

## CONFERENCE CALL (English)

10:00 a.m. (Brasília) /

9:00 a.m. (NYC)

Brazil: +55 (11) 3181-8565

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

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**Password: B3**

Webcast:

<https://choruscall.com.br/b3/1q21.htm>

## CONFERENCE CALL (Portuguese)

11:00 a.m. (Brasília) /

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## B3 ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2021

**São Paulo, May 6, 2021**— B3 S.A. – Brasil, Bolsa, Balcão (“B3” or “Company”; ticker B3SA3) reports today its first quarter (1Q21) earnings. Total revenues reached R\$2,667.6 million, a 25.5% increase over the same period of the previous year (1Q20), while recurring EBITDA totaled R\$1,946.3 million, up by 24.0% year-over-year (yoy). The Company’s recurring net income<sup>1</sup> totaled R\$1,336.1 million.

### MESSAGE FROM B3’S MANAGEMENT

The first quarter of 2021 saw trading volumes on our main platforms continuing to grow, driven mainly by an attractive macroeconomic environment for capital markets development, with low inflation and interest rates, as well as higher volatility.

The basic interest rate in Brazil was raised by 75bps twice in 2021 so far (in March and May), reaching 3.50% and reverting a downtrend observed since 2015, while still remaining at well below its historical average. We believe that the current interest rate environment allows for the development of the local capital markets, as well as the resumption of normal lending activity in Brazil, once the economy begins to recover.

In this context, equity funding remained intense in the quarter, with 15 IPOs and 7 follow-ons totaling R\$32.8 billion. ADTV grew to R\$36.8 billion in 1Q21, 17% above the average of 4Q20. We highlight that in February 2021 B3 implemented the intermediate model of the new pricing policy for equities, as disclosed in December 2020, which has the effect of lowering our fees in this segment, thus impacting our revenue lines from trading and depository. This initiative is in line with B3’s strategy to share operational leverage with clients and aims to enable growth of volumes and in number of investors. In the first quarter of the year, the number of individuals holding depository accounts with B3 rose close to 10%, with the addition of more than 330,000 accounts.

During this period of rising volumes, B3 continued to focus on operational excellence, ensuring the stability of our platforms at the highest levels of availability, thus strengthening our position as a robust and secure infrastructure for our customers and for the market. We are investing consistently to increase our capacity and continue to support the market’s expansion.

Likewise, our agenda of products and solutions developments progressed strongly with deliveries in all business segments, in line with our strategy of balancing improvements in existing services, launching new products and diversifying our businesses. The highlights were: on the listed segment (i) U.S. dollar *casado* contract; OTC (ii) public distribution of LIG/LF and (iii) maintenance of expired assets; in financing (iv) adjustments to Contran Resolution 807; in new verticals (v) improvements in insurance registration to grow the customer base and insurance modalities and (vi) launch of high-density racks for co-location in our data centers.

In 1Q21, B3 Social, a non-profit of which B3 is a founding member, continued to support non-government organizations in addressing the health and social emergencies associated with the pandemic, with R\$15 million in approved donations.

The high volumes traded in our platforms contributed to a solid financial performance in the first quarter. Revenues totaled R\$2.6 billion and were up by 5% from 4Q20 and 25% from 1Q20. Our operating leverage combined with discipline in expenses drove EBITDA’s 24% growth to R\$1.9 billion.

### Income statement summary:

(In R\$ millions)	1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
Total revenues	2,667.6	2,125.2	25.5%	2,537.7	5.1%
Net revenues	2,396.7	1,905.2	25.8%	2,280.3	5.1%
Expenses	(661.2)	(597.8)	10.6%	(722.5)	-8.5%
Financial result	(43.8)	(112.2)	-60.9%	63.5	-169.1%
Net income	1,256.0	1,025.1	22.5%	1,097.3	14.5%
Adjusted expenses	(291.7)	(273.8)	6.5%	(341.7)	-14.7%
<b>Recurring EBITDA</b>	<b>1,946.3</b>	<b>1,569.3</b>	<b>24.0%</b>	<b>1,728.9</b>	<b>12.6%</b>
EBITDA margin (recurring)	83.1%	82.4%	76 bps	78.7%	442 bps
Recurring net income	1,336.1	1,156.6	15.5%	1,159.6	15.2%

<sup>1</sup> See reconciliation on page 6.

## OPERATIONAL PERFORMANCE

All comparisons in this document are in relation to the first quarter of 2020 (1Q20), unless otherwise stated.

### Listed

In 1Q21, the performance of the listed segment was driven by: (i) the recovery of market capitalization in the equities segment, which by the end of 1Q20 was already affected by the Covid-19 crisis; (ii) new IPOs over the past 12 months; and (iii) higher trading volumes on our platforms in listed equities and derivatives, reflecting the larger investor base and volatility from political and economic uncertainties in the quarter.

### Equities

		1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
Cash market	ADTV (R\$ million)	36,817.9	27,863.8	32.1%	31,570.5	16.6%
	Margin (bps)	3.828	4.116	-0.288 bps	3.899	-0.070 bps
Average market capitalization	(R\$ billion)	5,161.2	4,333.7	19.1%	4,529.3	14.0%
Turnover velocity	Annualized (%)	176.2%	160.1%	1.611 bps	173.6%	264 bps
Options market (stock/indices)	ADTV (R\$ million)	925.1	789.2	17.2%	824.0	12.3%
	Margin (bps)	11.672	9.046	2,626 bps	12.366	-0.693 bps
Forward market	ADTV (R\$ million)	416.6	267.1	55.9%	228.6	82.3%
	Margin (bps)	8.954	13.000	-4,046 bps	12.967	-4,013 bps
Stock indices futures	ADV (thousands of contracts)	3,804.5	2,175.8	74.9%	2,962.2	28.4%
	Average RPC (R\$)	0.908	0.986	-7.9%	0.976	-6.9%
Number of accounts in depository	Average (thousand)	3,489.6	2,032.8	71.7%	3,215.5	8.5%
Securities lending	Average open positions (R\$ billion)	104.8	69.8	50.2%	84.1	24.7%

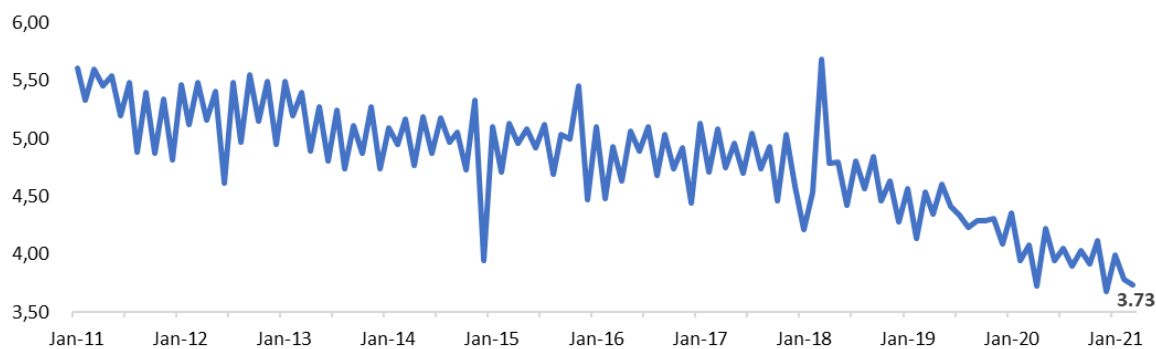
Note: ADTV stands for Average Daily Traded Value; ADV stands for Average Daily Volume; RPC stands for Revenue per Contract; bps stands for basis points; turnover velocity results from dividing the volume traded on the spot market in the period by the average market capitalization for the year.

The equities segment experienced a 32.1% growth in the cash equities market's ADTV and a 74.9% increase in stock indices futures contracts' volumes. In the cash equities market, this increase reflects a higher average market capitalization driven by IPOs throughout 2020, and the recovery of cash equities listed in the segment, which was heavily affected by the beginning of the pandemic in 1Q20, in addition to higher turnover velocity, which reached 176.2% 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 3.828 bps. The 0.288 bps decrease was mainly due to (i) discounts for higher volumes offered to the market under the pricing policy<sup>2</sup> still in effect in Jan/21 (ii) the new pricing policy for the equities market in effect from Feb/21<sup>3</sup> onwards, which replaced the progressive discount model based on global ADTV with lower prices for all investors and larger discounts for day traders, who also accounted for a higher share of trading in the period. The average RPC of stock indices futures contracts was R\$0.908, 7.9% lower than in the previous period, mainly due to higher trading volumes and higher participation of day traders.

The new pricing policy for shares 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>2</sup> According to the table of fees in effect until January 2021, marginal discounts were granted for the entire market whenever the month's average daily trading volume (ADTV) was over R\$9 billion, R\$11 billion and R\$13 billion.

<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\$20,000, 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 71.7%, reflecting the increased interest in diversifying investments in a lower interest rate environment. Finally, the average volume of open positions for securities lending grew by 50.2% year on year, with the implementation of the new electronic lending screen launched in Oct/20.

## FICC

		1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
Interest rates in BRL	ADV (thousands of contracts)	3,860.2	3,911.9	-1.3%	2,788.2	38.4%
	Average RPC (R\$)	0.855	0.814	5.1%	0.978	-12.6%
Interest rates in USD	ADV (thousands of contracts)	322.7	266.2	21.2%	395.9	-18.5%
	Average RPC (R\$)	2.750	2.140	28.5%	2.213	24.3%
FX rate	ADV (thousands of contracts)	1,127.2	791.8	42.4%	1,027.5	9.7%
	Average RPC (R\$)	5.495	4.308	27.5%	5.743	-4.3%
Commodities	ADV (thousands of contracts)	13.9	12.6	10.6%	17.7	-21.2%
	Average RPC (R\$)	2.516	2.010	25.2%	2.307	9.1%
Total	ADV total (thousands of contracts)	5,324.0	4,958.3	7.4%	4,229.3	25.9%
	Average RPC (R\$)	1.957	1.446	35.3%	2.257	-13.3%

The average daily traded volume in 1Q21 totaled 5.3 million contracts, up by 7.4%, reflecting higher volumes traded in all products except for Interest Rate contracts in BRL. Average RPC grew 35.3% in the period, influenced primarily by (i) the 22.8% appreciation of the USD against the BRL in the period, which had a positive impact on the RPC of FX rates and interest rates contracts in USD, since they are priced in US dollars, (ii) the higher share of FX rates contracts in the mix of products during the period and (iii) the increase in longer-term interest rates contracts in BRL, which have a higher RPC.

## OTC

### Fixed Income Instruments

		1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
New Issues	Bank funding (total in R\$ billions)	2,757.7	2,583.7	6.7%	3,511.1	-21.5%
	Other (total in billions)	141.1	115.8	21.8%	192.3	-26.6%
Outstanding balance	Bank funding (average in R\$ billions)	2,168.0	1,571.0	38.0%	2,163.9	0.2%
	Corporate debt (average in R\$ billions)	689.1	676.7	1.8%	691.4	-0.3%
	Other (average in R\$ billions)	765.4	680.2	12.5%	693.0	10.4%
Treasury Direct	Number of investors (average in thousands)	1,471.7	1,212.8	21.3%	1,392.7	5.7%
	Stock (average in R\$ billions)	66.8	64.8	3.1%	67.0	-0.4%

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

During the quarter, the volume of new issues and the outstanding positions of bank funding instruments increased by 6.7% and 38.0% respectively, mainly due to the increase of issuances of certificates of deposit by banks, which represented 73.1% of new issues, with financial institutions increasing their liquidity to fund the expansion of credit and strengthen their balance sheets. Additionally, the average outstanding balance of corporate debt increased by 1.8%, with debentures of leasing companies accounting for 23.6% of the outstanding balance of corporate debt in 1Q21 (vs. 29.9% in 1Q20).

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 21.3% and 3.1%, respectively. B3 offers an incentive program for brokerage firms to increase the number of investors and outstanding positions in this product, which is revised in 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, 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 Transactions

		1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
Issues	(total in R\$ billions)	2,892.3	3,991.0	-27.5%	3,047.7	-5.1%
Outstanding balance	(average in R\$ billions)	4,659.5	3,432.7	35.7%	4,569.0	2.0%

<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 27.5%, mainly due to the high number achieved in 1Q20, a period which was influenced by intense 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 35.7%, reflecting the depreciation of BRL versus USD, since most of these contracts are referenced in US dollars.

## Infrastructure for Financing

		1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
SNG	Number of vehicles sold (thousands)	4,373.1	3,962.8	10.4%	5,491.4	-20.4%
	Number of vehicles financed (thousands)	1,402.7	1,423.9	-1.5%	1,708.1	-17.9%
	% vehicles financed / vehicles sold	32.1%	35.9%	-3.9 pp	31.1%	1.0 pp
Contracts System	Contracts added (thousands)	798.8	845.7	-5.5%	977.8	-18.3%
	% Contracts added / vehicles financed	56.9%	59.4%	-2.4 pp	57.2%	-0.3 pp

The number of vehicles sold grew 10.4% in 1Q21, reflecting this market's recovery in relation to 1Q20, which was heavily affected by the partial lock-down measures implemented in the first half of 2020. In 1Q21, the effects of the pandemic were felt again when the second wave of Covid-19 broke out and restrictive measures were reintroduced, negatively affecting sales, which fell 20.4% from 4Q20.

The number of additions to the National Liens System (SNG) was down by 1.5% against 1Q20 and down by 17.9% from 4Q20, reflecting the above-mentioned trends and higher share of used vehicles in the mix of vehicles sold, since credit penetration in these transactions is lower.

Transactions in the Contracts System were down by 5.5% in the quarter. It is worth noting that in the course of 1Q21 we replaced *Integra +* by *SEND*, a new product which alters our contracts system model to comply with Contran Resolution 807, which came into effect on 1/1/21. In this new model (*SEND*), B3 offers a software license to financial institutions so they are able to retrieve the data required to register contracts at the states departments of motor vehicle (*Detrans*). This registration process which therefore conducted directly by financial institutions and/or authorized registration companies. The pricing of B3's software license subscription is variable, depending on the number of contracts queried by financial institutions.

## Technology, data and services

		1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
Monthly Utilization	Average number of customers	15,188	13,844	9.7%	14,606	4.0%
CIP	Number of electronic cash transfers (TEDs) processed (thousands)	249,174	260,184	-4.2%	399,811	-37.7%

The average number of customers that pay for the monthly utilization of OTC segment systems increased by 9.7%, mainly due to the fund industry's growth in Brazil. The number of TEDs (electronic transfers) processed was down by 4.2% due to growing use of instant payment (PIX) in the period.

## INCOME STATEMENT

### Revenue

**Total revenues:** R\$2,667.6 million, up by 25.5%, showing growth in all our segments.

**Listed:** R\$1,893.0 million (71.0% of the total), up by 25.7%.

- **Equities and equity instruments:** R\$1,267.8 million (47.5% of the total), up by 20.3% in the period.
  - **Trading and post-trading:** R\$1,140.9 million (42.8% of the total), up by 23.4%, reflecting growing volumes traded in cash equities and stock indices futures.
  - **Depository:** R\$40.5 million (1.5% of the total), down by 16.5% in the period, mainly due to the new pricing policy for the equities market, which came into effect in Feb/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\$20,000.
  - **Securities lending:** R\$43.9 million (1.6% of the total), down by 7.5%, mainly due to the new pricing policy for equity securities lending, introduced in oct/20, which replaced a fee based in bps per year for a fee based in a percentage on the lending contract.
  - **Listing and solutions for issuers:** R\$42.5 million (1.6% of the total), up by 29.4% mainly due to higher number of public offerings, which totaled 22 offerings (15 IPOs and 7 follow-ons) in 1Q21, with a total raised of R\$32.8 billion, versus R\$31.0 billion in 1Q20 (4 IPOs and 5 follow-ons).
- **FICC:** R\$625.2 million (23.4% of the total), up by 38.2%, reflecting mainly (i) higher volumes traded, with the exception of interest rate contracts in BRL, and (ii) a 35.3% increase in the average RPC of contracts, positively impacted by the appreciation of the US dollar and stronger demand for interest rate contracts in USD and FX rate contracts.

**OTC:** R\$269.6 million (10.1% of the total), up by 9.8%.

- **Fixed income instruments:** R\$160.6 million (6.0% of the total), an increase of 10.6%, mainly due to (i) the growth in issuances and the outstanding balance of bank funding instruments, in particular certificates of deposits, (ii) higher outstanding balance of corporate debt and (iii) growth in the outstanding balance of Treasury Direct.
- **Derivatives and structured transactions:** R\$67.1 million (2.5% of the total), up by 6.7% due mainly to (i) the appreciation of the US dollar against the real, since a substantial portion of OTC derivative contracts is denominated in US dollars, and (ii) the higher average financial volume in the outstanding balance of derivatives and structured operations.
- **Other:** R\$41.9 million (1.6% of total), up by 12.0%, reflecting increased outstanding balance of fund quotas.

**Infrastructure for financing:** R\$122.1 million (4.6% of the total), an increase of 17.1%, due to the low numbers in 1Q20, strongly affected by the beginning of 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 Contract System (*SEND*). The lower revenue is a temporary effect due to incentives offered exclusively for the months of March and April 2021 to encourage quick and effective migration of customers to the new software subscription model.

**Technology, data and services:** R\$327.5 million (12.3% of total), up by 24.8%.

- **Technology and access:** R\$198.3 million (7.4% of the total), up by 11.3%, with emphasis on the growth of the monthly utilization line, driven by (i) the 9.7% increase in customers accessing OTC platforms and (ii) annual adjustment of prices according to inflation (IPCA).
- **Data and analytics:** R\$76.5 million (2.9% of the total), up by 61.6% mainly due to (i) the appreciation of the US dollar, given that 38.8% of this revenue was linked to the US dollar in the quarter, and (ii) expansion of the customer base and B3's products.
- **Bank:** R\$18.5 million (0.7% of the total), up by 54.7%, mainly due to the appreciation of the US dollar and higher volume of BDRs in the period.
- **Other:** R\$34.2 million, (1.3% of the total), up by 37.7%.

**Reversal of Provisions:** R\$55.5 million (2.1% of the total), mainly explained by the reclassification of the probability of loss, from probable to possible, of a legal dispute with Banco BMD. Such reclassification resulted in reversal of provision of R\$53.6 million in the quarter, which was partially recognized in the revenue line (non-recurring positive impact of R\$55.5 million) and partially recognized in the expense line (non-recurring negative impact as expense in the amount of R\$1.9 million).

**Net revenues:** up by 25.8%, reaching R\$2,396.7 million.

#### Expenses

Expenses totaled R\$661.2 million, a 10.6% increase.

- **Personnel and charges:** R\$227.3 million, up by 7.7%, mainly due to the annual salary adjustment for inflation under the collective bargaining agreement and the growth of B3's team.
- **Data processing:** R\$69.6 million, an increase of 14.2%, due to new projects linked to capacity, new features in our platforms and FX impact.
- **Depreciation and amortization:** R\$264.4 million, up by 1.0%.
- **Revenue-linked expense:** R\$59.2 million, an increase of 44.1%, mainly due to (i) higher expenses for Portal de Documentos operations, with increased volume of real estate financing transactions, (ii) increased price of gold, which affects B3's gold custody business, where we charge (revenue) and pay (revenue-linked expense) a fee in bps on the asset price, and (iii) a larger number of IPOs in the quarter.
- **Third-party services:** totaled R\$11.9 million, down by 24.4%, due to lower expenses incurred for consulting and legal fees related to regulatory matters.
- **Other:** totaled R\$14.8 million. The most relevant items in this line were: (i) electricity expenses, (ii) insurance expenses, (iii) provisions and (iv) donations and other contributions.

**Adjusted Expenses:** R\$291.7 million, up by 6.5%, mainly reflecting higher data processing and personnel, as explained above.

#### Reconciliation of adjusted expenses

(In R\$ millions)	1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
<b>Expenses</b>	<b>(661.2)</b>	<b>(597.8)</b>	10.6%	<b>(722.5)</b>	-8.5%
(+) Depreciation and amortization	264.4	261.9	1.0%	270.8	-2.4%
(+) Long-term stock-based compensation	41.6	42.1	-1.2%	39.3	6.1%
(+) Provisions (recurring and non-recurring)	4.4	(21.1)	-	16.8	-74.0%
(+) Revenue-linked expenses	59.2	41.1	44.1%	53.9	9.7%
<b>Adjusted expenses</b>	<b>(291.7)</b>	<b>(273.8)</b>	6.5%	<b>(341.7)</b>	-14.7%

## EBITDA

EBITDA totaled R\$1,946 million, up by 24.0%, which was in line with revenue numbers. EBITDA margin was 83.1%, 76 bps higher.

(In R\$ millions)	1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
<b>EBITDA</b>	<b>1,999.9</b>	<b>1,569.3</b>	27.4%	<b>1,828.6</b>	9.4%
(+) Reversal of non-recurring provisions (revenue)	(55.5)	-	-	(83.6)	-33.6%
(+) Reversal of non-recurring provisions (expenses)	1.9	-	-	(16.1)	-
<b>Recurring EBITDA</b>	<b>1,946.3</b>	<b>1,569.3</b>	24.0%	<b>1,728.9</b>	12.6%
<i>EBITDA margin (recurring)</i>	<i>83.1%</i>	<i>82.4%</i>	<i>76 bps</i>	<i>78.7%</i>	<i>442 bps</i>

## Financial Result

Financial result for 1Q21 was negative by R\$43.8 million. Financial revenues reached R\$82.5 million, down by 35.4%, mainly due to lower interest rates. Financial expenses totaled R\$71.4 million and were down by 13.7%, mainly due to the global bond maturing in July 2020.

(In R\$ millions)	1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
<b>Financial result</b>	<b>(43.8)</b>	<b>(112.2)</b>	-60.9%	<b>63.5</b>	-169.1%
Financial Income	82.5	127.8	-35.4%	69.4	18.9%
Financial expenses	(71.4)	(82.7)	-13.7%	(68.1)	4.8%
Net FX variations	(55.0)	(157.3)	-65.1%	62.2	-188.4%

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 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.

(In R\$ millions)	1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
Financial result	(43.8)	(112.2)	-60.9%	63.5	-169.1%
(+/-) Effects of FX variation on financial income	79.9	183.2	-56.4%	(69.8)	-214.5%
<b>Adjusted financial income (excluding FX variation effects)</b>	<b>36.0</b>	<b>71.0</b>	<b>-49.3%</b>	<b>(6.3)</b>	<b>-674.6%</b>
Income before income tax	1,692.9	1,194.9	41.7%	1,609.7	5.2%
(+/-) Effects of FX variation on financial income	79.9	183.2	-56.4%	(69.8)	-214.5%
<b>Income before tax on adjusted income (excluding FX variation effects)</b>	<b>1,772.8</b>	<b>1,378.1</b>	<b>28.6%</b>	<b>1,540.0</b>	<b>15.1%</b>
Income tax and social contribution	(436.9)	(169.8)	157.3%	(512.4)	-14.7%
(+/-) Effects of FX variation on income tax and social contribution	(79.9)	(183.2)	-56.4%	69.8	-214.5%
<b>Adj. income tax and social contribution (excluding FX variation effects)</b>	<b>(516.7)</b>	<b>(353.0)</b>	<b>46.4%</b>	<b>(442.6)</b>	<b>16.7%</b>

## Income tax and social contribution

Income tax and social contribution totaled R\$436.9 million in 1Q21 and impacted by the payment of interest on capital (IoC) in the amount of R\$232.5 million. Current tax totaled R\$209.4 million and includes R\$50.2 million that will affect next quarter's cash flow. Deferred income tax and social contribution line was R\$227.4 million, with no cash impact, mainly consisting of temporary difference of tax amortizations of goodwill in 1Q21, in the amount of R\$119.6 million, and R\$88.3 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 reached R\$1,256.0 million, an increase of 22.5%, reflecting the Company's positive operating performance across all lines of business in the quarter.

### Adjustments to net income

(in R\$ millions)	1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
<b>Net income (attributable to shareholders)</b>	<b>1,256.0</b>	<b>1,025.6</b>	<b>22.5%</b>	<b>1,097.4</b>	<b>14.5%</b>
(+) Non-recurring provisions	(53.6)	-	-	(99.7)	-46.2%
(+) Impairment loss	-	-	-	12.7	-100.0%
(+) Tax impacts from non-recurring items	18.2	-	-	29.6	-38.4%
(+) Amortization of intangibles (Cetip combination)	115.5	131.1	-11.9%	119.6	-3.5%
<b>Recurring net income</b>	<b>1,336.1</b>	<b>1,156.6</b>	<b>15.5%</b>	<b>1,159.6</b>	<b>15.2%</b>
(+) Deferred tax (goodwill from Cetip combination)	119.6	119.6	0.0%	119.6	0.0%
<b>Recurring net income adjusted by goodwill tax benefit</b>	<b>1,455.7</b>	<b>1,276.3</b>	<b>14.1%</b>	<b>1,279.2</b>	<b>13.8%</b>

Note: amounts net of tax calculated at a rate of 34% on the taxable profit. PUBLIC INFORMATION

Excluding the abovementioned non-recurring items, net income would have reached R\$1,336.1 million<sup>5</sup> in the quarter, an increase of 15.5%. Additionally, if adjusted for the tax benefit resulting from amortization of goodwill related to the combination with Cetip, net income would have totaled R\$1,455.7 million.

## **MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2021**

### **Assets, Liabilities and Shareholder's Equity Accounts**

The Company ended the quarter with total assets of R\$46.2 billion, down by 0.3% from December 2020. Cash and cash equivalents (current and non-current) totaled R\$18.3 billion. The cash position includes (i) R\$232.5 million in interest on capital paid in April 2021 and R\$1,988.2 million in dividends referring to 2020, of which (ii) R\$798.5 million declared in 4Q20 and paid out in April 2021, and (iii) R\$1,189.7 million in extraordinary dividends for the year 2020 to be paid in May 2021.

As for liabilities, B3's gross indebtedness at the end of 1Q21 totaled R\$7.1 billion (99.7% long term and 0.3% short term), or 1.1x recurring EBITDA for the previous 12 months. Shareholders' equity at the end of March 2021 was R\$24.3 billion, consisting mainly of capital reserves of R\$8.3 billion (vs. R\$9.1 billion in December 2020) and share capital of R\$12.5 billion.

## **OTHER FINANCIAL INFORMATION**

### **CAPEX**

In 1Q21, CAPEX totaled R\$112.2 million, mainly for technological upgrades, as well as for new product developments and for the retrofitting of the Company's new headquarters (engineering, furniture and technology).

### **Distributions to shareholders**

On March 19, 2021, the Board of Directors approved the payment of IoC for 1Q21 in the amount of R\$232.5 million, distributed on April 8. Additionally, share buybacks under the 2021 Buyback Program totaled R\$175.7 million in the quarter, amounting to R\$408.2 million of earnings distributed 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.

## CONSOLIDATED INCOME STATEMENT

<i>(In R\$ thousands)</i>	1Q21	1Q20	1Q21/1Q20 (%)	4Q20	1Q21/4Q20 (%)
<b>Total Revenues</b>	<b>2,667,602</b>	<b>2,125,162</b>	<b>25.5%</b>	<b>2,537,704</b>	<b>5.1%</b>
<b>Listed</b>	<b>1,892,963</b>	<b>1,505,773</b>	<b>25.7%</b>	<b>1,741,703</b>	<b>8.7%</b>
<b>Cash equities and equity instruments</b>	<b>1,267,752</b>	<b>1,053,452</b>	<b>20.3%</b>	<b>1,157,069</b>	<b>9.6%</b>
Trading and post-trading	1,140,855	924,694	23.4%	1,006,795	13.3%
Depository	40,465	48,442	-16.5%	55,472	-27.1%
Securities lending	43,914	47,463	-7.5%	52,903	-17.0%
Listing and services for issuers	42,518	32,853	29.4%	41,899	1.5%
<b>Interest Rates BRL, FX and commodities</b>	<b>625,211</b>	<b>452,321</b>	<b>38.2%</b>	<b>584,634</b>	<b>6.9%</b>
Trading and post-trading	625,211	452,321	38.2%	584,634	6.9%
<b>OTC</b>	<b>269,545</b>	<b>245,505</b>	<b>9.8%</b>	<b>275,882</b>	<b>-2.3%</b>
Fixed income	160,569	145,213	10.6%	168,456	-4.7%
Derivatives	67,067	62,879	6.7%	64,442	4.1%
Other	41,909	37,413	12.0%	42,984	-2.5%
<b>Infrastructure for financing</b>	<b>122,104</b>	<b>104,267</b>	<b>17.1%</b>	<b>130,650</b>	<b>-6.5%</b>
<b>Technology, data and services</b>	<b>327,514</b>	<b>262,349</b>	<b>24.8%</b>	<b>305,861</b>	<b>7.1%</b>
Technology and access	198,341	178,223	11.3%	195,093	1.7%
Data and analytics	76,516	47,352	61.6%	65,981	16.0%
Bank	18,453	11,928	54.7%	14,909	23.8%
Other	34,204	24,846	37.7%	29,878	14.5%
<b>Reversal of provision</b>	<b>55,476</b>	<b>7,268</b>	<b>663.3%</b>	<b>83,608</b>	<b>-33.6%</b>
<b>Deductions from revenue</b>	<b>(270,898)</b>	<b>(219,961)</b>	<b>23.2%</b>	<b>(257,445)</b>	<b>5.2%</b>
PIS and Cofins	(227,821)	(184,533)	23.5%	(215,639)	5.6%
Service tax	(43,077)	(35,428)	21.6%	(41,806)	3.0%
<b>Net revenues</b>	<b>2,396,704</b>	<b>1,905,201</b>	<b>25.8%</b>	<b>2,280,259</b>	<b>5.1%</b>
<b>Expenses</b>	<b>(661,217)</b>	<b>(597,810)</b>	<b>10.6%</b>	<b>(722,506)</b>	<b>-8.5%</b>
Personnel	(227,342)	(211,089)	7.7%	(219,119)	3.8%
Data processing	(69,596)	(60,929)	14.2%	(79,245)	-12.2%
Depreciation and amortization	(264,409)	(261,908)	1.0%	(270,813)	-2.4%
Revenue-linked expenses	(59,156)	(41,066)	44.1%	(53,921)	9.7%
Third-party services	(11,952)	(15,816)	-24.4%	(34,816)	-65.7%
Maintenance	(5,090)	(5,915)	-13.9%	(6,682)	-23.8%
Marketing	(2,908)	(4,145)	-29.8%	(9,170)	-68.3%
Taxes	(2,748)	(2,587)	6.2%	(2,919)	-5.9%
Board and committee members' compensation	(3,234)	(3,411)	-5.2%	(3,234)	0.0%
Other	(14,782)	9,056	-263.2%	(42,587)	-65.3%
<b>Operating income</b>	<b>1,735,487</b>	<b>1,307,391</b>	<b>32.7%</b>	<b>1,557,753</b>	<b>11.4%</b>
<i>Operating margin</i>	<b>72.4%</b>	<b>68.6%</b>	<b>379 bps</b>	<b>68.3%</b>	<b>410 bps</b>
<b>Impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,662)</b>	<b>-100.0%</b>
<b>Equity in income of investees</b>	<b>1,240</b>	<b>(261)</b>	<b>-575.1%</b>	<b>1,130</b>	<b>9.7%</b>
<b>Financial result</b>	<b>(43,848)</b>	<b>(112,223)</b>	<b>-60.9%</b>	<b>63,498</b>	<b>-169.1%</b>
Financial income	82,512	127,759	-35.4%	69,411	18.9%
Financial expenses	(71,394)	(82,682)	-13.7%	(68,103)	4.8%
Net FX variations	(54,966)	(157,300)	-65.1%	62,190	-188.4%
<b>Income before taxes</b>	<b>1,692,879</b>	<b>1,194,907</b>	<b>41.7%</b>	<b>1,609,719</b>	<b>5.2%</b>
<b>Income tax and social contribution</b>	<b>(436,852)</b>	<b>(169,786)</b>	<b>157.3%</b>	<b>(512,380)</b>	<b>-14.7%</b>
Current	(209,439)	(107,623)	94.6%	(244,582)	-14.4%
Deferred	(227,413)	(62,163)	265.8%	(267,798)	-15.1%
<b>Net income</b>	<b>1,256,027</b>	<b>1,025,121</b>	<b>22.5%</b>	<b>1,097,339</b>	<b>14.5%</b>
<i>Net Margin</i>	<b>52.4%</b>	<b>53.8%</b>	<b>-140 bps</b>	<b>48.1%</b>	<b>428 bps</b>
<b>Attributable to:</b>					
B3's shareholders	<b>1,256,038</b>	<b>1,025,552</b>	<b>22.5%</b>	<b>1,097,380</b>	<b>14.5%</b>
<i>Net Margin</i>	<b>52.4%</b>	<b>53.8%</b>	<b>-142 bps</b>	<b>48.1%</b>	<b>428 bps</b>
Minority interest	(11)	(431)	-97.4%	(41)	-73.2%



## SUMMARY OF CONSOLIDATED BALANCE SHEET

ASSETS	03/31/2021	12/31/2020	LIABILITIES AND EQUITY	03/31/2021	12/31/2020
<b>Current assets</b>	<b>16,867,853</b>	<b>17,086,412</b>	<b>Current liabilities</b>	<b>9,499,611</b>	<b>9,678,085</b>
Cash and cash equivalent	1,536,454	1,438,420	Collateral for transactions	6,044,950	5,695,723
Financial investments	14,089,062	14,003,987	Financial instruments for hedge	34,392	9,298
Other	1,242,337	1,644,005	Loans and debentures	37,809	79,401
<b>Long-term non-current assets</b>	<b>14,878</b>	<b>14,878</b>	Other	3,382,460	3,893,663
<b>Non-current assets</b>	<b>29,311,464</b>	<b>29,231,493</b>	<b>Non-current liabilities</b>	<b>12,367,047</b>	<b>12,133,274</b>
<b>Long-term receivables</b>	<b>2,974,038</b>	<b>2,690,449</b>	Loans and debentures	7,051,494	6,980,365
Financial investments	2,692,312	2,408,519	Deferred income tax and social contribution	4,681,446	4,529,334
Other	281,726	281,930	Other	634,107	623,575
<b>Investments</b>	<b>48,931</b>	<b>48,070</b>	<b>Equity</b>	<b>24,327,537</b>	<b>24,521,424</b>
<b>Property and equipment</b>	<b>802,358</b>	<b>808,894</b>	Capital	12,548,655	12,548,655
<b>Intangible assets</b>	<b>25,486,137</b>	<b>25,684,080</b>	Capital reserve	8,300,967	9,097,646
Goodwill	22,408,526	22,408,526	Other	3,466,453	2,863,650
Software and projects	3,077,611	3,275,554	Non-controlling interests	11,462	11,473
<b>Total assets</b>	<b>46,194,195</b>	<b>46,332,783</b>	<b>Total liabilities and equity</b>	<b>46,194,195</b>	<b>46,332,783</b>