

## B3 ANNOUNCES RESULTS FOR THE THIRD QUARTER OF 2023



# 3Q23

### CONFERENCE CALL (English) 11/10

10:00 a.m. (BRT) / 08:00 a.m. (NYC)

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Webcast:

<https://choruscall.com.br/b3/3q23.htm>

### CONFERENCE CALL (Portuguese) 11/10

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**São Paulo, November 9, 2023** – B3 S.A. - Brasil, Bolsa, Balcão (“B3” or “Company”; B3SA3) reports today its earnings for the 3<sup>rd</sup> quarter of 2023 (3Q23). Total revenues reached R\$2,490.1 million, down by 0.8% against 3Q22 and in line with 2Q23. Recurring EBITDA amounted to R\$1,617.7 million, down by 3.2% vs. 3Q22 and 0.9% against 2Q23, while recurring net income<sup>1</sup> was R\$1,159.0 million, in line with 3Q22 and down by 0.8% against 2Q23.

### MESSAGE FROM B3’S MANAGEMENT

The third quarter was marked by the central banks of the world's major economies maintaining a more restrictive stance, continuing the monetary tightening cycles. In the U.S., higher-than-expected economic growth data caused the American central bank to continue raising interest rates, without ruling out further increases in the future, a scenario similar to what was observed in Europe. In Brazil, on the other hand, expectations that a cycle of falling interest rates was imminent were confirmed with two 0.5 p.p. cuts during the quarter, in addition to another reduction of the same magnitude in early November, bringing the basic interest rate to 12.25% p.a.

Despite the fall in interest rates in Brazil, the domestic cash equities market was influenced by the external environment and the seasonality of the period (vs. 2Q23) given the impact of summer break in the Northern hemisphere. Furthermore, it is worth highlighting the widespread slowdown in equities markets around the world during the quarter, reflecting reduced investor risk appetite. In this scenario, the average daily traded volume (ADTV) totaled R\$23.8 billion, down by 11.6% compared to 2Q23 and 9.1% compared to the same period of the previous year.

In listed derivatives, the average daily volume (ADV) totaled 5.9 million contracts, down by 8.5% compared to 2Q23, but 29.4% above the same period of the previous year. The performance of interest rate contracts in BRL remained positive, though below the record level of the previous quarter, in addition to the ongoing concentration in shorter-term contracts, with lower revenue per contract (RPC). In the OTC segment, the higher interest rates environment continued to favor volumes, with a 17.6% increase in the fixed income instruments outstanding balance and 28.9% in Treasury Direct outstanding balance compared to 3Q22.

For yet another quarter, B3’s business model, with diversified revenues, showed its robustness. In a quarter of lower activity in the equities market, the performance of the other businesses led B3’s revenue to R\$2.5 billion, practically in line with 3Q22 and the previous quarter, even without considering Neurotech’s revenue in 3Q23. Total expenses grew by 6.9% and 5.0% in relation to 3Q22 and 2Q23, respectively, mainly due to the annual collective bargaining agreement on personnel expenses and the consolidation of Neurotech expenses. Excluding the effect of Neurotech, growth would have been 4.2% and 3.9% in relation to 3Q22 and 2Q23, respectively. Recurring net income reached R\$1.2 billion, in line with 3Q22 and down by 0.8% when compared to the previous quarter. Distributions in the quarter totaled R\$1.3 billion, of which R\$700 million in buybacks, R\$280 million in dividends and R\$318 million in interest on capital. In the year, distributions amount to R\$3.3 billion.

In October, with the ongoing goal of optimizing its capital structure and taking advantage of the favorable market window, B3 carried out the 7<sup>th</sup> issuance of debentures, in the amount of R\$2.55 billion, at the cost of CDI + 1.05%. The issuance is part of the Company’s ordinary business management, in addition to anticipating maturities scheduled for next year, and led to a revision of the leverage guidance for the end of 2023, from 1.9x to up to 2.3x gross debt over the last 12 months of recurring EBITDA.

Regarding strategic advancements, in October, B3 announced an agreement with MBOCHIP (MBO), a technology company specializing in electronic trading screens and algorithms for institutional customers in Brazil. This transaction is aligned with the goal of diversifying and expanding businesses adjacent to the core business, reinforcing B3’s presence in technology services for the capital markets. The transaction includes the acquisition of a minority stake in MBO and the execution of a commercial agreement that will make MBO’s technology and products available to BLK’s customers, while MBO will have greater reach and expanded customer base.

Finally, in regulatory matters, CVM approved, in October, B3’s proposed trading solutions for large blocks of equities and assets representing equities. The platforms developed based on CVM Resolution 135/22, which allows for large volumes to be traded outside the exchange environment, had their launch announced for November.

(In R\$ millions)	3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
Total revenues	2,490.1	2,510.6	-0.8%	2,477.1	0.5%
Net revenues	2,248.2	2,257.9	-0.4%	2,230.2	0.8%
Expenses	(902.2)	(844.0)	6.9%	(859.0)	5.0%
Financial result	39.1	(50.1)	-	102.8	-61.9%
Net income for the period	1,074.2	1,029.1	4.4%	1,052.8	2.0%
Adjusted Expenses <sup>2</sup>	(503.9)	(469.4)	7.4%	(459.5)	9.7%
<b>Recurring EBITDA</b>	<b>1,617.7</b>	<b>1,671.7</b>	<b>-3.2%</b>	<b>1,632.0</b>	<b>-0.9%</b>
Recurring EBITDA margin	72.3%	74.0%	-173 bps	73.2%	-87 bps
Recurring net income	1,159.0	1,153.8	0.5%	1,168.3	-0.8%

<sup>1</sup>See reconciliation on page 7.

<sup>2</sup>Expenses adjusted for: (i) depreciation and amortization; (ii) long-term stock-based incentive program – principal and charges; (iii) provisions; (iv) revenue-linked expenses; and (v) M&A expenses.

## OPERATIONAL PERFORMANCE

Comparisons in this document are in relation to the third quarter of 2022 (3Q22), unless otherwise indicated.

### Listed

#### Cash Equities and Equity Instruments

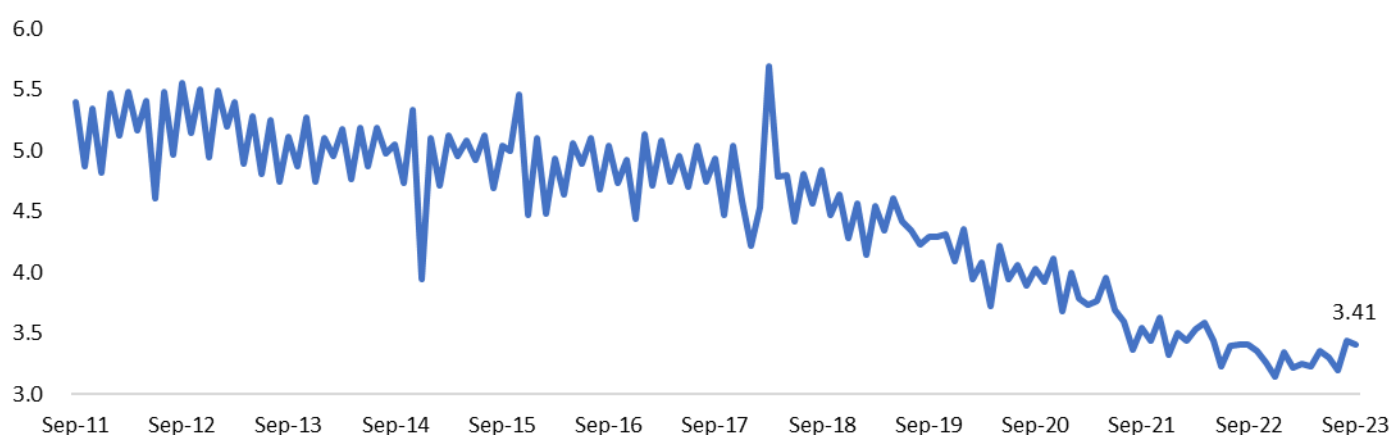
		3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
Cash equities market	ADTV (R\$ millions)	23,773	26,162	-9.1%	26,881	-11.6%
	Margin (bps)	3.348	3.405	-0.058 bps	3.300	0.047 bps
Average market capitalization	(R\$ billions)	4,386	4,349	0.9%	4,146	5.8%
Turnover velocity	Annualized (%)	134.4%	150.4%	-1,599 bps	160.8%	-2,639 bps
Options market (stocks/indices)	ADTV (R\$ millions)	551	777	-29.0%	664	-16.9%
	Margin (bps)	12.739	12.399	0.339 bps	12.196	0.543 bps
Forward market	ADTV (R\$ millions)	254	304	-16.3%	286	-11.1%
	Margin (bps)	5.852	6.793	-0.941 bps	5.806	0.046 bps
Stock indices future	ADV (thousands of contracts)	3,283	3,343	-1.8%	3,109	5.6%
	Average RPC (R\$)	0.958	0.917	4.5%	0.979	-2.2%
Number of individual investors	Average (thousands)	5,006	4,509	11.0%	5,299	-5.5%
Number of accounts in depository (total)	Average (thousands)	5,866	5,336	9.9%	6,195	-5.3%
Securities lending	Average open interest (R\$ billions)	125	108	15.7%	128	-2.2%
	Average lender rate (% pa)	1.047%	1.515%	-47 bps	1.224%	-18 bps

Note: ADTV stands for Average Daily Traded Volume; ADV stands for Average Daily Volume; RPC stands for Revenue per Contract; and bps stands for basis point.

In Cash Equities and Equity Instruments, there was a 9.1% decrease in the ADTV of cash equities compared to 3Q22 and 11.6% compared to 2Q23, given a more challenging international environment, with the monetary tightening cycle in major economies resulting in reduced risk appetite in global equities markets. In the case of stock indices futures, the 1.8% reduction in the average number of contracts traded is mainly explained by the decrease in trading of the mini version of these contracts. Compared to 2Q23, ADV for stock indices futures increased by 5.6% due to greater volatility in the quarter.

The trading/post trading margin in cash equities was 3.348 bps. The reduction in margin, despite the lower volume, is explained by (i) the customer mix – a reduction in the participation of individuals and foreigners and an increase in the participation of local institutional investors – and (ii) the Company's investments in market maker and liquidity providers programs. The average revenue per contract (RPC) of stock indices futures increased by 4.5%, mainly explained by (i) lower volumes, which reduces the discounts in pricing and (ii) price adjustment for HFTs (High Frequency Traders) in the mini version of these contracts, which took place in the first quarter of 2023.

#### Margin in the equities market (bps)



Note: The margin in bps includes fees at both ends of the trades (buy + sell). 3.41 bps was the average margin for the last month of the period (Sep/23).

The average number of accounts at the equities' depository increased 9.9% compared to 3Q22 and decreased 5.3% compared to 2Q23. This decrease is explained by a migration of level for a BDR, which resulted in the redemption of the amount invested and the closure of accounts that only contained this security.

## Interest Rates, FX and Commodities

		3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
Interest rates in BRL	ADV (thousands of contracts)	4,680	3,167	47.8%	5,199	-10.0%
	Average RPC (R\$)	0.853	1.058	-19.4%	0.809	5.4%
Interest rates in USD	ADV (thousands of contracts)	301	268	12.6%	276	9.1%
	Average RPC (R\$)	2.011	2.192	-8.3%	2.171	-7.4%
FX rates	ADV (thousands of contracts)	882	1,092	-19.2%	929	-5.0%
	Average RPC (R\$)	4.787	4.986	-4.0%	5.033	-4.9%
Commodities	ADV (thousands of contracts)	26	24	8.9%	30	-13.5%
	Average RPC (R\$)	1.733	1.848	-6.2%	1.592	8.8%
Total	Total ADV (thousands of contracts)	5,889	4,550	29.4%	6,434	-8.5%
	Average RPC (R\$)	1.507	2.072	-27.3%	1.484	1.5%

The ADV totaled 5.9 million contracts, an increase of 29.4%, reflecting the 47.8% growth in ADV for Interest rates in BRL, mainly influenced by DI (Interbank Deposit) Futures (+28.6%) and Options on DI Rate (+185.0%). The average RPC was down by 27.3% in the period, influenced by the reduction in the RPC for all contracts – mainly the 19.4% reduction in the RPC for Interest rates in BRL, which in turn is explained by the concentration of ADV in shorter contracts, in addition to the strong growth in volumes. Additionally, revenues from Interest Rate in USD and FX contracts were impacted by the devaluation of the USD against BRL.

## OTC

### Fixed Income Instruments

		3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
Issuances	Bank funding (total in R\$ billions)	4,096	3,964	3.3%	4,145	-1.2%
	Other (total in billions)	425	314	35.5%	405	4.9%
Outstanding Balance	Bank funding (average in R\$ billions)	2,847	2,653	7.3%	2,791	2.0%
	Corporate debt (average in R\$ billions)	1,074	955	12.4%	1,040	3.2%
	Other (average in R\$ billions)	1,920	1,357	41.4%	1,789	7.3%
Treasury Direct	Number of investors (average in thousands)	2,357	2,067	14.0%	2,212	6.6%
	Outstanding Balance (average in R\$ billions)	120	93	28.9%	113	6.1%

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

"Other" includes real estate notes (LCI, CCI, CRI and LH), agribusiness certificates (CRA, LCA, CDCA, CLCA and CTRA) and funding instruments (CCB, CCCB, NCE, CCE, Export Notes, NC).

The volume of new issuances and the average outstanding balance of bank funding instruments registered in 3Q23 were up by 3.3% and 7.3%, respectively, mainly due to the growth in issuances of DIs and CDBs. Regarding the issuances of other fixed income instruments, the 35.5% growth was influenced by the 27.0% increase in issuances of real estate market instruments and 39.9% in issuances of agribusiness instruments. The average outstanding balance of corporate debt instruments increased by 12.4%.

Another highlight of the fixed income market was the continuous growth of Treasury Direct (TD), in which the number of investors and the average outstanding balance were up by 14.0% and 28.9%, respectively. B3 offers an incentive program for brokers to expand the number of investors, which is reviewed annually. The incentive program has two models, depending on the broker's outstanding balance<sup>3</sup> in TD. For 2023, the incentives defined for the program total up to R\$65 million, the same amount as in 2022.

### OTC Derivatives and Structured Notes

		3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
Issuances	(total in R\$ billions)	2,898	2,923	-0.8%	3,402	-14.8%
Outstanding balance	(average in R\$ billions)	5,722	5,742	-0.3%	5,683	0.7%

Issuances in the OTC derivatives and structured notes market decreased by 0.8%. The 8.7% and 2.9% growth in issuances of Swap and Forward contracts, respectively, was not enough to offset the 43.2% decrease in the issuances of other derivatives, mainly flexible options. In the same comparison, the average outstanding balance was in line.

<sup>3</sup> Brokers with a TD outstanding balance worth less than R\$4 billion are covered by Model I, in which the incentive is a variable amount depending on the growth of the investor base (R\$200 per customer added); Brokerage firms holding an outstanding balance of R\$4 billion or more in TD are covered by Model II, in which the incentive is calculated as a percentage of the average balance, depending on the investor base growth, and may reach up to 0.20% for the highest range.

## Infrastructure for Financing

		3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
SNG	Number of vehicles sold (thousands)	4,861	4,733	2.7%	4,486	8.4%
	Number of financed vehicles (thousands)	1,543	1,398	10.4%	1,407	9.7%
	% Vehicles financed / vehicles sold	31.7%	29.5%	2.2pp	31.4%	0.4pp

The number of vehicles sold in Brazil increased by 2.7%, while the number of financed vehicles grew by 10.4%, with an increase of 19.0% in the financing of new vehicles and 6.2% in used vehicles.

## Technology, Data and Services

		3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
OTC utilization		20,293	18,636	8.9%	20,003	1.5%
Market data	Number of average customers	159	153	4.4%	161	-0.8%
Co-location		92	88	4.2%	91	0.7%

The average number of customers for monthly use of OTC systems increased by 8.9%, mainly because of the growth in the funds industry in Brazil. There was also a 4.2% growth in the number of customers using co-location services.

## INCOME STATEMENT

### Revenues

**Total revenues:** R\$2,490.1 million, down by 0.8% against 3Q22. The strong performance of the other segments partially offset the decline of the Listed revenues. Excluding the effects of Neurotech consolidation, total revenues would have been R\$2,466.4 million, down by 1.8% against 3Q22 and in line with 2Q23.

**Listed:** R\$1,489.4 million (59.8% of the total), down by 8.1%.

- **Cash Equities and Equity Instruments:** R\$902.3 million (36.2% of the total), down by 10.0%.
  - **Trading and post-trading:** R\$763.9 million (30.7% of the total), down by 10.5%, reflecting lower margin and volumes in the period, influenced by the factors explained above.
  - **Depository:** R\$38.5 million (1.5% of the total), an increase of 7.2% in the period. The Central Depository fees' adjustment for inflation (IPCA)<sup>4</sup>, which came into force at the beginning of the year, in addition to a higher average balance in the depository in the period, explain the increase in revenues.
  - **Securities lending:** R\$56.7 million (2.3% of the total), down by 34.4%, due to lower rates on contracts traded between participants in this product, despite a larger open position outstanding.
  - **Listing and solutions for issuers:** R\$43.1 million (1.7% of the total), up by 61.8%, mainly due to the greater financial volume of public offerings in the period (follow-ons totaled R\$15.1 billion in 3Q23 vs. R\$2.6 billion in 3Q22).
- **Interest Rate, FX and Commodities:** R\$587.1 million (23.6% of the total), down by 5.2%, mainly reflecting lower volumes and RPC in FX derivative contracts, as previously explained, partially offset by higher revenues from Interest rate in BRL derivatives. It is worth noting that this line is impacted by the cash flow hedge accounting established during the issuance of the bond in Sep/21, in which the bond is the hedging instrument, and the highly probable future revenues in dollars (mainly related to listed FX derivative contracts in USD and Interest Rates contracts in USD) are the hedging objects. As a result, the effects of exchange rate variations on the bond are initially recorded in Shareholders' Equity and recognized in the income statement to the extent that revenues are realized. In 3Q23, the net impact of this structure was positive at R\$17.5 million, given the FX variation in the period.

**OTC:** R\$376.2 million (15.1% of the total), an increase of 14.4%.

- **Fixed income instruments:** R\$245.2 million (9.8% of the total), an increase of 13.3%, mainly due to (i) growth of 3.3% in the issuances of bank funding instruments and 7.3% in the average outstanding balance of these instruments; (ii) higher average outstanding balance of corporate debt, which grew 12.4% in the period; and (iii) increase in revenues from Treasury Direct, which in 3Q23 amounted to R\$55.7 million against revenues of R\$43.6 million in 3Q22. It should be noted that market incentives linked to this product totaled R\$16.3 million in the quarter and are classified as revenue-linked expenses.
- **Derivatives and structured transactions:** R\$71.9 million (2.9% of the total), an increase of 15.7% mainly explained by the increase in revenues from structured transactions and derivatives with CCP.
- **Other:** R\$59.0 million (2.4% of the total), an increase of 17.7% reflecting the increase in the custody of fund's units.

<sup>4</sup>For more information, access [Circular Letter dated 05/04/2023](#).

**Infrastructure for Financing:** R\$118.2 million (4.7% of the total), an increase of 7.3%, mainly due to the increase in vehicle financing in the period.

**Technology, Data and Services:** R\$495.3 million (19.9% of the total), up by 10.8%.

- **Technology and access:** R\$286.5 million (11.5% of the total), an increase of 14.3%, reflecting both the increase in the number of customers in the OTC segment and the annual price adjustment for inflation in the monthly usage line and in technology products, such as co-location.
- **Data and analytics:** R\$149.8 million (6.0% of the total), an increase of 16.7%. The performance mainly reflects Neurotech consolidation, which posted revenues of R\$23.6 million in the period, offsetting lower market data revenues due to the lower activity of intermediaries' customers and changes to product packages. Excluding Neurotech, this line would have shown a 1.7% decline.
- **B3 Bank:** R\$30.7 million (1.2% of the total), down by 6.8%, mainly explained by lower revenues from BDRs.
- **Other:** R\$28.2 million, (1.1% of the total), down by 19.7%, mainly explained by lower revenues from auctions.

**Reversal of provisions:** R\$10.9 million. B3 obtained a favorable decision in relation to taxation on the monetary adjustment of tax credits and as a result, in this quarter, the provision that had been set up for these taxes was reversed.

**Net revenues:** practically in line with 3Q22, reaching R\$2,248.2 million.

## Expenses

Expenses amounted to R\$902.2 million, up by 6.9%. Excluding the effects of Neurotech consolidation, expenses would have totaled R\$879.1 million, up by 4.2% against 3Q22, below the IPCA (Broad National Consumer Price Index) for the period.

- **Personnel and charges:** R\$345.8 million, up by 12.1%, mainly explained by (i) annual adjustment (bargaining agreement) of salaries and medical assistance; and (ii) Neurotech consolidation. Excluding Neurotech, growth would have been 6.8%.
- **Data processing:** R\$136.5 million, up by 13.1%, mainly due to the inclusion of Neurotech and the increased use of cloud technology.
- **Depreciation and amortization:** R\$281.6 million, up by 10.0%, mainly explained by Neurotech consolidation, with the inclusion of the amortization of intangibles recognized in the transaction.
- **Revenue-linked expenses:** R\$59.3 million, down by 9.3%, mainly explained by the reduction in expenses related to the Data segment.
- **Third-party services:** R\$22.3 million, down by 17.2% explained by non-recurring consultancy expenses in the 3Q22.
- **Other:** R\$28.3 million, down by 22.3%, mainly due to the reduction in provisions related to legal disputes, for which part of the amount under discussion is adjusted according to the price of B3SA3, which had a negative variation in the period.

The tables below show the breakdown and evolution of adjusted expenses.

## Reconciliation of adjusted expenses

(In R\$ millions)	3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
<b>Expenses</b>	<b>(902.2)</b>	<b>(844.0)</b>	<b>6.9%</b>	<b>(859.0)</b>	<b>5.0%</b>
(+) Depreciation and Amortization	281.6	256.1	10.0%	268.9	4.7%
(+) Long-term stock-based incentive program	41.6	28.9	44.2%	35.6	16.9%
(+) Provisions (recurring and non-recurring)	14.7	22.5	-34.5%	30.9	-52.3%
(+) Revenue-linked expenses	59.3	65.3	-9.3%	60.8	-2.5%
(+) M&A expenses	1.0	1.8	-42.7%	3.2	-67.2%
<b>Adjusted expenses</b>	<b>(503.9)</b>	<b>(469.4)</b>	<b>7.4%</b>	<b>(459.5)</b>	<b>9.7%</b>
<b>Core Business Expenses</b>	<b>(340.4)</b>	<b>(312.9)</b>	<b>8.8%</b>	<b>(320.0)</b>	<b>6.4%</b>
<b>Non-Core Expenses – New initiatives and business</b>	<b>(163.5)</b>	<b>(156.5)</b>	<b>4.5%</b>	<b>(139.6)</b>	<b>17.1%</b>
<i>New initiatives – B3</i>	(75.2)	(82.8)	-9.2%	(55.0)	36.7%
<i>Adjusted expenses – Subsidiaries</i>	(88.3)	(73.7)	19.8%	(84.6)	4.4%

In line with the Company's guidance disclosure format, the consolidated table above also shows the breakdown between core business adjusted expenses and non-core adjusted expenses.

**Core Business Expenses:** R\$340.4 million, up by 8.8%, mainly explained by higher personnel expenses. When compared to the previous quarter, adjusted core business expenses increased by 6.4%.

**Non-Core Expenses:** R\$163.5 million, growth of 4.5% mainly explained by the consolidation of Neurotech expenses in the subsidiaries line, partially offset by the lower level of disbursements with projects in the new initiatives line. When compared to 2Q23, the 17.1% growth is explained by the full impact of Neurotech in the whole quarter and a higher level of disbursements with projects, such as receivables and insurance.

Excluding the effects of Neurotech consolidation, non-core expenses would have decreased 9.1%. The subsidiaries line includes: Neoway, Neurotech, PDtec, BLK, Datastock and CED, which generated gross revenues of R\$102.7 million, up by 37.5% compared to 3Q22, mainly explained by the consolidation of Neurotech and Datastock.



## EBITDA

Recurring EBITDA totaled R\$1,617.7 million, down by 3.2%. Recurring EBITDA margin was 72.3%, down by 173 bps. Compared to 2Q23, there was a decrease of 0.9% with a reduction of 87 bps in the margin. The other non-recurring revenues line of R\$10.9 million refers to the reversal of provisions, as explained above.

(In R\$ millions)	3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
<b>EBITDA</b>	<b>1,627.6</b>	<b>1,669.9</b>	<b>-2.5%</b>	<b>1,640.2</b>	<b>-0.8%</b>
(+) Other non-recurring revenues	(10.9)	-	-	(11.4)	-
(+) M&A expenses	1.0	1.8	-42.7%	3.2	-67.2%
<b>Recurring EBITDA</b>	<b>1,617.7</b>	<b>1,671.7</b>	<b>-3.2%</b>	<b>1,632.0</b>	<b>-0.9%</b>
<i>Recurring EBITDA margin</i>	<i>72.3%</i>	<i>74.0%</i>	<i>-173 bps</i>	<i>73.2%</i>	<i>-87 bps</i>

## Financial result

The financial result was positive by R\$39.1 million in 3Q23. Financial revenues reached R\$416.5 million, up by 2.5%, mainly explained by the higher remuneration of balances in foreign currency. On the other hand, financial expenses decreased 16.8%, mainly explained by lower level of indebtedness, lower average interest rate in the period and a 7.0% decrease in the exchange rate against 3Q22, reducing financial expenses for debts in foreign currency. Furthermore, it is worth highlighting that financial expenses in 3Q22 were influenced by non-recurring effects related to the early settlement of the 3rd issuance of debentures.

(In R\$ millions)	3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
<b>Financial result</b>	<b>39.1</b>	<b>(50.1)</b>	<b>-</b>	<b>102.8</b>	<b>-61.9%</b>
Financial revenues	416.5	406.1	2.5%	434.9	-4.2%
Financial expenses	(365.3)	(439.1)	-16.8%	(357.4)	2.2%
Net FX variations	(12.1)	(17.1)	-29.6%	25.3	-

Additionally, it is important to note that the financial result was also impacted by the effects of FX variation on some of the Company's loans in foreign currency, such impact being offset by the changes in the income tax and social contribution line (hedge structure). The table below isolates these effects, both from the financial result and from income tax and social contribution.

(In R\$ millions)	3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
Financial result	39.1	(50.1)	-	102.8	-61.9%
(+/-) Hedge effects on financial results	19.3	26.9	-28.4%	(41.7)	-
<b>Adjusted financial result (excluding hedge effects)</b>	<b>58.4</b>	<b>(23.2)</b>	<b>-</b>	<b>61.1</b>	<b>-4.4%</b>
Income before income tax	1,386.3	1,365.6	1.5%	1,477.1	-6.1%
(+/-) Effects of hedge on income tax and social contribution	19.3	26.9	-28.4%	(41.7)	-
<b>Income before taxation on adjusted income (excluding hedge effects) – (A)</b>	<b>1,405.6</b>	<b>1,392.5</b>	<b>0.9%</b>	<b>1,435.4</b>	<b>-2.1%</b>
Income tax and social contribution	(312.0)	(336.3)	-7.2%	(424.1)	-26.4%
(+/-) Effects of hedge on income tax and social contribution	(19.3)	(26.9)	-28.4%	41.7	-
<b>Adjusted income tax and social contribution (excluding hedge effects) – (B)</b>	<b>(331.3)</b>	<b>(363.2)</b>	<b>-8.8%</b>	<b>(382.4)</b>	<b>-13.4%</b>
<b>Effective rate on income before adjusted income tax and social contribution (excluding hedge effects) - (B) / (A)</b>	<b>23.6%</b>	<b>26.1%</b>	<b>-25.2bps</b>	<b>26.6%</b>	<b>-30.8bps</b>

## Income tax and social contribution

The income tax and social contribution line totaled R\$312.0 million in 3Q23 and was impacted by the distribution of interest on capital (IoC) in the amount of R\$317.5 million and the recovery of taxes paid on the monetary adjustment of tax credits, causing a positive effect of R\$38.4 million in this line. Current tax reached R\$251.8 million. The deferred income tax and social contribution line totaled R\$60.2 million, made up of tax credits recognized in the period. Furthermore, the income tax and social contribution line was also impacted by the hedging structure, as previously explained.

## Net income

Net income attributed to B3's shareholders reached R\$1,074.2 million, up by 4.4%. Excluding the non-recurring items highlighted below, net income would have reached R\$1,159.0 million in the quarter, in line with the same period of the previous year, as a result of the effects previously explained.

## Adjustments to net income

(In R\$ millions)	3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)
<b>Net income (attributed to shareholders)</b>	<b>1,074.2</b>	<b>1,029.1</b>	<b>4.4%</b>	<b>1,052.8</b>	<b>2.0%</b>
(-) Other non-recurring revenues	(13.0)	-	-	(14.1)	-
(-) Tax impacts from non-recurring items	(0.4)	(0.6)	-42.7%	(1.1)	-67.2%
(-) Recovery of taxes	(38.4)	-	-	-	-
(+) M&A expenses	1.0	1.8	-42.7%	3.2	-67.2%
(+) Amortization of intangible assets (including Cetip combination)	135.5	123.5	9.7%	127.6	6.2%
<b>Recurring net income</b>	<b>1,159.0</b>	<b>1,153.8</b>	<b>0.5%</b>	<b>1,168.3</b>	<b>-0.8%</b>

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

## MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2023

### Assets, Liabilities and Shareholders' Equity Accounts

The Company ended the quarter with total assets of R\$47.9 billion, in line with Dec/22. Cash and cash equivalents and financial investments (current and non-current) totaled R\$17.2 billion, down by 2.7%, reflecting the (i) decrease in the volume of guarantees deposited in cash (recorded against current liabilities); (ii) the 2023/2024 share buyback program and payment of dividends and IoC; (iii) partial repurchase of the 2031 Bond during the first quarter of 2023; and (iv) completion of the Neurotech acquisition. The decrease of approximately R\$3.6 billion in the Capital Reserve line reflects the cancellation of treasury shares that occurred in 2Q23. The cash position at the end of the quarter included R\$317.5 million in interest on capital and R\$280.2 million in dividends, both paid in October.

B3's gross debt at the end of 3Q23 amounted to R\$11.6 billion (74% long-term and 26% short-term), corresponding to 1.8x the recurring EBITDA for the last 12 months.

Shareholders' equity at the end of Sep/23 was R\$20.2 billion, mainly consisting of share capital of R\$12.5 billion, capital reserve of R\$4.4 billion (vs. R\$8.0 billion in Dec/22) and the profit reserve of R\$3.7 billion.

## OTHER INFORMATION

### CAPEX

Investments of R\$46.9 million were made during the quarter, of which R\$29.1 million related to the core business, while R\$17.8 million were directed to new initiatives. Such investments were mainly used for technological updates in all B3's segments, which also include investments in capacity, security and the development of new products and functionalities.

### Distributions to shareholders

On September 14, 2023, the Board of Directors approved the payment of interest on capital and dividends in the amount of R\$318 million and R\$280 million, respectively, paid on October 6. Additionally, in the quarter, shares buybacks related to the 2023/2024 Buyback Program totaled R\$700 million, which, added to dividends and IoC, totaled R\$1.3 billion returned to shareholders in the period.

## SUSTAINABILITY

During 3Q23, the main highlights of B3's sustainability strategy were:

- Launch of IDIVERSA B3, the first Latin American diversity index focusing on gender and race and one of the sustainability goals defined in the sustainability-linked bond issued in Sep/21.
- In July, the Brazilian Securities Commission (CVM) approved the ESG Annex, a document with the measures proposed by B3 to encourage gender diversity and the presence of underrepresented groups in senior leadership positions and the reporting of good environmental, social and governance practices by listed companies.
- Publication of the new edition of the study "Women in Action", which maps female participation in the statutory executive committees and boards of directors of 343 listed companies. For the first time, this study also analyzed data on color and race.
- Through volunteer activities promoted by B3 Social, 751 employees participated in social initiatives and campaigns during the third quarter of 2023, representing approximately 26% of the Company's total employees.

## CONSOLIDATED INCOME STATEMENT

(In R\$ thousands)	3Q23	3Q22	3Q23/3Q22 (%)	2Q23	3Q23/2Q23 (%)	Neurotech (3Q23)	B3 (Ex - Neurotech)
<b>Total Revenues</b>	<b>2,490,082</b>	<b>2,510,567</b>	<b>-0.8%</b>	<b>2,477,122</b>	<b>0.5%</b>	<b>23,639</b>	<b>2,466,443</b>
<b>Listed</b>	<b>1,489,390</b>	<b>1,621,472</b>	<b>-8.1%</b>	<b>1,523,807</b>	<b>-2.3%</b>	-	<b>1,489,390</b>
<b>Cash Equities and Equity Instruments</b>	<b>902,258</b>	<b>1,002,310</b>	<b>-10.0%</b>	<b>927,213</b>	<b>-2.7%</b>	-	<b>902,258</b>
Trading and post-trading	763,939	853,235	-10.5%	784,198	-2.6%	-	763,939
Depository	38,467	35,896	7.2%	35,802	7.4%	-	38,467
Securities lending	56,736	86,538	-34.4%	74,276	-23.6%	-	56,736
Listing and solutions for issuers	43,116	26,641	61.8%	32,937	30.9%	-	43,116
<b>Interest Rate, FX and Commodities</b>	<b>587,132</b>	<b>619,162</b>	<b>-5.2%</b>	<b>596,594</b>	<b>-1.6%</b>	-	<b>587,132</b>
Trading and post-trading	587,132	619,162	-5.2%	596,594	-1.6%	-	587,132
<b>OTC</b>	<b>376,214</b>	<b>328,847</b>	<b>14.4%</b>	<b>365,405</b>	<b>3.0%</b>	-	<b>376,214</b>
Fixed income	245,223	216,503	13.3%	239,098	2.6%	-	245,223
Derivatives	71,947	62,162	15.7%	71,344	0.8%	-	71,947
Other	59,044	50,182	17.7%	54,963	7.4%	-	59,044
<b>Infrastructure for Financing</b>	<b>118,247</b>	<b>110,245</b>	<b>7.3%</b>	<b>112,770</b>	<b>4.9%</b>	-	<b>118,247</b>
<b>Technology, Data and Services</b>	<b>495,297</b>	<b>447,203</b>	<b>10.8%</b>	<b>473,269</b>	<b>4.7%</b>	<b>23,639</b>	<b>471,658</b>
Technology and access	286,543	250,719	14.3%	282,591	1.4%	-	286,543
Data and analytics	149,791	128,364	16.7%	129,904	15.3%	23,639	126,152
B3 Bank	30,720	32,964	-6.8%	32,549	-5.6%	-	30,720
Other	28,243	35,156	-19.7%	28,225	0.1%	-	28,243
<b>Reversal of provisions and recovery of expenses</b>	<b>10,934</b>	<b>2,800</b>	<b>290.5%</b>	<b>1,871</b>	<b>484.4%</b>	-	<b>10,934</b>
<b>Revenue deductions</b>	<b>(241,862)</b>	<b>(252,716)</b>	<b>-4.3%</b>	<b>(246,900)</b>	<b>-2.0%</b>	<b>(1,352)</b>	<b>(240,510)</b>
PIS and Cofins	(198,319)	(209,544)	-5.4%	(203,537)	-2.6%	(880)	(197,439)
Service tax	(43,543)	(43,172)	0.9%	(43,363)	0.4%	(472)	(43,071)
<b>Net Revenues</b>	<b>2,248,220</b>	<b>2,257,851</b>	<b>-0.4%</b>	<b>2,230,222</b>	<b>0.8%</b>	<b>22,287</b>	<b>2,225,933</b>
<b>Expenses</b>	<b>(902,168)</b>	<b>(844,011)</b>	<b>6.9%</b>	<b>(858,964)</b>	<b>5.0%</b>	<b>(23,019)</b>	<b>(879,149)</b>
Personnel and charges	(345,781)	(308,531)	12.1%	(324,923)	6.4%	(16,261)	(329,520)
Data processing	(136,521)	(120,667)	13.1%	(123,757)	10.3%	(2,524)	(133,997)
Depreciation and amortization	(281,592)	(256,090)	10.0%	(268,942)	4.7%	(663)	(280,929)
Revenue-linked expenses	(59,262)	(65,318)	-9.3%	(60,770)	-2.5%	(1,013)	(58,249)
Third-party services	(22,318)	(26,941)	-17.2%	(13,391)	66.7%	(1,126)	(21,192)
General maintenance	(8,729)	(6,592)	32.4%	(6,887)	26.7%	(129)	(8,600)
Marketing	(12,306)	(16,195)	-24.0%	(7,583)	62.3%	(514)	(11,792)
Taxes and fees	(3,327)	(3,344)	-0.5%	(4,194)	-20.7%	-	(3,327)
Board and committee members' compensation	(4,069)	(3,968)	2.5%	(3,842)	5.9%	-	(4,069)
Other	(28,263)	(36,365)	-22.3%	(44,675)	-36.7%	(788)	(27,475)
<b>Operating income</b>	<b>1,346,052</b>	<b>1,413,840</b>	<b>-4.8%</b>	<b>1,371,258</b>	<b>-1.8%</b>	<b>(732)</b>	<b>1,346,784</b>
<i>Operating margin</i>	59.9%	62.6%	-275bps	61.5%	-161bps	-3.3%	60.5%
<b>Impairment of assets</b>	-	-	-	-	-	-	-
<b>Equity in income of investees</b>	<b>1,154</b>	<b>1,879</b>	<b>-38.6%</b>	<b>3,057</b>	<b>-62.3%</b>	-	<b>1,154</b>
<b>Financial result</b>	<b>39,116</b>	<b>(50,096)</b>	-	<b>102,750</b>	<b>-61.9%</b>	<b>241</b>	<b>38,875</b>
Financial revenues	416,482	406,126	2.5%	434,915	-4.2%	397	416,085
Financial expenses	(365,312)	(439,099)	-16.8%	(357,446)	2.2%	(156)	(365,156)
Net FX variations	(12,054)	(17,123)	-29.6%	25,281	-	-	(12,054)
<b>Income before tax</b>	<b>1,386,322</b>	<b>1,365,623</b>	<b>1.5%</b>	<b>1,477,065</b>	<b>-6.1%</b>	<b>(491)</b>	<b>1,386,813</b>
<b>Income tax and social contribution</b>	<b>(312,015)</b>	<b>(336,327)</b>	<b>-7.2%</b>	<b>(424,123)</b>	<b>-26.4%</b>	-	<b>(312,015)</b>
Current	(251,783)	(413,745)	-39.1%	(396,959)	-36.6%	-	(251,783)
Deferred	(60,232)	77,418	-	(27,164)	121.7%	-	(60,232)
<b>Net income for the period</b>	<b>1,074,307</b>	<b>1,029,296</b>	<b>4.4%</b>	<b>1,052,942</b>	<b>2.0%</b>	<b>(491)</b>	<b>1,074,798</b>
<i>Net Margin</i>	47.8%	45.6%	220bps	47.2%	57bps	-2.2%	48.3%
<b>Attributed to:</b>							
<b>B3's shareholders</b>	<b>1,074,241</b>	<b>1,029,100</b>	<b>4.4%</b>	<b>1,052,794</b>	<b>2.0%</b>	<b>(491)</b>	<b>1,074,732</b>
<i>Net margin</i>	47.8%	45.6%	220bps	47.2%	58bps	-2.2%	48.3%
Minority interest	66	196	-66.3%	148	-55.4%	-	66



## SUMMARY OF CONSOLIDATED BALANCE SHEET

ASSETS	09/30/2023	12/31/2022	LIABILITIES AND SHAREHOLDERS' EQUITY	09/30/2023	12/31/2022
<b>Current</b>	<b>17,198,011</b>	<b>17,114,735</b>	<b>Current</b>	<b>11,757,432</b>	<b>9,306,446</b>
Cash and cash equivalents	3,174,523	2,613,794	Collateral for transactions	3,296,062	4,756,602
Financial investments	11,740,359	12,283,245	Derivative financial instruments	37,961	16,318
Other	2,283,129	2,217,696	Loans and debentures	3,021,799	560,238
<b>Long-term non-current assets</b>	<b>14,878</b>	<b>14,878</b>	Other	5,401,610	3,973,288
<b>Non-current</b>	<b>30,659,794</b>	<b>30,559,816</b>	<b>Non-current</b>	<b>15,869,086</b>	<b>18,099,840</b>
<b>Long term receivables</b>	<b>2,722,453</b>	<b>3,190,140</b>	Loans and debentures	8,555,223	11,550,937
Financial investments	2,320,755	2,809,553	Deferred income tax and social contribution	5,823,020	5,583,493
Other	401,698	380,587	Other	1,490,843	965,410
<b>Investments</b>	<b>661,516</b>	<b>654,484</b>	<b>Shareholders' Equity</b>	<b>20,246,165</b>	<b>20,283,143</b>
<b>Property and equipment</b>	<b>856,977</b>	<b>920,622</b>	Capital	12,548,655	12,548,655
<b>Intangible assets</b>	<b>26,418,848</b>	<b>25,794,570</b>	Capital reserve	4,363,309	7,957,428
Goodwill	24,458,815	23,696,956	Other	3,321,874	-234,946
Software and projects	1,960,033	2,097,614	Minority interest	12,327	12,006
<b>Total assets</b>	<b>47,872,683</b>	<b>47,689,429</b>	<b>Total liabilities and shareholders' equity</b>	<b>47,872,683</b>	<b>47,689,429</b>