



# 4Q23 Earnings Presentation

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Investor Relations

### **Forward Looking Statements**

*This presentation may contain certain statements that express the management's expectations, beliefs and assumptions about future events or results. Such statements are not historical fact, being based on currently available competitive, financial and economic data, and on current projections about the industries B3 works in.*

*The verbs "anticipate," "believe," "estimate," "expect," "forecast," "plan," "predict," "project," "target" and other similar verbs are intended to identify these forward-looking statements, which involve risks and uncertainties that could cause actual results to differ materially from those projected in this presentation and do not guarantee any future B3 performance. The factors that might affect performance include, but are not limited to: (i) market acceptance of B3 services; (ii) volatility related to (a) the Brazilian economy and securities markets and (b) the highly-competitive industries in which B3 operates; (iii) changes in (a) domestic and foreign legislation and taxation and (b) government policies related to the financial and securities markets; (iv) increasing competition from new entrants to the Brazilian markets; (v) ability to keep up with rapid changes in technological environment, including the implementation of enhanced functionality demanded by B3 customers; (vi) ability to maintain an ongoing process for introducing competitive new products and services, while maintaining the competitiveness of existing ones; (vii) ability to attract new customers in domestic and foreign jurisdictions; (viii) ability to expand the offer of B3 products in foreign jurisdictions.*

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# [B]<sup>3</sup> Highlights

## Operational Performance

		4Q23	4Q23/4Q22	4Q23/3Q23
<b>Listed - Equities</b>				
Equities	ADTV (R\$ millions)	24,259	-24.8%	2.0%
	Average Fee ( <i>bps</i> )	3.298	0.043 <i>bps</i>	-0.050 <i>bps</i>
Stock Indices	ADV (thousands of contracts)	3,393	-3.9%	3.4%
	Average RPC (R\$)	0.936	1.1%	-2.3%
<b>Listed - Derivatives</b>	ADV (thousands of contracts)	6,170	35.7%	4.8%
	Average RPC (R\$)	1.491	-28.1%	-1.0%
<b>OTC</b>				
Fixed Income	New issues (R\$ bn)	4,702	6.7%	4.0%
	Outstanding volume (R\$ bn)	6,074	14.3%	4.0%
Derivatives	New transactions (R\$ bn)	3,779	29.3%	30.4%
	Outstanding volume (R\$ bn)	6,168	9.2%	7.8%

# [B]<sup>3</sup> Highlights

## Financial Performance

(R\$ million)	4Q23	4Q23/4Q22	4Q23/3Q23
<b>Total Revenues</b>	<b>2,493.6</b>	<b>-2.9%</b>	<b>0.1%</b>
Listed	1,419.2	-13.5%	-4.7%
OTC	399.0	14.7%	6.1%
Infrastructure for financing	153.2	38.0%	29.5%
Technology, data and services	522.0	11.5%	5.4%
<b>Reversal of provisions</b>	<b>0.2</b>	<b>101.0%</b>	<b>-98.1%</b>
<b>Net Revenues</b>	<b>2,242.2</b>	<b>-2.8%</b>	<b>-0.3%</b>
<b>Expenses</b>	<b>(1,072.8)</b>	<b>9.9%</b>	<b>18.9%</b>
Personnel and charges	(357.5)	0.3%	3.4%
Data processing	(170.4)	19.4%	24.8%
Depreciation and amortization	(279.9)	8.4%	-0.6%
Other	(265.0)	20.9%	91.7%
<b>Recurring EBITDA<sup>1</sup></b>	<b>1,459.6</b>	<b>-10.3%</b>	<b>-9.8%</b>
<i>Recurring EBITDA margin<sup>1</sup></i>	65.1%	-540 bps	-721 bps
Financial result	24.5	-49.5%	-37.3%
<b>Recurring net income<sup>1</sup></b>	<b>1,057.7</b>	<b>-8.2%</b>	<b>-8.7%</b>

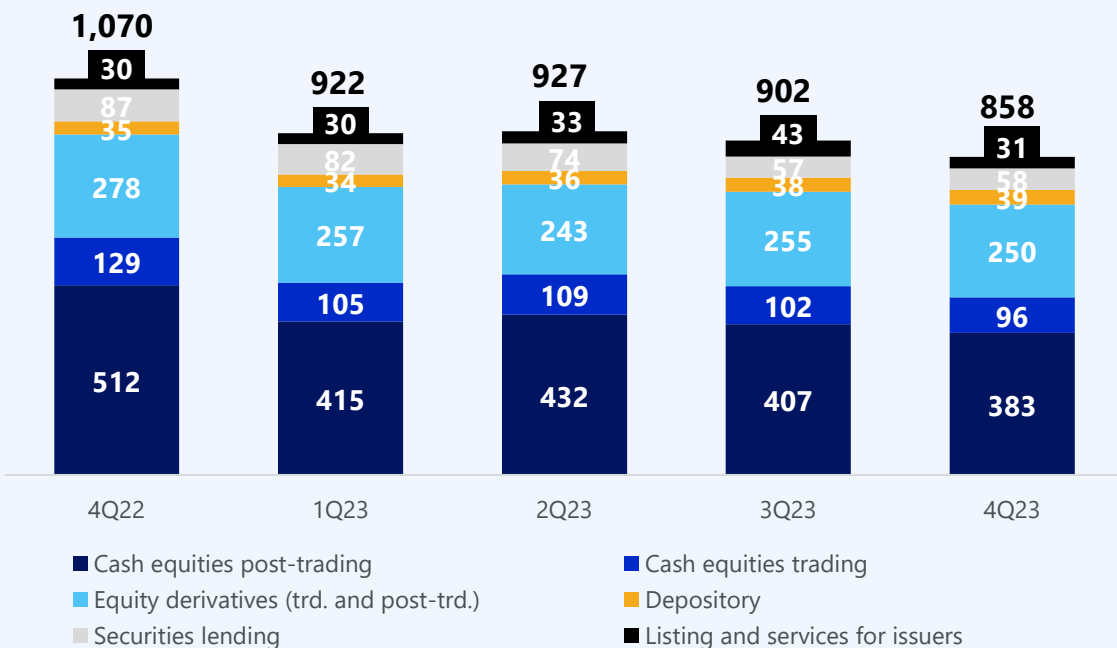
<sup>1</sup>See reconciliations on slide 15/16 attached

## Listed Equities (1/2)

Results 4Q23

### Revenue distribution (R\$ million)

4Q23 (R\$ million)	Δ 4Q22	Δ 3Q23
858	-20%	-5%



\*Not adjusted for negative R\$6.3m in 4Q22 and negative R\$ 5.0m in 4Q23 for [educational incentives](#)



### HIGHLIGHTS 4Q23 / 4Q22:

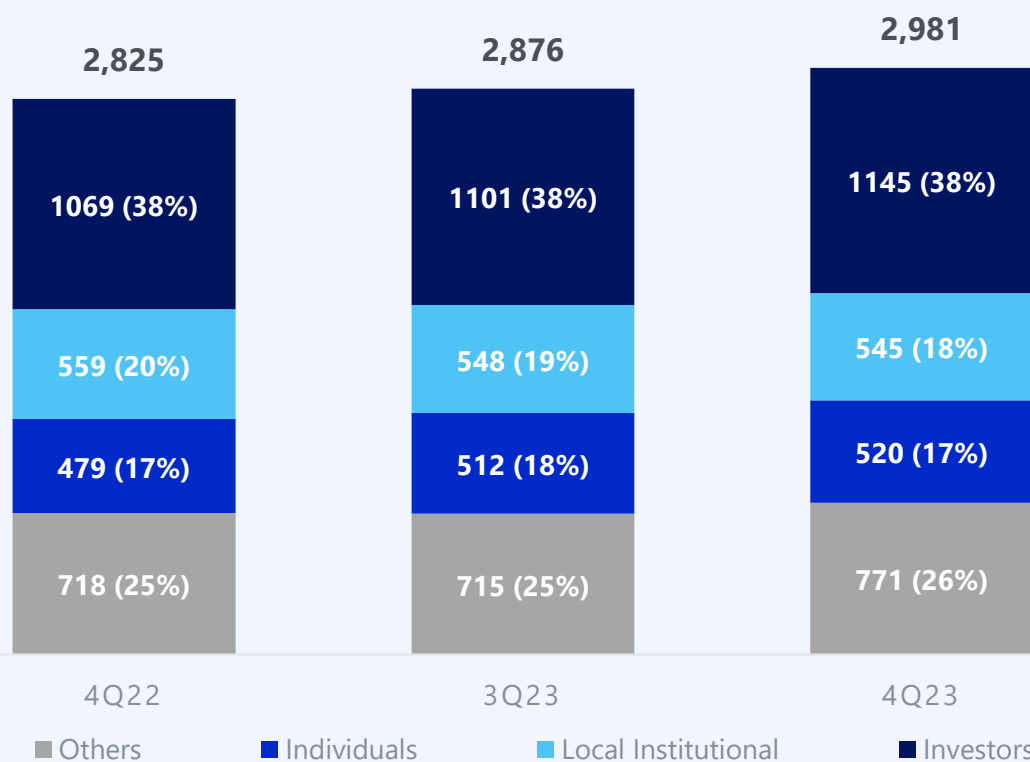
Reduction of trading and post-trading revenue reflects lower trading volume (compared to an election quarter), and a lower margin due to the growth in trading volume through market maker programs and liquidity providers and customer mix

Turnover closed at 135%, below 4Q22 and in line with 3Q23. This effect is also observed on other exchanges around the world

## Listed Equities (2/2)

Results 4Q23

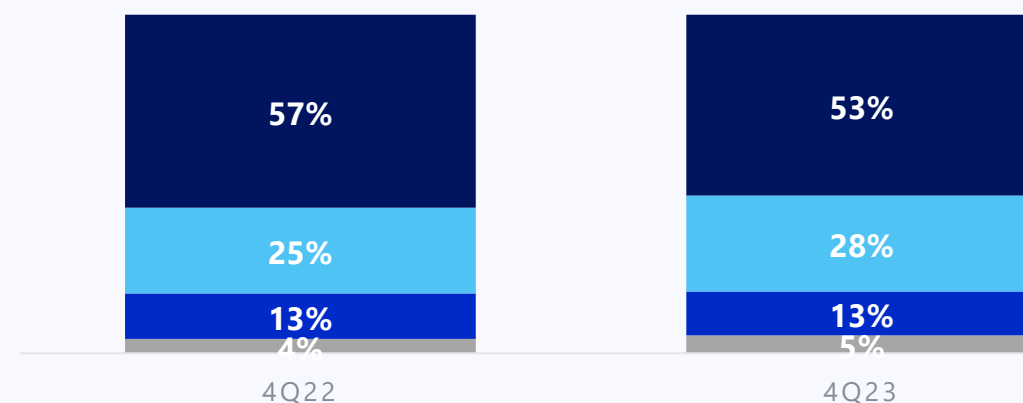
### Average Outstanding Position in the Equities Depository (R\$ billion)



### HIGHLIGHTS 4Q23 / 4Q22:

Increase of 5.5% of the position outstanding in the equities depository, due to the higher companies' market cap

### Investor's Share of Cash Equities ADTV

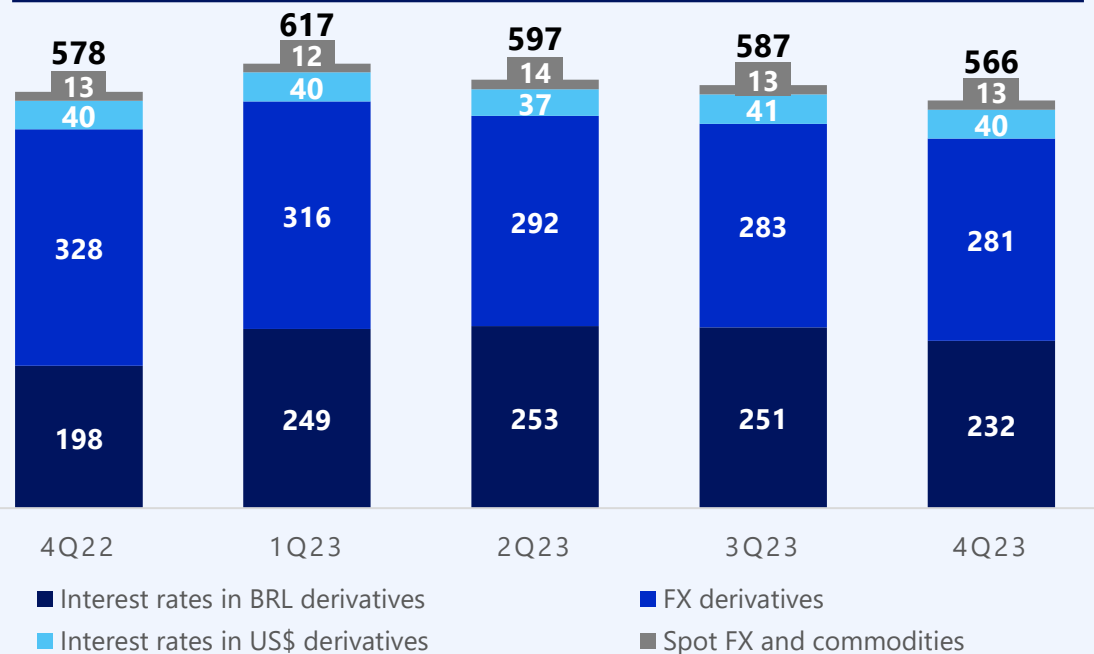


# Interest Rates, FX and Commodities

Results 4Q23

## Revenue distribution (R\$ million)

4Q23 (R\$ million)	Δ 4Q22	Δ 3Q23
566	-2%	-4%



Segment impacted from the 4Q21 by the cash flow hedge accounting constituted in the bond issuance. More information on our earnings release.



## HIGHLIGHTS 4Q23 / 4Q22:

2% decrease in segment revenues, mainly reflecting the FX derivatives performance, partially offset by Interest Rate in BRL derivatives

ADV totaled 6.2 million contracts, 36% higher due to growth in the ADV of Interest in BRL by 54%, highlighting DI (Interbank Deposit) Future contracts and Options on DI Rate

The average RPC decreased by 28% due to a 22% decrease in the RPC of Interest in BRL, in addition to the depreciation of the USD against the BRL on the RPCs of Interest in USD and FX

In Oct/23, there was a change in the pricing of the Spot Rate DI Option and in the price table for dollar contracts<sup>1</sup>.

<sup>1</sup> For more information, click on [Circular Letter of 09/12/2023](#).



**[B]<sup>3</sup>**

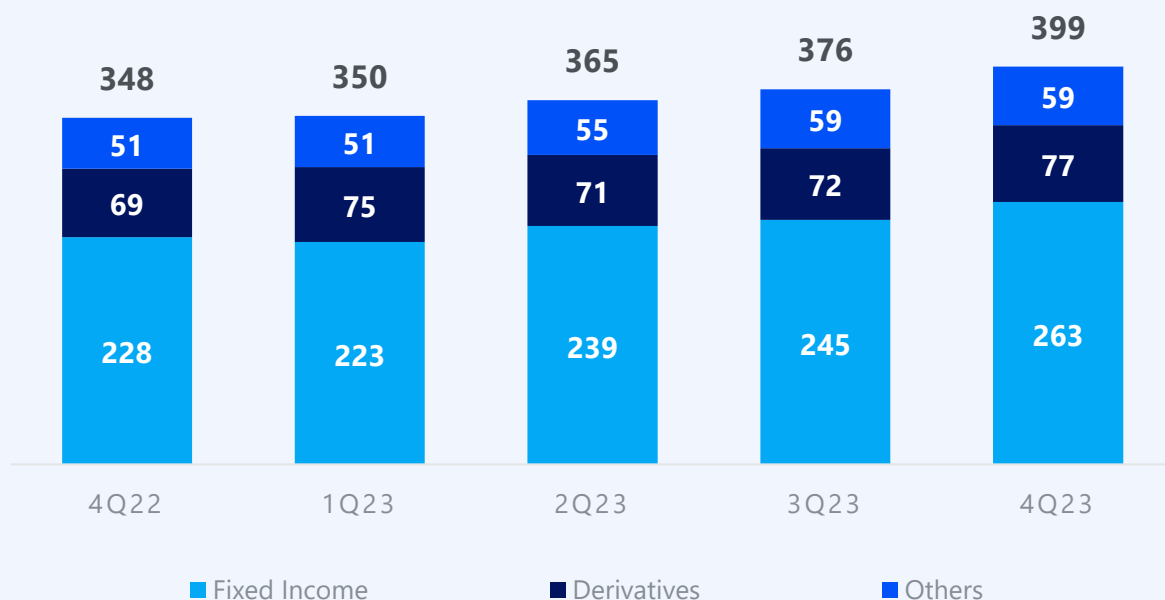
OTC | 16% of total revenues

## OTC

Results 4Q23

### Revenue distribution (R\$ million)

4Q23 (R\$ million)	Δ 4Q22	Δ 3Q23
399	+15%	+6%



### HIGHLIGHTS 4Q23 / 4Q22:

#### Fixed income instruments

Increase of 15% in revenue:

- i) Growth of 3% in the issuances of bank funding instruments and 8% in the average outstanding balance of these instruments;
- ii) Increase of 26% in revenues from Treasury Direct

#### Derivatives and structured transactions:

Increase of 12% in revenue:

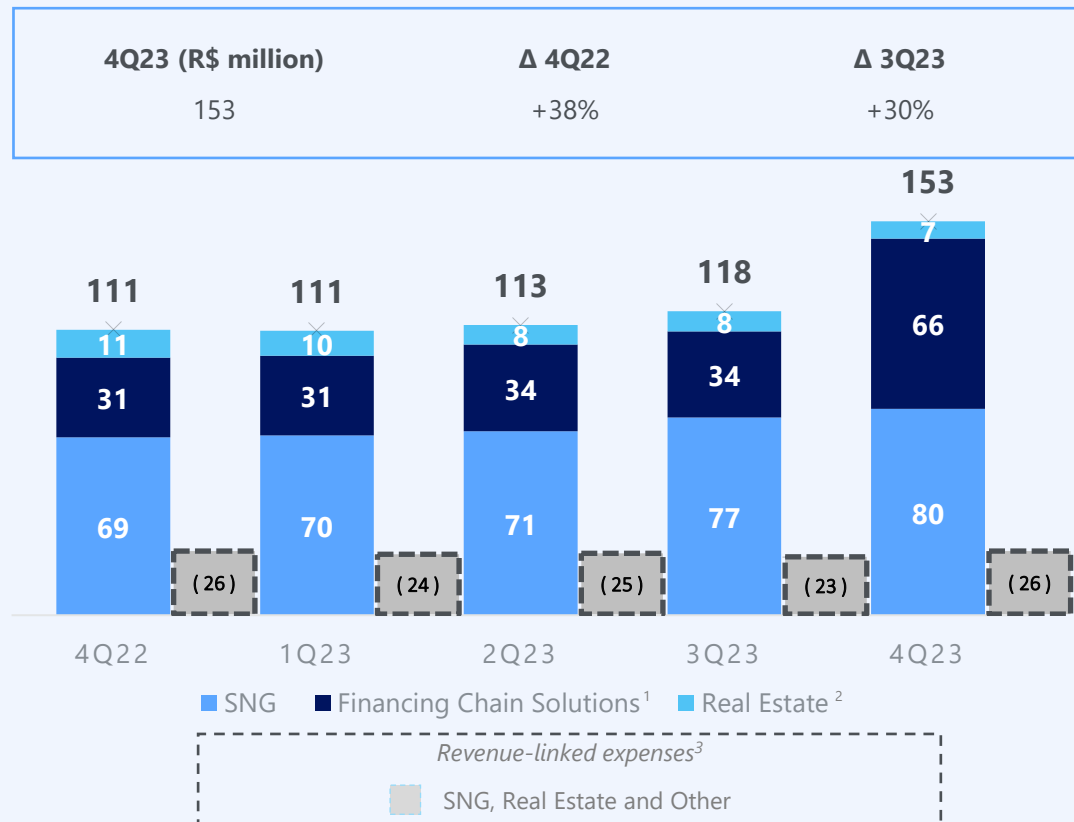
- i) Growth of revenues from structured transactions and derivatives with CCP



# Infrastructure for Financing

Results 4Q23

## Revenue distribution (R\$ million)



<sup>1</sup>Includes: SEND and other services for the vehicle financing chain. <sup>2</sup>Includes: collateral management, registration of real estate contracts and others. <sup>3</sup>Considers only the revenue-linked expenses related to the Infrastructure for financing segment.



## HIGHLIGHTS 4Q23 / 4Q22:

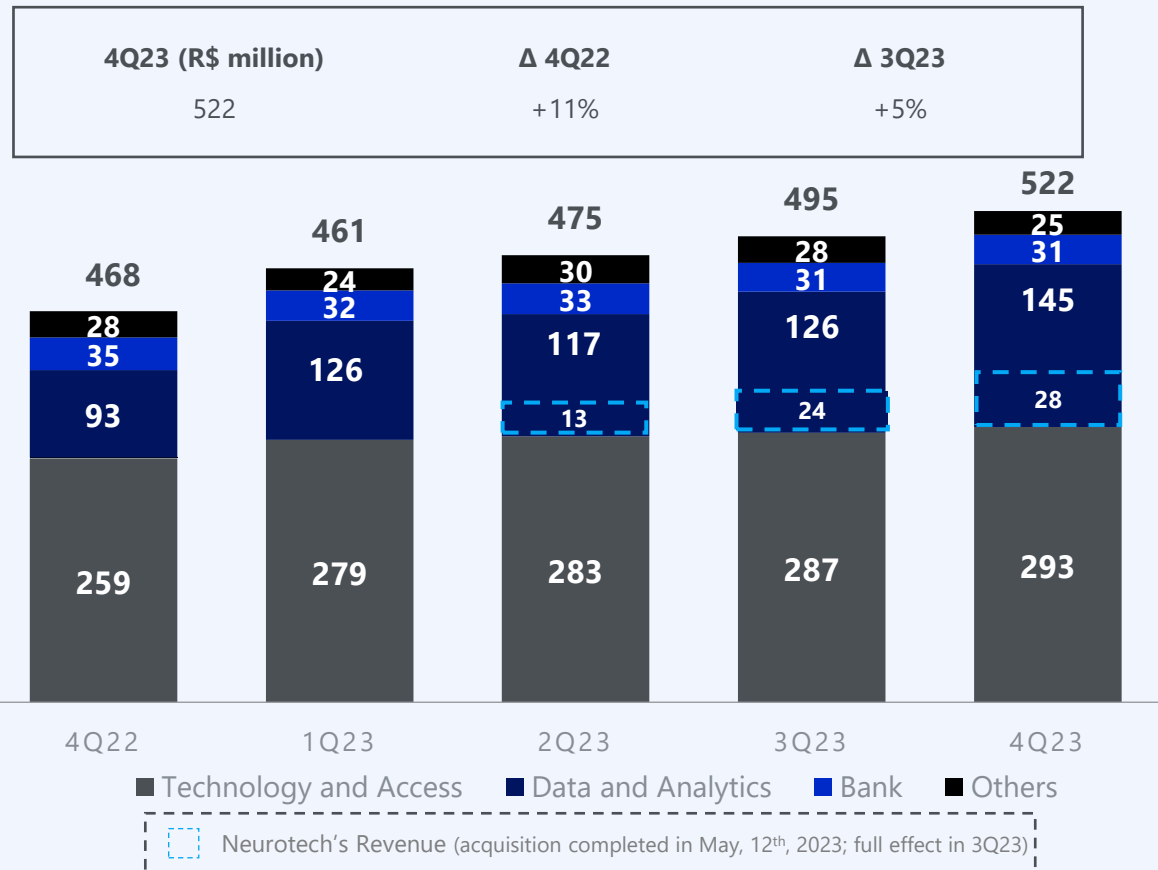
Increase of 38%, driven mainly by revenues from the Desenrola program platform

The number of vehicles sold increased by 9%, while the number of financed vehicles grew by 18%, with a 19% increase in the financing of new vehicles and a 17% increase in used vehicles

# Technology, Data and Services

Results 4Q23

## Revenue distribution (R\$ million)

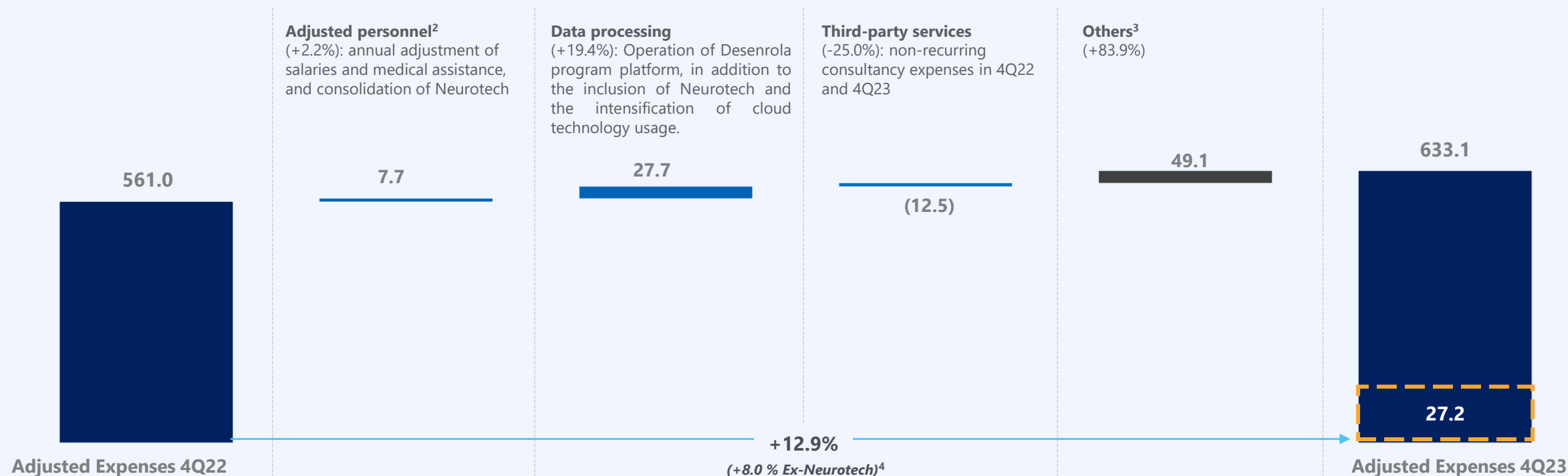


## HIGHLIGHTS 4Q23 / 4Q22:

Increase of 11% in segment revenue, explained by:

- i) Growth of 8% in the average number of customers in the OTC utilization, as well as the annual price adjustment for inflation
- ii) 5% increase in the number of customers using co-location services
- iii) Neurotech consolidation, presenting revenues of R\$28 million in the period.

## Adjusted Expenses<sup>1</sup> (R\$ million)



(in R\$ million and % of total adjusted expenses)

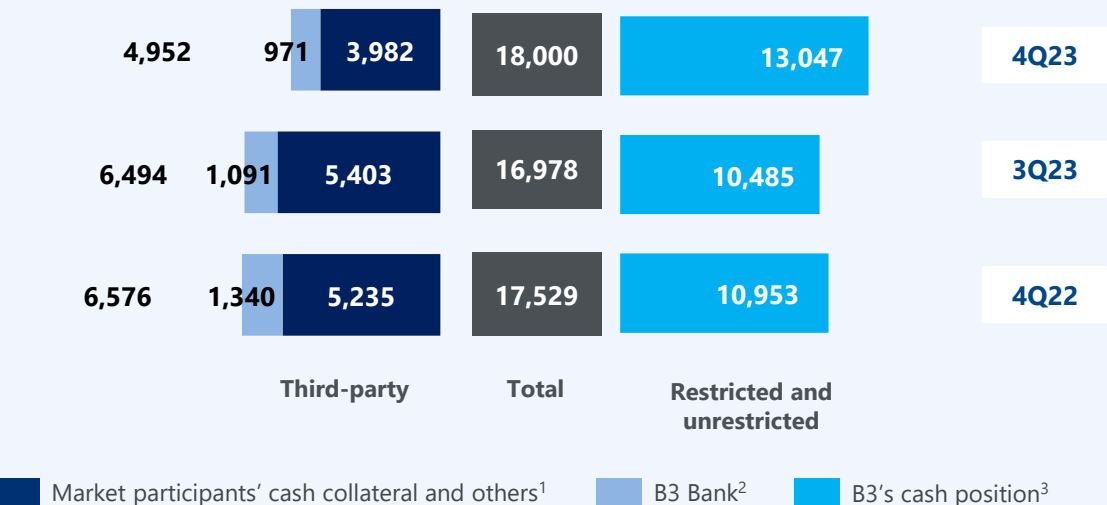
	Adjusted Personnel	Data Processing	Third-party services	Others
<b>4Q23</b>	317.6 (50.2%)	170.4 (26.9%)	58 (9.2%)	87 (13.7%)
<b>4Q22</b>	310 (55.3%)	142.6 (25.4%)	70.6 (12.6%)	37.8 (6.7%)
<b>3Q23</b>	304.1 (60.4%)	133.4 (26.5%)	20.6 (4.1%)	45.7 (9.1%)

Neurotech Expenses

<sup>1</sup>Adjusted to exclude (i) depreciation and amortization; (ii) long-term stock-based compensation (principal + payroll taxes); (iii) provisions; (iv) revenue-linked expenses; (v) M&A expenses. <sup>2</sup> Excludes the long-term stock-based compensation (principal + payroll taxes). <sup>3</sup> Includes expenses with maintenance, taxes, board and committee members compensation and others; <sup>4</sup>Neurotech (acquisition completed in May 12<sup>th</sup>, 2023; full effect in 3Q23)

# Financial Highlights

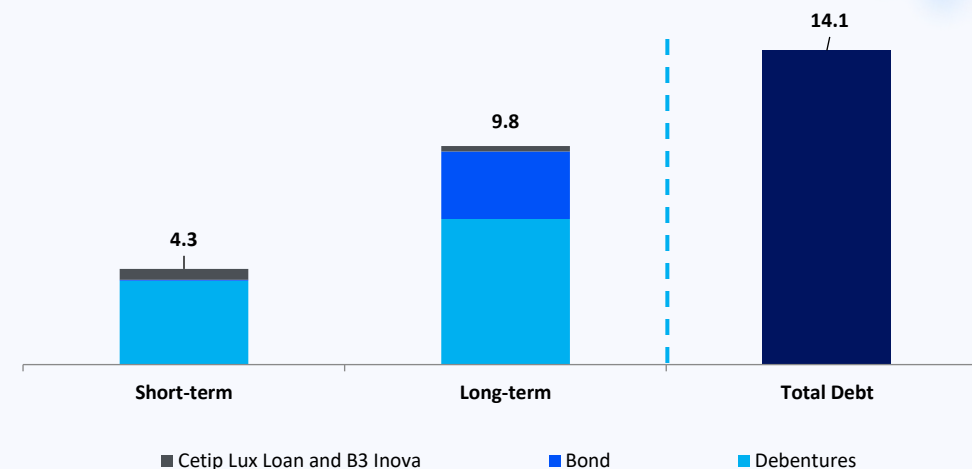
## Cash and Financial Investments (R\$ million)



### HIGHLIGHTS 4Q23 / 4Q22:

Increase of total cash due to the 7th debenture issuance in October, 2023, in the amount of R\$2.55 billion.

## Financial Leverage and Debt Schedule Debt Amortization Schedule (R\$ billion)



Debt   Amount	Maturity
Cetip Lux   US\$100 mi	Aug/24
B3 Inova   US\$ 50 mi	Sep/26
Debenture 2 <sup>nd</sup> issue   R\$1.20 bn	May/25
Debenture/CRI 4 <sup>th</sup> issue   R\$205 mi	Dec/28, Dec/29 and Dec/30
Debenture 5 <sup>th</sup> issue (two series)   R\$3.0 bn	May/24, May/25 and May/26
Debenture 6 <sup>th</sup> issue   R\$3.0 bn	Aug/26 and Aug/27
Debenture 7 <sup>th</sup> issue   R\$2.55 bi	Oct/27 e Oct/28
Sustainability-linked bond   US\$611,44 mi	Sep/31 <sup>4</sup>

Gross indebtedness at the end of December was **2.2x recurring LTM EBITDA**

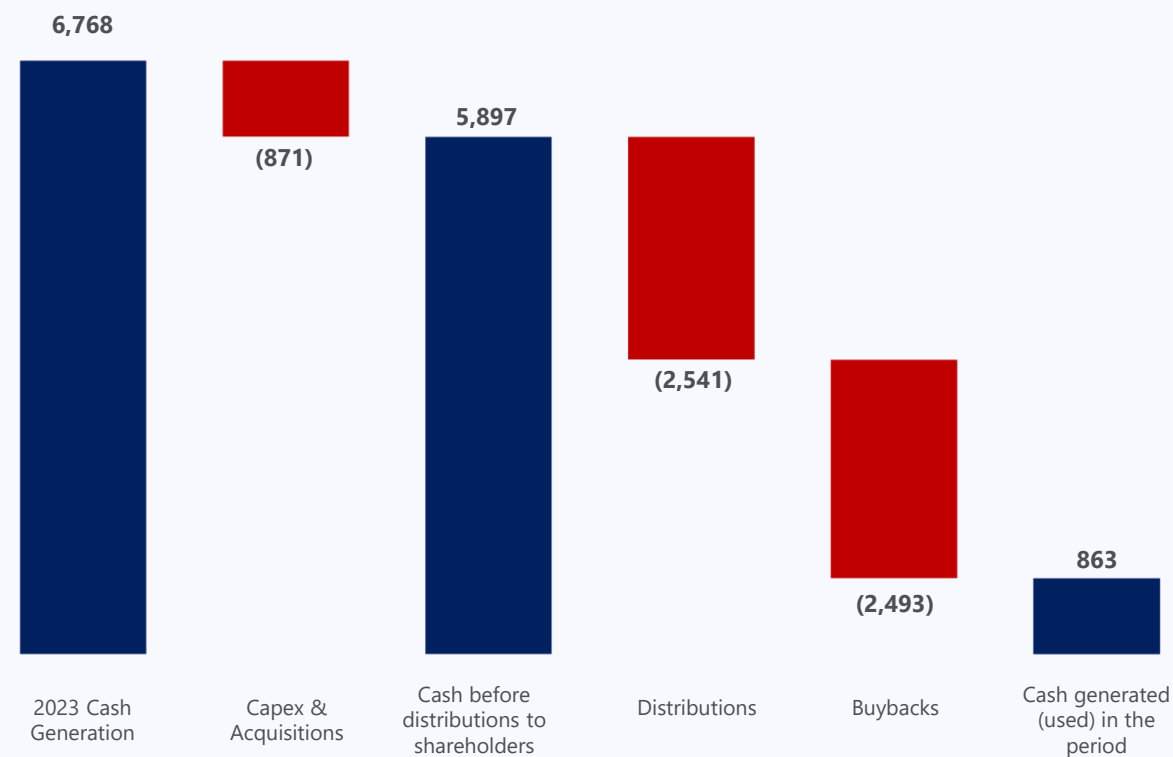
<sup>1</sup>Includes earnings and rights on securities in custody and deposits in an escrow account. Third-party cash of R\$5.0 billion is not considered as B3's own cash, but the Company earns interest on most of this cash balance. <sup>2</sup>Primarily composed of B3 Bank clients' deposits. <sup>3</sup>Does not include investments in Bolsa de Comercio de Santiago, Bolsa de Valores de Colômbia, Bolsa de Valores de Lima, Pismo Holdings, Simsa and Fundo L4. <sup>4</sup>Bond has hedge accounting – see note 9 of Financial Statement.

# Financial Highlights

## Cash Generation (R\$ million)

R\$ million	2023	2022
Adj. net cash from operating activities <sup>1</sup>	5,591	6,730
Net cash from investment activities <sup>2</sup>	43	(34)
Net cash from financing activities before distributions <sup>3</sup>	1,134	(3,202)
<b>Cash generation (before distributions, CAPEX and acquisitions)</b>	<b>6,768</b>	<b>3,493</b>
CAPEX & Acquisitions	(871)	(242)
Distributions	(2,541)	(2,283)
Buyback	(2,493)	(2,998)
<b>Cash generated (used) in the period</b>	<b>863</b>	<b>(2,029)</b>

## Cash Destination – 2023 (R\$ million)



<sup>1</sup>Cash flow from operating activities, adjusted by the variation of financial investments and third-parties collateral. <sup>2</sup> Cash flow from investment activities other than capex and acquisitions. <sup>3</sup> Cash flow from interest and amortization paid and debt issued in the period.

**[B]<sup>3</sup>**

# Appendix

# [B]<sup>3</sup> Financial Statements

## Adjusted Expenses

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



# [B]<sup>3</sup> Financial Statements

## Recurring EBITDA

(In R\$ millions)	4Q23	4Q22	4Q23/4Q22	3Q23	4Q23/3Q23(%)
<b>EBITDA</b>	<b>1,449.3</b>	<b>1,589.3</b>	<b>-8.8%</b>	<b>1,627.6</b>	<b>-11.0%</b>
(+) Efficiency improvement project expenses	-	22.5	-	-	-
(-) Other non-recurring expenses	-	4.5	-	(10.9)	-
(+) M&A expenses	10.3	10.4	-0.7%	1.0	-
<b>Recurring EBITDA</b>	<b>1,459.6</b>	<b>1,626.7</b>	<b>-10.3%</b>	<b>1,617.7</b>	<b>-9.8%</b>
<i>Recurring EBITDA margin</i>	<i>65.1%</i>	<i>70.5%</i>	<i>-540 bps</i>	<i>72.3%</i>	<i>-721 bps</i>

## Net Income Reconciliation

(In R\$ millions)	4Q23	4Q22	4Q23/4Q22 (%)	3Q23	4Q23/3Q23(%)
<b>Net income (attributable to shareholders)</b>	<b>915.5</b>	<b>1,003.8</b>	<b>-8.8%</b>	<b>1,074.2</b>	<b>-14.8%</b>
(+) Efficiency improvement project expenses	-	22.5	-	-	-
(+) M&A expenses	10.3	10.4	-0.4%	1.0	898.7%
(-) Other non-recurring income	-	-	-	(13.0)	-100.0%
(+) Other non-recurring expenses	-	4.5	-	-	-
(-) Tax impacts from non-recurring items	(3.5)	(12.7)	-72.4%	(0.4)	898.7%
(-) Recovery of taxes	-	-	-	(38.4)	-
(+) Amortization of intangible assets (including Cetip combination)	135.3	123.1	9.9%	135.5	-0.1%
<b>Recurring net income</b>	<b>1,057.7</b>	<b>1,151.6</b>	<b>-8.2%</b>	<b>1,159.0</b>	<b>-8.7%</b>

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

**[B]<sup>3</sup>**

**TKS!**

