

**São Paulo, March 4, 2021** – B3 S.A. – Brasil, Bolsa, Balcão (“B3” or “Company”; ticker: B3SA3 reports today its fourth quarter (4Q20) earnings. Total revenues reached R\$2,537.7 million, a 44.3% increase over the same period of the previous year (4Q19), while recurring EBITDA totaled R\$1,728.9 million, up by 46.5% year-over-year (yoy). The Company’s recurring net income<sup>1</sup> totaled R\$1,159.6 million.

**MESSAGE FROM B3’S MANAGEMENT**

2020 will go down as one of the most challenging periods in history, with the spread of Covid-19 causing deep impacts on the economy and society. In 4Q20 there were still concerns regarding how and when the pandemic would be completely overcome, however, progress on immunization tests in Brazil and around the world brought relative optimism to the economic recovery, which reflected in the capital, credit, and vehicle markets. The return of the foreign capital into Brazilian equities represented a net inflow of R\$62.9 billion in this segment. In the quarter, the sale of financed vehicles grew by 16.9% when compared to the previous quarter (3Q20).

Notwithstanding the challenges of the Covid-19 scenario, we continue to be in an attractive structural environment for the development of the capital markets, with inflation under control and the basic interest rate at 2% p.a., its lowest historical level. Companies continue to tap the equities and debt capital markets to raise funds, motivated by the low cost of capital, and by local investors’ willingness to seek alternatives to diversify their portfolios. In 4Q20, 16 IPOs and follow-ons raised R\$38.8 billion, 20.5% more than in 4Q19. We also observed a recovery in credit activity, especially in the last few months of the year. The volume of new issues of bank funding instruments totaled R\$3.5 trillion in 4Q20, growing 40.1% year-over-year.

Our commitment to operational excellence and resilience allowed B3 to handle a much larger volume of transactions with stability in our platforms. This reinforces our position as a robust infrastructure for our customers and the market.

B3 will continue to support transformation and growth for the capital market, by offering new products and improving the solutions available to our clients and by honoring the market’s confidence in the quality of our infrastructure, especially at this time of market expansion and increased demand. Our main product launches were: in the listed segment i) automatic exercise of options, ii) BDRs; on the OTC market iii) Energy Platform and, in the Financing segment, iv) new services on the real estate platform.

We also announced a new pricing policy in the cash equities market, whose implementation started through an intermediate model in effect since the beginning of February 2021. The changes adopted in this model aim at supporting the growth of individual investors through the retail brokers and bringing adjustments to the fees of day traders. This is consistent with B3’s commitment of sharing with clients the benefits of scale and operating leverage provided by the Company’s business model.

In 4Q20 we continued to execute on our corporate philanthropy actions focused on mitigating the effects of coronavirus on society, through donations made both by B3 and B3 Social. During 2020 we donated a total of R\$50 million for health, food, and micro and small business social projects.

The high volumes traded on our platforms throughout the year contributed to a solid financial performance and strong cash generation, which totaled R\$6.1 billion<sup>2</sup> in the year. Distributions to shareholders reached R\$6.2 billion through dividends (R\$4.1 billion), interest on capital (R\$1.2 billion), and share repurchase (R\$0.9 billion).

In line with our objective of having an adequate capital structure for the Company, we ended the year with gross debt of approximately R\$7.0 billion, equivalent to 1.1x recurring EBITDA. During the year, we diversified our sources of funding, tapping the market through bank loans (in Brazil and abroad), local bonds (debentures), and a recent transaction of R\$200 million in Real Estate Receivables Certificates (CRI).

**Income statement summary:**

<i>(in R\$ millions)</i>	<b>4Q20</b>	<b>4Q19</b>	<b>4Q20/4Q19 (%)</b>	<b>3Q20</b>	<b>4Q20/3Q20 (%)</b>
Total revenues	2,537.7	1,758.2	44.3%	2,535.5	0.1%
Net revenues	2,280.3	1,578.7	44.4%	2,288.8	-0.4%
Expenses	(722.5)	(656.6)	10.0%	(648.5)	11.4%
Financial result	63.5	36.0	76.4%	(26.4)	-
Net income	1,097.3	732.9	49.7%	1,136.5	-3.4%
Adjusted expenses	(341.7)	(311.8)	9.6%	(283.8)	20.4%
<b>Recurring EBITDA</b>	<b>1,728.9</b>	<b>1,179.9</b>	<b>46.5%</b>	<b>1,665.7</b>	<b>3.8%</b>
EBITDA margin (recurring)	78.7%	74.7%	396bps	79.2%	-53 bps
Recurring net income	1,159.6	864.5	34.1%	1,143.2	1.4%

**Guidances for 2021:**

B3 announced its guidances for 2021, according to the **Material fact disclosed on December 10, 2020**

- Indebtedness (YE21): up to 1.5x Gross Debt / recurring EBITDA for the last 12 months (1.1x in Dec/20)
- Capital expenditures: R\$420 - R\$460 million (R\$423 million in 2020);
- Revenue-linked expenses: R\$225 - R\$265 million (R\$192 million in 2020);
- Adjusted expenses: R\$1,225 - R\$1,275 million (R\$1,175 million in 2020);
- Depreciation and amortization: R\$1,060 - R\$1,110 million (R\$1,041 million in 2020); and
- Distributions to shareholders: 120% - 150% of corporate net income (150% in 2020).

**CONFERENCE CALL (ENGLISH)**

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**4Q20**

## OPERATIONAL PERFORMANCE

All comparisons in this document are in relation to the fourth quarter of 2019 (4Q19), unless otherwise stated.

### Listed

In the fourth quarter of 2020 (4Q20), the performance of the listed segment continued to be mainly driven the low interest rate environment, and by the volatility in financial and capital markets arising from the effects of the COVID-19 pandemic.

### Equities

		4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
Cash market	ADTV (R\$ million)	31,570.5	18,874.2	67.3%	28,759.7	9.8%
	Margin (bps)	3.899	4.224	-0.325 bps	3.992	-0.093 bps
Average market capitalization	(R\$ billion)	4,529.3	4,390.4	3.2%	4,233.8	7.0%
Turnover velocity	Annualized (%)	173.6%	106.6%	6,695 bps	169.1%	442 bps
Options market (stock/indices)	ADTV (R\$ million)	824.0	400.7	105.6%	606.1	36.0%
	Margin (bps)	12.366	13.731	-1.366 bps	12.732	-0.366 bps
Forward market	ADTV (R\$ million)	228.6	216.2	5.7%	207.9	9.9%
	Margin (bps)	12.967	12.777	0.190 bps	13.004	-0.037 bps
Future stock indices	ADV (thousands of contracts)	2,962.2	1,602.4	84.9%	2,659.2	11.4%
	Average RPC (R\$)	0.976	1.052	-7.2%	0.994	-1.8%
Number of investors	Average (thousand)	3,215.5	1,614.3	99.2%	2,980.1	7.9%
Securities lending	Average open positions (R\$ billion)	84.1	64.7	29.9%	75.1	12.0%

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.

The equities segment experienced a 67.3% growth in the cash equities market's ADTV and an 84.9% increase in stock indices futures contracts' volumes. In the cash equities market, this increase reflects a higher turnover velocity, which reached 173.6% in the quarter. For the stock indices futures contracts' market, the performance can be attributed to the continued growth in the trading of mini contracts, particularly by individual investors and by High Frequency Traders (HFT).

The trading/post-trading margin in cash equities was 3.899 bps. The 0.325 bps decrease is mostly explained by the discounts given to the market in accordance with B3's pricing policy<sup>3</sup> and by the greater participation of day traders, who pay lower fees. The average RPC of the stock indices futures contracts fell by 7.2%, as a result of higher participation of day traders and higher volumes of mini contracts traded by local investors.

The average number of active investors in the equities depository grew 99.2%, mainly due to the increased interest in diversifying investments in a lower interest rate environment. Through our incentive programs and pricing mechanisms, B3 continued to support brokerage firms that focus on attracting new clients to the market.

### FICC

		4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
Interest rates in BRL	ADV (thousands of contracts)	2,788.2	3,495.8	-20.2%	2,718.6	2.6%
	Average RPC (R\$)	0.978	0.843	16.1%	0.954	2.5%
Interest rates in USD	ADV (thousands of contracts)	395.9	249.3	58.8%	238.5	66.0%
	Average RPC (R\$)	2.213	1.791	23.5%	2.371	-6.6%
FX rates	ADV (thousands of contracts)	1,027.5	761.7	34.9%	1,015.4	1.2%
	Average RPC (R\$)	5.743	4.179	37.4%	5.265	9.1%
Commodities	ADV (thousands of contracts)	17.7	13.1	35.0%	15.9	11.0%
	Average RPC (R\$)	2.307	2.538	-9.1%	2.203	4.7%
Total	ADV total (thousands of contracts)	4,229.3	4,520.0	-6.4%	3,988.4	6.0%
	Average RPC (R\$)	2.257	1.462	54.3%	2.142	5.4%

The average daily traded volume totaled 4.2 million contracts, down 6.4%, reflecting mainly the decrease of 20.2% in ADV of interest rate contracts in BRL, which was partially offset by the 34.9% growth in ADV of the exchange rate contracts, particularly the mini version of these contracts. Average RPC for the segment grew 54.3%, influenced primarily (i) by the 28.9% appreciation of the USD against the BRL in the period, with a positive impact on the RPC of FX rates and interest rate contracts in USD, since they are priced in US dollars, (ii) by the higher share of FX rate contracts in the mix in the period and (iii) by the increase in longer-term interest rate contracts in BRL, which have a higher RPC.

<sup>3</sup> According to the table of fees in force in 2020, marginal discounts are granted to the entire market whenever the month's average daily traded volume (ADTV) exceeds R\$9 billion, R\$11 billion and R\$13 billion.

## OTC

### Fixed Income Instruments

		4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
New Issues	Bank funding (total in R\$ billions)	3,511.1	2,505.4	40.1%	3,289.0	6.8%
	Other (total in billions)	192.3	130.0	47.9%	179.2	7.3%
Outstanding balance	Bank funding (average in R\$ billions)	2,163.9	1,495.9	44.7%	2,044.1	5.9%
	Corporate debt (average in R\$ billions)	691.4	663.1	4.3%	697.1	-0.8%
	Other (average in R\$ billions)	693.0	660.0	5.0%	711.1	-2.5%
Treasury Direct	Number of investors (average in thousands)	1,392.7	1,181.8	17.8%	1,343.1	3.7%
	Stock (average in R\$ billions)	67.0	67.2	-0.3%	67.6	-0.8%

During the quarter, the volume of new issues and the outstanding positions of bank funding instruments showed a 40.1% and 44.7% increase, respectively, mainly as a result of the growth in issues of Bank Deposit Certificates and Interbank Deposit Certificates, which represented 65.2% and 30.3% of new issues, respectively. Additionally, the average outstanding balance of corporate debt increased by 4.3%, with debentures of leasing companies accounting for 27.0% of the outstanding balance in 4Q20 (vs. 31.0% in 4Q19).

Treasury Direct's results in the quarter were similar to the previous year, with average stock decreasing 0.3%, despite the increase of 17.8% in the number of investors. B3 offers an incentive program for brokerage firms to increase the number of investors and outstanding positions in this product. This program is revised on a yearly basis, and the targets established for the year were adjusted to consider the results obtained in 2019. Additionally, as B3 and the National Treasury announced, as of August 2020 the Treasury Selic custody fee has been waived for the first R\$10 thousand invested.

### OTC Derivatives and Structured Operations

		4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
Issues	(total in R\$ billions)	3,047.7	3,081.9	-1.1%	2,409.5	26.5%
Outstanding balance	(average in R\$ billions)	4,569.0	2,828.0	61.6%	4,137.1	10.4%

Note: does not include outstanding positions of OTC derivatives with CCP.

The registration of new issues on the OTC derivatives and structured notes market fell by 1.1%, mainly due to a reduction in registration of *swap* contracts and other derivatives<sup>4</sup>, being partially offset by the growth in the registration of currency forward contracts. Despite the fall in new issues, the average outstanding balance increased grew by 61.6% in the quarter, since most of these contracts are referenced in US dollars.

### Infrastructure for Financing

		4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
SNG	Number of vehicles sold (thousands)	5,491.4	4,926.4	11.5%	4,697.2	16.9%
	Number of vehicles financed (thousands)	1,708.1	1,656.5	3.1%	1,527.0	11.9%
	% vehicles financed / vehicles sold	31.1%	33.6%	-2.5 pp	32.5%	-1.4 pp
Contracts System	Contracts added (thousands)	977.8	1,006.1	-2.8%	875.6	11.7%
	% Contracts added / vehicles financed	57.2%	60.7%	-3.5 pp	57.3%	-0.1 pp

The number of additions to the National Lien System (SNG) increased by 3.1%, driven by the rebound in economic activity Brazil in 4Q20. When compared to 3Q20, we see an increase of 16.9% in the number of vehicles sold, showing signs of recovery in a sector that was a strongly contraction in the beginning of the year. The growth of only 3.1% in the number of vehicles financed reflects the greater share of used vehicles in the total number of vehicles sold, since credit penetration in these transactions is lower. In the Contracts System, the number of transactions in 4Q20 fell by 2.8%, reflecting B3's lower market share in the period, which totaled 57.2% in the quarter.

### Technology, data and services

		4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
Monthly utilization	Average number of customers	14,606	13,722	6.4%	14,176	3.0%
CIP	Number of electronic cash transfers (TEDs) processed thousands)	399,811	244,978	63.2%	372,533	7.3%

The average number of customers that pay for the monthly utilization of OTC segment systems increased by 6.4% in the period, a result mainly attributed to the continuous growth of the fund management industry in Brazil. The number of TEDs processed increased by 63.2%, mainly due to the change in habits of bank customers during the COVID-19 pandemic.

## INCOME STATEMENT

### Revenue

**Total revenues** R\$2,537.7 million, up by 44.3%, with growth in revenues for all our segments, except OTC.

**Listed:** R\$1,741.7 million (68.6% of the total), up by 50.4%.

- **Equities and equity instruments:** R\$1,157.0 million (45.6% of the total), a 54.2% increase in the period.
  - Trading and post-trading: R\$1,006.8 million (39.7% of the total), an increase of 57.3%, reflecting the growth in volumes traded in cash equities and stock indices futures contracts.
  - Depository: R\$55.5 million (2.2% of the total), up by 47.5% in the period. The 99.2% increase in the average number of accounts in the depository was partially offset by revenue reductions generated by the incentive program to expand the individual investor base in the equities market, which totaled R\$31.5 million in 4Q20<sup>5</sup> (against R\$21.9 million in 4Q19).
  - Securities lending: R\$52.9 million (2.1% of the total), a 36.3% increase resulting from 29.9% higher average financial volume of outstanding positions.
  - Listing and solutions for issuers: R\$41.9 million (1.7% of the total), up by 22.9%, mainly due to the higher number of public offerings in the quarter, which raised R\$38.8 billion (10 IPOs and 6 follow-ons) in 4Q20 versus R\$32.2 billion (3 IPOs and 15 follow-ons) in 4Q19.
- **FICC:** R\$584.6 million (23.0% of the total), up by 43.5% reflecting mainly, (i) the 58.8% and 34.9% increase in ADV of interest rate contracts in USD and FX rate contracts, respectively (and despite decrease of 20.2% in Interest Rates in BRL contracts), and (ii) the appreciation of the US dollar, which has a positive impact on the RPC of these contracts.

**OTC:** R\$275.9 million (10.9% of the total), down by 5.4%.

- Fixed income instruments: R\$168.5 million (6.6% of the total), down by 14.0%, mainly due to the revenue shifting from OTC to Technology segment, consequence of the pricing changes announced in the beginning of the year, which aimed to share part of B3's operating leverage with the market. Under the new pricing policy, the Company waived some service fees related to volumes and included these services in the monthly usage service package (reported in the Technology and Access revenue line). Revenues from Treasury Direct (*Tesouro Direto*) amounted R\$38.5 million (market incentives related to this product totaled R\$5.9 million in the quarter and are classified as revenue-linked expenses), while in 4Q19, revenues were R\$44.0 million (including market incentives<sup>6</sup>).
- Derivatives and structured transactions: R\$64.4 million (2.5% of the total), up by 24.8%, mainly because of (i) the increase in the number of currency forward contracts, (ii) the appreciation of the dollar against the real, as a significant portion of the OTC derivative contracts' face values are in US dollars, and (iii) a higher average financial volume in the stock of derivatives and structured operations.
- Other: R\$43.0 million (1.7% of the total), down by 2.4%, as a result of the new pricing policy whereby part of the revenue related to the volume of services provided and maintenance of end users was transferred to the monthly utilization service, positively impacting the Technology and Access line.

**Infrastructure for financing:** R\$130.6 million (5.1% of the total), up by 15.2%, explained mainly by (i) the growth in the number of financed vehicles, (ii) the annual adjustment of prices according to inflation (IGP-M) and (iii) the expansion of revenues in *Portal de Documentos* and the real estate platform.

**Technology, data and services:** R\$305.9 million (12.1% of the total), up by 57.6%.

- **Technology and access:** R\$195.1 million (7.7% of the total), an increase of 66.7%, especially due to growth in the monthly utilization revenue line, which was driven by (i) the 6.4% increase in the base of customers that access the OTC segment platforms, (ii) changes in pricing for the monthly utilization service package and OTC fees, as previously explained, and (iii) the annual adjustment of prices according to inflation (IGP-M).
- **Data and analytics:** R\$66.0 million (2.6% of the total), an increase of 42.6%, which is mainly due to the appreciation of the US dollar, given that 43.7% of this revenue was linked to the US dollar in 4Q20.
- **Bank:** R\$14.9 million (0.6% of the total), a 36.7% increase, explained by (i) the appreciation of the dollar in the period and (ii) the increase in the volume of BDRs traded, mainly due to regulatory changes enabling securities to be traded by non-qualified investors, which came into effect in October 2020.
- **Other:** R\$29.9 million, (1.2% of the total), up by 50.4%.

**Reversal of Provisions:** positive R\$83.6 million (3.3% of the total), mainly explained by the reclassification of the probability of loss, from probable to possible, of a legal dispute with Vega Participações. Such reclassification resulted in reversal of provision of R\$99.6 million in the quarter, which was partially recognized in the revenue line (non-recurring positive impact of R\$83.6 million) and partially recognized in the expense line (non-recurring positive impact as expense reversal in the amount of R\$16.0 million), in addition to its associated impact in the deferred income tax and social contribution line (R\$33.8 million).

<sup>5</sup> The incentive program to attract investors to the stock market offers bonuses in the form of partial exemptions of the custody fee for brokers reaching performance targets related to growth in the number of accounts and in the balance deposited by this group of investors. Results of this program are determined and distributed on a semi-annual basis.

**Net revenues:** up by 44.4%, reaching R\$2,280.2 million.

## Expenses

Expenses totaled R\$722.5 million, a 10.0% increase.

- **Personnel and charges:** R\$219.1 million, down by 2.1%, reflecting (i) the reduction in the amount of indemnities and charges related to gross expenditures with the long-term stock-based compensation program and (ii) a reduction in expenses due to the impacts of COVID-19 on certain HR activities.
- **Data processing:** R\$79.2 million, a 37.4% increase due to (i) new and existing projects related to the improvement of infrastructure, processes, features and controls over business and corporate platforms, in line with the 2020 roadmap and (ii) increase in installed capacity to support higher volumes, which in turn leads to increased expenses in maintenance and support of the infrastructure.
- **Depreciation and amortization:** R\$270.8 million, a 5.0% increase, mainly due to the beginning of amortization of new projects.
- **Revenue-linked expenses:** R\$53.9 million, a 78.9% increase, explained by (i) the effect of the addition in this line of the incentives related to the Treasury Direct program, which totaled R\$5.9 million in the quarter, (ii) increase in price of gold, which affects B3's gold custody business, where we charge (revenue) and pay (revenue-linked expenses) a rate in bps on the asset price, and (iii) the effect of inclusion of revenue-linked expenses arising from the expansion of revenue-generating activities from *Portal de Documentos*.
- **Third-party services:** totaled R\$34.8 million, which represents an 89.6% increase, due to (i) consulting fees and (ii) execution of projects.
- **Other:** totaled R\$42.6 million in the quarter, up by 4.7%, affected by higher expenditures on donations related to B3's corporate philanthropy initiatives.

**Adjusted expenses:** R\$341.7 million, up by 9.6%.

(in R\$ thousands)	4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
<b>Expenses</b>	<b>(722,506)</b>	<b>(656,552)</b>	10.0%	<b>(648,458)</b>	11.4%
(+) Depreciation and amortization	270,813	257,820	5.0%	264,348	2.4%
(+) Long-term stock-based compensation	39,260	38,617	1.7%	39,992	-1.8%
(+) Provisions (recurring and non-recurring)	16,768	18,159	-7.7%	4,135	305.5%
(+) Revenue-linked expenses	53,921	30,137	78.9%	56,167	-4.0%
<b>Adjusted expenses</b>	<b>(341,744)</b>	<b>(311,819)</b>	<b>9.6%</b>	<b>(283,815)</b>	<b>20.4%</b>

## EBITDA

EBITDA totaled R\$1,728.9 million, a 46.5% increase. EBITDA margin was 78.7%, up by 396 bps.

(in R\$ thousands)	4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
<b>EBITDA</b>	<b>1,828,566</b>	<b>1,179,932</b>	<b>55.0%</b>	<b>1,904,673</b>	<b>-4.0%</b>
(+) Reversal of non-recurring provisions (revenue)	(83,608)	-	-	(186,682)	-
(+) Reversal of non-recurring provisions (expenses)	(16,055)	-	-	(52,313)	-
<b>Recurring EBITDA</b>	<b>1,728,903</b>	<b>1,179,932</b>	<b>46.5%</b>	<b>1,665,678</b>	<b>3.8%</b>
<i>EBITDA Margin (recurring)</i>	<i>78.7%</i>	<i>74.7%</i>	<i>396 bps</i>	<i>79.2%</i>	<i>-53 bps</i>

## Financial result

Financial result totaled R\$63.5 million in 4Q20. Financial revenues reached R\$69.4 million, down by 48.3%, mainly explained by the fall in interest rates in the period. The 41.5% reduction in the Company's financial expenses, which totaled R\$68.1 million, is mainly explained by the reduction in interest paid in the quarter due to the maturity of the bond in 3Q20. In addition, the financial result was also affected by the FX variation on loans in foreign currency and on the Company's foreign investments, which totaled R\$62.2 million in the quarter.

(in R\$ thousands)	4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
<b>Financial Result</b>	<b>63,498</b>	<b>36,004</b>	<b>76.4%</b>	<b>(26,425)</b>	-
Financial Income	69,411	134,297	-48.3%	69,171	0.3%
Financial expenses	(68,103)	(116,506)	-41.5%	(72,012)	-5.4%
Net FX variations	62,190	18,213	241.5%	(23,584)	-

The table below demonstrates the impacts of the FX variation on loans in foreign currency and on the Company's foreign investments, both in the financial result line and in the income tax and social contribution line.

(in R\$ thousands)	4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
Financial Result	63,498	36,004	76.4%	(26,425)	-
(+/-) Effects of FX variation on financial income	(69,768)	(20,975)	232.6%	25,838	-
<b>Adjusted financial income (excluding FX variation effects)</b>	<b>(6,270)</b>	<b>15,029</b>	<b>-</b>	<b>(587)</b>	<b>-968.1%</b>
Income before income tax	1,609,719	958,558	67.9%	1,547,091	4.0%
(+/-) Effects of FX variation on financial income	(69,768)	(20,975)	232.6%	25,838	-
<b>Income before tax on adjusted income (excluding FX variation effects)</b>	<b>1,539,951</b>	<b>937,583</b>	<b>64.2%</b>	<b>1,572,929</b>	<b>-2.1%</b>
Income tax and social contribution	(512,380)	(225,627)	127.1%	(410,595)	24.8%
(+/-) Effects of FX variation on income tax and social contribution	69,768	20,975	232.6%	(25,838)	-
<b>Adj. income tax and social contribution (excluding FX variation effects)</b>	<b>(442,612)</b>	<b>(204,652)</b>	<b>116.3%</b>	<b>(436,433)</b>	<b>1.4%</b>

### Income tax and social contribution

Income tax and social contribution totaled R\$512.4 million in 4Q20 and was affected by the payment of interest on capital (IoC) in the amount of R\$298.8 million. Current tax totaled R\$244.6 million and includes R\$44.5 million with cash impact. Deferred income tax and social contribution totaled R\$267.8 million, without any cash impact. This amount consisted mainly of the temporary differences in the amortization of goodwill for tax purposes of R\$119.6 million in 4Q20 and R\$148.2 million in reversal of tax credits.

### Net income

Net income attributable to B3's shareholders totaled R\$1,097.4 million, an increase of 49.6%.

### Adjustments to net income

(in R\$ thousands)	4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
<b>Net income (attributable to shareholders)</b>	<b>1,097,380</b>	<b>733,369</b>	<b>49.6%</b>	<b>1,136,984</b>	<b>-3.5%</b>
(+) Non-recurring provisions	(99,663)	-	-	(238,995)	-56.6%
(+) Impairment loss	12,662	-	-	67,723	-81.3%
(+) Tax impacts from non-recurring items	29,580	-	-	57,835	-46.4%
(+) Amortization of intangibles (Cetip combination)	119,606	131,177	-8.8%	119,660	-
<b>Recurring net income</b>	<b>1,159,565</b>	<b>864,546</b>	<b>34.1%</b>	<b>1,143,207</b>	<b>1.4%</b>
(+) Deferred tax (goodwill from Cetip combination)	119,628	119,629	0.0%	119,628	0.0%
<b>Recurring net income adjusted by goodwill tax benefit</b>	<b>1,279,193</b>	<b>984,175</b>	<b>30.0%</b>	<b>1,262,835</b>	<b>1.3%</b>

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

Excluding the amortization of intangible assets related to the combination with Cetip, the non-recurring impact of the reversal of a provision for legal dispute (in the revenue, expenses, and taxes lines) and a non-recurring loss from impairment related to BLK, net income would have reached R\$1,159.6 million<sup>7</sup> in the quarter, a 34.1% increase. Additionally, if adjusted for the tax benefit resulting from amortization of goodwill in connection with the Cetip combination, net income would have totaled R\$1,279.1 million.

## MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2020

### Assets, Liabilities and Shareholders' Equity Accounts

The Company ended the quarter with total assets of R\$46.3 billion, up by 15.8% against December 2019. The main changes in assets occurred in Cash and cash equivalents and Financial Investments (current and non-current), which together totaled R\$17.8 billion, reflecting (i) the Company's cash generation in the quarter, and (ii) the increase in the volume of collateral deposited in cash (also reported in current liabilities). This cash position includes R\$298.8 million in interest on capital paid in January 2021 and R\$2,823.2 million in declared dividends, of which (i) R\$835.0 million related to 3Q20 paid in January 2021, (ii) R\$798.5 million related to 4Q20 to be paid in April 2021 and (iii) R\$1,189.7 million in extraordinary dividends to be paid in May 2021.

As for liabilities, at the end of 4Q20, B3 had gross indebtedness of R\$7.0 billion (99.7% long term and 0.3% short term), corresponding to 1.1x the recurring EBITDA for the last 12 months. Shareholders' equity at the end of December 2020 was R\$24.5 billion, mainly composed of the capital reserve of R\$9.1 billion (against R\$18.1 billion in December 2019) and share capital of R\$12.5 billion (against R\$3.5 billion in December 2019).

<sup>7</sup> B3's purpose in presenting recurring net income is to enable easier comparison between the periods and, consequently, assessment of the Company's performance, highlighting non-recurring items that are not necessarily directly related to the normal course of its business.

## **OTHER FINANCIAL INFORMATION**

### **CAPEX**

In 4Q20, CAPEX totaled R\$177.2 million, which refer mainly to technological upgrades for all segments in which B3 operates, as well as for new product development and for the retrofit project of the Company's new headquarters (engineering, furniture and technology). In 2020, investments totaled R\$423.0 million.

### **Distribution to shareholders**

On March 04, 2021, the Board of Directors approved the payment of dividends for 4Q20 and extraordinary dividends related to 2020, in the amounts of R\$798.5 million and R\$1,189.7 million, respectively. Additionally, in 2020, share buybacks totaled R\$886.5 million. During the year, the Company distributed a total of R\$6.2 billion to its shareholders (R\$4.1 billion as dividends, R\$1.2 billion as interest on capital, and R\$0.9 billion in repurchases).

**CONSOLIDATED INCOME STATEMENT**

(in R\$ thousands)	4Q20	4Q19	4Q20/4Q19 (%)	3Q20	4Q20/3Q20 (%)
<b>Total Revenues</b>	<b>2,537,704</b>	<b>1,758,175</b>	<b>44.3%</b>	<b>2,535,465</b>	<b>0.1%</b>
<b>Listed</b>	<b>1,741,703</b>	<b>1,157,903</b>	<b>50.4%</b>	<b>1,682,442</b>	<b>3.5%</b>
<b>Cash equities and equity instruments</b>	<b>1,157,069</b>	<b>750,383</b>	<b>54.2%</b>	<b>1,120,468</b>	<b>3.3%</b>
Trading and post-trading	1,006,795	639,860	57.3%	985,812	2.1%
Depository	55,472	37,611	47.5%	42,114	31.7%
Securities lending	52,903	38,812	36.3%	50,443	4.9%
Listing and services for issuers	41,899	34,100	22.9%	42,099	-0.5%
<b>Interest Rates BRL, FX and commodities</b>	<b>584,634</b>	<b>407,520</b>	<b>43.5%</b>	<b>561,974</b>	<b>4.0%</b>
Trading and post-trading	584,634	407,520	43.5%	561,974	4.0%
<b>OTC</b>	<b>275,882</b>	<b>291,563</b>	<b>-5.4%</b>	<b>262,857</b>	<b>5.0%</b>
Fixed income	168,456	195,881	-14.0%	159,492	5.6%
Derivatives	64,442	51,639	24.8%	62,078	3.8%
Other	42,984	44,043	-2.4%	41,287	4.1%
<b>Infrastructure for financing</b>	<b>130,650</b>	<b>113,397</b>	<b>15.2%</b>	<b>111,564</b>	<b>17.1%</b>
<b>Technology, data and services</b>	<b>305,861</b>	<b>194,102</b>	<b>57.6%</b>	<b>290,467</b>	<b>5.3%</b>
Technology and access	195,093	117,060	66.7%	190,142	2.6%
Data and analytics	65,981	46,269	42.6%	61,037	8.1%
Bank	14,909	10,906	36.7%	13,229	12.7%
Other	29,878	19,867	50.4%	26,059	14.7%
<b>Reversal of provision</b>	<b>83,608</b>	<b>1,210</b>	<b>6809.8%</b>	<b>188,135</b>	<b>-55.6%</b>
<b>Deductions from revenue</b>	<b>(257,445)</b>	<b>(179,511)</b>	<b>43.4%</b>	<b>(246,682)</b>	<b>4.4%</b>
PIS and Cofins	(215,639)	(150,166)	43.6%	(206,373)	4.5%
Service tax	(41,806)	(29,345)	42.5%	(40,309)	3.7%
<b>Net revenues</b>	<b>2,280,259</b>	<b>1,578,664</b>	<b>44.4%</b>	<b>2,288,783</b>	<b>-0.4%</b>
<b>Expenses</b>	<b>(722,506)</b>	<b>(656,552)</b>	<b>10.0%</b>	<b>(648,458)</b>	<b>11.4%</b>
Personnel	(219,119)	(223,708)	-2.1%	(215,214)	1.8%
Data processing	(79,245)	(57,691)	37.4%	(63,318)	25.2%
Depreciation and amortization	(270,813)	(257,820)	5.0%	(264,348)	2.4%
Revenue-linked expenses	(53,921)	(30,137)	78.9%	(56,167)	-4.0%
Third-party services	(34,816)	(18,367)	89.6%	(16,623)	109.4%
Maintenance	(6,682)	(6,834)	-2.2%	(4,696)	42.3%
Marketing	(9,170)	(14,655)	-37.4%	(4,571)	100.6%
Taxes	(2,919)	(3,420)	-14.6%	(2,909)	0.3%
Board and committee members' compensation	(3,234)	(3,228)	0.2%	(3,215)	0.6%
Related to business combinations	-	-	-	-	-
Other	(42,587)	(40,692)	4.7%	(17,397)	144.8%
<b>Operating income</b>	<b>1,557,753</b>	<b>922,112</b>	<b>68.9%</b>	<b>1,640,325</b>	<b>-5.0%</b>
<i>Operating margin</i>	<i>68.3%</i>	<i>58.4%</i>	<i>990 bps</i>	<i>71.7%</i>	<i>-335 bps</i>
<b>Impairment</b>	<b>(12,662)</b>	<b>-</b>	<b>-</b>	<b>(67,723)</b>	<b>-81.3%</b>
<b>Equity in income of investees</b>	<b>1,130</b>	<b>442</b>	<b>155.7%</b>	<b>914</b>	<b>23.6%</b>
<b>Financial result</b>	<b>63,498</b>	<b>36,004</b>	<b>76.4%</b>	<b>(26,425)</b>	<b>-</b>
Financial income	69,411	134,297	-48.3%	69,171	0.3%
Financial expenses	(68,103)	(116,506)	-41.5%	(72,012)	-5.4%
Net FX variations	62,190	18,213	241.5%	(23,584)	-
<b>Income before taxes</b>	<b>1,609,719</b>	<b>958,558</b>	<b>67.9%</b>	<b>1,547,091</b>	<b>4.0%</b>
<b>Income tax and social contribution</b>	<b>(512,380)</b>	<b>(225,627)</b>	<b>127.1%</b>	<b>(410,595)</b>	<b>24.8%</b>
Current	(244,582)	(82,481)	196.5%	(136,145)	79.6%
Deferred	(267,798)	(143,146)	87.1%	(274,450)	-2.4%
<b>Net income</b>	<b>1,097,339</b>	<b>732,931</b>	<b>49.7%</b>	<b>1,136,496</b>	<b>-3.4%</b>
<i>Net Margin</i>	<i>48.1%</i>	<i>46.4%</i>	<i>170 bps</i>	<i>49.7%</i>	<i>-153 bps</i>
<b>Attributable to:</b>					
B3's shareholders	<b>1,097,380</b>	<b>733,369</b>	<b>49.6%</b>	<b>1,136,984</b>	<b>-3.5%</b>
<i>Net Margin</i>	<i>48.1%</i>	<i>46.5%</i>	<i>167 bps</i>	<i>49.7%</i>	<i>-155 bps</i>
Minority interest	(41)	(438)	-90.6%	(488)	-91.6%



SUMMARY OF THE CONSOLIDATED BALANCE SHEET

ASSETS (in R\$ thousands)	12/31/2020	12/31/2019	LIABILITIES AND EQUITY (in R\$ thousands)	12/31/2020	12/31/2019
<b>Current assets</b>	<b>17,086,412</b>	<b>10,454,127</b>	<b>Current liabilities</b>	<b>9,678,085</b>	<b>8,055,193</b>
Cash and cash equivalent	1,438,420	494,033	Collateral for transactions	5,695,723	3,013,447
Financial investments	14,003,987	8,631,578	Financial instruments for hedge	9,298	794
Other	1,644,005	1,328,516	Issue of debt abroad, loans and debentures	79,401	2,537,993
<b>Long-term non-current assets</b>	<b>14,878</b>	<b>14,878</b>	Other	3,893,663	2,502,959
<b>Non-current assets</b>	<b>29,231,493</b>	<b>29,558,310</b>	<b>Non-current liabilities</b>	<b>12,133,274</b>	<b>6,570,889</b>
<b>Long-term receivables</b>	<b>2,690,449</b>	<b>2,333,685</b>	Debts issued abroad	6,980,365	1,826,554
Financial investments	2,408,519	2,037,970	Deferred income tax and social contribution	4,529,334	3,788,388
Other	281,930	295,715	Other	623,575	955,947
<b>Investments</b>	<b>48,070</b>	<b>47,223</b>	<b>Equity</b>	<b>24,521,424</b>	<b>25,401,233</b>
<b>Property and equipment</b>	<b>808,894</b>	<b>689,853</b>	Capital	12,548,655	3,548,655
<b>Intangible assets</b>	<b>25,684,080</b>	<b>26,487,549</b>	Capital reserve	9,097,646	18,104,738
Goodwill	22,408,526	22,416,150	Other	2,863,650	3,734,608
Software and projects	3,275,554	4,071,399	Non-controlling interests	11,473	13,232
<b>Total assets</b>	<b>46,332,783</b>	<b>40,027,315</b>	<b>Total liabilities and equity</b>	<b>46,332,783</b>	<b>40,027,315</b>