Conference Call

B3 (B3SA3)

3Q25 Earning Results

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OPENING

Operator: Good morning, ladies and gentlemen, and welcome to the B3's earnings results presentation for the third quarter of 2025. Where André Milanez, B3's CFO, will discuss the results along Fernando Campos, Investor Relations Associate Director.

We would like to inform you that all participants will be in the listing-mode during the company's presentation. After the company's remarks are completed, there will be a question and answer section when further instructions will be given.

As a reminder, this conference is being broadcast live via webcast. The replay will be available after the event is concluded.

Fernando Campos: Hello, I'm Fernando Campos from B3's Investor Relations team, and it's a pleasure to welcome you to another earnings event, where André Milanez, B3's CFO and I will analyze the results of the third quarter of 2025. André will start by providing an overview of the quarter.

André!

André Milanez: Thank you, Fernando! Well, the third quarter, once again, reaffirmed the strength and efficiency of our business model, even in a challenging period. For the Equities and Derivatives markets we saw a 2% revenue growth compared to the same period last year, growth that was driven by areas that demonstrate robust resilience, even in tough macroeconomic scenarios such as the ones we have been going through. I would like to highlight the solid growth of 21% in Fixed Income and Credit, 18% in Data Analytics and Solutions, and 13% in Technology and Platforms, results that reflect our ability to capture opportunities in areas adjacent to our core business.

Our expenses during the quarter remained below the inflation for the period, proving the effectiveness of our budget management and commitment to efficiency. Net Income reached R$1.3 billion and earnings per share were up to R$0.24 per share, which represented a 12% increase compared to the third quarter of last year, growth that was boosted by our buyback program executed during the period. Now, Fernando will detail the operational performance, and I'll come back later with more financial highlights.

Fernando!

Fernando Campos: Thank you, André. Regarding Markets, I'll start with the Derivatives, which had the revenue that totaled R$888 million, a 7% decrease compared to 3Q24, reflecting mainly the depreciation of the dollar against the Brazilian real, which impacted revenues from FX and foreign currency interest rate products.
The ADV totaled 9.3 million, an 18% decrease compared to the third quarter last year due to the lower activity in interest rates in BRL and FX markets, a result of the reduced volatility during the quarter. On the other hand, RPC (Revenue Per Contract) grew 11% in line with the volume reduction. For another quarter OTC derivatives showed strong performance with growth in both issuances and outstanding volumes.

Now talking about Fixed Income, which remains a highlight of our revenue, showing strength in challenging scenarios. The segment’s revenue grew 21% compared to the same period last year with the corporate debt market consolidating itself as the main financing alternative for Brazilian companies and the search for interest-linked assets gaining even more relevance in this challenging scenario.

In Equities, despite the high interest rate environment impacting the ADTV, which totaled R$22 billion, a 6% decrease compared to the same period last year, there were some highlights, mainly, in BDRs, which saw volumes growing by impressive 41% in the period. Alongside ETFs and Listed Funds, these instruments represent 16% of the cash equities market ADTV in the third quarter of 2025 versus 14% in the same period last year. The small margin recovery that we saw quarter on quarter was not enough to offset the volume decline, resulting in a 10% decline in the segment's revenue, which totaled R$518 million.

Highlights of the other segments include the Data Analytics and Solutions growth in vehicle financing, an 18% increase in revenue from Platforms and Analytics with a strong presence of recurring revenues, especially in credit, loss prevention and insurance verticals. In Technology and Platforms, the fund industry continues to expand, mainly related to the fixed income and reflected in an increased use of our technology solutions and the registration and cost custody of fund quotas, strengthening our market support services.

Now, André will talk about B3's financial performance and strategic advances.

André!

André Milanez: Thank you, Fernando. Well, as I mentioned in the beginning, our expenses remained under control, growing below inflation, even with the impact of the annual adjustment of salaries and benefits, as well as increased IT spending during the quarter, which were partially offset by reductions in third-party services and reversal of legal provisions. This reinforces our discipline and ongoing pursuit of efficiency and more predictability in terms of our expense behavior.

Our recurring EBITDA reached R$1.7 billion in the quarter, 1% above the third quarter of 2024, with a 69.5% margin.

In financial results, we successfully completed a R$2.6 billion debenture issuance with a very competitive cost of CDI + 0.45% per year and a 5 year term, which allowed us to early redeem the 7ª issuance with a positive impact in terms of net present value, even considering the non-recurring effect that we had in the quarter of around R$23.5 million as a result of the early redemption that was recognized in the period.

The distributions for the quarter totaled R$1.3 billion with R$875 million in share buybacks and R$403 million in interest on capital. Year to date, we have already repurchased 125 million shares representing around 2.5% of the share capital, and around 1/3 of the 2025 buyback program. In our innovation agenda, we have launched the Tesouro Selic B3 Index, a benchmark for treasury financial bills performance, and the Gold Future Index, tracking the Gold Future Contract, new offerings that expand our portfolio of solutions and reinforce our commitment to the market.

Finally, we advanced in our strategy as an infrastructure for the credit journey announcing the acquisitions of Shipay and CRDC, both acquisitions strengthening our presence in the trade receivables market. The acquisition of Shipay was completed in October, while CRDC's acquisition is still pending regulatory approval.

Thank you for your trust and partnership in another quarter for our company.

QUESTIONS

Operator: Thank you! The floor is now open for questions. If you have a question, please press the "Raise your hand". If you are connected by phone, dial *9 to raise your hand. If your question is answered, you can leave the Q&A by clicking on put your hand down or dialing *9. Our first question comes from Kaio Prato from UBS. You can open your microphone.

Kaio Prato: Hello, André and Fernando, good morning. Thanks for the opportunity to ask questions here. I have one question on top line that actually I would like to divide in three sub-segments, if I may please. First is on Platform and Analytics: it will almost 20% year on year, and you mentioned that it was driven by credit and insurance vertical, if I'm not wrong, but just would like to get a sense if you can share a little bit more details on that and if we can consider that this level should be more sustainable going forward.

The other line that showed strong performance in my view was Market Support Services that grew almost 30% in the year. So, I am not sure if this has some relation with the out-of-time high Ibovespa that impacts the funds or not. If you can share more details on that and, also how sustainable it could be going forward.

And finally, the third is on securities lending. So, this line also showed an interesting evolution in this type of revenue this year, almost 16% this quarter; year to date the growth is also good. So, you mentioned in the press release about some operational improvements. If you can talk a little bit more about these improvements, what happened here, it would be good as well. Thank you very much.

André Milanez: Thank you for joining Kaio. I'll start drawing some comments on the securities landing, and then I'll pass on to Fernando to give you more details on the other revenue lines. But in securities landing, we have been working on several initiatives to unlock liquidity in that product, and I think what we have been seeing in terms of revenue as a result, it's already the beginning of some of those initiatives paying off and helping. I think we still believe we're far from where we want to be, in terms of where that product and that market should be, but we can also already see some improvements, given some of those initiatives that we have been working with the market. So, I think one potentially to highlight, we have been working very closely with the brokers to use what we call the intermediation account, after some improvements we've made on our platform to basically allow more of the retail position to be used as part of the SEC lending product that has helped to expand the volumes here, the automatic renew of contracts, another feature that was introduced, also helps. More recently we have initiated, we launched the liquidity pool, which aimed increase liquidity and transparency, especially for the local buy side participants. They are now more present on the screen of those products. And there's still a lot to be done. I mean, we're still working in potential different models that could help to unlock volume from foreigners on that market. But I think what you are starting to see in terms of the revenue is a result some of those initiatives that we have been introducing and have been taken in order to increase volume and liquidity for that product.

Fernando Campos: So, talking about Market Supporting Services. I think the main impact comes from the development of the fixed income fund industry and basically there was an increase in AUM (Assets under Management) of those funds that we charge custody fees on it. So that this volume and there was a price adjustment that we implemented on this fund quota custody. So that's basically the main reason. We can see, I'm not sure, I cannot predict at which level, but we can see that there's still room to grow here.

Talking about Platform and Analytics in the Vehicle and Real Estate, we do have a better scenario for allowance in the out of vehicle industry, which has a positive impact, a direct impact on the revenues in that segment. When you go to Analytics, which were the former Neoway and Neurotech, they exist, but they've been in merger with us. I'd like to highlight three different segments in those businesses. First one, loss prevention. Loss prevention basically grew, because of commercial efforts, so, I think we have a nice set of products that is easier to sell now, and we are developing a lot of products that are super interesting to the market. And I think the commercial efforts here are paying enough. In credit, I think here new products as well. So, the development of new products, but also, is benefiting from products that are related to the auto vehicle finance that I mentioned before. So given that we are seeing a strong increase in that segment, there is a direct demand for products, for credit, for analytics credits that are related to it and insurance as well. It's been positive impact by the vehicles industry here.

André Milanez: And just to finalize Kaio, I think this is a good example to demonstrate that investments and efforts that we have been putting into increasing potential new avenues of growth for the company and diversification are starting to show better results. But also, there's still a lot that can be also done in the core business in terms of new features, product development, improvement of liquidity. So that's why our strategy remains in investing a lot in our core business to ensure that we continue to bring innovation and capture the growth that we will be seeing in the market but also investing in other avenues of growth for the company and diversifying in the areas adjacent to our core business. Thank you.

Kaio Prato: That's clear. Thank you very much.

Operator: Our next question comes from Yuri Fernandes from JP Morgan. You can open your microphone.

Yuri Fernandes: Hi, Fernando. Hi, Milanez. I have a question regarding taxes. In Brazil, we're seeing a lot of noise on a potential tax to be debated in the coming days or weeks. And I'm not sure if we should expect any impact for B3 on that. And, if yes, there are any measures that B3 could take to mitigate part of the impact on this potential headwind.

And then I have a second question just regarding Markets, especially Equity and Derivatives that I think are the two lines that were a little bit more like luster this quarter. Particularly on Equity, we see a kind of a bottom on individuals when we try to estimate the turnover velocity for retail, we also see the new adds at very low levels. So, maybe if you can give us an outlook here, if this is really the bottom? Is the, I don't know, the Brazilian index, getting back to out-of-time rights, if you are seeing better to outlook for retail. So, if you can comment just on if the bottom is here and what is your view for 2026 regarding those lines. I think derivatives are more about pricing than volumes per se, but I would appreciate any outlook we could provide. I know it's hard, these lines are volatile, but, with lower rates if you can give us some color, would be good. Thank you.

André Milanez: Thank you for your question, Yuri. Let's start with taxes, which is always a tricky subject for us, Brazilians, but we had a provisional measure that could potentially represent an increase in our taxation with the increase on the social contribution from 9% to 15%. As you know, that ended up not being approved by Congress. So, it lost it expired, before it became into force. But then we have a similar discussion now, that was included together with the taxation of fintechs and on bets in a project that is being discussed, if not mistaken, at the Senate, at this stage. So, there is a chance that could be approved. We have been working to try not to have that approved, because we do believe that we shouldn't be part of those measures to try to equalize banks and fintechs. We are not a bank, we are not fintech, but there is a chance that we could go through what we have been doing and were doing before that working in other measures that the company could try to take in order to at least try to partially offset potential impacts coming from those measures. They are not directly related, but maybe there were already in the books and we decided to accelerate some of those given that context, but they will not be able to completely offset any negative impacts that could potentially come from that increase in taxation if that gets approved, which I would say at this stage seems that there is a good chance of that not going through. So, we have to continue to monitor that very closely and try to work with policymakers and the industry to try not to have that being voted and approved.

Regarding the ADTV and ADV. This is always a very tricky question. If you look besides the more very short term, there has been some stability on volumes around the 2023, 2024 mark. I mean, in some months you will get slightly higher volume than others are slightly lower, but they have been hovering around that level. Our impression is that this is kind of where we will stay until there is a trigger to pick up to see some pickup in activity. And that trigger potentially is interest rates coming down or a heavier and stronger allocation coming from foreigners, which has in part what has been driving the appreciation that we have been seeing on the main index. So, potentially for next year, we could see some improvement in volumes. But I think in order to see that really coming more strongly and in a more sustainable way, we will need to see interest rates coming down, right? So, I think it can be positive for next year the outlook can be positive, but to really see a recovery, a stronger recovery and new sustainable levels, I think we also need to see interest rates coming down in order to achieve that. And in relation to ADTV, I think we are coming from a very high comparison base also next year. Last year, we saw some reduction on the bitcoin future volumes as a result of the increase in margin requirements. We also, if you recall, there was a lot of volatility on the interest rate curve last year that helped to see a lot of activity on derivatives trading for interest rates. But I think, as we approach the beginning of another easing cycle, we could see some pickup also in volatility for the interest rate, which always benefits our derivative business. So, I think in both cases, the outlook seems positive even though not ideal, given the reasons that I mentioned.

Yuri Fernandes: Oh, super clear. Thank you, Milanez. Thank you, Fernando.

Operator: Our next question comes from Renato Meloni from Autonomous Research. You can open your microphone.

Renato Meloni: Hi everyone. Thanks for the questions. I wanted to explore a little bit the pipeline of new products. And, more specifically, I'm curious about how you're looking at the development of predictive markets, globally. And if this is something that you would be interested in implementing, if there's space to implement this, if it's close enough to your business, and if there are any regulatory hurdles that you foresee that. Thank you.

André Milanez: The question is about prediction markets, right?

Renato Meloni: Yeah, pipeline of products in general, but more specifically about predictive markets and your view there.

André Milanez: Thank you, Renato, for the question. Look, as we have been discussing, I mean, we remain very active in the pipeline of new products. As you know, we've launched several derivatives this year, not only derivatives, a lot of indices, ETFs, a new trading platform. So, it continuously brings innovation and new products to ensure that the needs of our clients are being properly served and met remains one of our key priorities. We have also been testing new products and more innovative products as well. In terms of what we still have on the pipeline for this year, we should be launching still derivatives linked to the VIX Brazilian, VIX Index, an index that we launched and started to publish last year. So, it has been a year that the index is up and running, and we are planning on launching the derivatives based on that index. It is also on the pipeline to launch the options on Bitcoin - we already have the futures, a lot of ETFs, and now the options as well. We will continue to advance in other types of products such as the zero-day expiry options, digital options and these sorts of things, products that we are still or are starting to discuss with the regulators. For any products that we want to launch, we need to seek regulatory approval for that, and prediction markets could potentially be also on that agenda. I think we will have already started those discussions, but they will come potentially after some of those initiatives that I did mention to you such as the zero day expire options, additional options, etc. But this is definitely something that is on our agenda to explore and to discuss.

Renato Meloni: Does the regulator see this as positive? Does it have any considerations on launching new predicted market products?

André Milanez: I think there are sometimes different opinions and views regarding these kinds of products, but we need to look at what has been happening, not only here, but outside Brazil. This is definitely a global trend that cannot also be ignored. So, I don't think they have a definite view but of course, they have concerns about this kind of product, and things that we will work together with them to access whether this can be, addressed or mitigated in order to launch these kinds of products. But that’s the beginning of those discussions. So, we don't have a clear view still of those products yet.

Renato Meloni: Okay. Thank you very much.

Operator: Our next question comes from Eduardo Nishio with Genial Investment.

Eduardo Nishio: Hi, good morning. Thank you for taking my question. Good morning, André and Fernando. Two questions from my end. The first in expenses you had great result this quarter basically flat expenses, is that a trend that you try to take for next year? If there's any major investments or initiatives for next year that we have to put into account, of course, excluding the revenue-linked expenses, your thoughts on that.
And also, an update if you can, on competition particularly the two local new exchanges, if you can give us a timeline testing results, anything you can share with us would be great. Thank you.

André Milanez: Thank you for your question, Nishio, I’m glad to hear from you. Look, regarding the expenses, right? So, as we have been saying since the beginning of the year, this year we have been working in order to better plan our expenditure throughout the year and therefore have less volatility and give more predictability around the behavior of our expenses. We do have some seasonality but not at the level that potentially we have seen in recent years. So, part of our efforts this year was to work on how to better plan that kind of spending throughout the year. And I think we have been so far successful in achieving that objective, the reason why we are seeing this quarter revenues almost flat in relation to last year is because we had a very much heavier second half of the year in relation to the first half. It is natural that the second half is slightly higher, because that's where we get the annual adjustments to our salaries and other things, but it didn't have to be as volatile as it has been in recent years. For this year, you can expect us to deliver the guidance that we gave, which is going to be a growth slightly above inflation. And going forward, that remains our target and our commitment to try to deliver cost growth around inflation slightly above or slightly below. It's difficult to grow much lower than the inflation giving the nature of our cost structure, given that we continue to invest in new initiatives in product development, in expanding our portfolio. So, the mantra here has been to be able to continuously find efficiencies in our core business, in our mature products, in order to generate funding for us to continue to invest in new initiatives in expansion of portfolio and achieving that without necessarily having to grow our cost base much above inflation. So, that has been the way we have been working in relation to that.

And regarding competition, look I mean, I don't have a lot of updates or timeline. I mean, we have the information that we hear from market participants: both initiatives are talking about, potentially, being launching by the second half of next year. I think they have been progressing, we don't have a lot of visibility in relation to our infrastructure etc. But I think they're still working and trying to progress. That's I don't have a lot of news that I can share with you at this stage.

Eduardo Nishio: Thank you.

Operator: Our next question comes from Pedro LeDuc with Itaú BBA. You can open your microphone.

Pedro Leduc: Thanks. Good morning, everybody. My question this quarter, especially in September, I believe that you guys performed some adjustments on the market incentives for market makers and HFTs. I believe you did some fine-tuning on the way. I'm not going to say that you price, but the way your programs there work with different types of participants from the outside. I know it was only one month, but we see different behavior there under revenue per contract in Equities. We also saw some volumes as a backfire maybe. Can you talk to us a little bit about how you saw this happening on the ground and maybe what we can expect, it's consequence to be also on the fourth quarter onward? Thank you.

Fernando Campos: Thank you, Pedro, for the question. So, from what we look, and I mentioned this on the last call, we didn't expect a lot of impact. We thought that from the back test that we ran, we thought that the impact would be neutral and that's a little bit of what we saw. I think the volumes are low because there is a challenging scenario in macroeconomy, but we haven't seen a significant impact from the changes that we did, mainly on the market maker programs, and we dug a lot deeper into that. We entered ticket to ticker, stock to stock to try to understand the impacts of it and we haven't seen a different performance on the volumes of tickers that we incentivize from the ones that we don't. So, we understand that's a sign that there wasn’t a direct impact from the changes in market making programs in the volumes. All the other products, all the other changes, I think they were implemented, they are kind of successful. Like I said we didn't see a lot of impact on the margins, but we have received positive feedback from clients, and I think it made our operational leverage even clear. So, we are able to share more volumes with the market. So, I think that's pretty much it.

Pedro Leduc: Any particular comment on the revenue per contract or trading margins that we're seeing in equities?

Fernando Campos: So, for the future, you mean?

Pedro Leduc: Yeah, a little bit on what happened this quarter sequentially and for the future as well.

Fernando Campos: So, yeah, sure. So, on the trading margin in Equities we did see a performance that there was kind of similar to what we saw. We just had a lower volume, so we had a little bit more prices. And like I mentioned, this will be more visible from now, we have this kind of discount per institution and that's a trend that we should see. On the RPC, we didn't make significant adjustments or any contracts in this quarter. So, I think here we have a mixed impact: we did have an impact from the lower devaluation of the USD against the BRL, this has an impact on the effects contracts and the interest rates in USD contracts so that impacts. But on the all the other things I think are performing the way that we thought it would.

Pedro Leduc: Thank you.

Operator: Our next question comes from Daniel Vaz with Safra. You can open your microphone.

Daniel Vaz: Hi everyone. Hi Milanez. Hi, Fernando. Thanks for the opportunity for making questions. Just trying to put a context here. We are right now maybe with a weaker dollar, right? The context is of renewed emerging market appetites, at least for now. So, we started to hear again about some companies maybe preparing for an IPO or for any follow-on given this renewed interest in the emerging markets or Latin markets. However, on the other side, the local funds remain under pressure a lot. We see a lot of outflows in the industry and retail also. I think someone mentioned the turnover velocity is very low, because the appetite is pretty much if the toward the tax exempt, right? Fixed income instruments. So, my question is it seems likely that some of the IPOs could end up listing abroad as we've seen in the past, like Nubank, for example. So, is B3 prepared for this next window, maybe 2026 or 2027? I don't know of IPOs, if there is any window and any meaningful progress or new initiatives that could serve like a silver bullet to attract these key listings, mainly on the tech, on whatever to the local markets, like to your market, instead of going like to Nyse or Nasdaq. Thank you.

André Milanez: Thank you for the question, Daniel. Look, we are ready to receive these companies when there is a window of opportunity here with conversations, you know, that we have directly with some of those issuers, potential new issuers with investment banks. I would say there are around potentially a hundred companies that could be candidates for an IPO within 12 or 18 months. Some of those are already ready, when the opportunity presents itself, others working to get ready to be prepared. And I think, as we have been saying, listing abroad is potentially going to be an alternative for a few companies, I would say Brazilian companies, but they have a level of international exposure there is very high or tech companies that has been the case, not only for Brazil, but for other jurisdictions as well, you see big English companies, German companies deciding to have their primary listing in the USA. I think that's natural given the size and the relevance of the USA market and it will make sense for some very specific companies that have those attributes that I did mention.

In those cases, of course, we will work to have a dual listing or to have BDRs and try to have some of that volume in Brazil, but those are going to be exceptions and not the general rule. I think for the vast majority of the Brazilian companies, the listing in the local market, in the domestic market, it's what will make more sense. We've seen companies that during that very specific window that we had between around 2021 regretting that decision, some of them coming back, we had the example of a tech education company that ended up delisting in the US and redomicile on their listing here. We have also been working very closely with the regulators on initiatives that could try to make access to the capital markets easier. We have the called "Fácil Programa" that starting next year. I believe that it can also be an interesting opportunity for small size companies. I think that in the beginning, we will see that potentially helping companies that want to access the local DCM market, but that could potentially be also an interesting alternative when conditions are more favorable for an IPO, for the equities market, for these companies to access the DCM market using that new regime for the small companies to use that regime. So, I think we are very confident about that. I think the main question remains when that window of opportunity will present itself, and then in order for that to become reality, there are, primarily, external factors, economic factors that are completely outside of our control and the control of the companies. But we are very close to these new issuers, but I think that's how we are seeing that moment and that environment.

Daniel Vaz: That's super clear. Thank you. Thank you, Milanez.

Operator: Our next question comes from Antonio Ruette with Bank of America. You can open your microphone.

Antonio Ruette: Hey, thank you for your time. So, my first question goes on M&A. You mentioned in the past that you already did the two big acquisitions that you needed to make, those were Neoway and Neurotech. I would like to ask if you still believe that's the case and how do you see M&A today? Could we continue to see small acquisitions or are you considering that there is a line of business and that maybe you'd benefit from a big one?

And also, a second question here. I would like to follow up on the question I did last quarter on the electronic trading of Fixed Income. I'd like to ask if you guys did any improvement in that sense on platforms or in order to bring more volumes to your platform? The Trade Mate? Okay, that's it for me. Thank you.

André Milanez: Thank you, Antonio. So, the first question, sorry, was regarding M&A, right? Sorry, look, I think that remains, being the case. I think the two large M&A that were in our radar, in our pipeline were executed as I have been saying. The big focus since then has been on execution of that strategy, particularly on data. M&A remains a potential alternative that we could use to achieve or to deliver some of our strategic objectives that we have. There is always a consideration if we want to increase our offering and offer a new product, a new service, there's always a consideration if there is a room for us to develop that internally, to do a partnership, if sometimes to do an M&A, that remains being the case. So in the two recent cases of this smaller size acquisitions, those were capabilities that the company didn't have, and that we understood that it would make more sense for the company to acquire those capabilities rather than trying to develop that internally. We have been doing a lot of M&As, a lot of partnerships as well. And I think that will remain being one of the alternatives that we will have to achieve our strategy and our strategic objectives. But at the moment, there is not a large M&A or at least not a of the size of what these two companies were on the radar.

Regarding the Trade Mate, our platform. We have been seeing improvements in that, especially in the government bond market. We have been breaking record after record in terms of volume. I think the last time that we reached a record was the end of last week or beginning of this week. There's still a lot to be captured in terms of how much of the trading activity is happening on screen is electrified, but we are starting to see progress. This is already represents recall from the top of my head now, the percentage, but it has been increasing besides the platform we have also been investing in liquidity provider programs, market making programs also to increase liquidity on the platform. It's a journey, it will take some time, but we will start to see improvements on that. So, that remains being one of the areas also of focus for us.

Antonio Ruette: That's great. Thank you.

Operator: Our next question comes from Tito Labarta with Goldman Sachs. You can open your microphone.

Tito Labarta: Hi, good morning. Thank you for the call and for taking my questions. It's two questions also. One, a bit of a follow-up, I guess on the previous question about M&A, because you did two small acquisitions, Shipay and CRDC, in the quarter. I think maybe you answered it, but I guess these are more capabilities that you wanted to fill in any other color you can provide on what the opportunity you see with those two acquisitions.

And then my second question on Bitcoin futures, you made some changes to the product I think you mentioned to try to improve liquidity. It did impact trading volumes, I guess, in the short term. But, yeah, just how do you think about those changes? Do you think, you know, Bitcoin Future can become more relevant? You talked about bitcoin options, something that you can also begin to offer, just thinking about that opportunity and what potential upside that could bring.

Thank you.

André Milanez: Thank you for your question, Tito. As I said, I think those two companies we identified as part of our discussions and our strategy on the receivables market. Shipay, particularly, was a company that we had already been working on a partnership and giving how things were progressing and the potential that we were seeing on that, we thought it would make more sense to have that company with us. It brings features that we plan to offer as part of our solution for the credit receivable, especially, on payments, which will also be an important feature when this new market is working, but we also have seen potential opportunities of leveraging from those skills and capabilities in order to launch new products or improve or add new features to existing products of the company. I think it's the biggest focus now has been on the receivables market. But we also see potential for that acquisition to help to generate value in other parts of our business as well.

And with CRDC, by the way, we just need to recall that this is yet subject to regulatory approval on the case of Shipay, that has already been achieved. But in the case of CRDC, this is still ongoing, still pending, but on CRDC, we saw there, besides some of those solutions that they already have and that will complement our offering on trade receivables. They also have capability of reaching a part of potential clients or players in that market that we are not used to dealing with. So, the commercial association CRDC will help to increase the reach that our solutions will have, especially with, you know, small and mid-size companies: commercial, stores, etc. So, that's where CRDC fits into that strategy. As I said in the previous response, M&A remains being a way of us achieving some of our strategic objectives. It is not a strategy per se, but a way of achieving some of those. And as a result, you know, that remains on the radar for the company. But, you know, at the moment, small sized acquisitions as add-ons or additional features to some of the initiatives that we have been developing.

Fernando Campos: Developing Bitcoin Futures. As we mentioned, we did some adjustments on collateral requirements on the second quarter asked by the regulator. So, obviously this had some negative impact on volumes, but we still consider the products as success. It's part of the strategy of having a full set of products for the retail or retail-oriented products in Derivatives, like André mentioned before. We do have products Derivatives on other cryptocurrencies and it's still a big part of what we plan to do with this retail-oriented products portfolio in Derivatives. So, I think that's pretty much sums it.

Tito Labarta: Alright, that's very good. Thank you, guys.

Operator: Our next question comes from Brian Flores with Citi. You can open your microphone.

Brian Flores: Hi team. Thank you for the opportunity to ask questions. We have seen that non-listed markets, data and technology, as you mentioned, you know it's central to your diversification strategy given the high volatility of listed equities. So, just wanted to see if you could recap what new product rollouts could we see, particularly, for Data Assets, crypto based products.

And also, if you could elaborate a bit on what the margin expectations of these new ventures are compared to the current portfolio. Thank you.

Fernando Campos: So, Brian, can we repeat the first one? So, what can we do to enhance the other segments that are size markets? That's it?

Brian Flores: No, basically the diversification strategy, right? We have seen that non-listed markets and also, data and technology are very key to the whole diversification strategy. So just wonder to understand which new products we could see particularly on Data Assets and Crypto. And if you could elaborate on the margin profile of these ventures.

Fernando Campos: Sure. So, on crypto, I don't think we have any other future plans in the upcoming months. We think we have the three largest contracts, the three largest cryptocurrencies. We have the future here, so I think that's in crypto by itself, the crypto derivatives. I don't think we have anything planned for the near future.

Regarding data, it's a set of small initiatives, so we don't have like a big silver bullet of products in any of the segments that we have. And when you break down the growth, it's a lot of small things that we are doing. So, we are working really close with clients to develop products and solutions to them to customize solutions for those. Obviously, when you look at midterm or longer term, I think we gonna have the data that we have are going to cross pass with the AI discussions that we are seeing. So it's something that we are already looking at a strategic planning how those paths will cross at some point in the future. How can we monetize and enhance all the data that we have as a source for AI tools. I don't think we'll gonna see that in the short term, but it's the discussions that we are having within the company that can be really huge in the few, in the long term. So, that's a little bit of what we're seeing in the short term. I think it's the development of products that is really close with our clients, which what's been supporting this impressive growth that we are seeing in data and analytics in the last quarters.

André Milanez: And Brian, I think it's worth it for you to understand that we are not selling data here. We are actually selling data solutions that help clients to resolve problems, right? So we have certain verticals that we have been working on sales and marketing, loss prevention, credit insurance, there are several examples of those solutions that we have been developing, leveraging from the data that we end up producing as part of our core business on the trading, on the fixed income market, on the, on the infrastructure for financing unit, all of those business activities that we have ended up producing a lot of data and in some cases, unique data. And we are leveraging on that to deliver data solutions that can add a lot of value to our clients. So, a lot of potential to continue, to expand not only on the portfolio of new products and solutions, but also on the penetration of those solutions amongst you know, client segments, etc. And that goes beyond the traditional set of clients that the company typically has, right?

Regarding margins, the standard or the average for the industry is typically margins around 30% to 40%. That's where we will aim at some point. But, in the near and the short term, we are basically deciding to invest more in growth at the expense of profitability, but ensuring that this business or that business unit is generating cash, right? It's not burning cash. We don't want to see growth at the expense of generating losses or burning cash. But, we are at this stage not really trying to maximize profitability. We do believe that there is still a lot of potential for growth before we can start to work in maximizing profitability in those businesses, on those initiatives.

Brian Flores: Oh, super helpful, thank you.

Operator: Our next question comes from Carlos Gomez Lopez with HSBC. You can open your microphone.

Carlos Gomez Lopes: Thank you for taking the question and congratulations on your EPS growth. So, two very brief ones. First on the Forex, you mentioned that you have been hurt by the appreciation of the real versus the US dollar. Could you quantify that to the extent that you can, I'm sure you have done studies. How much do your earnings move with Forex moves? And can you mitigate that if you expect that the real is going to strengthen further?

And second, in terms of your buyback, you still have, I believe it's 65% of your program, open the stock is now at R$14. You tend to be quite savvy in terms of choosing between paying dividends or IOC or buying back stock. What's your inclination today? Thank you.

Fernando Campos: So, Carlos thank you for your question regarding your first question. About the FX, we have close to 15% of our revenue that is linked to the USD. We do have the derivatives contracts that I mentioned which move the prices of those contracts are linked to the USD. So, when there's strengthening, the how you're going to see the prices raw and we have part of the market data that we sell to vendors that are also linked to USD. So, that comprises close to 15% of our total revenues, 10 to 15% of our total revenues. But we do have a debt that is linked to the USD, and we do have cashflow, hedge account that kind offset those impacts on the revenue percent, not on the prices. So, Andre, could you talk about the second question?

André Milanez: So, regarding the buybacks, right? When we announced the buyback program last year, we were in an environment where the share price was extremely depreciated. We have been executing a lot of the buyback and basically as we have always been saying, we will move the proportion more towards buybacks or dividends depending on market conditions, on share price, on multiples level of discounts compared to our peers. That what's going to be driving and this is very dynamic. So, having said all of that, I think I don't expect us to execute the whole buyback program giving the share price has responded a little after we've announced the buyback program at the beginning, at the end of last year, but we will continue to execute buyback. Basically, if the share price goes down, we will accelerate the execution of the buyback. If the share price appreciates, we will slow down until there is a point where potentially we will stop buying back shares and the difference is going to be delivered back to shareholders through dividends. So, that's how we have been managing that and how you should expect to continue to see us dealing with that equation between buyback, IOC and dividends.

Carlos Gomez Lopes: We understand that and we think that's exactly right. So, the question is at R$14, are you still buying or is this a level in which you are more inclined to give more dividends?

André Milanez: No, we are still buying at that level. Last shares at a slower pace, but we are still buying. And you can see that on the results that we publish every month.

Fernando Campos: So, you can track the execution of our buyback program monthly, on our website. We do have all the volumes and all the prices at the average price there. So, you can, it's super easy to track.

Carlos Gomez Lopes: Very good. And finally, on the Forex, I understand the impact on the revenues, and you say that you have that hedge. So, on your operating margin, is there in the end a net impact of the foreign currency or is it only on the top line?

Fernando Campos: It's basically on the top line.

Carlos Gomez Lopes: Alright. So, your net income should not be too much affected by whether currency was.

Fernando Campos: No.

Carlos Gomez Lopes: Very clear. Thank you.

Operator: Thank you. This concludes today's question and answer session. I would like to invite André to proceed with his closing statements.

André Milanez: Well, I just want to thank you all for your trust and support. We remain committed and focused on our clients, on delivering what they need, bringing innovation and new products to the market, that remains being our focus. I also invite you all to our annual investor day, our B3 day, which will take place on the 16th of December. So, more than welcome to join us on a moment where we will discuss a little bit of the strategy of the company, present to some of the achievements that we have seen during the year and talk a little bit about the future and how we are seeing the development of our market and our company. So, it's a very interesting opportunity to be with us. So, we are more than welcome to join us on 16th of December, and with that I will finish this call. I hope to see you all soon. Bye-bye.

Operator: That does concludes B3's presentation for today. Thank you very much for your participation and have a nice day.