, such as co-location.
- **Data and analytics:** R\$126.3 million (5.1% of total), up by 4.8%, mainly explained by the growth in market data and Neoway revenues.
- **B3 Bank:** R\$32.2 million (1.3% of total), up by 10.3%, mainly explained by higher revenues in the floating line and own portfolio management.
- **Other:** R\$23.7 million, (1.0% of total), down by 43.8%, with emphasis on the decrease in revenue from approval of auctions.

Net revenues: decrease of 3.3%, reaching R\$2,209.4 million.

Expenses

Expenses amounted to R\$851.8 million, down by 0.5%.

- **Personnel and charges:** R\$320.2 million, up by 2.8%, explained mainly by the annual adjustment of salaries (collective bargaining agreement) partially offset by the positive effects of the efficiency gain project conducted in 2022.
- **Data processing:** R\$127.8 million, up by 10.1%, mainly due to (i) the development of new initiatives that, given the nature and the way in which they are being implemented (agile model), are accounted as expenses rather than investments (CAPEX); (ii) support of completed projects; and (iii) increased use of cloud technology.
- **Depreciation and amortization:** R\$259.6 million, down by 5.9%.
- **Revenue-linked expenses:** R\$63.3 million, down by 6.7%, mainly explained by the reduction in expenses related to the Infrastructure for Financing segment.
- **Third-party services:** R\$33.6 million, down by 13.2%, due to lower M&A expenses in the period.
- **Other:** R\$28.4 million, a decrease of 4.8%, mainly due to the reduction in the electricity line due to the adhesion to the free energy market.

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

Reconciliation of adjusted expenses

(In R\$ millions)	1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
Expenses	(851.8)	(856.4)	-0.5%	(976.5)	-12.8%
(+) Depreciation and amortization	259.6	275.9	-5.9%	258.3	0.5%
(+) Long-term stock-based compensation	44.6	47.5	-6.2%	46.3	-3.7%
(+) Provisions (recurring and non-recurring)	10.8	14.7	-26.6%	31.4	-65.7%
(+) Revenue-linked expenses	63.3	67.9	-6.7%	69.1	-8.4%
(+) M&A expenses	5.0	18.5	-72.9%	10.4	-51.8%
Adjusted expenses	(468.6)	(431.9)	8.5%	(561.0)	-16.5%
Core business expenses	(329.6)	(324.6)	1.5%	(390.8)	-15.6%
Non-Core Expenses - New initiatives and business	(139.0)	(107.3)	29.5%	(170.2)	-18.4%
<i>New initiatives – B3</i>	<i>(68.6)</i>	<i>(46.8)</i>	<i>46.6%</i>	<i>(99.4)</i>	<i>-31.0%</i>
<i>Adjusted expenses – Subsidiaries</i>	<i>(70.5)</i>	<i>(60.4)</i>	<i>16.7%</i>	<i>(70.8)</i>	<i>-0.4%</i>

Due to the Company's new initiatives, the consolidated table also shows the breakdown between core business adjusted expenses and non-core adjusted expenses.

Core Business Expenses: R\$329.7 million, up by 1.5%, as a result of the annual inflation adjustment of salaries (collective bargaining agreement), which in turn was partially offset by the positive effects of the efficiency gain project conducted in 2022. Compared to the previous quarter, adjusted core business expenses fell by 15.6%.

Non-Core Business Expenses: R\$139.0 million, growth of 29.5%, mainly explained by the Company's new stage, with the intensification of new initiatives that are usually accounted for as expenses rather than investments, as explained above. The "New initiatives – B3" line mainly includes data & analytics, insurance, the new investor portal, receivables, real estate platform and technology services. The subsidiaries line includes Neoway, PDtec, BLK and CED, which generated gross revenue of R\$76.9 million, up by 10.7% against 1Q22 and down by 3.0% against 4Q22.

EBITDA

Recurring EBITDA totaled R\$1,622.1 million, down by 5.8%. Recurring EBITDA margin was 73.4%, down by 198 bps. Compared to 4Q22, recurring EBITDA remained stable, with margin growth of 293 bps.

(In R\$ millions)	1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
EBITDA	1,617.1	1,704.2	-5.1%	1,589.3	1.8%
(+) Efficiency improvement project expenses	-	-	-	22.5	-
(+) Other non-recurring expenses	-	-	-	4.5	-
(+) M&A expenses	5.0	18.5	-72.9%	10.4	-51.8%
Recurring EBITDA	1,622.1	1,722.7	-5.8%	1,626.7	-0.3%
<i>Recurring EBITDA margin</i>	<i>73.4%</i>	<i>75.4%</i>	<i>-198 bps</i>	<i>70.5%</i>	<i>293 bps</i>

Financial Result

The financial result was positive by R\$142.1 million in 1Q23. Financial revenues reached R\$493.6 million, up by 1.6%, mainly explained by the positive result in the buyback of approximately US\$ 53 million related to Bond 2031 during the quarter, in line with its liability management and optimization of the capital structure, partially offset by the lower average balance of cash. Financial expenses, in turn, totaled R\$365.8 million, an increase of 5.4%, explained by the higher average CDI rate in the period.

(In R\$ millions)	1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
Financial Result	142.1	229.0	-37.9%	48.6	192.5%
Financial revenues	493.6	486.0	1.6%	426.0	15.9%
Financial expenses	(365.8)	(347.1)	5.4%	(396.7)	-7.8%
Net FX variations	14.3	90.1	-84.1%	19.2	-25.6%

In addition, it is important to note that the financial result was also impacted by the effects of FX rate variation on some of the Company's foreign currency loans, 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)	1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
Net Financial Result	142.1	229.0	-37.9%	48.6	192.5%
(+/-) Effects of hedge on financial result	(21.9)	(134.5)	-83.7%	(30.1)	-27.3%
Adjusted net financial income (excluding hedge effects)	120.2	94.6	27.1%	18.5	551.4%
Income before income tax	1,499.1	1,659.8	-9.7%	1,380.4	8.6%
(+/-) Effects of hedge on financial result	(21.9)	(134.5)	-83.7%	(30.1)	-27.3%
Income before tax on adjusted profit (excluding hedge effects) – (A)	1,477.2	1,525.3	-3.2%	1,350.2	9.4%
Income tax and social contribution	(409.7)	(558.8)	-26.7%	(376.4)	8.8%
(+/-) Effects of hedge on income tax and social contribution taxes	21.9	134.5	-83.7%	30.1	-27.3%
Adjusted income and social contribution taxes (excluding hedge effects) – (B)	(387.8)	(424.3)	-8.6%	(346.3)	12.0%
Effective Rate on Income Before Adjusted Income Tax and Social Contribution (excluding hedge effects) - (B) / (A)	26.2%	27.8%	-15.7 bps	25.6%	6.0 bps

Income tax and social contribution

The income tax and social contribution line totaled R\$409.7 million in 1Q23 and was impacted by the distribution of IoC paid in the amount of R\$347.0 million. Current tax reached R\$368.4 million, while the deferred income tax and social contribution line was R\$41.3 million, made up of the constitution of tax credits in the period. In addition, the income tax and social contribution line was also impacted by the hedge structure, as explained above.

Net income

Net income attributed to B3's shareholders reached R\$1,089.4 million, down by 1.1%. Excluding the non-recurring items highlighted below, net income would have reached R\$1,216.3 million for the quarter, down by 1.9% comparing to the same period of last year. Compared to 4Q22, there was a 5.6% growth in recurring net income.

Adjustments to net income

(In R\$ millions)	1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
Net income (attributable to shareholders)	1,089.4	1,100.9	-1.1%	1,003.8	8.5%
(+) M&A expenses	5.0	18.5	-72.9%	10.4	-51.8%
(+) Efficiency improvement project expenses	-	-	-	22.5	-
(+) Other non-recurring expenses	-	-	-	4.5	-
(+) Tax impacts from non-recurring items	(1.7)	(6.3)	-72.9%	(12.7)	-86.6%
(+) Amortization of intangible assets (including Cetip combination)	123.7	126.9	-2.5%	123.1	0.4%
Recurring net income	1,216.3	1,240.0	-1.9%	1,151.6	5.6%
(+) Deferred tax (goodwill from Cetip combination)	-	119.6	-	-	-
Recurring net income adjusted by goodwill tax benefit	1,216.3	1,359.6	-10.5%	1,151.6	5.6%

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 MARCH 31, 2023

Assets, Liabilities and Shareholders' Equity Accounts

The Company ended the quarter with total assets of R\$45.8 billion, down by 3.9% compared to Dec/22. Cash and Cash Equivalents and Financial Investments (current and non-current) lines totaled R\$16.8 billion, down by 5.4%, reflecting (i) a decline in cash generation due to the lower level of the Company's results and (ii) a decrease in volume of collateral deposited in cash (with its counterparty in current liabilities). The cash position included R\$212.6 million in dividends and R\$347.0 million in IoC, both paid in April.

As for liabilities, B3's gross indebtedness at the end of 1Q23 amounted to R\$11.7 billion (96% long-term and 4% short-term), corresponding to 1.8x the recurring EBITDA for the previous 12 months.

Shareholders' equity at the end of March 2023 amounted to R\$20.6 billion, consisting mainly of R\$12.5 billion in capital stock and R\$7.9 billion in capital reserves (vs. R\$8.0 billion in Dec/22).

OTHER INFORMATION

CAPEX

CAPEX during the quarter amounted to R\$35.5 million, of which R\$29.8 million are related to the core business, while R\$5.8 million were directed to new initiatives. These investments were used mainly for technological updates for all B3's segments, which involve investment in capacity and development of new products.

Distributions to Shareholders

On March 23, 2023, the Board of Directors approved the payment of IoC in the amount of R\$347.0 million, paid on April 10. Additionally, in the quarter, shares buyback totaled R\$393.1 million, related to the 2023/2024 Share Buyback Program, which, combined with the IoC, totaled R\$740.1 million returned to shareholders.

SUSTAINABILITY

During 1Q23, the highlights to B3's sustainability strategy were:

- For the sixth consecutive year, B3 was selected to be part of the FTSE4Good Index Series index, with performance above both the average for the Subsector - Investment Services, and the average for Industry - Financials.
- Release of the 2022 Annual Report, externally audited and in line with GRI, SASB, TCFD and Integrated Report guidelines.
- Revision of the greenhouse gas (GHG) emission reduction target to 100% of Scope 2 emissions by 2030.
- Through the volunteer activities promoted by B3 Social, 581 employees participated in volunteer actions in 1Q23, representing approximately 20% of the Company's personnel.

CONSOLIDATED INCOME STATEMENT

(In R\$ thousands)	1Q23	1Q22	1Q23/1Q22 (%)	4Q22	1Q23/4Q22 (%)
Total revenues	2,460,480	2,544,621	-3.3%	2,568,697	-4.2%
Listed	1,538,944	1,696,750	-9.3%	1,641,639	-6.3%
Cash Equities and Equity Instruments	922,207	1,122,096	-17.8%	1,063,725	-13.3%
Trading and post-trading	776,621	963,536	-19.4%	912,499	-14.9%
Depository	33,981	36,669	-7.3%	34,873	-2.6%
Securities lending	82,095	91,085	-9.9%	86,707	-5.3%
Listing and services for issuers	29,510	30,806	-4.2%	29,646	-0.5%
Interest Rates, FX and Commodities	616,737	574,654	7.3%	577,914	6.7%
Trading and post-trading	616,737	574,654	7.3%	577,914	6.7%
OTC	349,512	300,734	16.2%	347,728	0.5%
Fixed-Income	222,966	185,237	20.4%	227,868	-2.2%
Derivatives	75,294	69,086	9.0%	68,750	9.5%
Other	51,252	46,411	10.4%	51,110	0.3%
Infrastructure for Financing	110,674	109,939	0.7%	110,978	-0.3%
Technology, Data and Services	461,200	435,700	5.9%	468,251	-1.5%
Technology and access	279,027	243,822	14.4%	259,290	7.6%
Data and analytics	126,272	120,494	4.8%	146,343	-13.7%
Bank	32,227	29,228	10.3%	34,961	-7.8%
Other	23,674	42,156	-43.8%	27,657	-14.4%
Reversal of provisions and recovery of expenses	150	1,498	-90.0%	101	48.5%
Revenue deductions	(251,080)	(259,922)	-3.4%	(261,166)	-3.9%
PIS and Cofins	(210,209)	(216,277)	-2.8%	(215,896)	-2.6%
Service tax	(40,871)	(43,645)	-6.4%	(45,270)	-9.7%
Net Revenues	2,209,400	2,284,699	-3.3%	2,307,531	-4.3%
Expenses	(851,844)	(856,396)	-0.5%	(976,488)	-12.8%
Personnel and charges	(320,239)	(311,494)	2.8%	(356,280)	-10.1%
Data processing	(127,791)	(116,066)	10.1%	(142,642)	-10.4%
Depreciation and amortization	(259,590)	(275,945)	-5.9%	(258,259)	0.5%
Revenue-linked expenses	(63,281)	(67,857)	-6.7%	(69,104)	-8.4%
Third-party services	(33,571)	(38,694)	-13.2%	(60,221)	-44.3%
Maintenance	(6,735)	(5,625)	19.7%	(9,899)	-32.0%
Marketing	(5,144)	(4,386)	17.3%	(17,202)	-70.1%
Taxes and fees	(3,278)	(3,176)	3.2%	(3,762)	-12.9%
Board and committee members' compensation	(3,829)	(3,343)	14.5%	(3,929)	-2.5%
Other	(28,386)	(29,810)	-4.8%	(55,190)	-48.6%
Operating income	1,357,556	1,428,303	-5.0%	1,331,043	2.0%
<i>Operating margin</i>	61.4%	62.5%	-107 bps	57.7%	376 bps
Impairment	-	-	-	-	-
Equity in income of investees	(581)	2,465	-	741	-
Financial result	142,145	229,030	-37.9%	48,599	192.5%
Financial revenues	493,615	485,982	1.6%	426,037	15.9%
Financial expenses	(365,775)	(347,068)	5.4%	(396,670)	-7.8%
Net FX variations	14,305	90,116	-84.1%	19,232	-25.6%
Income before taxes	1,499,120	1,659,798	-9.7%	1,380,383	8.6%
Income tax and social contribution	(409,662)	(558,755)	-26.7%	(376,401)	8.8%
Current	(368,409)	(179,439)	105.3%	(413,351)	-10.9%
Deferred	(41,253)	(379,316)	-89.1%	36,950	-
Net income	1,089,458	1,101,043	-1.1%	1,003,982	8.5%
<i>Net Margin</i>	49.3%	48.2%	112 bps	43.5%	580 bps
Attributed to:					
B3's shareholders	1,089,351	1,100,945	-1.1%	1,003,830	8.5%
<i>Net margin</i>	49.3%	48.2%	112 bps	43.5%	580 bps
Minority interest	107	98	9.2%	152	-29.6%

SUMMARY OF CONSOLIDATED BALANCE SHEET

ASSETS	03/31/2023	12/31/2022	LIABILITIES AND SHAREHOLDERS' EQUITY	03/31/2023	12/31/2022
Current	15,564,329	17,114,735	Current	7,418,131	9,306,446
Cash and cash equivalents	1,929,953	2,613,794	Collateral for transactions	3,763,648	4,756,602
Financial investments	12,230,476	12,283,245	Derivative financial instruments	50,182	16,318
Other	1,403,900	2,217,696	Loans and debentures	481,249	560,238
Long-term non-current assets	14,878	14,878	Other	3,123,052	3,973,288
Non-current assets	30,227,193	30,559,816	Non-current assets	17,828,612	18,099,840
Long-term receivables	2,989,113	3,190,140	Loans and debentures	11,185,983	11,550,937
Financial investments	2,598,576	2,809,553	Deferred income tax and social contribution	5,702,375	5,583,493
Other	390,537	380,587	Other	940,254	965,410
Investments	651,549	654,484	Equity	20,559,657	20,283,143
Property and equipment	905,022	920,622	Capital	12,548,655	12,548,655
Intangible assets	25,681,509	25,794,570	Capital reserve	7,914,668	7,957,428
Goodwill	23,759,539	23,696,956	Other	84,221	-234,946
Software and projects	1,921,970	2,097,614	Minority interest	12,113	12,006
Total assets	45,806,400	47,689,429	Total liabilities and shareholders' equity	45,806,400	47,689,429