

**B3
DAY**

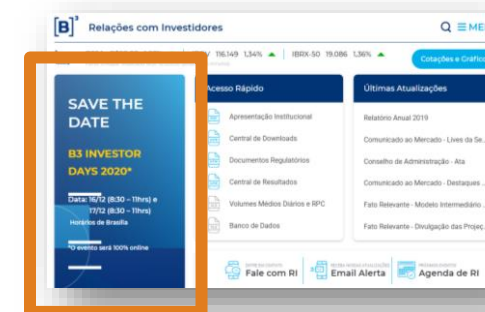
[B]³

B3 DAY

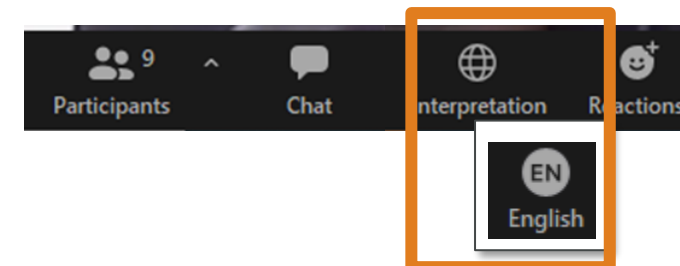
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English Presentation

Please access downloadable PDF on
ri.b3.com.br/en



Select English Interpretation in you
Zoom app



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.

All forward-looking statements in this presentation are based on information and data available as of the date they were made, and B3 undertakes no obligation to update them in light of new information or future development.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities where such offer or sale would be unlawful prior to registration or qualification under the securities law. No offering shall be made except by means of a prospectus meeting the requirements of the Brazilian Securities Commission CVM Instruction 400 of 2003, as amended.

[B]³

**Day
One**
16/dec

**B3
DAY**

A G E N D A

**Day
Two**
17/dec

MAIN PANEL

8h30-9h50
40min + 40minQ&A

**Macroeconomic Overview,
Strategy, Culture &
Guidance for 2021**

Gilson Finkelsztain

CEO

Daniel Sonder

CFO

EXECUTIVE PANELS 1 AND 2

9h50-10h30
20min + 20minQ&A

Retail Investors

Felipe Paiva

Customer Relations Director

Tarcísio Morelli

Market Intelligence and Fee
Director

10h30-11h00
10min + 20minQ&A

ESG

Ana Buchaim

People, Marketing,
Communications, and
Sustainability Director

Fabio Zenaro

OTC, Commodities, and New
Business Products Director

Gleice Donini

Head of Sustainability

EXECUTIVE PANELS 3 AND 4

8h30-9h40
40min + 30minQ&A

New Products

Juca Andrade

Chief Product and Client Officer

Marcos Vanderlei

Executive Director Financing Unit

9h40-10h30hrs
20min + 30minQ&A

Regulatory Discussions in the Listed Segment

Mario Palhares

Listed Products Director

Rogério Santana

Director of Relationship with Companies and Assets Areas

Cicero Vieira

Chief Operating Officer

B3's strategy for the future is based on strengthening and growing our business

Our goal is to
be

**THE MARKET
INFRASTRUCTURE
CHOSEN BY OUR
CLIENTS, CREATING
VALUE TO ALL OF
B3's STAKEHOLDERS**

Therefore,
we aim to

STRENGTHEN
our business

GROW
by expanding
operations in our core
market and other
adjacencies

For such,
we work to

**OPERATIONAL
EXCELLENCE**

Offer a secure **infrastructure**,
applying cutting-edge
technology to support the
growth of our business

**PROXIMITY TO
CLIENTS**

Deliver **products, services
and fees** that meet the
demands and **needs of our
clients**

Based on

A corporate culture
that reflects the **values
of B3** and supports its
strategic business
objectives

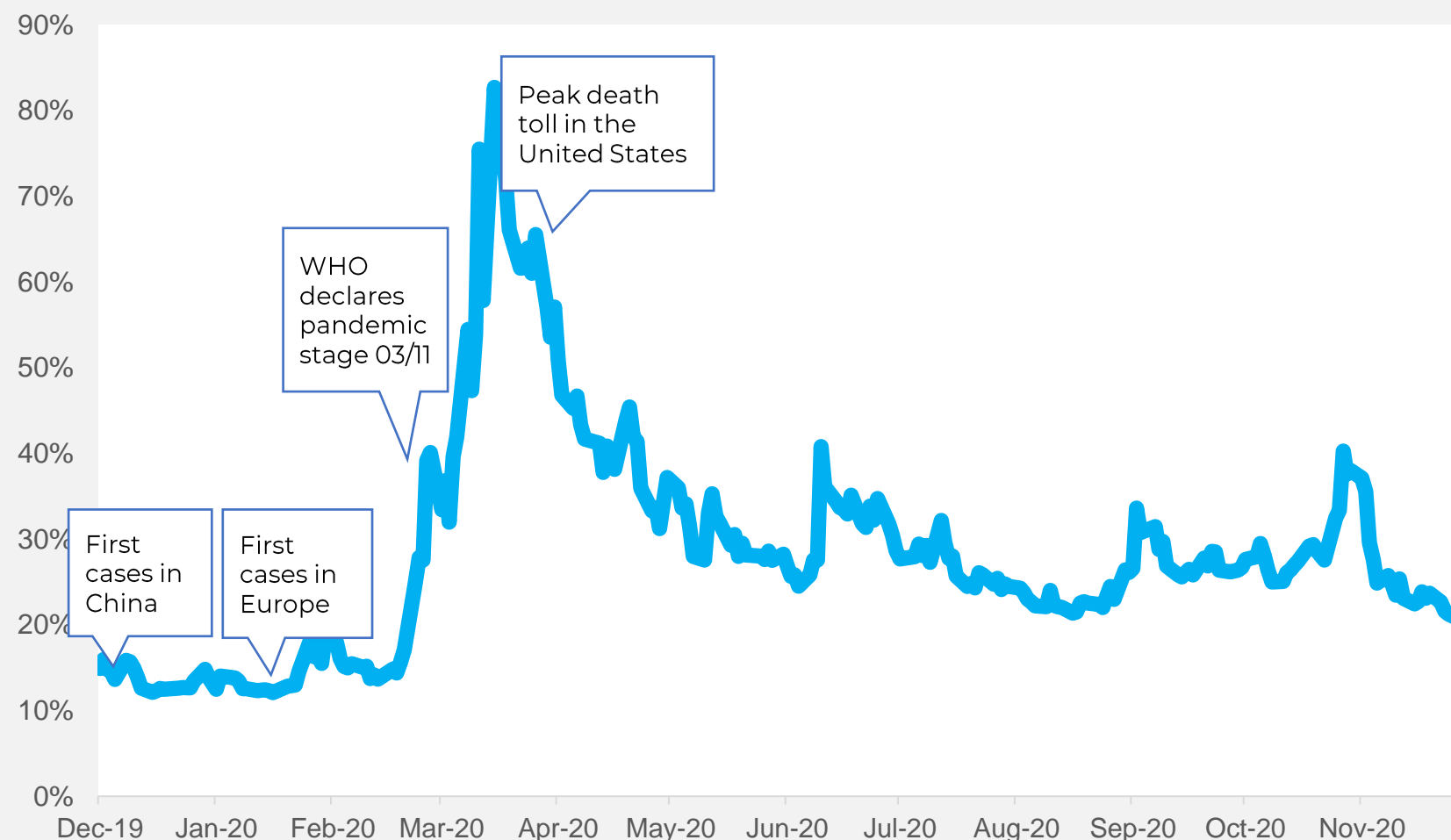
**A CULTURE OF
DEVELOPMENT,
COLLABORATION,
EXCELLENCE, AND
FOCUS ON THE
CLIENT**





**2020
BROUGHT
UNPRECEDENTED
CHALLENGES,
WITH THE COVID-
19 PANDEMIC
GENERATING
SIGNIFICANT
MARKET
VOLATILITY...**

The Evolution of the Pandemic and its Impact on Market Volatility (VIX Index, 2020)

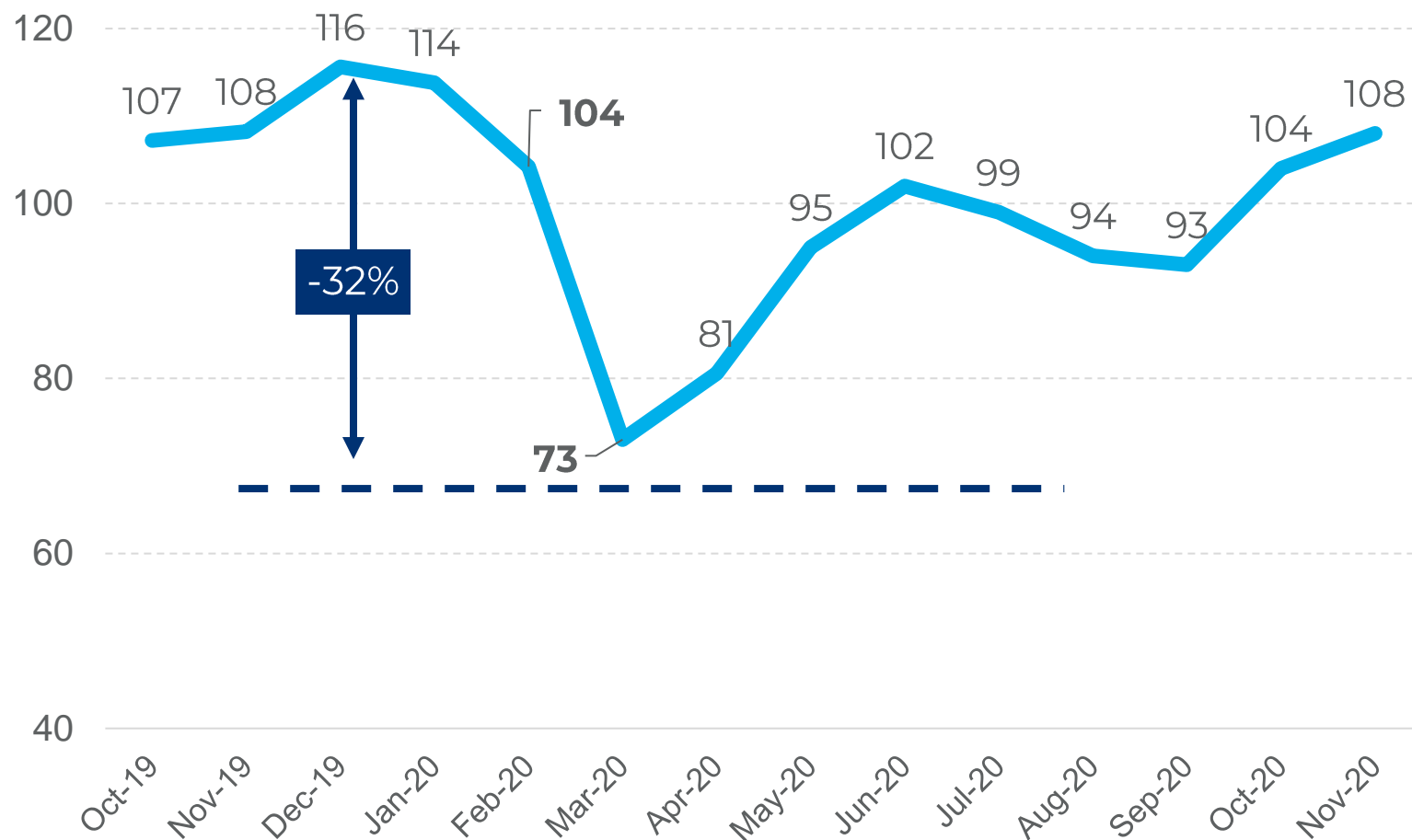




The pandemic has severely impacted the markets

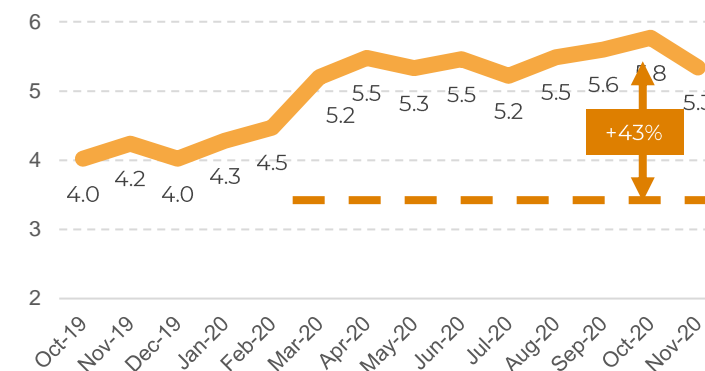
IBOVESPA Index Evolution

(thousand points - oct/19-oct/20)



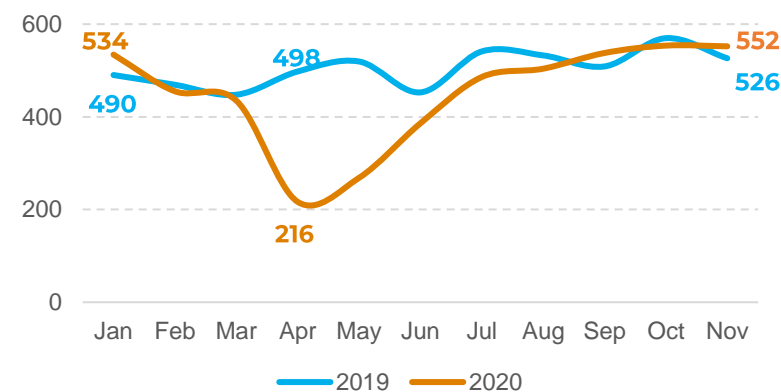
Exchange Rate Evolution

(Reais/US Dollar - oct/19-oct/20)



Total Financed Vehicles

(thousands – 19/20)

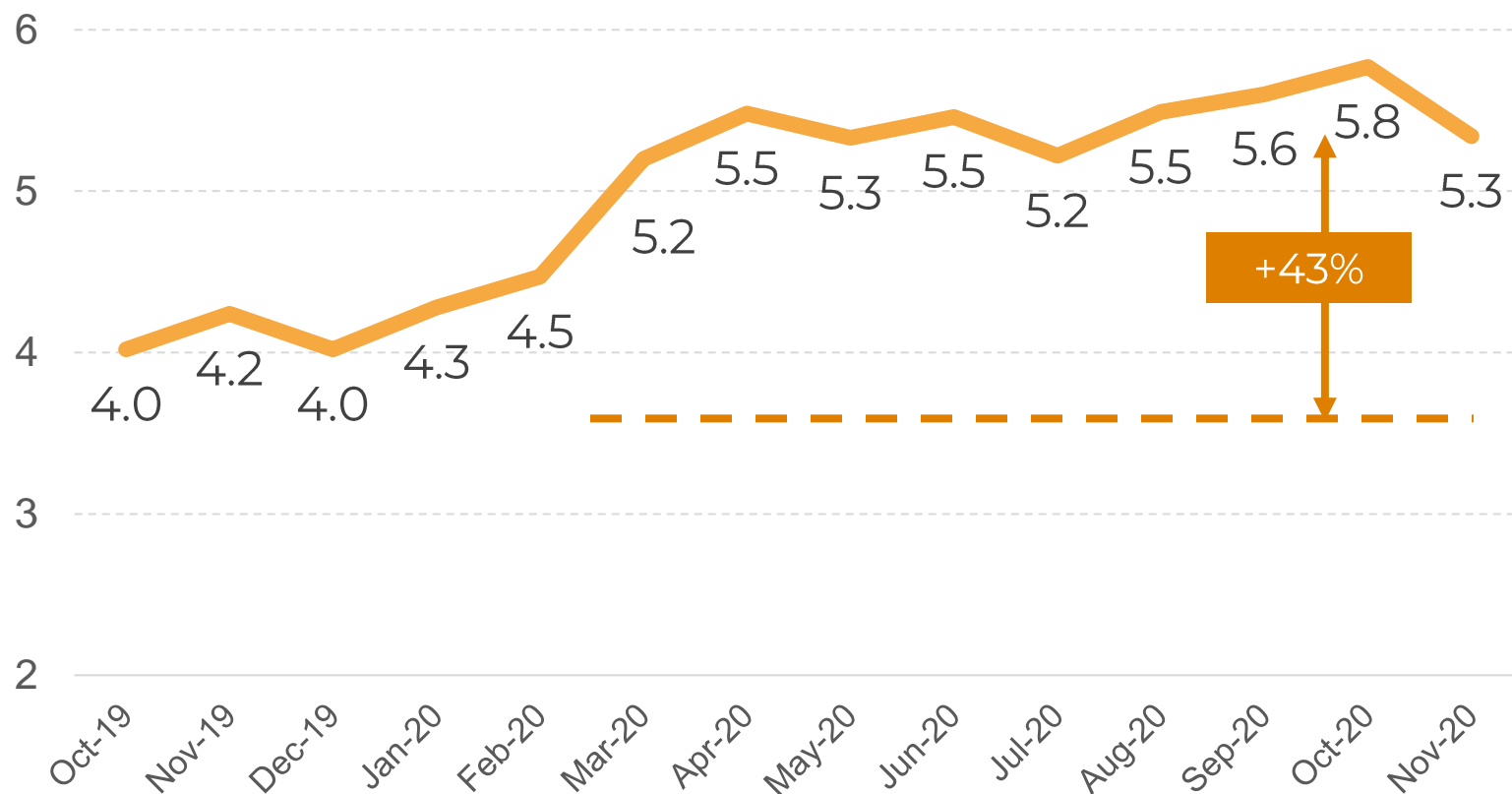




The pandemic has severely impacted the markets

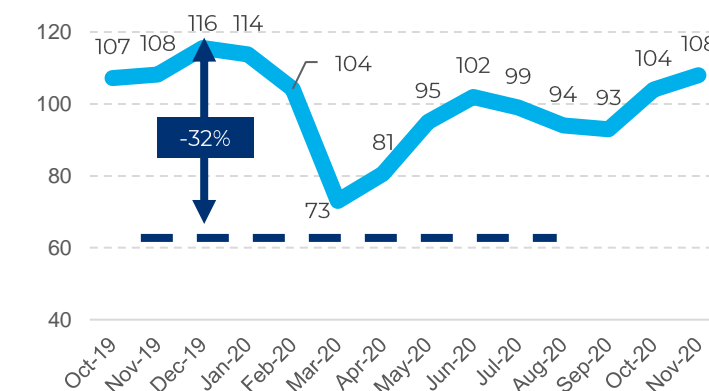
Exchange Rate Evolution

(Reais/US Dollar - oct/19-oct/20)



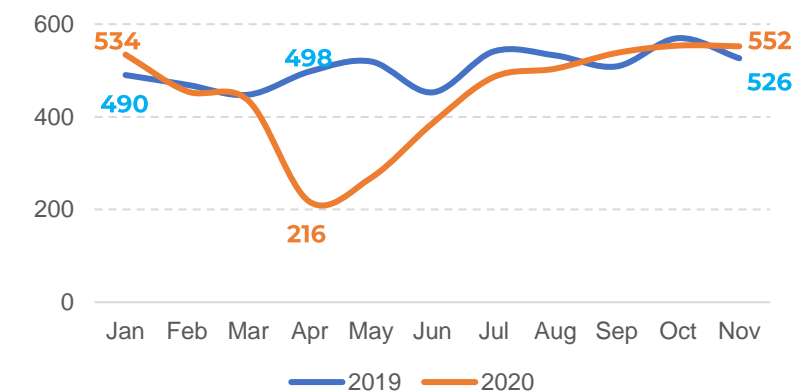
IBOVESPA Index Evolution

(thousand points - oct/19-oct/20)



Total Financed Vehicles

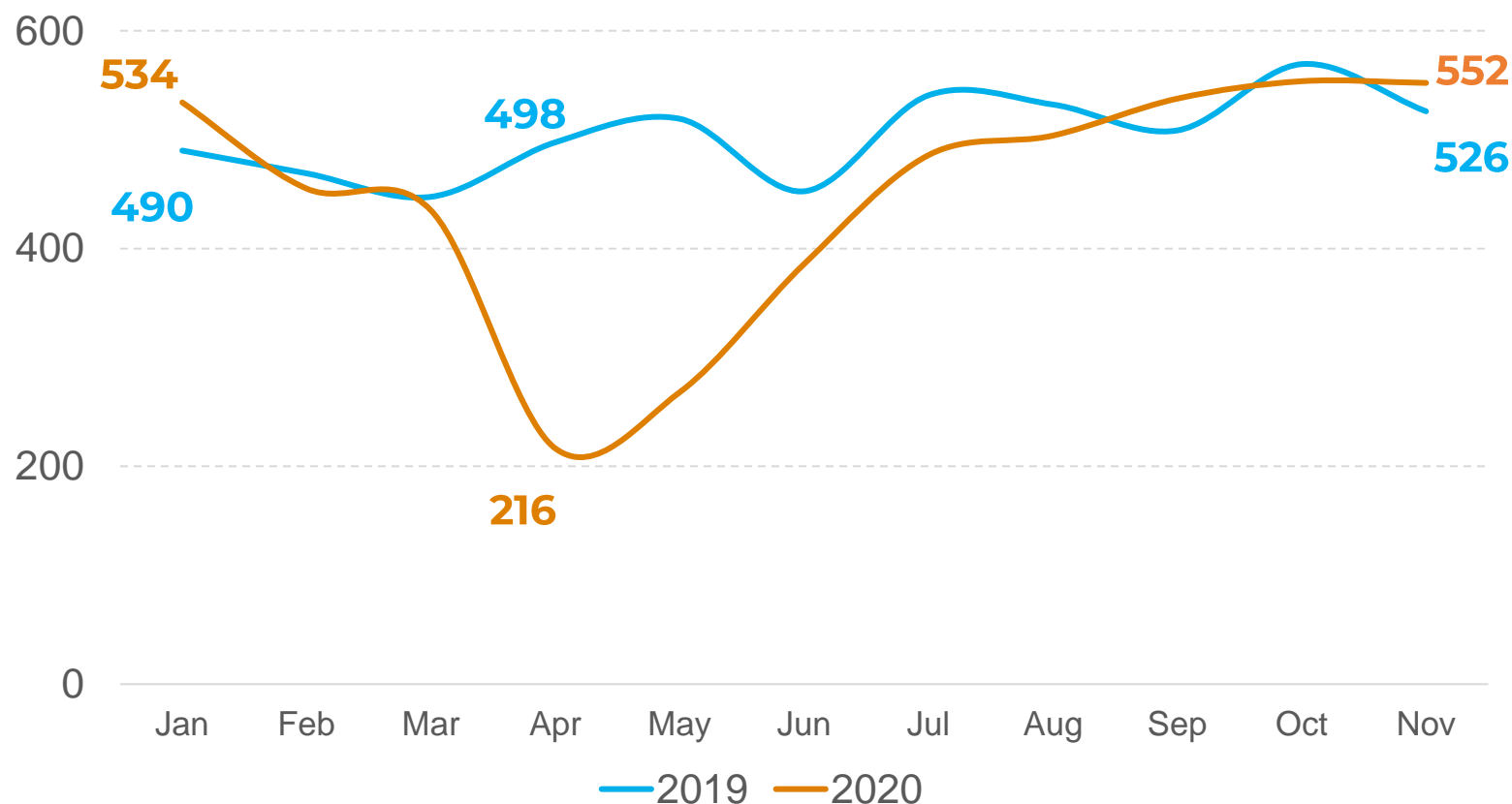
(thousands - 19/20)



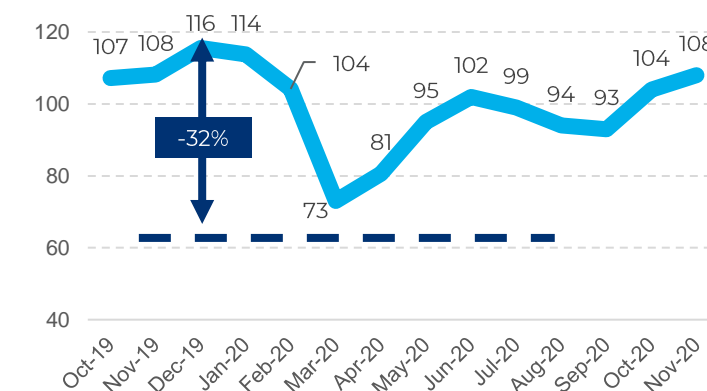


The pandemic has severely impacted the markets

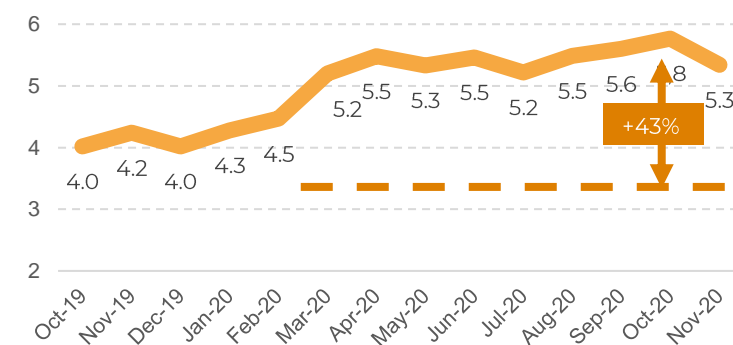
Total Financed Vehicles (thousands – 19/20)



IBOVESPA Index Evolution (thousand points - oct/19-oct/20)



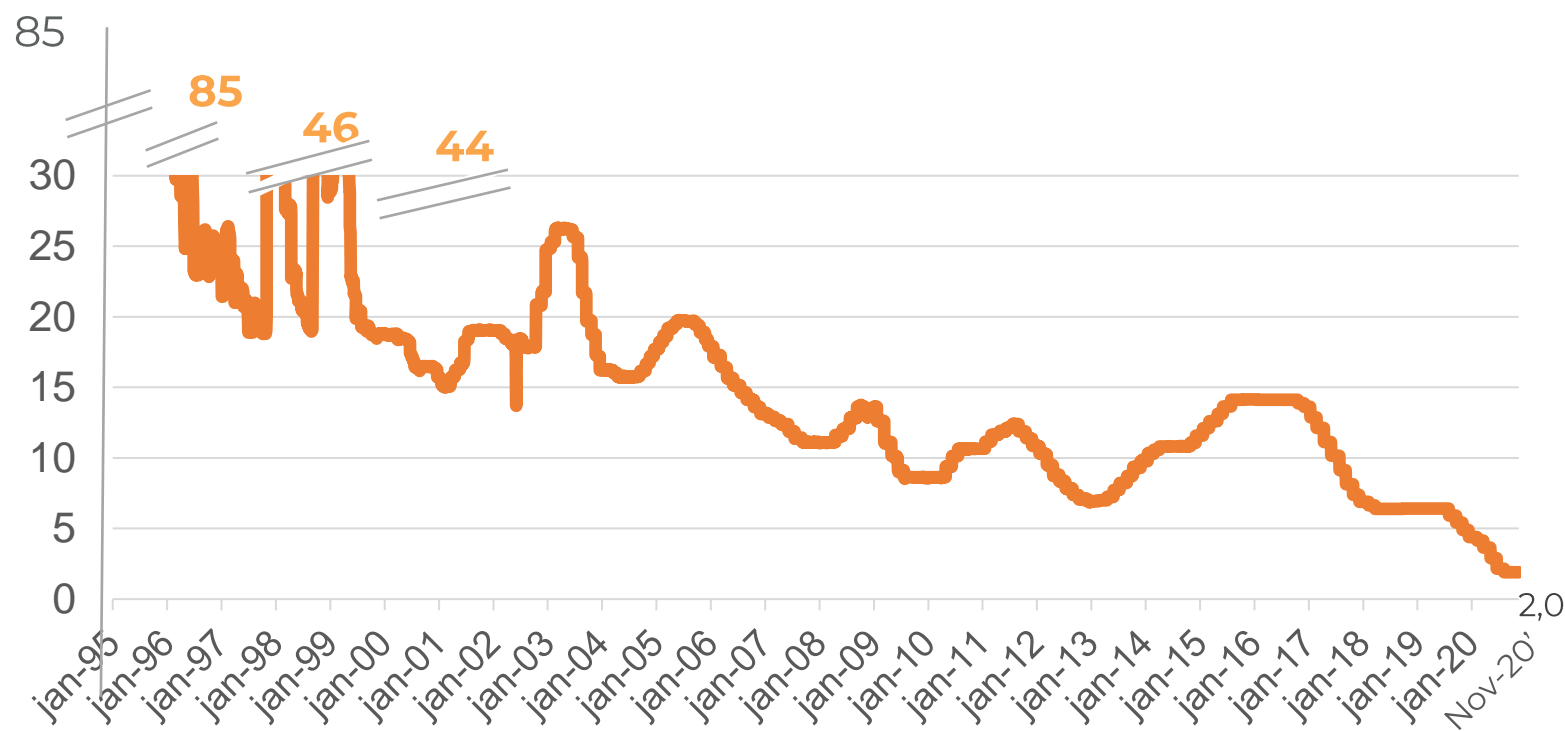
Exchange Rate Evolution (Reais/US Dollar - oct/19-oct/20)





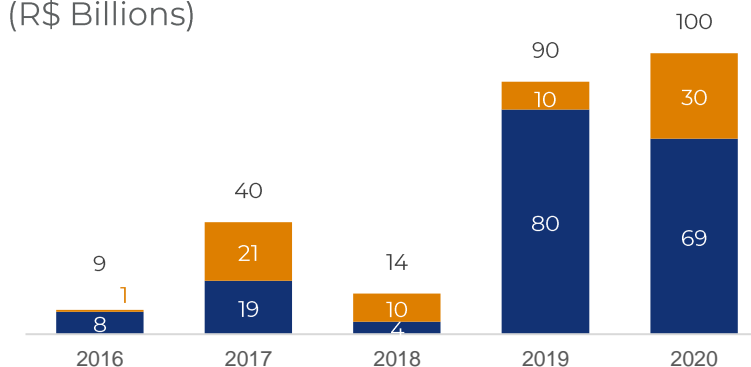
Despite uncertainties, we remain in an unprecedented and positive macroeconomic context for capital markets

Historic SELIC Rate (%)

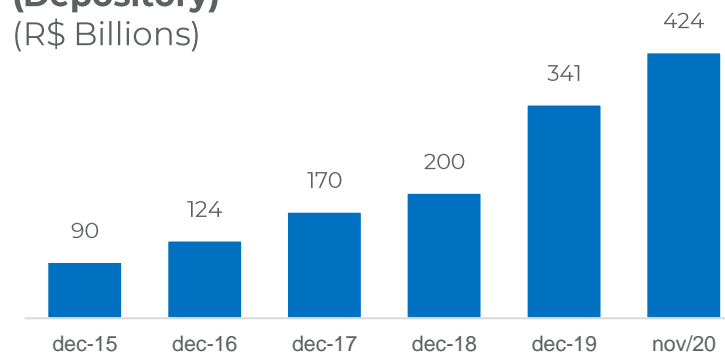


Note: ¹Data up to oct/20

Total Equity Funding (R\$ Billions)



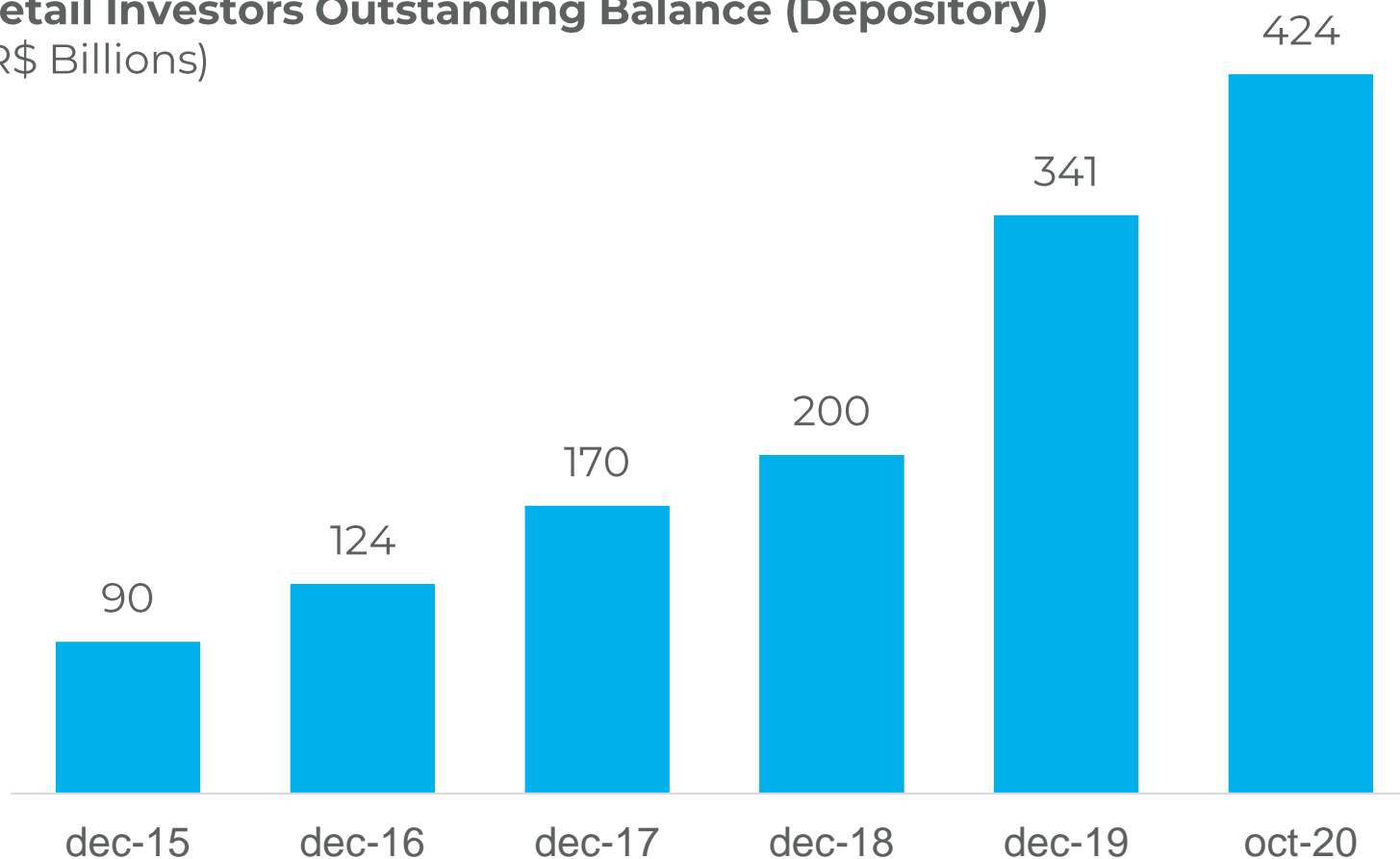
Retail Investors Outstanding Balance (Depository) (R\$ Billions)



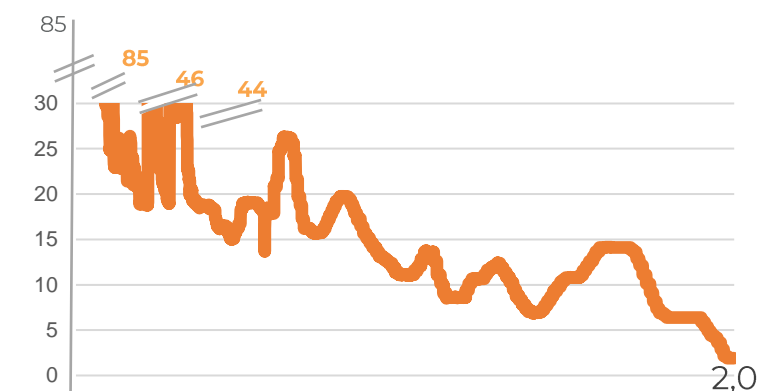


Despite uncertainties, we remain in an unprecedented and positive macroeconomic context for capital markets

Retail Investors Outstanding Balance (Depository) (R\$ Billions)

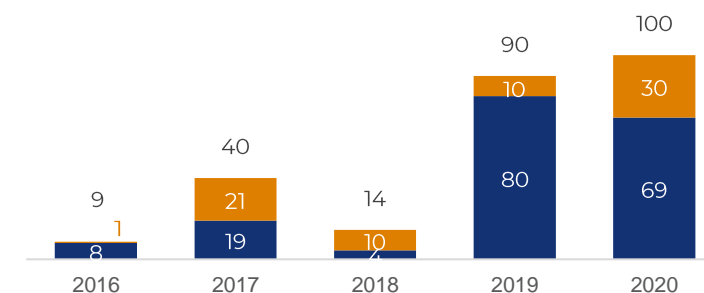


Historic SELIC Rate (%)



Nota: ¹Data up to oct/20

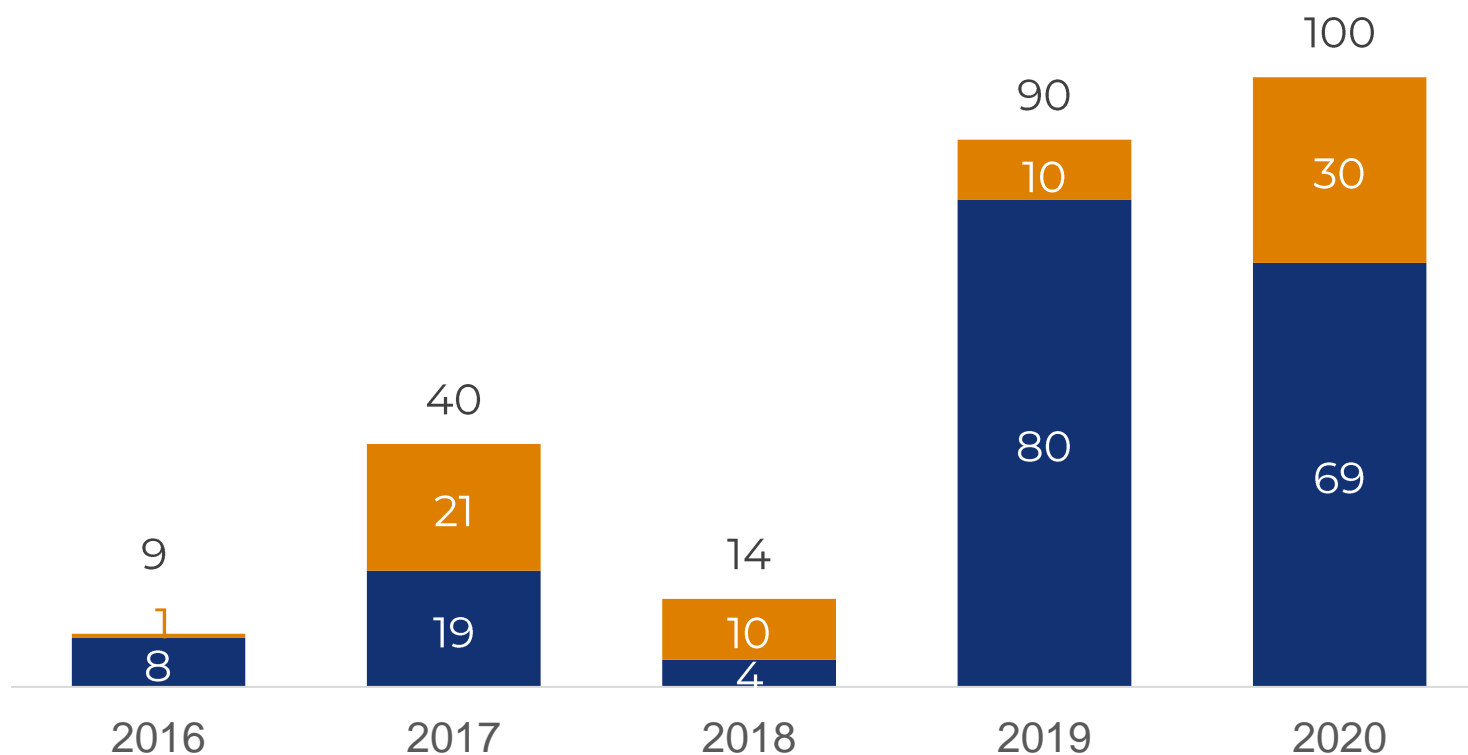
Total Equity Funding (R\$ Billions)



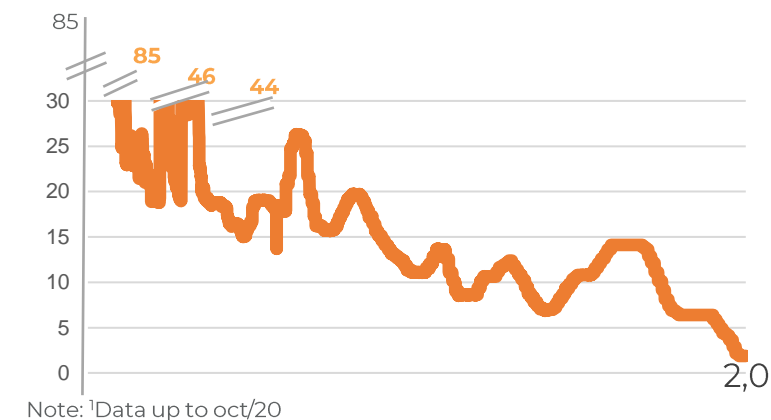


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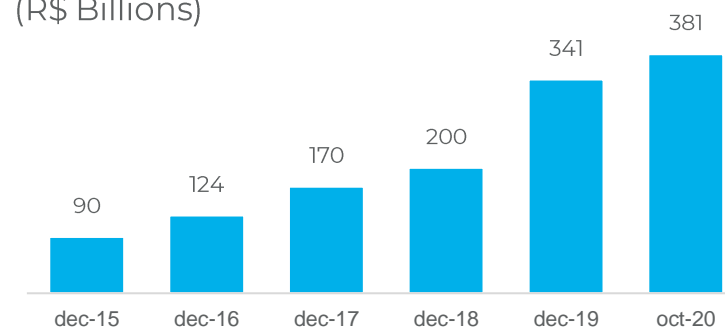
Total Equity Funding (R\$ Billions)



Historic SELIC Rate (%)



Retail Investors Outstanding Balance (Depository) (R\$ Billions)

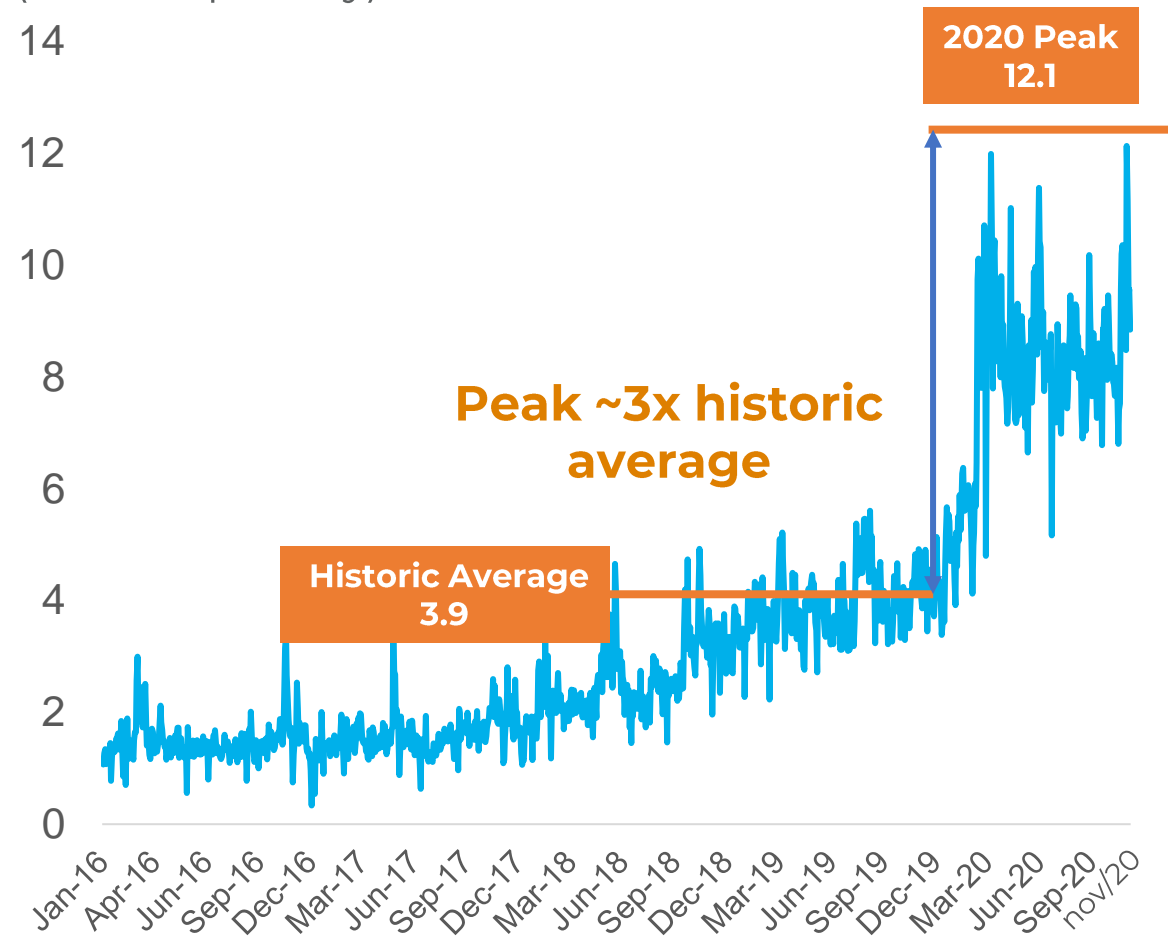




With record volumes, our operational resilience has been continuously tested...

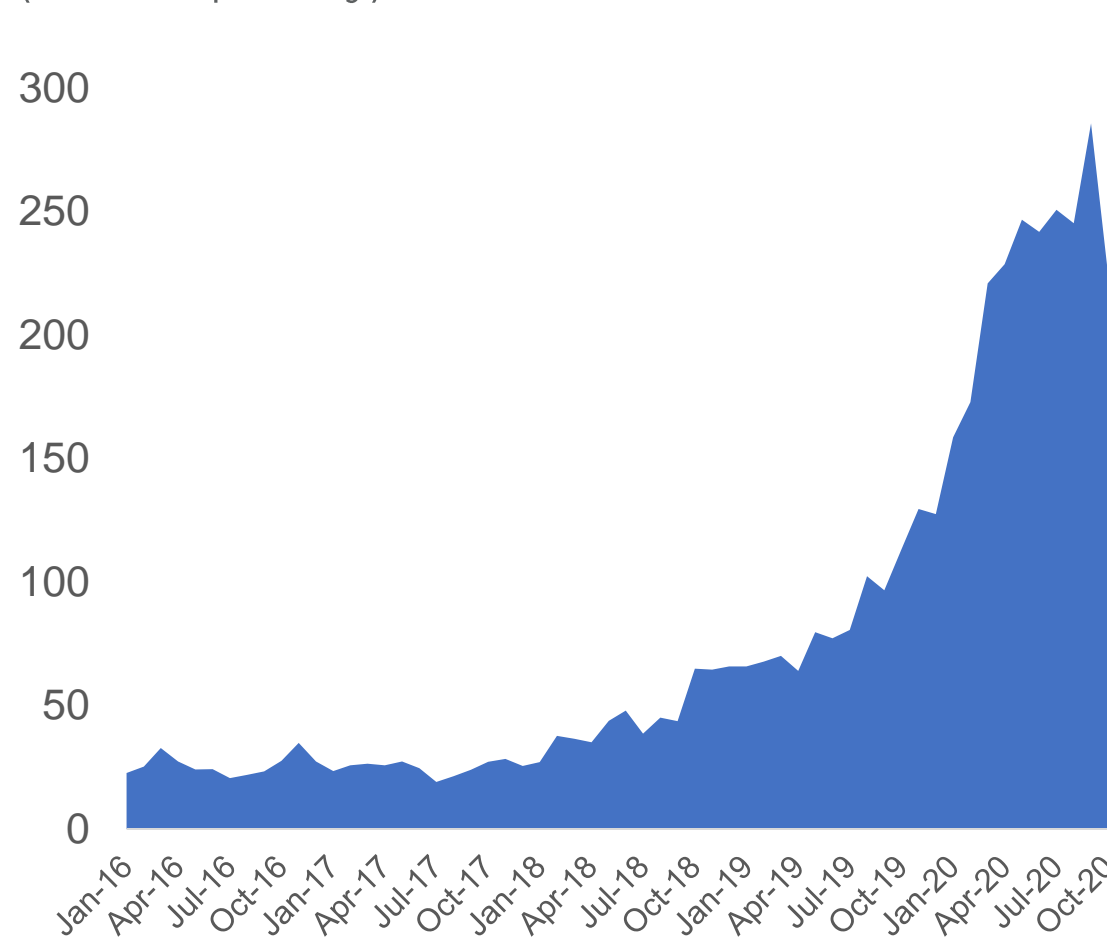
Number of Orders (Equities & Derivatives)

(millions per day)



Number of Messages (Equities & Derivatives)

(millions per day)





.... WE ADOPTED
TEMPESTIVE MEASURES
TO ENSURE THE
CONTINUATION OF OUR
BUSINESS ...



**.... WE ADOPTED
TEMPESTIVE MEASURES
TO ENSURE THE
CONTINUATION OF OUR
BUSINESS ...**

**MONITORING
OF CAPACITY AND OPERATIONAL
INDICATORS**

**PRIORITIZATION OF
OPERATIONAL IMPROVEMENTS**

**MANAGEMENT OF BUSINESS
CONTINUATION**

**INCREASE IN CAPACITY OF TRADING,
CLEARING, AND DEPOSITARY
SYSTEMS**



... and the availability of our platforms was preserved

Availability of B3's Platforms

(%)

	Monthly Availability – Trading			
	2017	2018	2019	2020
jan	100.000%	100.000%	100.000%	100.000%
feb	99.999%	100.000%	100.000%	100.000%
mar	100.000%	100.000%	100.000%	100.000%
apr	99.999%	100.000%	100.000%	99.997%
may	100.000%	100.000%	100.000%	100.000%
jun	100.000%	100.000%	100.000%	100.000%
jul	100.000%	99.999%	100.000%	100.000%
aug	100.000%	100.000%	100.000%	100.000%
sep	100.000%	100.000%	100.000%	99.952%
oct	100.000%	100.000%	100.000%	99.814%
nov	99.993%	99.994%	100.000%	
dec	100.000%	99.975%	100.000%	
Goal	99.900%	99.900%	99.900%	99.900%
Actual	99.999%	99.997%	100.000%	100.000%

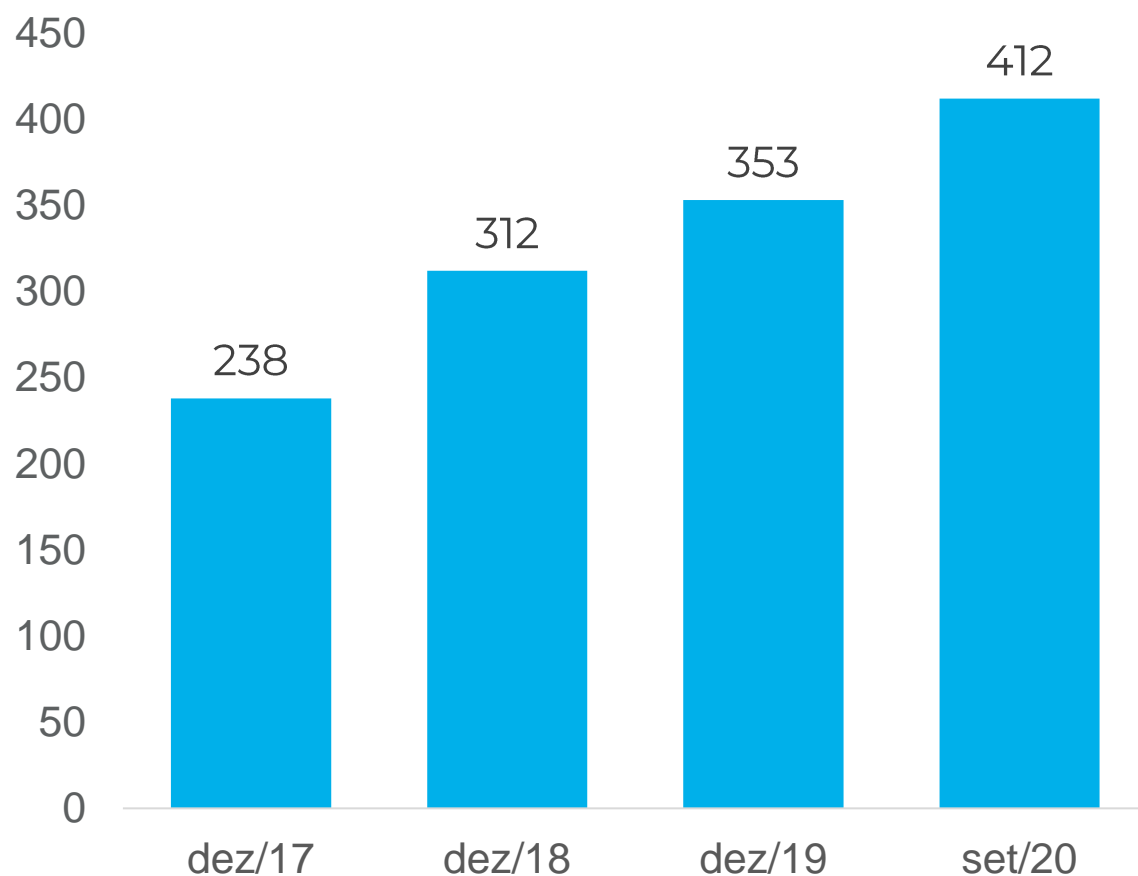
	Monthly Availability - Post Trading			
	2017	2018	2019	2020
jan	100.000%	99.998%	100.000%	99.797%
feb	99.911%	99.998%	99.999%	100.000%
mar	99.994%	99.998%	99.940%	99.953%
apr	99.999%	99.942%	100.000%	99.979%
may	99.944%	99.854%	100.000%	99.962%
jun	99.998%	99.959%	99.288%	99.935%
jul	99.990%	99.964%	99.893%	99.598%
aug	99.967%	99.878%	99.950%	99.847%
sep	100.000%	99.995%	99.988%	100.000%
oct	100.000%	99.908%	99.967%	99.900%
nov	99.976%	99.999%	100.000%	
dec	99.999%	99.972%	99.968%	
Goal	99.800%	99.800%	99.800%	99.800%
Actual	99.994%	99.956%	99.916%	99.884%



The pandemic has severely impacted the markets

Collateral Deposited at B3

(R\$ billions)



Post-trading risk management at B3

- Risk evaluation on all offers
- Risks of all CCP portfolios (420k) are calculated every 15 minutes – 4MM calculations/ day
- CCP safeguard structure is capable of supporting the default by:
 - ✓ The largest clearing member / investor group in a scenario of crisis price variation with severity of 40 years (99.99%) and
 - ✓ 2 largest clearing members / investor group with crises in severity of 25 years (99.984%)

During this crisis (Pandemic):

- There was no default by clearing members or brokers
- The safeguard structure after investor margin was not used
- Margin increased in 35 risk factors (among ~25K total), implying in only 1,2% increase in CCP's total required margin

WE HAVE ALSO
STRENGTHENED OUR
CYBER SECURITY
INITIATIVES



STRENGTHENING IN
ENVIRONMENT
MONITORING

WE INVESTED IN NEW
MECHANISMS TO PROTECT
AGAINST CYBER ATTACKS
(DDOS, RANSOMWARE...)



WE HAVE ALSO
STRENGTHENED OUR
CYBER SECURITY
INITIATIVES

ENGAGEMENT AND
INTERNAL COMMUNICATION
ON SAFE BEHAVIORS

IMPLEMENTATIONS RELATED
TO LGPD



BBC Account Home News Sport Reel Worklife Travel

NEWS

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Technical glitch closes Australian Stock Exchange

16 November

BBC Account Home News Sport Reel Worklife Travel

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Tech

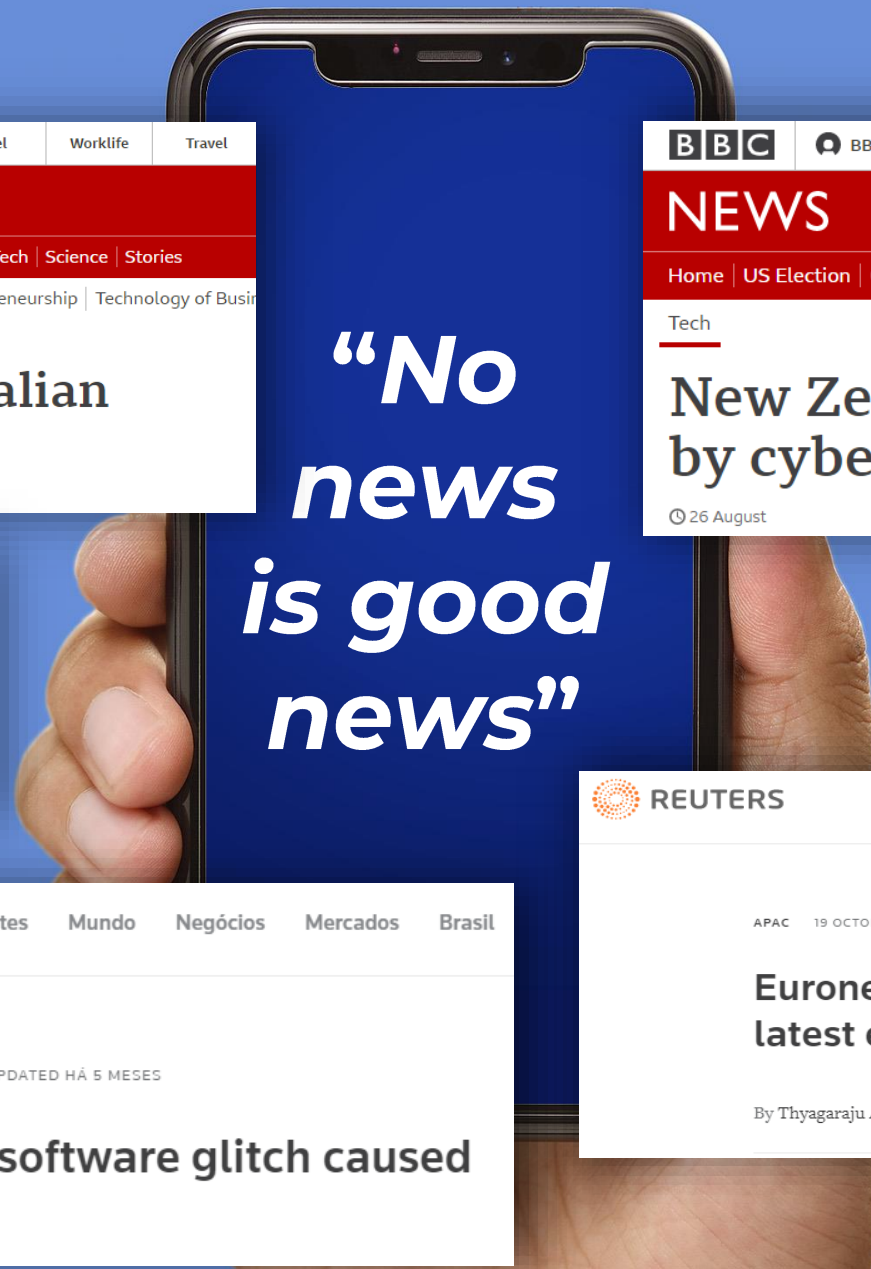
New Zealand stock exchange halted by cyber-attack

26 August

30 SEP, 22:22

Tokyo Stock Exchange halted due to technical difficulties

According to the exchange, a system responsible for spreading market information malfunctioned



REUTERS

Manchetes Mundo Negócios Mercados Brasil

TECHNOLOGY NEWS 1 DE JULHO DE 2020 / 5:38 AM / UPDATED HÁ 5 MESES

Deutsche Boerse says software glitch caused trading outage

REUTERS

À la Une Économie Technologie Cotation More

APAC 19 OCTOBRE 2020 / 11:16 PM / UPDATED IL Y A 2 MOIS

Euronext plagued by two glitches Monday, latest exchange to go down

By Thyagaraju Adinarayan, John McCrank

4 MIN READ

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B3's agile transformation

MAIN OBSERVED/EXPECTED GAINS

- Smaller deliverables -> **lower lead time**
- *Mindset* of **delivery of value to clients**
- Accelerated capture of benefits with **MVPs**
- Faster **identification** of **problems** and anticipated **resolution of** dependencies backlog
- **Collaboration** and construction of solutions in coordination with clients
- **Management of efforts** and **budget** focusing on **value added to clients**
- More efficient **IT processes** (DevSecOps)

NUMBERS OF B3'S AGILE TRANSFORMATION

VALUE CHAIN

15

PORTFOLIO

5

SQUADS

+60

JOURNEY DURATION

~20

PEOPLE

~750



At the same time, we deliver new products to our different businesses to meet the growing demand for sophistication in the local market

MAIN DELIVERIES OF 2020

LISTED

- Securities Lending Electronic Trading Screen
- COPOM Options
- BDR
- Puma
- Line5.0 - Clearing
- Clearing Techn. Refresh.
- Capacity upgrade
- Automatic exercise of options

OTC

- Receivables
- CBIO
- LFG
- Government Bond Lending
- Trader Improvements
- Bacenjud
- CD Receivables
- Liens
- Depository
- New functions of COE (Structured Transactions Certificate)

ADJACENT BUSINESSES

- Insurance
- KYC and PLDFT
- PIX/PagHub
- Energy
- Educacional Hub

IT

- Techn. Update
- Borda RCB
- Core Data Center Network
- Data Center Expansion

SUBSIDIARIES

- Portal de Documentos
- BLK
- B3 Bank

DATA

- DVA
- Analytics
- LGPD (Data Privacy Protection Law)

FINANCING SEGMENT

- Integra+
- 4.088
- Valuation Platform



And for 2021, we remain focused on delivering products that meet what is demanded by the market

MAIN DELIVERIES 2021

LISTED

- New equity tariffs
- US dollar tie trade
- EDS/UDS (negotiation and differentiated strategies pricing)
- Automatic exercise of options

OTC

- Fixed Income post-trading solutions
- Receivables platform
- Flexible options
- Maintenance of overdue assets

DATA

- DVA
- Analytics
- Integrated Investor Analysis
- Investment Equity Score
- B3 Investidor

FINANCING

- Floor Plan
- Receivables management block

... Aware of the dynamics of regulatory and competitive changes in our markets, especially in the equities market

Local Competition

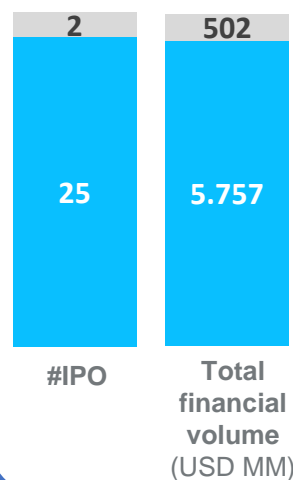
Launching in Brazil:

- New platforms of equities and futures
 - Possibly entry of Other international exchanges on the brazilian market
- Niche players

Offshore competition

Brazilian Companies IPOs

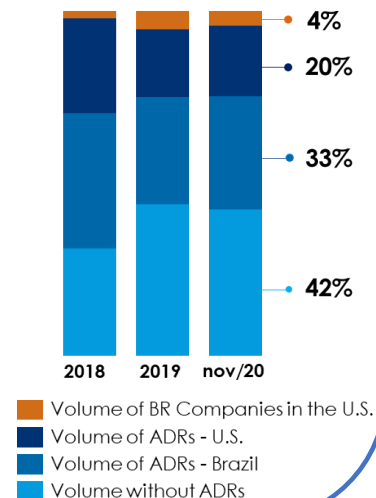
YTD 2020 – Jan to Nov



Fonte: DRCB/B3

% of trade of Brazilian Companies

YTD 2020 – Jan to Nov



Regulatory changes

Discussions regarding:

- ICVM 461/ 505 review
 - Block trade
 - Best execution
- SEAE letter and discussion regarding internalization
- RLP

We established operational pillars in the listed market to strengthen our positioning

PILLARS 2020 TO 2022



ONSHORE

MAXIMIZING THE
CURRENT VALUE
PROPOSITION

PRICING

PRESERVATION OF
MARKET INTEGRITY
WITH INNOVATIONS IN
TRADING MODELS

STRENGTHENING
RELATIONSHIP WITH
CLIENTS

PILLARS 2020 TO 2022



OFFSHORE

PROMOTE LIQUIDITY IN
THE LOCAL MARKET

DIFFERENTIATED
POLICIES TO ATTRACT
NEW CLIENTS

PROMOTE PRO-
MARKET REGULATORY
ADJUSTMENTS

INSTITUTIONAL
STRENGTHENING



In 2021, significant portion of the gain of scale in equities will be shared with the market

Changes in the New Pricing Policy for equities

Changes in the intermediate model (starting on feb/21)

Next Steps (schedule to be determined in coordination with market participants)

Trading

- **Reduction in the pricing table** and replacement of the progressive discount model based on the global ADTV
- **Differentiated fees for day traders** with accelerated and deeper discounts

- Pricing table with **progressive discounts according to each investor's trading volume**
- **Unification of pricing tables** for all types of investors
- **Harmonization of the auctions table**

Custody

- **Monthly fixed maintenance fee per account** reduced to zero (for local investors)
- New pricing table for value in custody, with the **exemption of tariff for small investors** (outstanding balances below R\$20,000)

- **Unification of pricing tables** for all types of investors
- **Processing fees** on distributions (IOC, Dividends)

Lending

- Revision of the securities lending pricing model, with reduction of tariffs (implemented on oct/20)

← **~R\$250MM total discounts¹** →

← **~R\$150MM total discounts¹** →

¹Backtest conducted during the period of apr-jun/20, with annualized figures

In OTC, we face competition in markets that we currently play and also in new markets that we are developing

Current Marktes

Bank Funding Instruments & OTC Derivatives

Current and potential competitors:

- CERC
- CERTA
- CSD
- M2M

New Markets

Receivables, Energy, & Insurance

Current and potential competitors

- CERC
- CERTA
- CSD
- Serasa
- CRDC
- TAG IMF
- Quicksoft
- SPC
- BBCE
- CCEE
- i4PRO

PILLARS 2020 TO 2022



OTC

RELEASE OF NEW
PRODUCTS

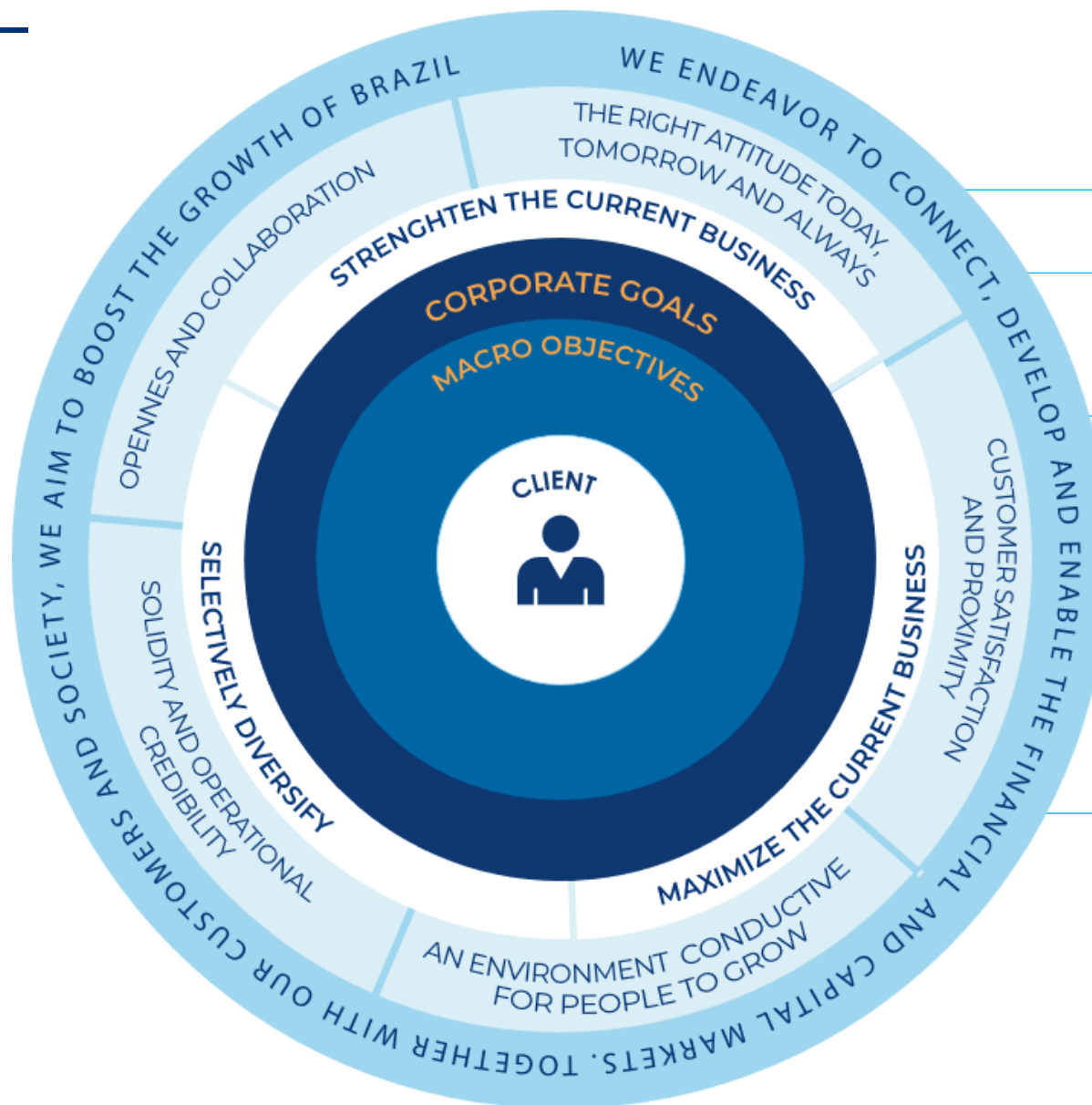
DEVELOPMENT OF
MORE AGILE
TECHNOLOGICAL
PLATFORMS

CLOSER RELATIONSHIP
WITH OUR CLIENTS

BALANCING OF
ADDED-VALUE VS.
PRICING



Our strategy
will only be
well succeeded
if we always
have **client** at
the center



B3'S CAUSE

B3'S VALUES

**STRATEGIC
PILLARS**

**CORPORATE
GOALS**

5 themes with 10 goals
that affect everyone

MACRO OBJECTIVES

Objectives of key-areas
in the company

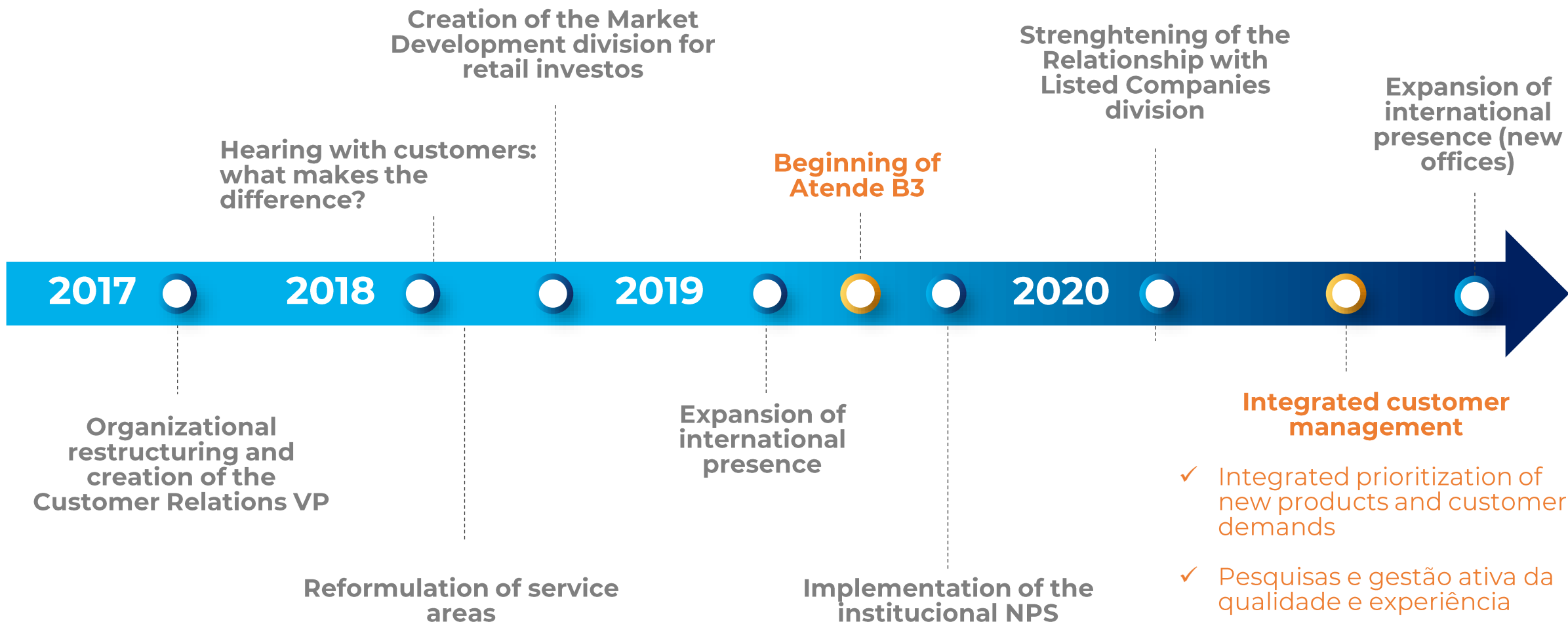


Value Chain

Examples of Goals



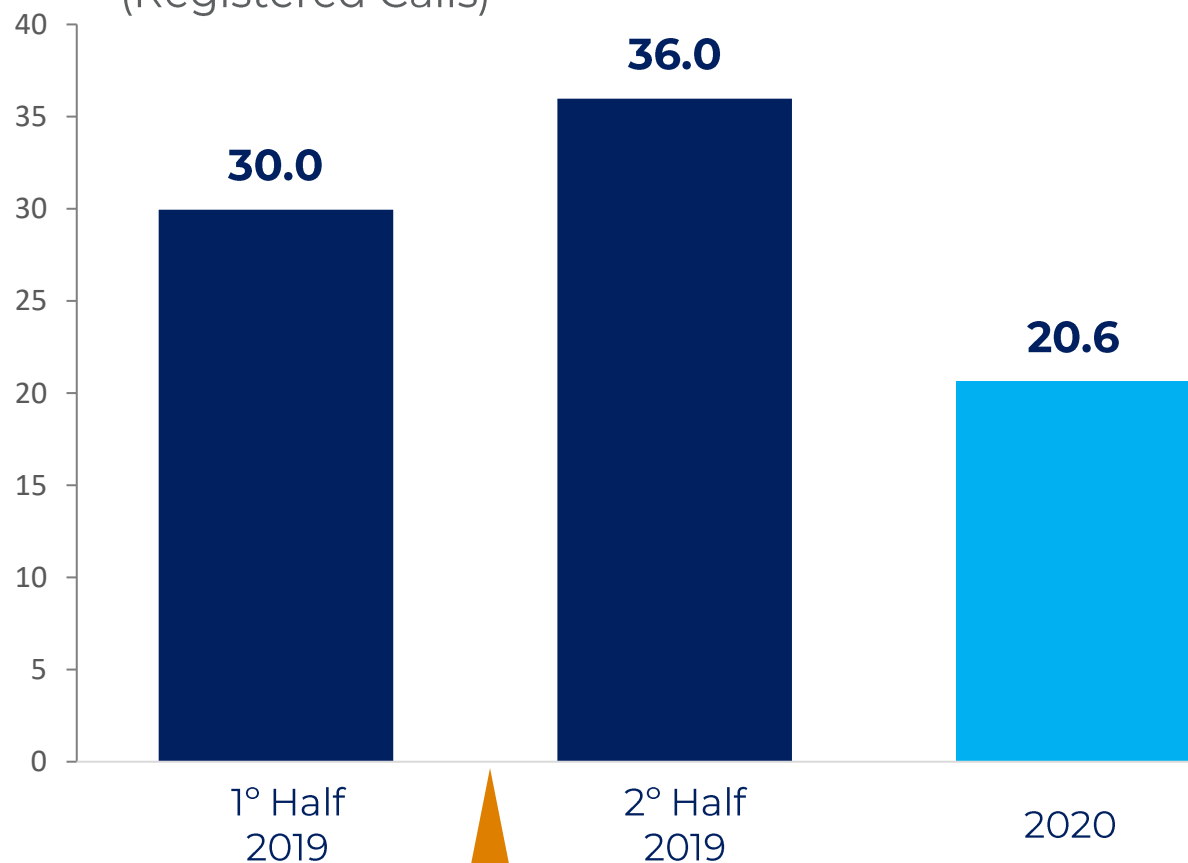
A transformational journey. Our organization focused on our clients





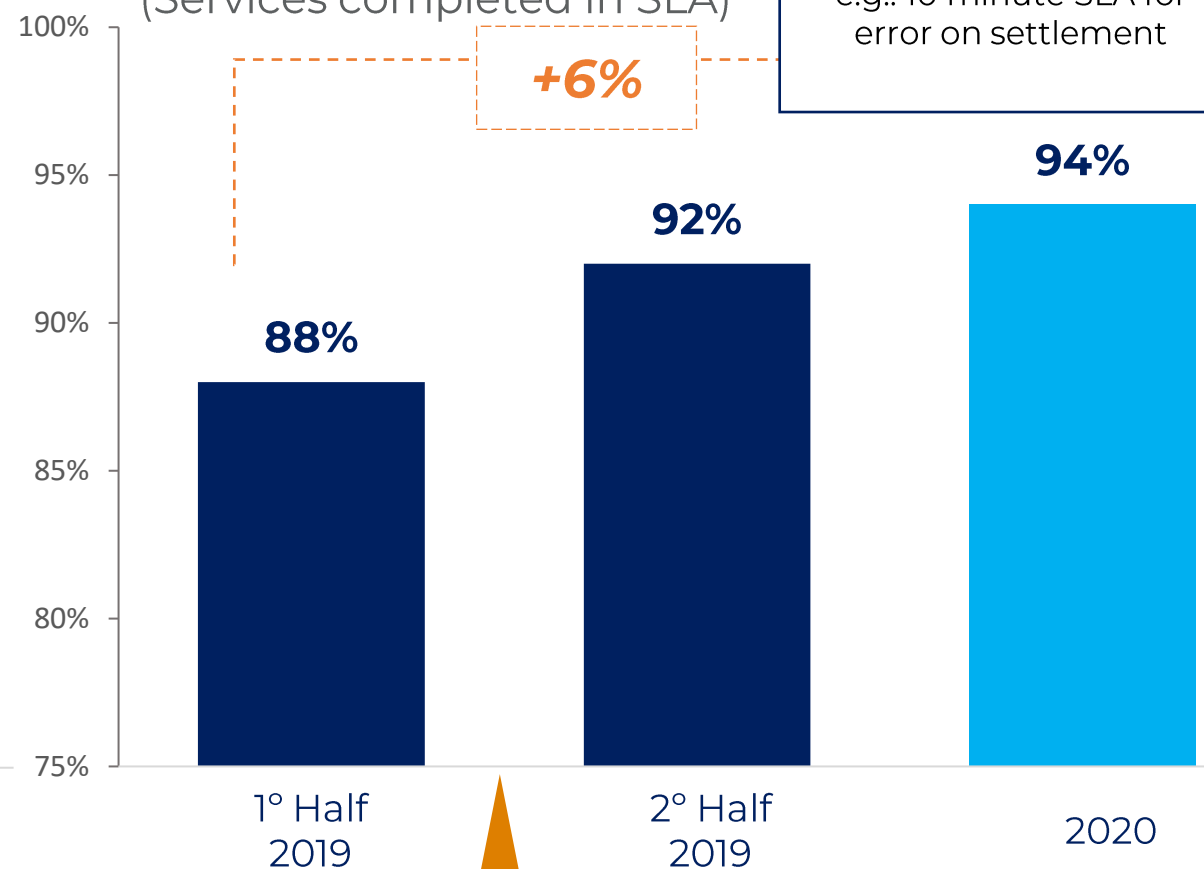
As a result of these actions, we have already seen improvements in our operational service indicators

Number of Services
(Registered Calls)



Beginning of Atende B3

SLA Services
(Services completed in SLA)



Considers criticality and resolution complexity
e.g.: 10 minute SLA for error on settlement

Beginnign of Atende B3



**We know that we
can still be even
closer to our clients**



We know that we can be even closer to our clients

HOW VALUES THAT WE WILL WORK ON

- **Agility** – understand the real needs of clients and improve time to market
 - Ex: Simplifica B3
- **Adaptability** – create solutions (continuous improvements and innovations)
 - Ex: B3 Ideas
- **People Development** – knowledge and skills to meet client demands
 - Ex: B3's Way to Serve and B3's Way of Doing Business
- **Balance** – create an engaging environment centered on openness and collaboration
 - Customer forum and a structure dedicated to customers



CUSTOMER-CENTERED FOCUS

- Value **Proximity** and **Customer Satisfaction** as the **driving forces** of B3
- Evolve to a client-centricity culture in terms of **processes, innovation, products, services, attitudes, and behaviors**



The development of a client-centered culture focused on collaboration and excellence has been our focus since the foundation of B3

Externally

A **CLIENT-CENTERED** COMPANY
THAT GUARANTEES THE **SOLIDITY**
AND CREDIBILITY FOR THE
MARKET...

Customer satisfaction
and proximity

Solidity and
operational credibility

[B]³

... **PROMOTING AN ENVIRONMENT
FOR PEOPLE TO GROW IN A
COLLABORATIVE WAY...**

Openness and
collaboration

An environment
conductive for people to
grow

... The right
attitude (Ethics)



**BUILDING
BLOCKS
OF OUR
NEW
CULTURE**



BUILDING BLOCKS OF OUR NEW CULTURE



NEW ATTITUDES

Intrapreneurship
Agility

NEW MINDSETS

Sense of Ownership
Innovation
Challenger of the Status Quo

NEW VALUES

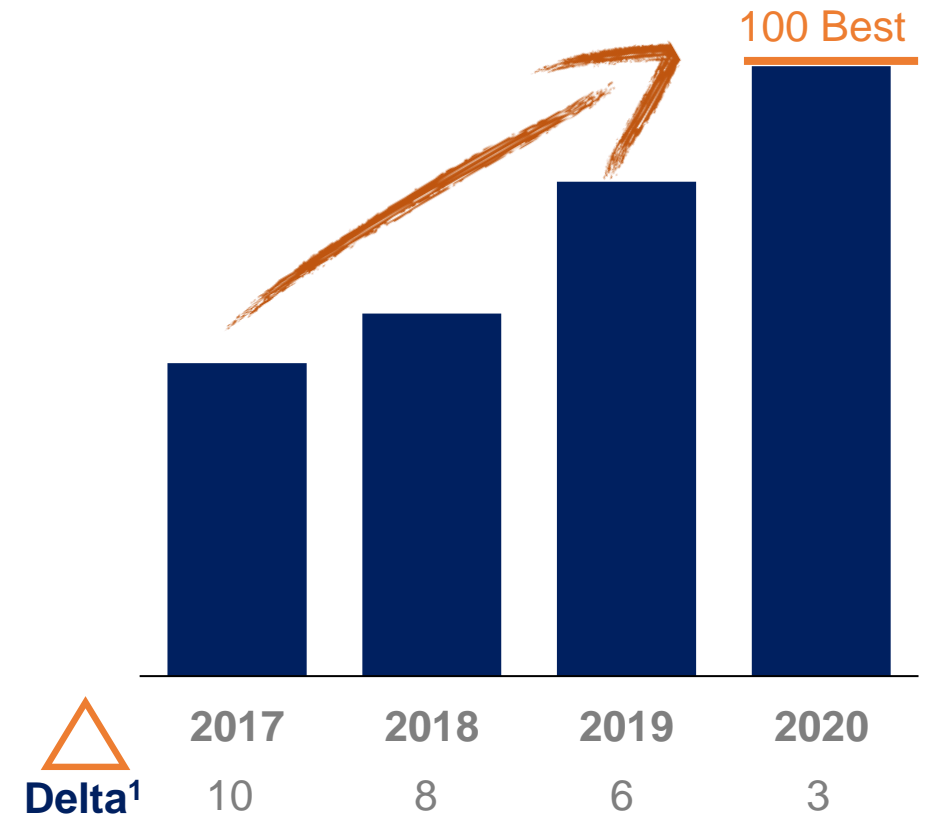
Customer-centered
Works collaboratively and openly...
Provides conditions for development,
maintaining ethics and excellence

ATTACK LIMITING VALUES

Bureaucracy
Hierarchy
Silos
Internal competition

WE ARE PROGRESSING TO
BECOME **ONE OF THE BEST
COMPANIES TO WORK FOR**– GPTW
SCORE IN LINE WITH 100 BEST
COMPANIES TO WORK FOR

General GPTW Score*



¹Diferença entre score da empresa e score da área

*Great Place to Work

Initiatives that support our diversity and inclusion strategy

2020

Actions linked to Diversity and Inclusion are intentionally managed through specific initiatives.

B3: focus on implementation goals



RACE &
ETHNICITY



GENDER



LGBT+



PwD



GENERATIONS

Ways of working: how we see the future at B3

B3



Home



Alternative
spaces



Ways of Working: how we see the future at B3



B3



Home



Alternative spaces

MODEL OF WORK “PHYGITAL”

ABILITY TO “BROWSE”:

In order to boost productivity and engagement, managers and employees will be able to switch between different workplaces according to their needs and preferences

- **Innovation**
- **Company's contribution**
- **Interaction and collaboration**
- **Team work**
- **Customer engagement**

SHARED PROPERTY:

Needs for breaking old beliefs and potential myths about where and how work is done most effectively. Managers must trust that employees will be effective and productive, while employees must be flexible and comfortable with mobility.

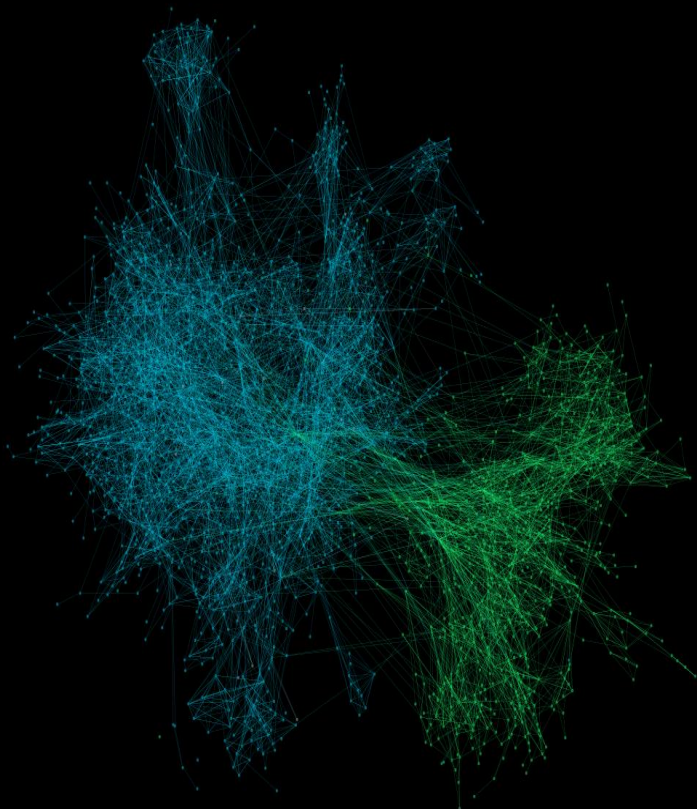
- **Balance between personal and professional life**
- **Quiet zone**
- **Concentration work**
- **Personal and Family care**
- **Reduction of commuting time**

- **Scenario's change**
- **Network**
- **Professional development**
- **Professional life boundaries**

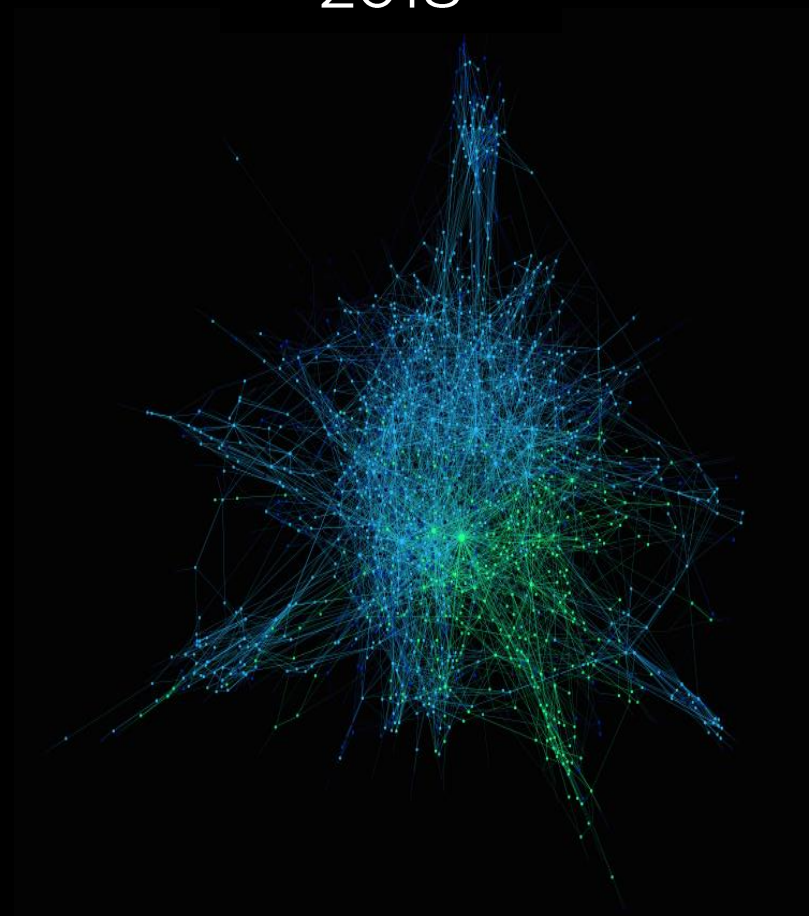
+ PRODUCTIVITY +ENGAGEMENT +SENSE OF INCLUSION +RETENTION

Our cultural project is increasing integration between people, making B3 stronger

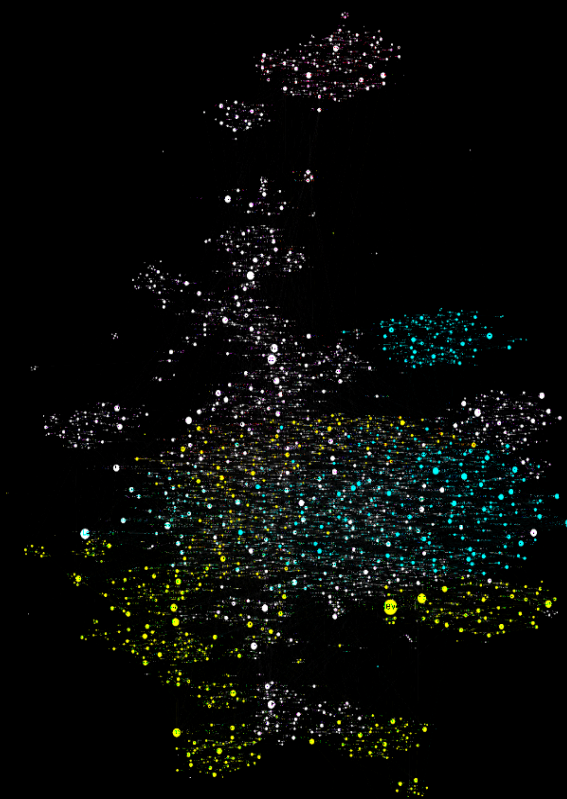
2017



2018



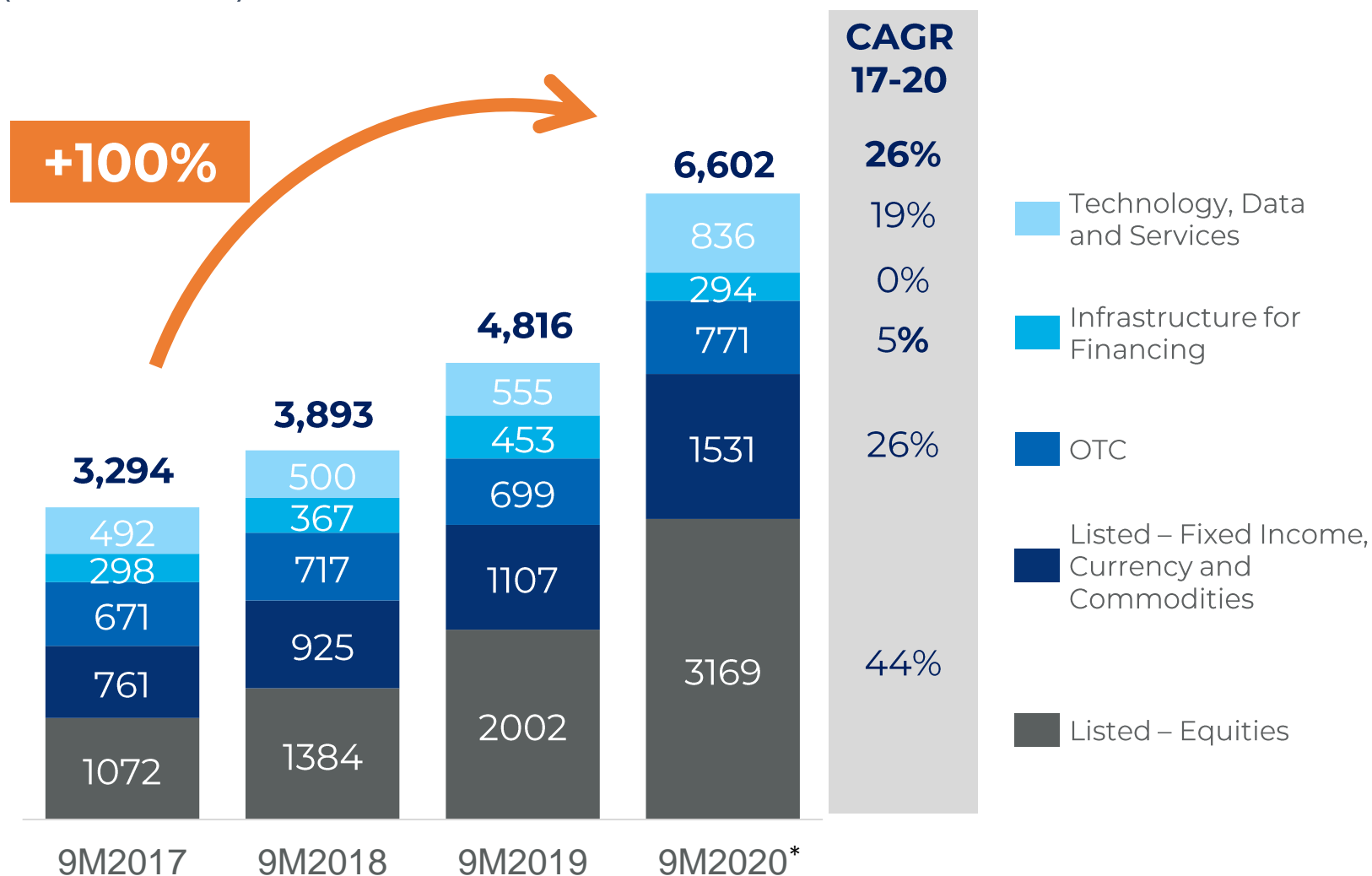
2020



← Colours represent B3's areas →



Total revenue (R\$ millions)

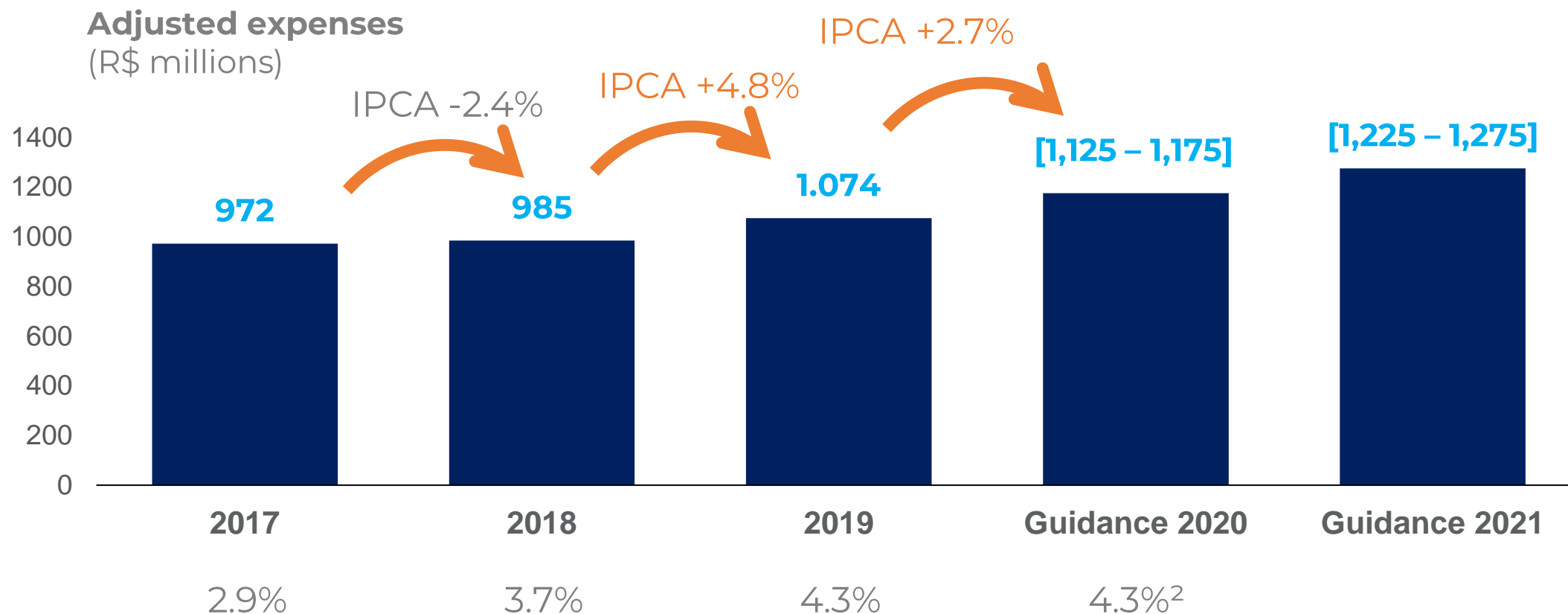


Performance Highlights (2017 vs 2020):

- **Listed**
 - Significant increase in the number of volumes (ADV/ADTV)
 - High growth in the number of individuals accounts in the equity market
- **OTC**
 - Incentive Program for the Treasury Direct
 - Growth of bank funding instruments outstanding volume
- **Technology**
 - Increase in the number of participants
 - Remodeling of the pricing model



Disciplined Expenses Management



Expenses Growth

45

¹Total expenses adjusted for: (i) depreciation and amortization; (ii) expenses related to long-term incentive program plans (compensation); (iii) provisions; and (iv) revenue-linked expenses

² Boletim Focus (December 14th, 2020)

³ Guidance Median



Financial Projections for 2020 and 2021

BUDGET	2020E	2021E	COMMENTS
Adjusted expenses ¹ (R\$ millions)	1,125 – 1,175	1,225 – 1,275	Payroll inflation, business diversification strategy and growth in adjacencies
D&A (R\$ millions)	1,030 – 1,080	1,060 – 1,110	Beginning of amortization of products and investments in capacity (intensified in 2020)
Revenue-linked expenses (R\$ millions)	170 – 200	225 – 265	Expansion of real estate products, recovery of the vehicle financing market, and incentive programs
CAPEX (R\$ millions)	395 – 425	420 – 460	Investments in IT infrastructure, product development, new businesses, and retrofit
Financial leverage (Gross Debt/ EBITDA)	Up to 1.2x	Up to 1.5x	The target for this projection is up to 1.5x Gross Debt/recurring EBITDA of the last 12 months
Distributions to shareholders ²	120% - 150% of corporate net income		Return of excess cash to shareholders

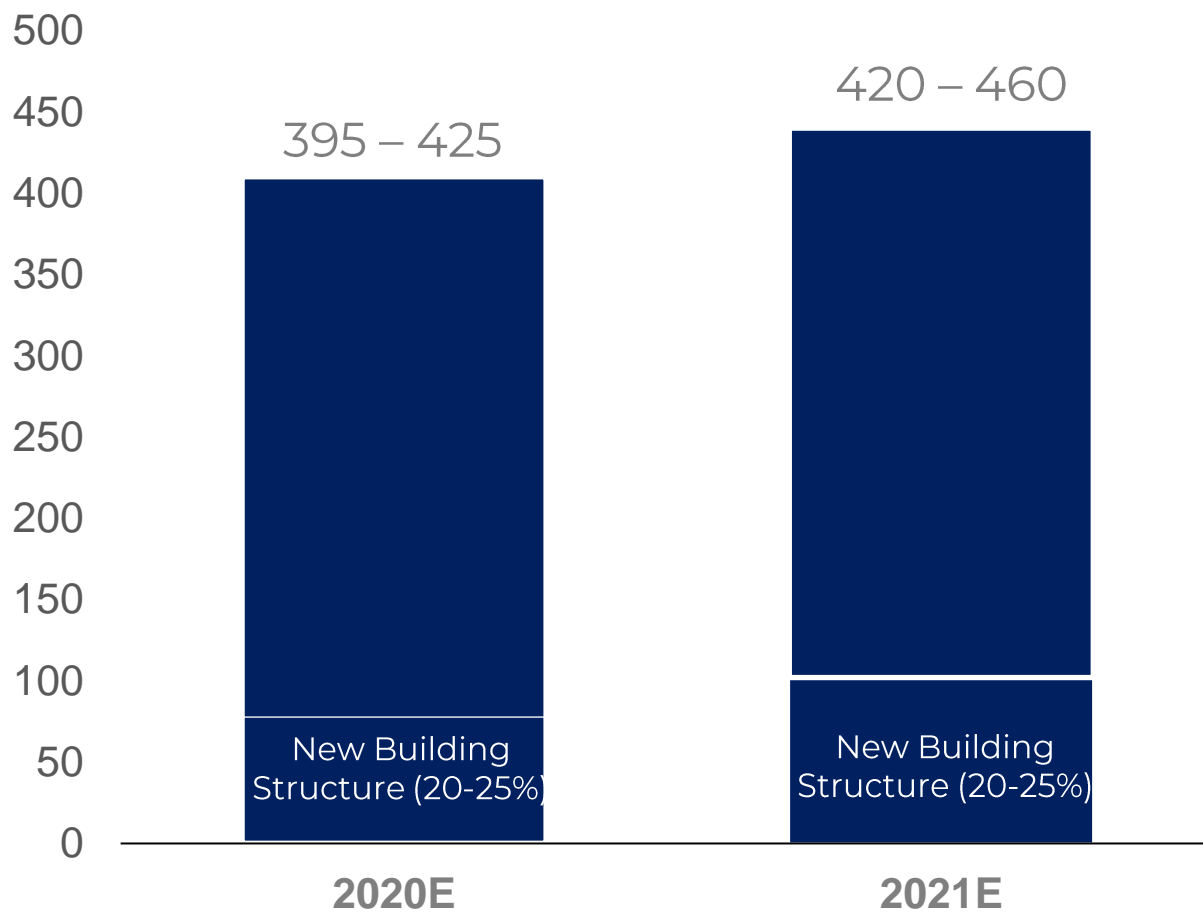
¹ Expenses adjusted for: (i) depreciation and amortization; (ii) expenses related to long-term incentive program plans (compensation); (iii) provisions; and (iv) revenue-linked expenses

² Distributions to shareholders: interest on equity capital, dividends, buybacks and/or other instruments



Capex Projections 20-21

(R\$ millions)



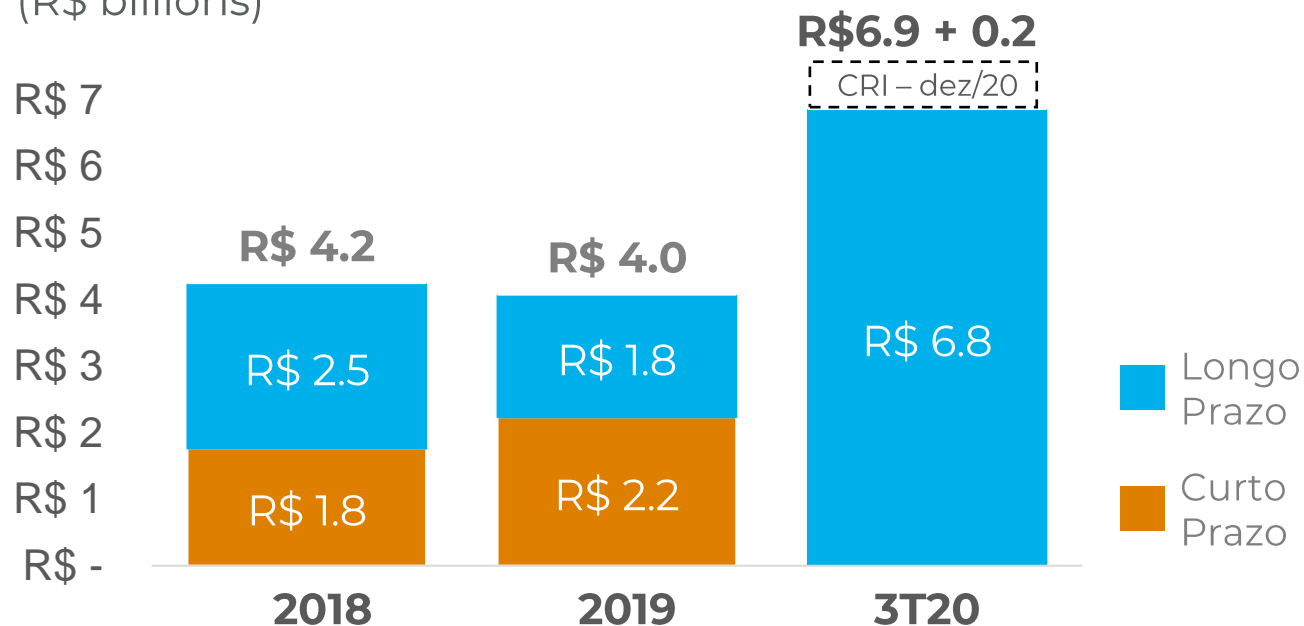
- 1 **Roadmap to intensify the use of Cloud**
- 2 **Technological modernization of B3's clearing house and network**
- 3 **AWS Integration**
- 4 **Expansion of the platform's capacity**
- 5 **Downsizing of SNG (mainframe for low platform)**
- 6 **BNO¹ for blockchain network**
- 7 **Development of the Cloud-based Exchange Clearinghouse**
- 8 **Cyber security investments, aligned with international frameworks such as NIST²**
- 9 **New Building Structure**

¹ Business Network Operator ; ² National Institute of Standards and Technology



We have access to several sources of funding

Gross Debt (R\$ billions)



Gross Debt

R\$4.2

R\$4.0

R\$6.9

Last 12 Months EBITDA

R\$3.4

R\$4.3

R\$5.8

**Alavancagem
(Dívida Br/EBITDA)**

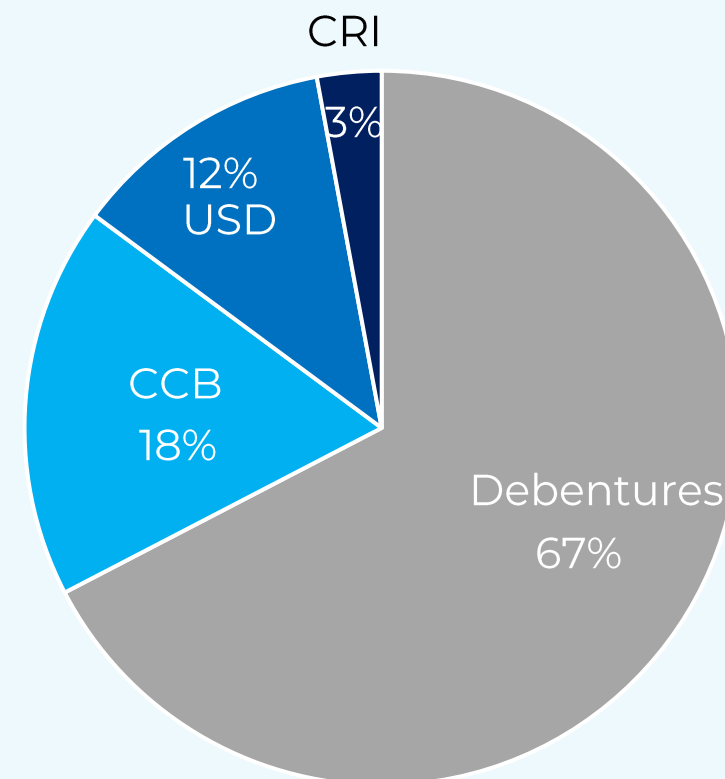
1.2x

1.0x

1.2x

Debt Distribution

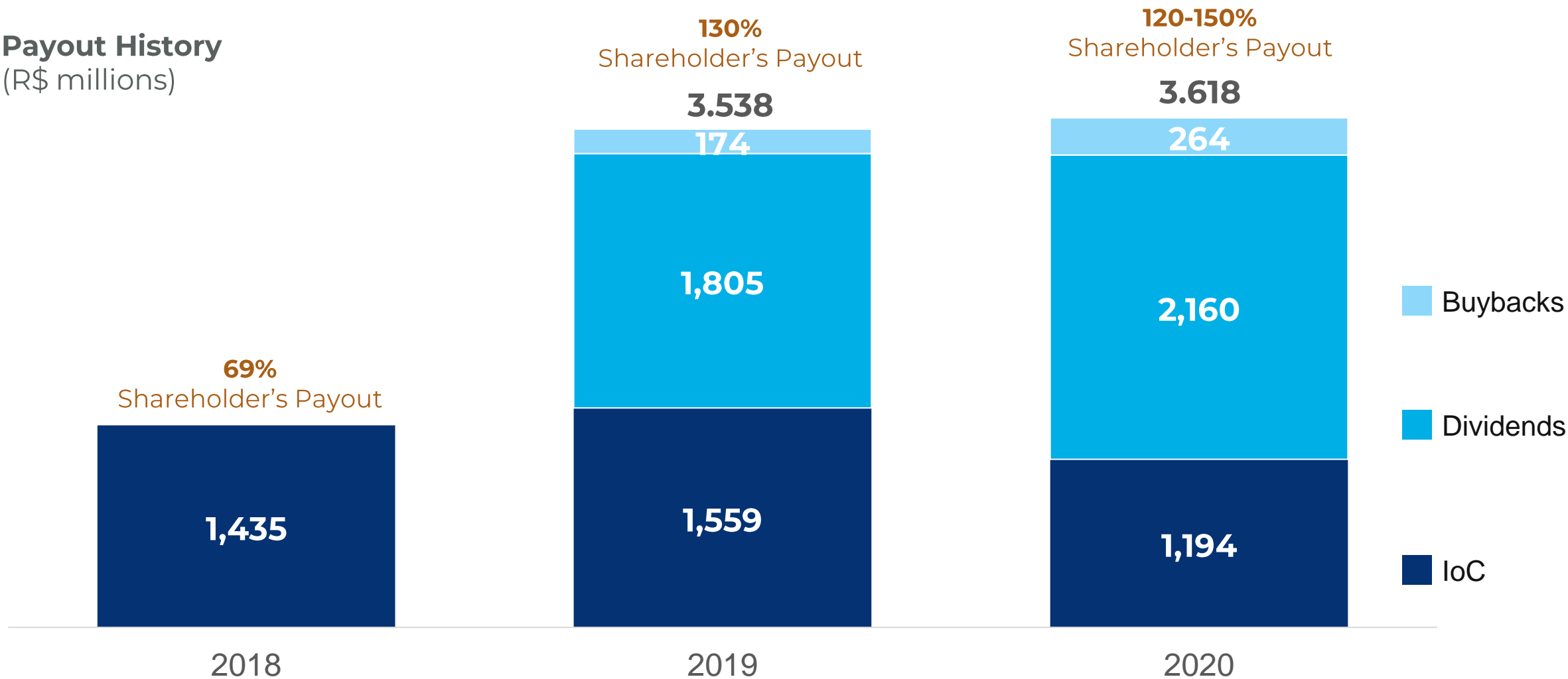
(as of Dec 2020)





Strong cash generation and high returns to shareholders

Payout History (R\$ millions)





$$[B]^3$$

Painel Individuals on B3

**B3
DAY**

Juca Andrade

VP - Products and Clients

Felipe Paiva

Clients Relationship Director

Tarcísio Morelli

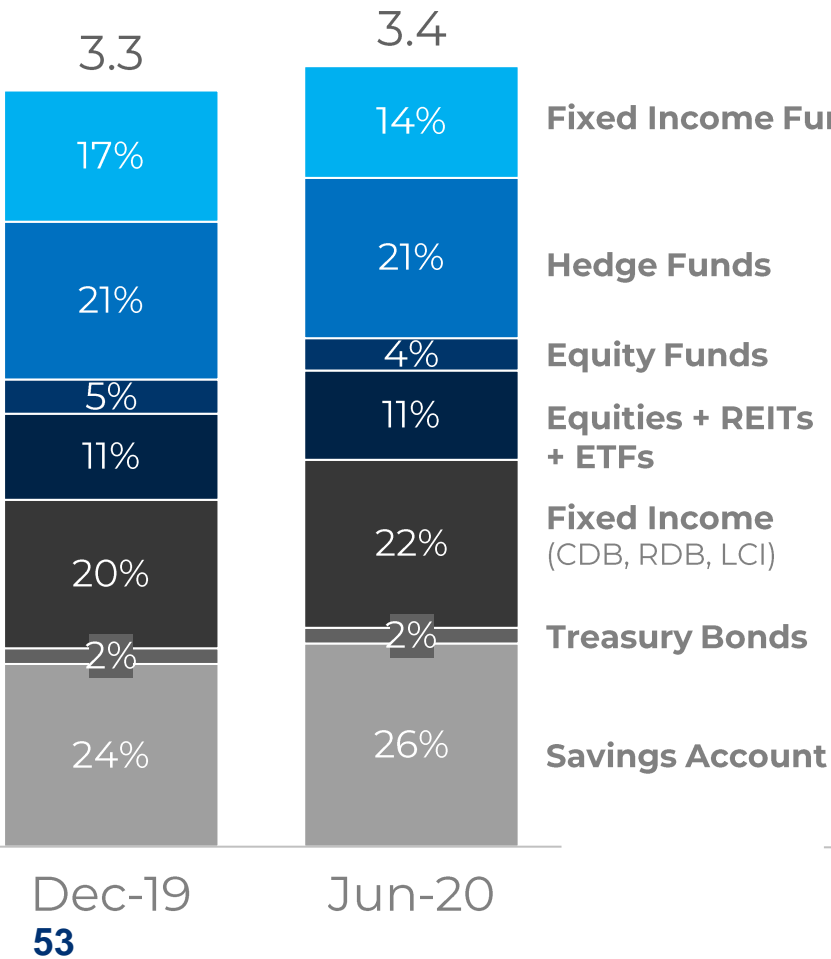
Market Intelligence and Pricing Director

[B]³

Individuals in the Financial Market and on B3

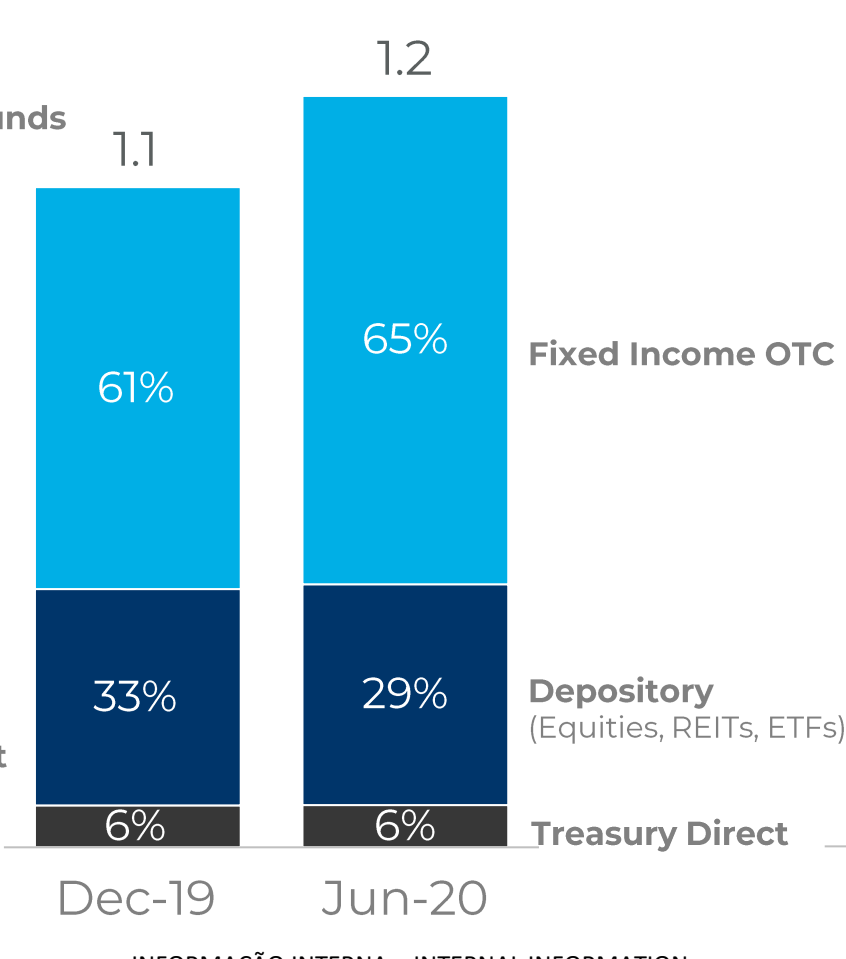
Individuals in the Market

Portfolio
(R\$ tn)

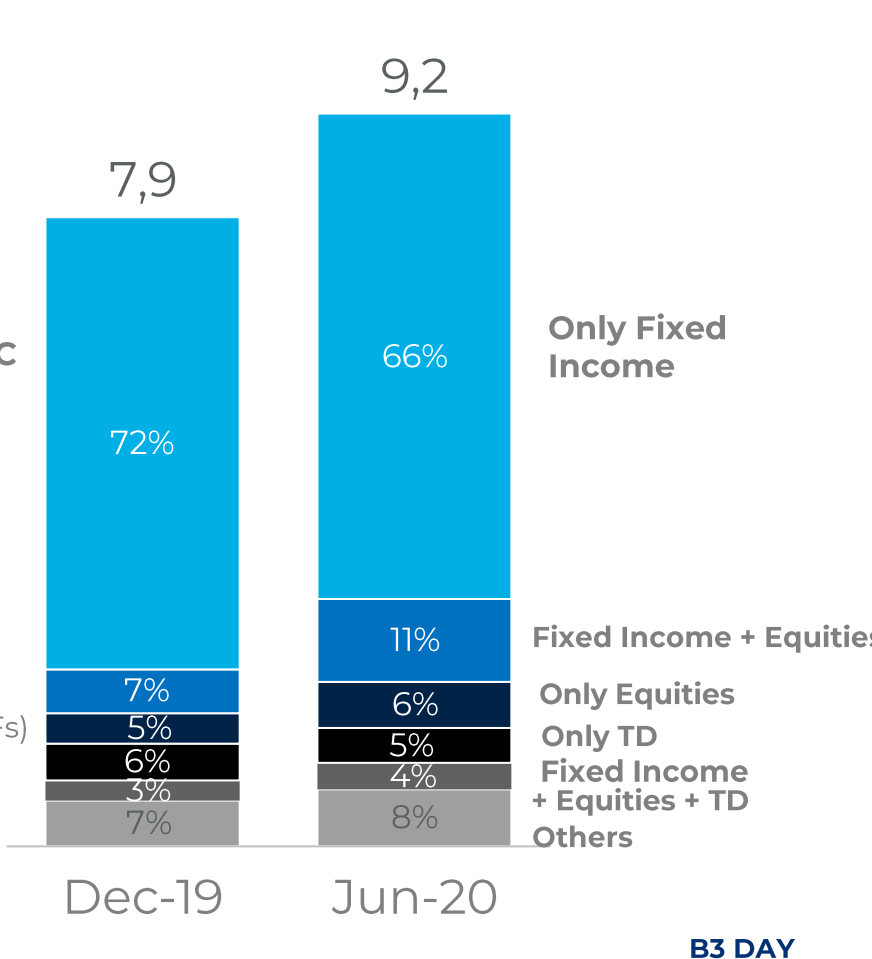


Individuals on B3

Position in Custody
(R\$ tn)



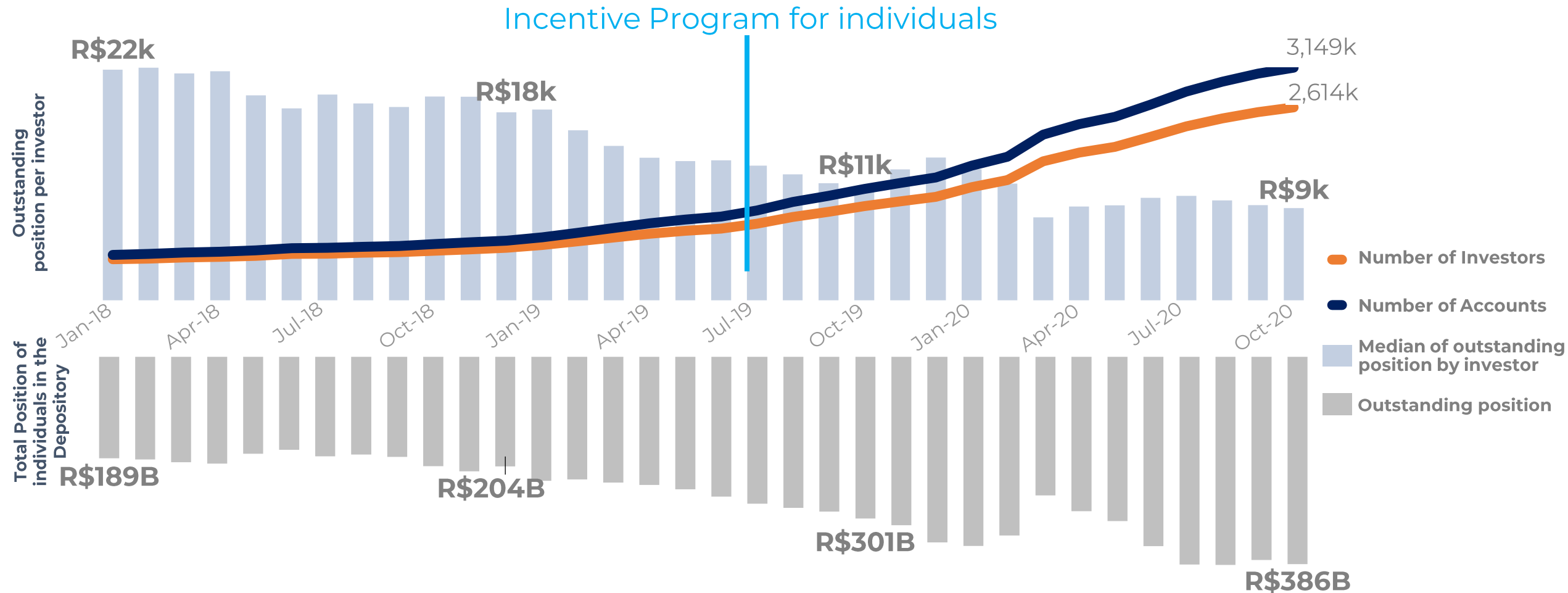
Number of Investors
(millions of CPFs)





Inflow of Individuals on the Equities Depository still strong, but with lower outstanding position

Number of retail investors on equities depository has grown significantly: by the end of October 20 we had more than 2.6 million CPF, with +3.1 million of accounts

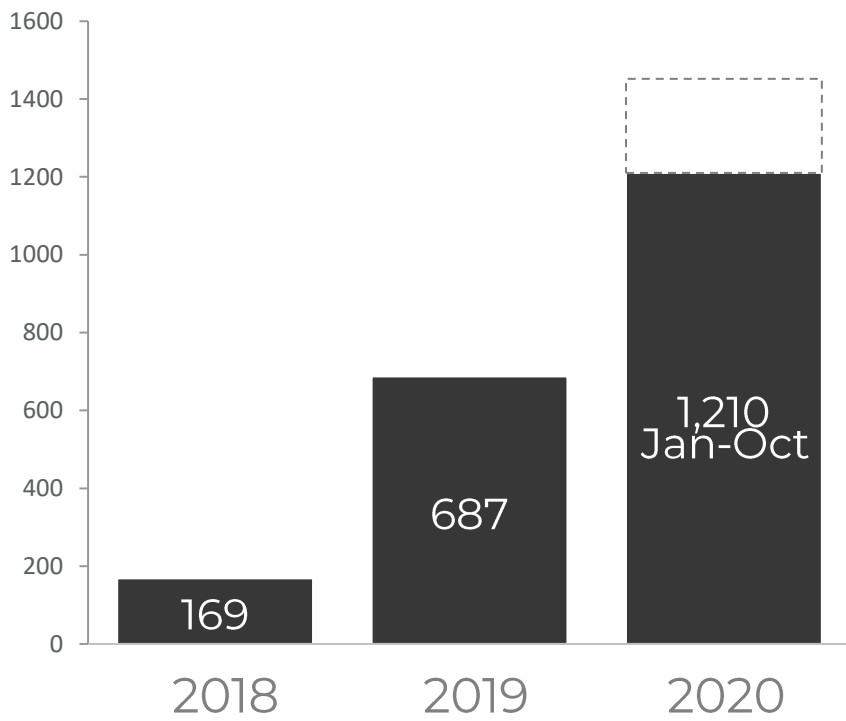




This is just the beginning of the race

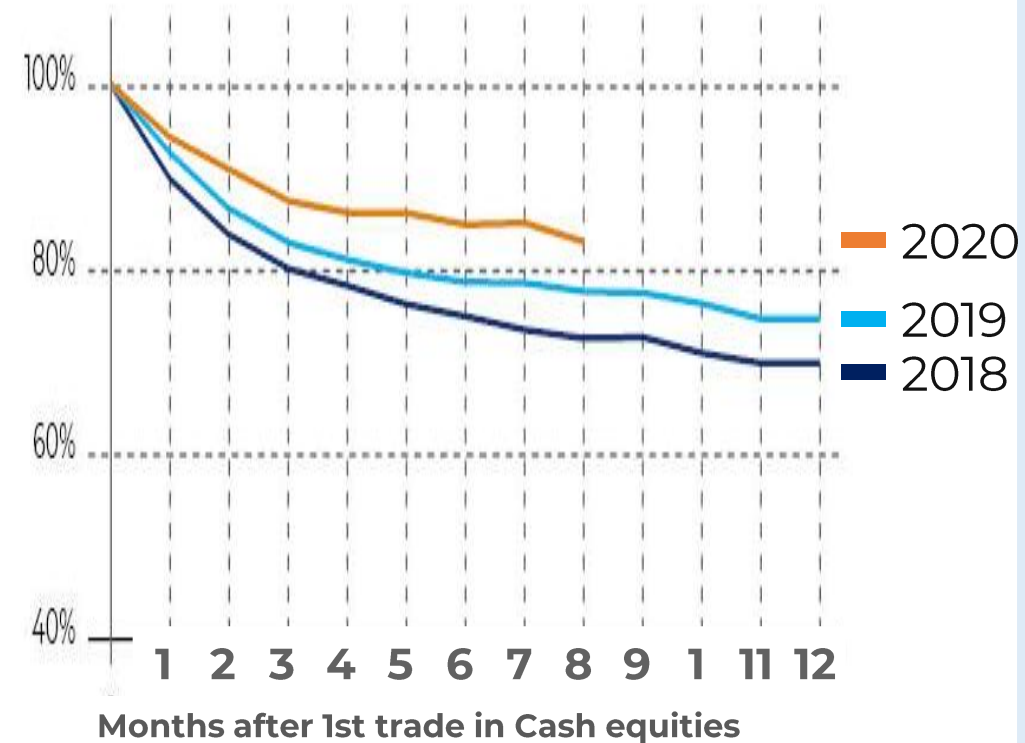
Number of Investors

Individual Investors number growth
(thousands of investors)



Churn Rate

Individuals' churn rate
(% of investors that maintain position throughout time, per year of entry)



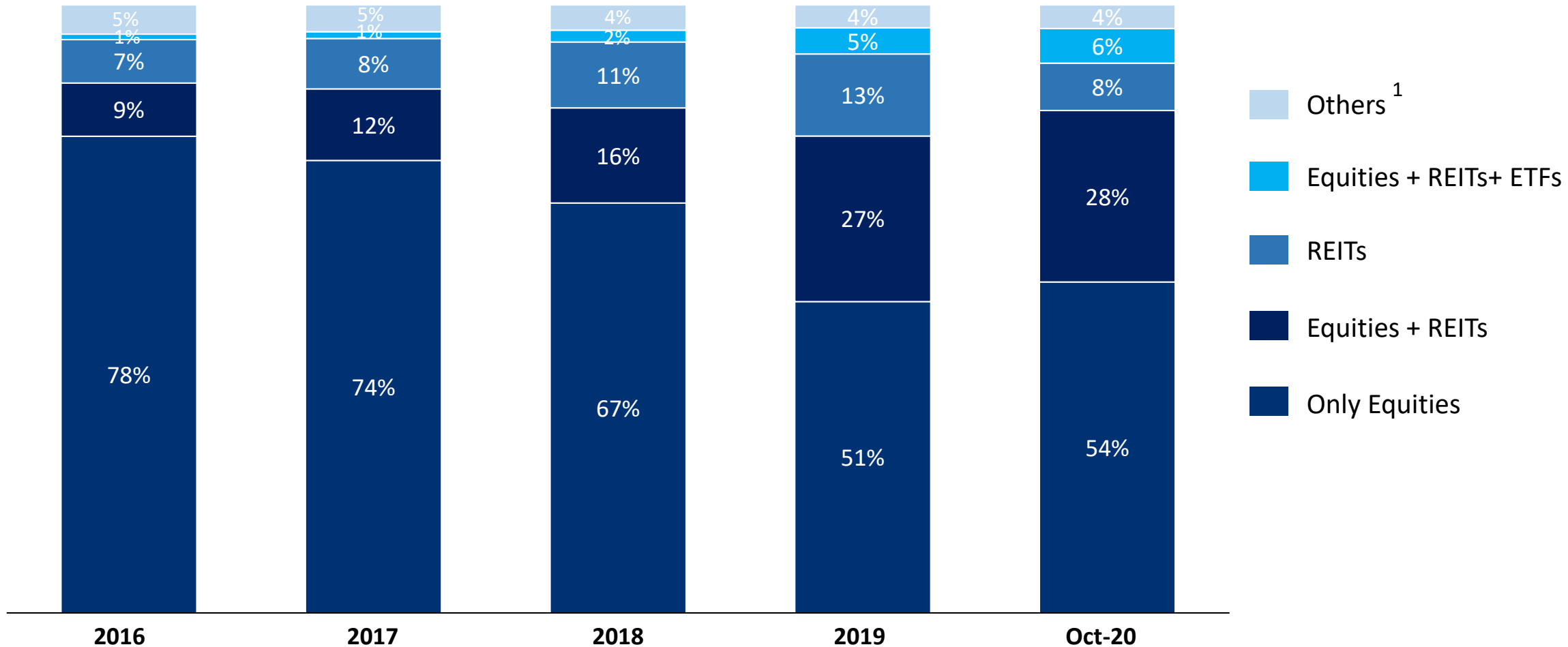
- The growth in the Number of individuals in 2020 is higher than any other year
- Investors that came in 2020 have a higher staying rate than observed in prior years
 - Between 25% and 30% of investors that made that move in 2018, for example, have zeroed their positions after 6 months. In 2020, this Number falls to the range of 20-25%



Investment diversification proves to be ever greater and there is still room for growth

Portfolio distribution of Cash Equities Retail Investors

(%)





B3's initiatives to promote the participation of the retail investor

Incentives for Individuals Investments:

1

PRODUCTS – Release and promote products that meet the demand for asset diversification (*Treasury Direct, RLP, BDR*)

2

INCENTIVES PROGRAM AND PRICING POLICY – Reduce costs for the investor, expanding reach, and giving back to the intermediary (Incentive Programs for Mini contracts, TD, and individuals in cash equities)

3

TRANSPARENCY AND EASY ACCESS TO INFORMATION - Facilitate access to information, presenting it in a consolidated manner on a user-friendly platform (new B3 Investor)

4

OPERATIONAL EASE – Facilitate the investor's day-to-day operations (opening accounts, calculating taxes, STVM, customer onboarding)

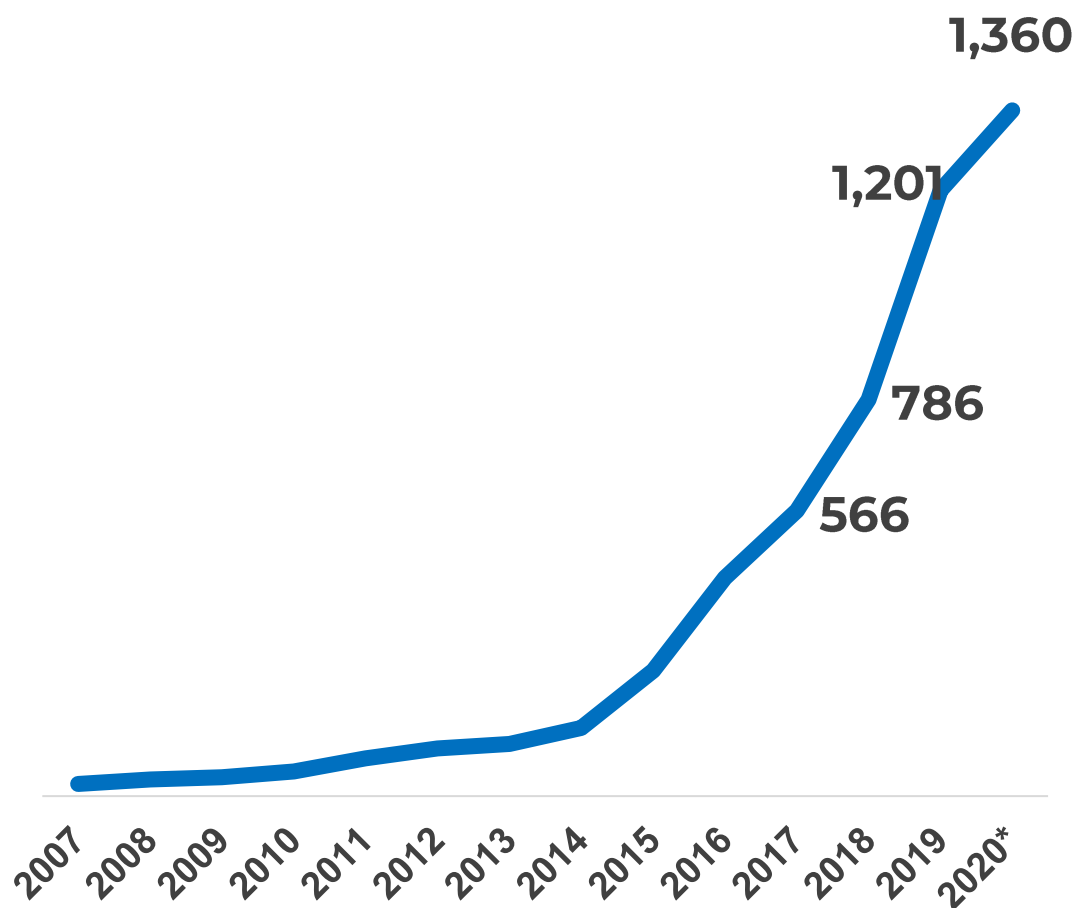
5

FINANCIAL EDUCATION - Provide quality content, support the investor's learning journey and form partnerships to disseminate knowledge about the financial market and investments (Educational Hub)



Promoting Treasury Direct

Evolution of Individuals - # of investors (thousands)



FRONTS OF ACTION



User Experience

- New Institutional Site
- New Transactional Site
- Retrofit app
- Registration and payment experience



Incentive measures

- Incentive program
- Boosting distributors
- Review of the custody fee
- Monthly reports and analytics



Communication

- TD Networks and Channels - Sioux and B3
- New service model
- Lives and Product Disclosure
- Boosted Youtube



Operational improvements (Backlog)

- Settlement in D+0
- Simulator 2.0
- Multiple Accounts
- Technological Review

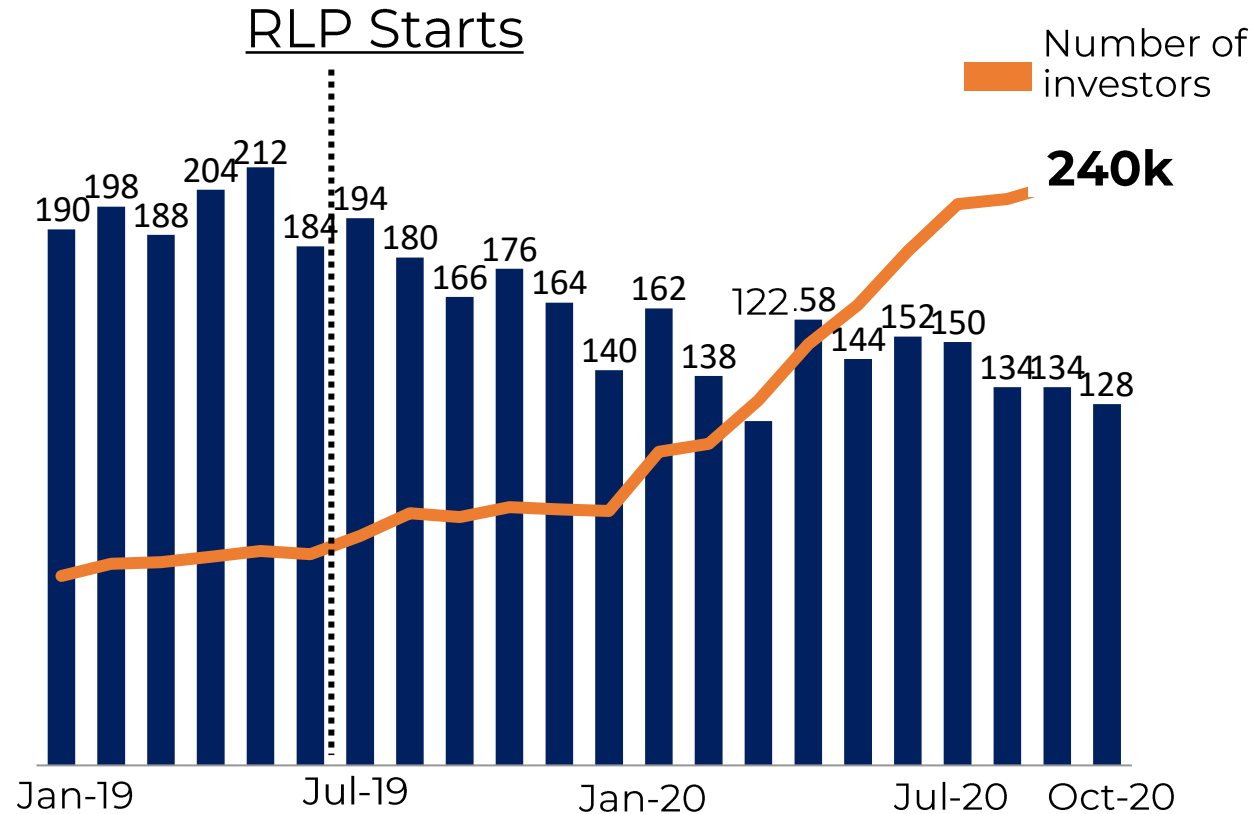


Promoting the RLP

Evolution in the number of derivative contracts

Number of contracts

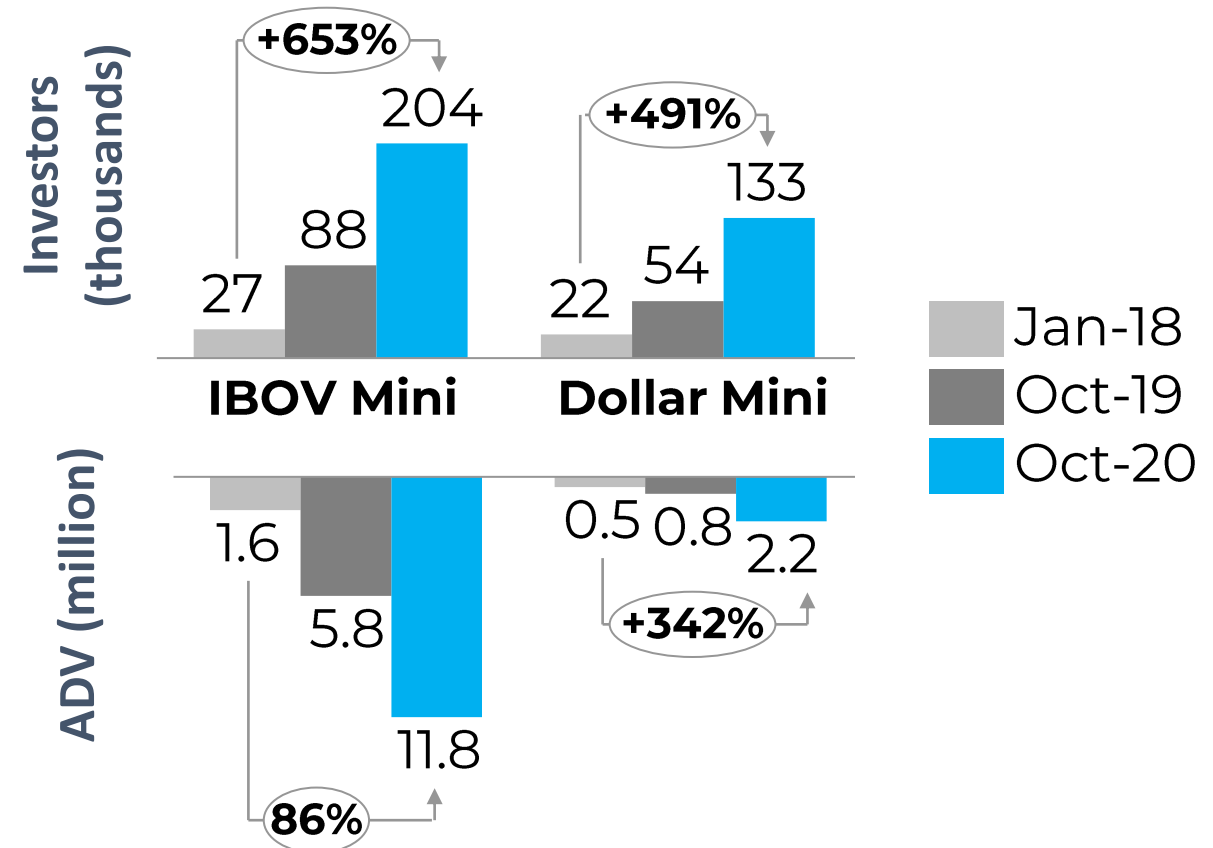
(Median of ADV per investor)



Monthly ADV per product

Number of contracts

(Median of monthly ADV per investor)



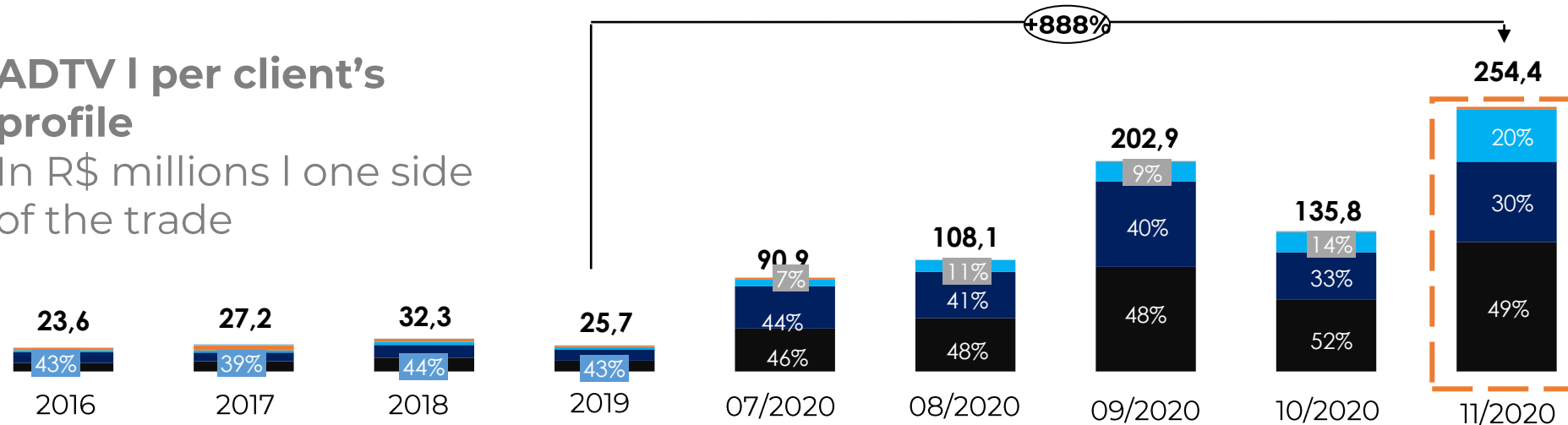


New Product – BDRs for Individuals

671 Unsponsored and 4 Sponsored BDRs are currently available for trading

ADTV I per client's profile

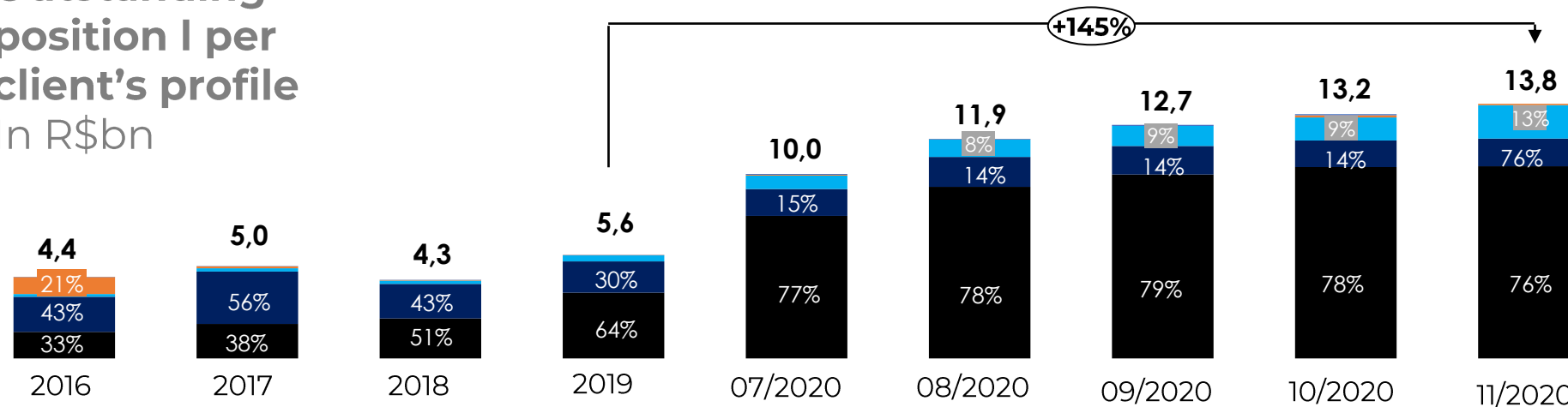
In R\$ millions I one side of the trade



Individuals, which represented 9% of the volume of trades in 2019, represented 20% in Nov-20 after the regulatory changes in 10/2020

Outstanding position I per client's profile

In R\$bn



Others

Financial Institutions

Individuals

Institutional Investors

Foreign Investors



Fees Incentives for Individuals

		DESCRIPTION	START
Incentives	TREASURY DIRECT	<ul style="list-style-type: none"> Incentive program for brokerage firms, with variable remuneration according to the # absolute growth of the investor base with position vs. initial period Zero custody fee for investors with up to R\$ 10,000 in custody 	2019
	MINIS	<ul style="list-style-type: none"> Financial education incentive program aimed at future mini-contracts, with the objective of encouraging market participants to carry out educational initiatives (* consumption according to approved proposals) 	2020
	DEPOSITORY	<ul style="list-style-type: none"> Bonus granted to brokers based on criteria for increasing investors and real growth of the balance in custody 	2019
	NEW PRICING POLICY FOR CASH EQUITIES	<ul style="list-style-type: none"> Total exemption from tariffs on the value in custody and on the processing of financial earnings for investors with lower than R\$ 20 thousand in the depository 	2021E

New B3 Investor (CEI)



VISION

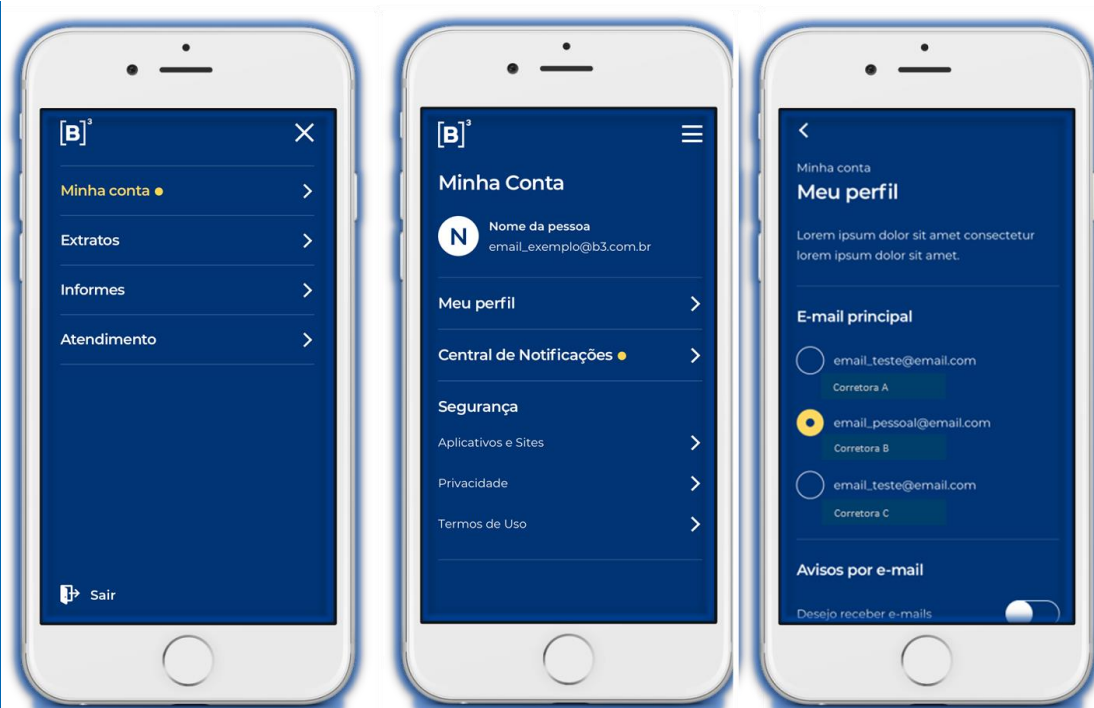
Simple, accessible,
demystified

Complete vision –
B3's differential

To offer transparent, consolidated information
so that the individual can invest with
confidence

Wants to invest /
Started to invest /
already invests

Safety, credibility,
support



Smart

Complete data and secure
information with an
analytical view



Simple

Objective and accessible
communication for all kinds of
investors



Partner

Intuitive support to help
investors plan and manage
portfolios

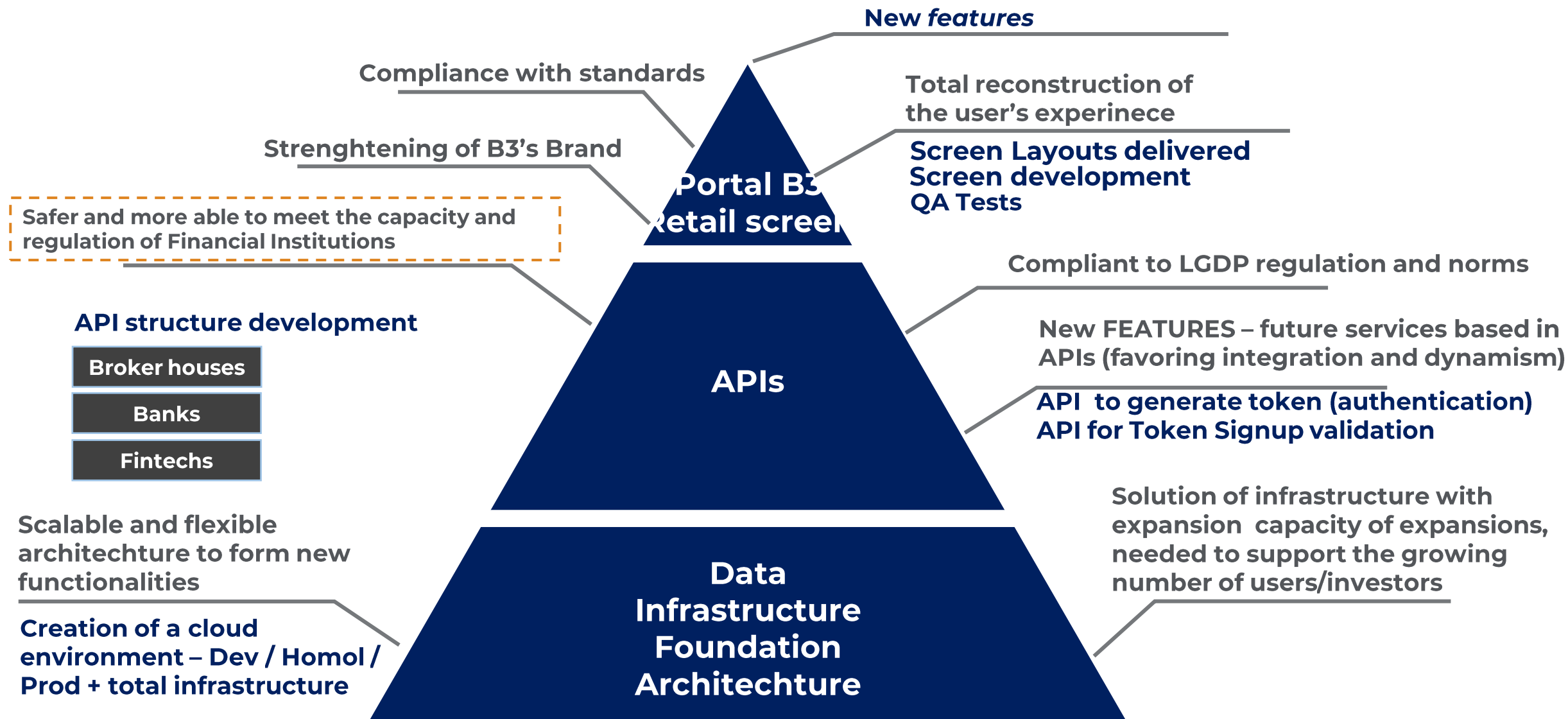


Present

Support tools offering
insights that only B3 has

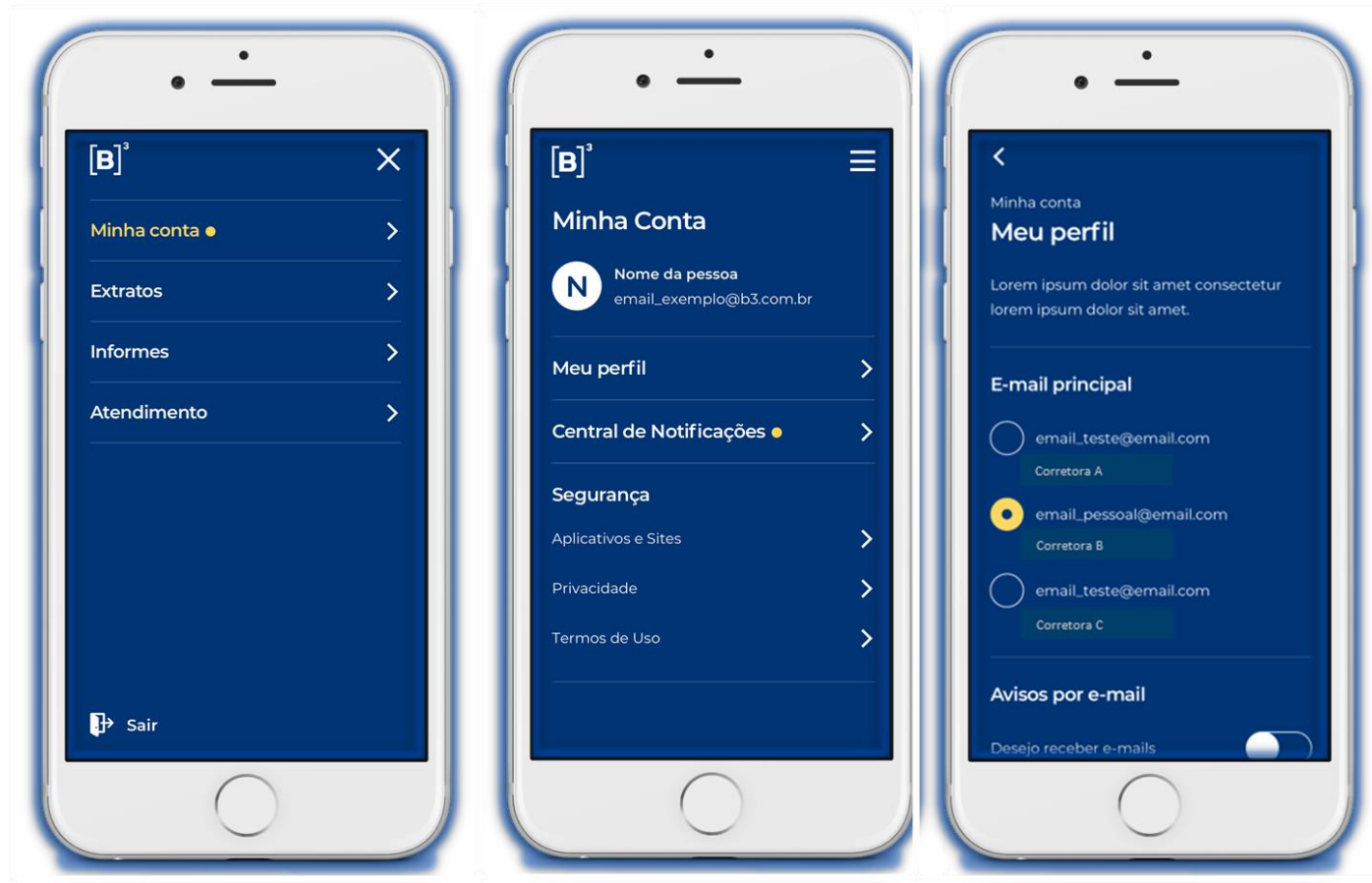


New B3 Investor (CEI)





Easy to Operate on a daily basis



Tax Calculator



STVM/Portability



Digital Onboarding



BDRs - Brazilian Depositary Receipts

Aprenda sobre investimentos no exterior.

SAIBA MAIS

Entenda o Mercado

Finanças Pessoais

Comece a Investir

Invista Melhor

Semana ENEF

The HUB in Numbers:

Stage 1

04/27 à 09/23



Stage 2

since 09/24



77K

Registrations



342K

Accesses



250

Themes



10

Partners



88K

Registrations



413K

Accesses



336

Themes

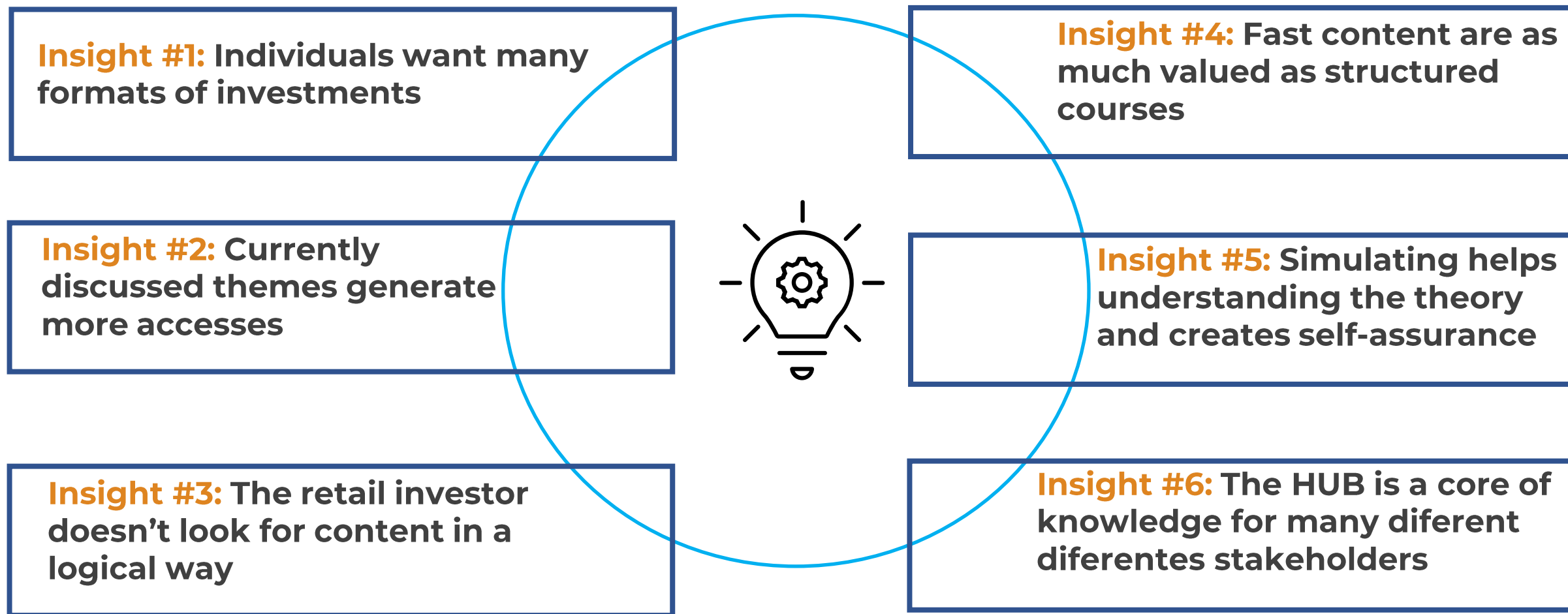


19

Partners



Insights about the Retail Investor's behavior



$$[B]^3$$



ESG Agenda at B3

**B3
DAY**

Ana Buchaim

People, Marketing, Communications,
and Sustainability Director

Fabio Zenaro

OTC, Commodities, and New Business
Products Director

[B]³

The ESG Agenda in the international scenario



**Investors,
regulations
and society**

Sustainability
was incorporated
in the
mainstream

**Increase of
capital costs** for
companies that
do not have
sustainability
practices

Increase in
**regulatory
requirements** to
boost the ESG
agenda

**84% of
millennials point
to ESG** as a focal
point of their
investments
(Morgan Stanley
Survey)



**What other
Stock
Exchanges
are doing**

**Mandatory
ESG listing**
criteria –
E.g.: JSE

**ESG Indices –
broad or by
specific topics –**
E.g.: Energy
efficiency,
renewable
energy etc.

Registration of
**Green, Social
and
Sustainability
Bonds**

Publication of
**guides for
implementation
of ESG practices
and reporting**

2020-2021 SUSTAINABILITY PLAN

Ambition: leverage B3's strategic objectives by fostering a resilient business environment aligned with the best ESG practices

1

**TO BE A COMPANY
ALIGNED WITH THE BEST
SUSTAINABILITY PRACTICES**

2

**STIMULATE GOOD ESG
PRACTICES IN THE
BRAZILIAN MARKET**

3

**STRENGTHEN THE
CURRENT PRODUCT
PORTFOLIO, AND
DEVELOP NEW ESG
MARKETS**

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MARKETS**

Environmental Responsibility for our impact

Climate Management

Carbon Neutral
since 2011

- **Monitoring and Transparency:**
 - CDP: since 2009. 2020 Score: from C to **B**
 - Emissions inventory: since 2010
- **Climate Commitment Platform:**
 - Carbon offsetting in scopes 1, 2 and 3

#Movimento B3

Efficient and responsible towards
natural resources and the environment

- **Retrofit of buildings for:**
 - Energy efficiency;
 - Saving water;
 - Reduction in GHG emissions.

Waste

To reduce environmental impacts and
potentialize social impacts

- Sale of recyclable materials:
proceeds allocated to B3 Social.

Continuous Improvement

Social

Contributing for the development of our employees, suppliers and the society

Diversity

- **Development of Managers** – training programs on unconscious biases and inclusive practices – +60% graduated | +50hs of training
- **Diversity and Inclusion Groups** – evolution in their roles + independence | +60 members / 50% leaders | 8 sponsors | +200 allies | 100% of the departments represented
- **Internship Program** – 30% of black youths enrolled vs. market average of 15%. We have increased racial representativeness among interns from 10% to 25%.
- Recognition – one of the 10 best companies for PwDs

Culture

- Increase in bond, from 13% to 20% on the “alignment of my values to those of the company.” Bench GPTW: 14%
- Relevant improvement in GPTW’s engagement score, reaching top 100 companies' level
- Glassdoor: 2nd place in the ranking of the best places to do an internship.
- **People Strategy (products):**
 - B3 Develops
 - Review of the Performance Management Model
 - B3 Balance
 - B3 Movement

Social

Contributing for the development of our employees, suppliers and the society

Supplier Management

- Code of Conduct of Suppliers;
- Application of a questionnaire on good ESG practices for validation of critical suppliers.

B3 Social

- Prioritization of investments for structuring basic education actions with focus on areas with greater potential of impact.
 - Education: early childhood; STEM; literacy; education for life and work
 - Sports: fighting school dropout, and development of social and emotional skills
- Volunteer Program
- #umsótime project: quick and structured response to the Covid19 crisis.

Pillars of action in fighting the COVID-19:

1. To protect the health and safety of the employees:

- Remote work for 95% of internal audience;
- Structured plan for return to on-site work (only in phase 3).

2. To maintain financial sustainability:

- Overtime target / zero compensatory time;
- Review the need for new hiring.

3. To ensure business continuity:

- Crises Management Committee – comprehensive actions in the context of Covid;
- Performance of IPOs with virtual sessions.

4. To support the society:

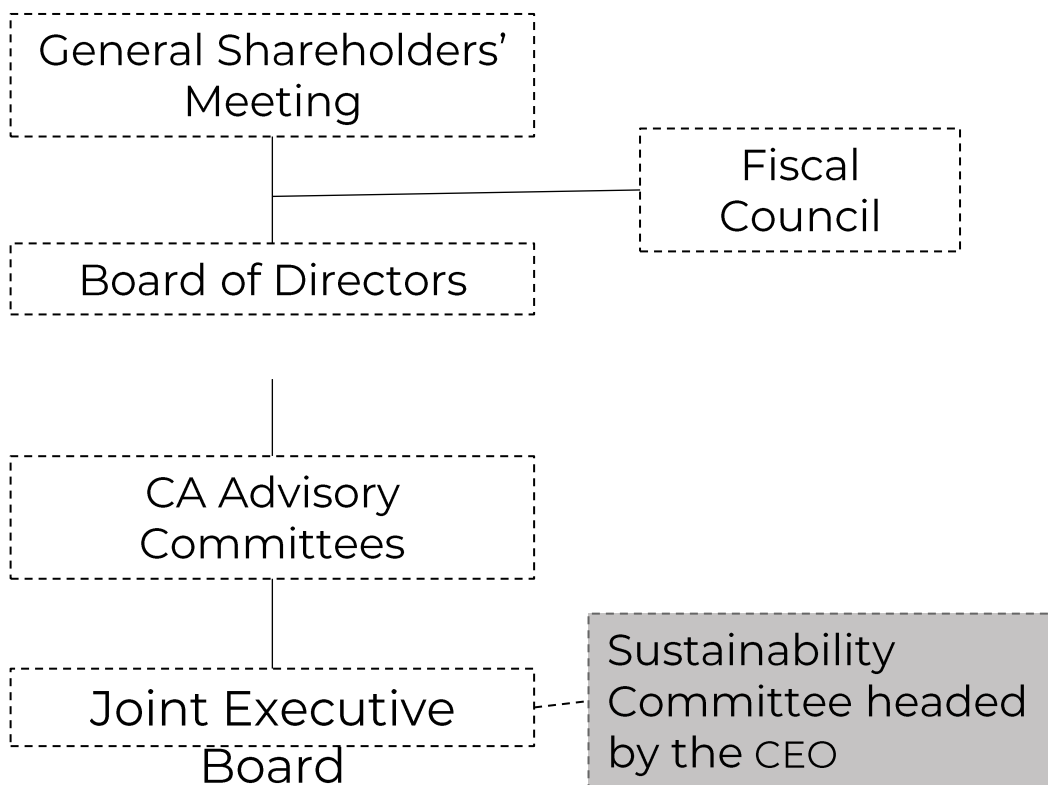
- #UmSóTime Campaign: support to social organizations to fight the impacts of COVID-19 on the food, health and income segments;
- R\$50 million in donations;
- 980 employees participated in the campaign for donation of grocery baskets, collecting 32 thousand baskets.

Crises Management Committee – comprehensive actions in the context of Covid



Governance

Robust corporate governance practices



Considerations on the Board of Directors (CA):

- Board of Directors with independent members, market specialists and gender diversity;
- Annual assessment of CA and compensation policy with a long-term component;
- 05 CA supporting committees.

B3SA
B3 LISTED NM

Governance

Risk management, internal controls and Information Security

Risks – Lines of Defense (LD):

- 1st LD: Business Areas;
- 2nd LD: Governance and Integrated Management Department;
- 3rd LD: Internal Audit Department;
- 4th LD: regulatory bodies and external auditors: independent monitoring.

Policies and Code of Conduct:

Outsourced channel for receipt of denounces.

Information Security:

Adoption of the best global practices on data security responsibilities.

2020-2021 SUSTAINABILITY PLAN

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Stimulating the best practices among our *stakeholders*

Education HUB

- Financial Education Hub with partners:
 - + 93 thousand registered users;
 - +420 thousand accesses.

Initiatives/events held in partnership with market players

- Webinars on Green, Social and Sustainability Bonds, in partnership with IDM, CVM and SSE;
- Webinar on Green Finance in partnership with CDP;
- Ring the Bell for Gender Equality, in partnership with UM Women, Global Compact, SSE, Women in ETFs, World Federation of Exchanges and IFC.

Examples of representation in domestic and international forums, being a member of:

- UN Global Compact Local Network in Brazil (CORB);
- FEBRABAN Intra-sector Sustainability and Environment Commission;
- Working Groups of the Financial Innovation Laboratory (LAB) of CVM;
- CDP Latin America Advisory Board.

2020-2021 SUSTAINABILITY PLAN

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Indices

Aspects of B3 ESG indices:

Broad (2 indices):

- ISE and S&P/B3 Brasil ESG.

Governance (4i):

- All relating to B3's listing segment (IGCX, ITAG, IGCT and IGNM).

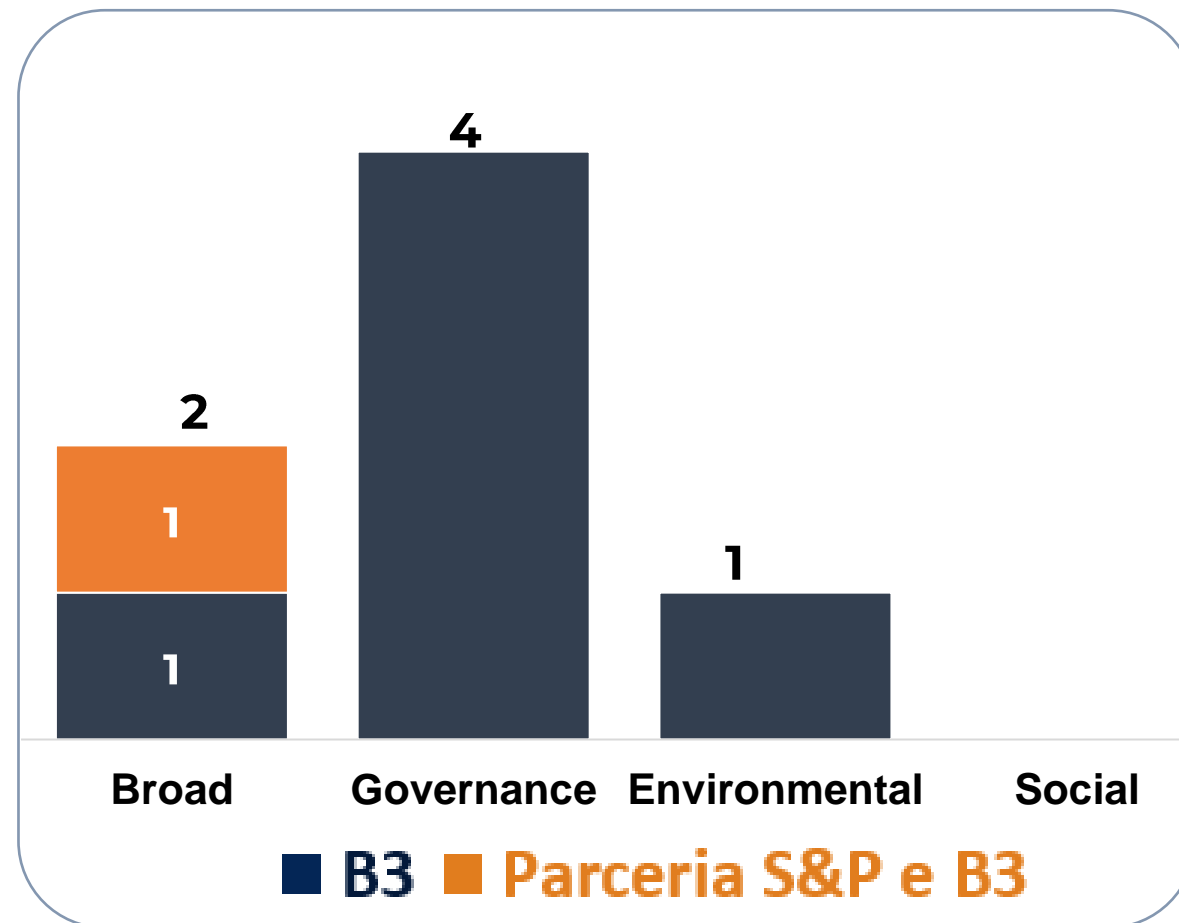
Environmental (1 index):

- ICO2.

Social:

- The B3/GPTW index will be the first with this purpose.

ESG Indices Portfolio - B3





OTC

Green Bonds

- **20 instruments seen as sustainable bonds in B3's systems:**
 - 16 debentures;
 - 1 CRI with social and environmental purposes;
 - 3 CRA with environmental purposes.
- Totaled an issue value of R\$5 billion.
- First bond with a "Social" seal: issue of a R\$525-million LF of Banco ABC Brasil

CBios

- Inventory – 9.5 million CBIOs
- Trading –1,498 trades, 4 million CBIOs traded, average price per unit R\$23.25;
- Retirement – 3 transactions adding up to 120,831 retired CBIOs.

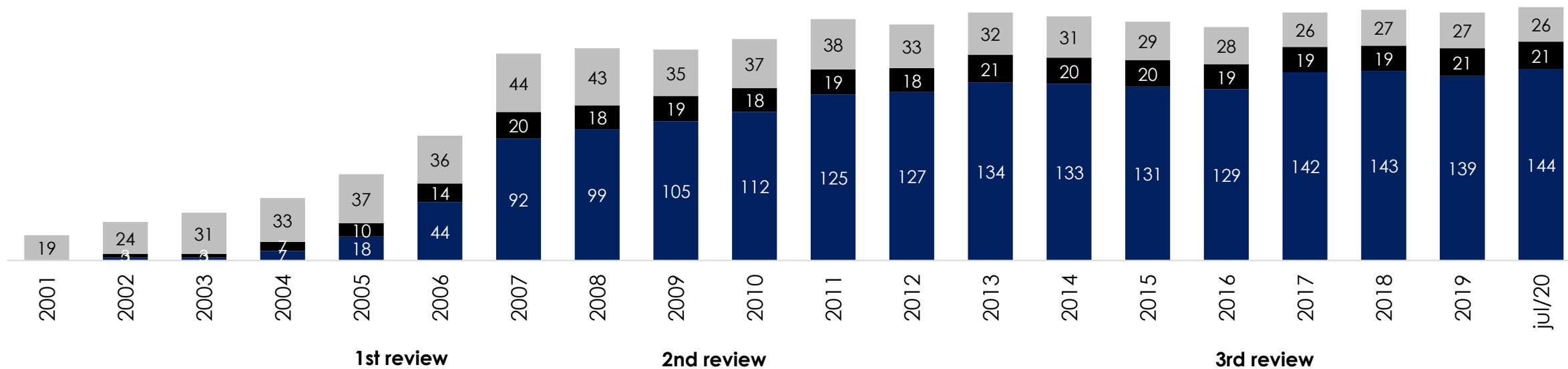
Carbon Market

- Participation of B3 meetings held by the Ministry of Economy and the World Bank.



Differentiated Governance Levels for Issuers

■ Novo Mercado ■ Level 2 ■ Level 1



B3 LISTED NM

The Novo Mercado is consolidating itself as the choice of companies conducting IPOs.

In the last 5 years, in 82% of initial offerings, companies decided to list in the Novo Mercado.

$$[B]^3$$