

CONFERENCE CALL (English)

08/11

10:00 a.m. (BRT) / 09:00 a.m. (NYC)

Brazil: +55 (11) 4210-1803

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Toll Free: +1 (844) 204-8942

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Password: B3

Webcast:

<https://choruscall.com.br/b3/2q23.htm>

CONFERENCE CALL (Portuguese)

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São Paulo, August 10, 2023 – B3 S.A. - Brasil, Bolsa, Balcão (“B3” or “Company”; B3SA3) reports today its earnings for the 2nd quarter of 2023 (2Q23). Total revenues reached R\$2,477.1 million, in line with 2Q22 and 1Q23. Recurring EBITDA amounted to R\$1,632.0 million, down by 2.2% vs. 2Q22 and 0.6% above 1Q23, while recurring net income¹ was R\$1,168.3 million, down by 4.3% vs. 2Q22 and 3.9% vs. 1Q23.

MESSAGE FROM B3’S MANAGEMENT

During the second quarter, the central banks of the main global economies signaled that interest rates should remain at high levels, due to the persistence of high levels of inflation. On the other hand, in Brazil, recent inflation data below expectations stimulated the markets to price in the beginning of an interest rate cut cycle for the third quarter of the year, which materialized in August. The Brazilian economy also showed signs of greater resilience, and expectations regarding the pace of growth increased during the period.

The improvement in expectations in Brazil reflected in the cash equities market, where the average daily traded volume (ADTV) totaled R\$26.9 billion, a recovery of 6.7% compared to 1Q23. Compared to 2Q22, there was a decrease of 6.7%.

In listed derivatives, the average daily volume (ADV) totaled 6.4 million contracts, up by 49.5% and 6.3% against 2Q22 and 1Q23, respectively, mainly reflecting the performance of Interest Rates in BRL contracts, a historic record. The uncertainty about prospective interest rate movements concentrated the volume in contracts with shorter maturities, which have lower revenue per contract (RPC). In the OTC segment, higher interest rates continued to favor volumes, with the highlight being the 22.6% growth in fixed income instruments outstanding balance and the 29.8% growth in Treasury Direct outstanding balance compared to 2Q22.

Revenues totaled R\$2.5 billion, practically in line with 2Q22 and the previous quarter. Reaffirming the focus on cost discipline, total expenses grew 2.0% and 0.8% compared to 2Q22 and 1Q23, respectively. Recurring net income reached R\$1.2 billion, down by 4.3% compared to 2Q22 and 3.9% compared to the previous quarter. It is worth mentioning that B3 concluded the acquisition of Neurotech during the quarter, a technology company specializing in artificial intelligence, machine learning and big data solutions and, therefore, the financial statements include Neurotech data as of May 12.

Distributions to shareholders totaled R\$1.2 billion in the quarter, of which R\$556.1 million in share buybacks, R\$351.5 million in interest on capital (IoC) and R\$306.6 million in dividends.

Regarding the most recent strategic advances, B3 announced, in June, the launch of a new platform for the issuance, registration and trading of tokenized assets, in which tokens representing debentures were issued by a financial institution on B3's new environment and transferred to digital wallets of other financial institutions. The system uses blockchain technology, which increases security and efficiency in the transfer of digital assets.

In July, B3 and Nasdaq entered into a partnership to enhance the Company's clearing platform. With this partnership, B3 seeks to renew the platform's technological architecture, allowing it to meet customer needs as the market evolves in the coming years, in addition to improving the services provided and facilitating the expansion of the availability and capacity of services in the future. On the other hand, B3 will contribute its expertise in operating in markets with specific characteristics to enhance the clearing solution offered by Nasdaq. Also in July, in the OTC segment, B3 announced the launch of a new cloud-based platform for trading fixed income assets, aiming to increase transparency in asset pricing and enable higher volumes and automation in trading.

Finally, B3 Digitas, a wholly-owned subsidiary of B3 focused on digital assets, announced a partnership with a Brazilian digital bank to offer cryptocurrencies to the bank customers, providing infrastructure that connects the financial institution to liquidity pools and international market makers, in line with the strategy of exploring new initiatives and businesses and better serving the customer.

(In R\$ millions)	2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23/1Q23 (%)
Total revenues	2,477.1	2,486.8	- 0.4%	2,460.5	0.7%
Net revenues	2,230.2	2,241.6	- 0.5%	2,209.4	0.9%
Expenses	(859.0)	(842.5)	2.0%	(851.8)	0.8%
Financial result	102.8	(15.3)	-	142.1	- 27.7%
Net income for the period	1,052.8	1,092.2	- 3.6%	1,089.4	- 3.4%
Adjusted expenses ²	(459.5)	(453.9)	1.2%	(468.6)	- 1.9%
Recurring EBITDA	1,632.0	1,668.3	- 2.2%	1,622.1	0.6%
Recurring EBITDA Margin	73.6%	74.4%	- 87 bps	73.4%	13 bps
Recurring net income	1,168.3	1,221.2	- 4.3%	1,216.3	- 3.9%

¹See reconciliation on page 7.

²Expenses 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

All comparisons in this document are in relation to the second quarter of 2022 (2Q22), unless otherwise indicated.

Listed

Cash Equities and Equity Instruments

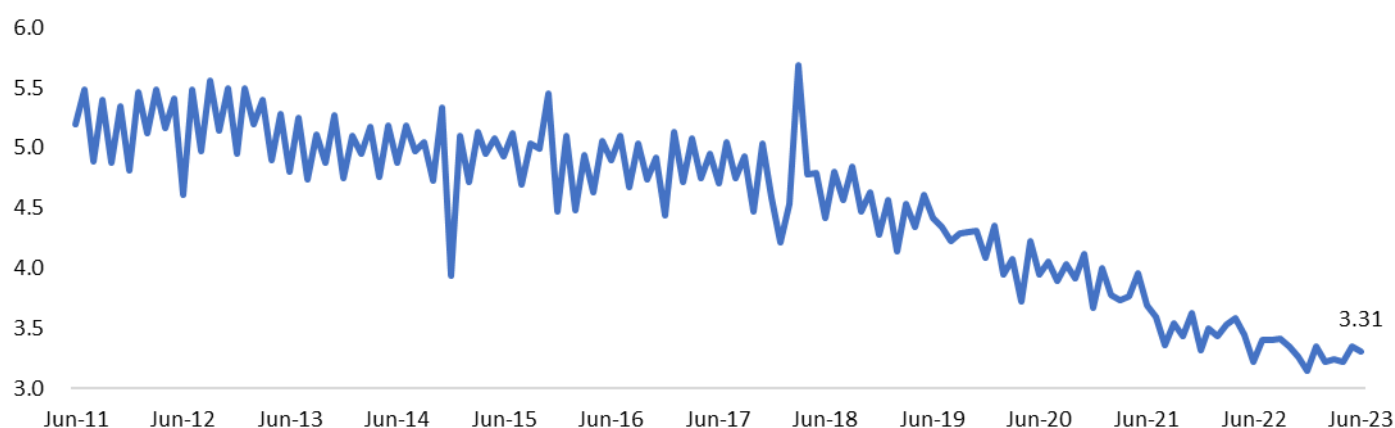
		2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23 / 1Q23 (%)
Cash equities market	ADTV (R\$ millions)	26,881	28,800	-6.7%	25,204	6.7%
	Margin (bps)	3.300	3.360	-0.060 bps	3.273	0.027 bps
Average market capitalization	(R\$ billions)	4,146	4,511	-8.1%	4,076	1.7%
Turnover velocity	Annualized (%)	160.8%	159.6%	119 bps	153.3%	745 bps
Options market (stock/indices)	ADTV (R\$ millions)	664	745	-10.9%	662	0.3%
	Margin (bps)	12.196	12.604	-0.407 bps	11.719	0.477 bps
Forward market	ADTV (R\$ millions)	286	308	-7.3%	280	2.2%
	Margin (bps)	5.806	8.445	-2.638 bps	4.852	0.955 bps
Stock indices future	ADV (thousands of contracts)	3,109	3,415	-9.0%	3,263	-4.7%
	Average RPC (BRL)	0.979	0.916	6.9%	0.976	0.4%
Number of individual investors	Average (thousands)	5,299	4,359	21.6%	5,247	1.0%
Number of accounts in depository (total)	Average (thousands)	6,195	5,170	19.8%	6,142	0.9%
Securities lending	Average open interest (R\$ billions)	128	105	21.6%	125	2.6%
	Average Lender Rate (% p.a.)	1.224%	1.854%	-63 bps	1.467%	-24 bps

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

In Cash Equities and Equity Instruments, there was a 6.7% decrease in the ADTV of cash equities, reflecting a continuous scenario of high interest rates and lower market cap. In the case of stock indices futures, the 9.0% reduction in the average number of contracts traded is explained by the decrease in trading of the mini version of these contracts.

The trading/post trading margin in cash equities was 3.300 bps. The reduction in margin, despite the lower volume, is explained by (i) the customer mix and (ii) the Company's investments in market maker and liquidity provider programs. The average revenue per contract (RPC) of stock indices futures contracts increased by 6.9%, 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: Margin in bps includes fees at both ends of the trades (buy + sell). 3.31 bps was the average margin for the last month of the period (June 2023).

The average number of accounts in the equities' depository increased 19.8%, mainly reflecting a public offering that attracted a large number of individuals in 2021 and had the lock-up period ending in the last quarter of 2022, in addition to individual investors' continuous pursuit of greater portfolio diversification.

Interest Rates, FX and Commodities

		2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23 / 1Q23 (%)
Interest rates in BRL	ADV (thousands of contracts)	5,199	2,849	82.5%	4,780	8.8%
	Average RPC (R\$)	0.809	1.069	-24.3%	0.845	-4.3%
Interest rates in USD	ADV (thousands of contracts)	276	340	-18.7%	276	0.1%
	Average RPC (R\$)	2.171	2.056	5.6%	2.276	-4.6%
FX rates	ADV (thousands of contracts)	929	1,090	-14.8%	977	-4.9%
	Average RPC (R\$)	5.033	4.668	7.8%	5.101	-1.3%
Commodities	ADV (thousands of contracts)	30	25	19.9%	19	59.4%
	Average RPC (R\$)	1.592	1.585	0.5%	1.859	-14.3%
Total	Total ADV (thousands of contracts)	6,434	4,304	49.5%	6,052	6.3%
	Average RPC (BRL)	1.484	2.061	-28.0%	1.602	-7.3%

The average daily volume totaled 6.4 million contracts, a historic record and an increase of 49.5%, reflecting the 82.5% growth in ADV for interest rates in BRL. The average RPC fell by 28.0% in the period, influenced by the 24.3% decrease in the RPC for interest rates in BRL explained by the concentration of ADV in shorter contracts, in addition to the strong growth in volumes. The retraction in the average RPC was partially offset by the increases of 5.6% and 7.8% in the revenues per contract of interest rates contracts in USD and FX rates, respectively, which in turn were impacted by the appreciation of the USD against the BRL.

OTC

Fixed Income Instruments

		2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23 / 1Q23 (%)
Issuances	Bank funding (total in R\$ billions)	4,145	3,759	10.3%	3,869	7.1%
	Other (total in billions)	405	288	40.7%	305	32.7%
Outstanding Balance	Bank funding (average in R\$ billions)	2,791	2,494	11.9%	2,682	4.1%
	Corporate debt (average in R\$ billions)	1,040	896	16.1%	1,016	2.4%
	Other (average in R\$ billions)	1,789	1,196	49.6%	1,660	7.7%
Treasury Direct	Number of investors (average in thousands)	2,212	1,973	12.1%	2,120	4.3%
	Inventory (average in R\$ billions)	113	87	29.8%	102	10.5%

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 and CDCA) 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 2Q23 grew, respectively, by 10.3% and 11.9%, mainly due to the growth in CDBs issuances, which represented 75.8% of new issuances during the quarter. Regarding the issuances of other fixed income instruments, the growth of 40.7% was influenced by the 32.1% increase in issuances of real estate market instruments and 38.3% in issuances of agribusiness instruments. The average outstanding balance of corporate debt instruments increased by 16.1%.

Another highlight of the fixed income market was the continuous growth in Treasury Direct (TD), where the number of investors and the average outstanding balance were up by 12.1% and 29.8%, respectively. B3 offers an incentive program for brokers to expand the number of investors in this product, which is reviewed annually. The incentive program has two models depending on the broker's outstanding balance³ 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

		2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23 / 1Q23 (%)
Issuances	(total in R\$ billions)	3,402	3,299	3.1%	3,162	7.6%
Outstanding balance	(average in R\$ billions)	5,683	5,484	3.6%	5,619	1.1%

Issuances in the OTC derivatives market and structured notes increased by 3.1%, mainly influenced by the increase in issue of swap contracts, which represented 36.3% of new issuances in the quarter. In the same comparison, the average outstanding balance grew 3.6%.

³ 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

	2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23 / 1Q23 (%)	
SNG	Number of vehicles sold (thousands)	4,486	4,189	7.1%	4,236	5.9%
	Number of financed vehicles (thousands)	1,407	1,350	4.2%	1,366	2.9%
	% Vehicles financed / vehicles sold	31.4%	32.2%	-0.9 p.p.	32.3%	-0.9 p.p.

The number of vehicles sold in Brazil increased by 7.1%, reflecting an improvement in this market mainly due to the growth in motorcycle sales. Regarding the financing, growth was 4.2%, also driven by the financing of motorcycles.

Technology, Data and Services

	2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23 / 1Q23 (%)	
OTC Utilization	20,003	18,206	9.9%	19,676	1.7%	
Market data	Number of average customers	161	149	7.8%	159	1.3%
Co-location	91	86	6.2%	93	-1.4%	

The average number of customers for monthly use of OTC systems increased by 9.9%, mainly as a result of the growth in the funds industry in Brazil. There was also a 6.2% growth in the number of customers using co-location services.

INCOME STATEMENT

Revenues

Total revenues: R\$2,477.1 million, in line with 2Q22. The good performance of the other segments partially offset the decline in Cash Equities and Equity Instruments. Excluding the effects of the consolidation of Neurotech, total revenues would have been R\$2,464.6 million, down by 0.9% against 2Q22 and up by 0.2% against 1Q23.

Listed: R\$1,523.8 million (61.5% of the total), down by 5.9%.

- **Cash Equities and Equity Instruments:** R\$927.2 million (37.4% of the total), down by 11.4%.
 - **Trading and post-trading:** R\$784.2 million (31.7% of the total), down by 9.6%, reflecting lower margin and volume in the period, influenced by the factors explained above.
 - **Depository:** R\$35.8 million (1.4% of the total), an increase of 0.6% in the period. The increase in revenue, despite the lower average market capitalization in the period, reflects the Central Depository fees⁴ inflation adjustment (IPCA), which came into effect at the beginning of the year.
 - **Securities lending:** R\$74.3 million (3.0% of the total), down by 26.2%, as a result of lower rates on contracts traded between participants in this modality.
 - **Listing and solutions for issuers:** R\$32.9 million (1.3% of the total), down by 24.2%, mainly due to the lower volume of offerings in 2Q23.
- **Interest Rates, FX and Commodities:** R\$596.6 million (24.1% of the total), an increase of 4.3%, mainly reflecting the strong performance of interest rates in BRL derivatives, as explained above. It is worth noting that this line is impacted by the cash flow hedge accounting set up in the issue of the bond in Sep/21, where the bond is the hedging instrument and the highly probable future revenues in dollars (mainly related to listed derivative contracts in USD Rates and Interest Rates in USD) are the hedging objects. As a result, the effects of exchange variation on the bond are booked in Shareholders' Equity and recognized in the income statement to the extent that revenues are realized. In 2Q23, the net impact of this structure was positive by R\$9.6 million, given the exchange rate variation in the period.

OTC: R\$365.4 million (14.8% of the total), an increase of 14.5%.

- **Fixed income instruments:** R\$239.1 million (9.7% of the total), an increase of 15.9%, mainly due to (i) growth of 10.3% in the registration of bank funding instruments and 11.9% in the average outstanding balance of these instruments; (ii) higher average outstanding balance of corporate debt, which grew 16.1% in the period; and (iii) increase in revenues from Treasury Direct, which in 2Q23 amounted to R\$52.0 million against revenues of R\$40.7 million in 2Q22. 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\$71.3 million (2.9% of the total), an increase of 10.4% mainly explained by the increase in issuances and outstanding balance and by the increase in revenues from registration of netting contracts.
- **Other:** R\$55.0 million (2.2% of the total), an increase of 14.0% reflecting the increase in the custody of fund shares.

⁴For more information, access [Circular Letter from 05/04/2023](#).

Infrastructure for financing: R\$112.8 million (4.6% of the total), an increase of 1.9%, mainly due to the increase in vehicle financing and sales in the period.

Technology, Data and Services: R\$473.3 million (19.1% of the total), up by 8.0%.

- **Technology and access:** R\$282.6 million (11.4% of the total), an increase of 14.6%, reflecting both the increase in the number of customers in higher trading ranges and the annual price adjustment for inflation in the monthly usage line and in technology products, such as co-location.
- **Data and analytics:** R\$129.9 million (5.2% of the total), an increase of 1.4%. The performance mainly reflects the consolidation of Neurotech, which reported revenues in the period between May 12 and June 30 of R\$12.5 million, which more than offset the lower market data revenue, due to the lower activity of intermediary customers and changes to product packages.
- **B3 Bank:** R\$32.5 million (1.3% of the total), an increase of 2.1%, explained by higher revenues from its own portfolio and the increase in the volume of business carried out by foreign customers using B3 Bank's services.
- **Other:** R\$28.2 million, (1.1% of the total), a decrease of 11.2%, highlighting the decrease in revenue from auctions and fines for failure in settlement. It is worth mentioning that, during 2Q23, B3 recognized a non-recurring revenue related to the reversal of taxes paid in previous years in the amount of R\$14.1 million, of which R\$11.4 in the Other line in operating revenues and R\$2.7 million in financial revenue.

Net revenues: practically in line with 2Q22, reaching R\$2,230.2 million.

Expenses

Expenses amounted to R\$859.0 million, up by 2.0%. Excluding the effects of the consolidation of Neurotech, expenses would have totaled R\$846.2 million, up by 0.4% against 2Q22 and down by 0.7% against 1Q23, below the inflation (IPCA) for the period.

- **Personnel and charges:** R\$324.9 million, an increase of 5.7%, mainly explained by (i) annual adjustment (collective bargaining agreement) of salaries and (ii) consolidation of Neurotech, partially offset by the positive effects of the efficiency gain project conducted in 2022.
- **Data processing:** R\$123.8 million, down by 3.1%, mainly due to lower expenses with projects, partially offset by the consolidation of Neurotech and increased use of cloud technology.
- **Depreciation and amortization:** R\$268.9 million, an increase of 1.1%.
- **Revenue-linked expenses:** R\$60.8 million, down by 6.6%, mainly explained by the reduction in expenses related to the Data segment.
- **Third-party services:** R\$13.4 million, down by 51.1%, mainly explained by the lower use of external labor, a reflection of the efficiency gain project carried out by the Company. Additionally, in 2Q22 there were one-off expenses with legal fees.
- **Other:** R\$44.7 million, an increase of 55.6%, mainly due to provisions related to legal disputes, for which part of the amount under discussion is adjusted according to the price of B3SA3.

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

Reconciliation of adjusted expenses

(In R\$ millions)	2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23 / 1Q23 (%)
Expenses	(859.0)	(842.5)	2.0%	(851.8)	0.8%
(+) Depreciation and Amortization	268.9	266.0	1.1%	259.6	3.6%
(+) Long-term stock-based incentive program	35.6	42.0	-15.1%	44.6	-20.1%
(+) Provisions (recurring and non-recurring)	30.9	12.3	151.6%	10.8	187.0%
(+) Revenue-linked expenses	60.8	65.1	-6.6%	63.3	-4.0%
(+) M&A expenses	3.2	3.2	-1.8%	5.0	-36.9%
Adjusted expenses	(459.5)	(453.9)	1.2%	(468.6)	-1.9%
Core business expenses	(320.0)	(318.9)	0.3%	(329.6)	-2.9%
Non-Core Expenses – New initiatives and business	(139.6)	(135.0)	3.4%	(139.0)	0.4%
<i>New initiatives – B3</i>	<i>(55.0)</i>	<i>(70.9)</i>	<i>-22.4%</i>	<i>(68.6)</i>	<i>-19.8%</i>
<i>Adjusted expenses – Subsidiaries</i>	<i>(84.6)</i>	<i>(64.1)</i>	<i>32.0%</i>	<i>(70.5)</i>	<i>20.0%</i>

Due to the Company's new initiatives, the consolidated table also shows the breakdown between core business adjusted expenses and non-core adjusted expenses.

Core Business Expenses: R\$320.0 million, in line with 2Q22, as a result of the annual salary adjustment (collective bargaining agreement), which in turn was partially offset by the positive effects of the efficiency gain project carried out in 2022. Adjusted core business expenses fell by 2.9%.

Non-Core Expenses: R\$139.6 million, growth of 3.4% mainly explained by the consolidation of Neurotech expenses, partially offset by the lower level of expenses with B3's data and analytics projects, which are being developed by Neoway. Excluding the effects of the consolidation of Neurotech, non-core expenses would have decreased 6.1%. The subsidiaries line includes: Neoway, Neurotech, PDtec, BLK, Datastock and CED, which originated gross revenue of R\$90.9 million, an increase of 28.0% compared to 2Q22, mainly explained by the inclusion of Neurotech and Datastock.

EBITDA

Recurring EBITDA totaled R\$1,632.0 million, down by 2.2%. Recurring EBITDA margin was 73.6%, down by 87 bps. Compared to 1Q23, recurring EBITDA grew 0.6%, showing a stable behavior in margin.

(In R\$ millions)	2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23 / 1Q23 (%)
EBITDA	1,640.2	1,665.1	-1.5%	1,617.1	1.4%
(+) Other non-recurring revenues	(11.4)	-	-	-	-
(+) M&A expenses	3.2	3.2	-1.8%	5.0	-36.9%
Recurring EBITDA	1,632.0	1,668.3	-2.2%	1,622.1	0.6%
<i>Recurring EBITDA Margin</i>	<i>73.6%</i>	<i>74.4%</i>	<i>-87 bps</i>	<i>73.4%</i>	<i>13 bps</i>

Financial result

The financial result was positive by R\$102.8 million in 2Q23. Financial revenues reached R\$434.9 million, down by 3.5%, mainly explained by the lower average balance of own and third-party cash. The reduction in own cash, among other factors, reflects the lower level of indebtedness, which also impacted financial expenses, which totaled R\$357.4 million, down by 13.0%, despite the higher average CDI rate in the period.

(In R\$ millions)	2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23 / 1Q23 (%)
Financial result	102.8	(15.3)	-	142.1	-27.7%
Financial revenues	434.9	450.9	-3.5%	493.6	-11.9%
Financial expenses	(357.4)	(411.1)	-13.0%	(365.8)	-2.3%
Net FX variations	25.3	(55.1)	-	14.3	76.7%

In addition, it is important to note that the financial result was also impacted by the effects of FX rate 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)	2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23 / 1Q23 (%)
Financial result	102.8	(15.3)	-	142.1	-27.7%
(+/-) Hedge effects on financial result	(41.7)	79.8	-	(21.9)	90.2%
Adjusted financial result (excluding hedge effects)	61.1	64.6	-5.4%	120.2	-49.2%
Income before income tax	1,477.1	1,384.3	6.7%	1,499.1	-1.5%
(+/-) Effects if hedge on financial result	(41.7)	79.8	-	(21.9)	90.2%
Income before tax on adjusted profit (excluding hedge effects) – (A)	1,435.4	1,464.2	-2.0%	1,477.2	-2.8%
Income tax and social contribution	(424.1)	(292.1)	45.2%	(409.7)	3.5%
(+/-) Effects of hedge on income tax and social contribution	41.7	(79.8)	-	21.9	90.2%
Adjusted income tax and social contribution (excluding hedge effects) – (B)	(382.4)	(371.9)	2.8%	(387.8)	-1.4%
Effective rate on income before adjusted income tax and social contribution (excluding hedge effects) - (B) / (A)	26.6%	25.4%	12.5 bps	26.2%	4.0 bps

Income tax and social contribution

The income tax and social contribution line totaled R\$424.1 million in 2Q23 and was impacted by the distribution of interest on capital (IoC) paid in the amount of R\$351.5 million. Current tax reached R\$397.0 million. The deferred income tax and social contribution line totaled R\$27.2 million, made up of tax credits in the period. In addition, the income tax and social contribution line was also impacted by the hedge structure, as explained above.

Net income

Net income attributed to B3 shareholders reached R\$1,052.8 million, down by 3.6%. Excluding the non-recurring items highlighted below, net income would have reached R\$1,168.3 million in the quarter, down by 4.3% against the same period of the previous year, reflecting the effects explained above. Adjusted recurring net income decreased 12.9%, explained by the end of the goodwill tax amortization from the business combination with Cetip.

Adjustments to net income

(In R\$ millions)	2Q23	2Q22	2Q23 / 2Q22 (%)	1Q23	2Q23 / 1Q23 (%)
Net income (attributed to shareholders)	1,052.8	1,092.2	-3.6%	1,089.4	-3.4%
(+) M&A expenses	3.2	3.2	-1.8%	5.0	-36.9%
(+) Other non-recurring revenues	(14.1)	-	-	-	-
(+) Tax impacts from non-recurring items	(1.1)	(1.1)	-1.8%	(1.7)	-36.9%
(+) Amortization of intangible assets (including Cetip combination)	127.6	126.9	0.6%	123.7	3.2%
Recurring net income	1,168.3	1,221.2	-4.3%	1,216.3	-3.9%
(+) Deferred tax (goodwill from Cetip combination)	-	119.6	-	-	-
Recurring net income adjusted for goodwill tax benefit	1,168.3	1,340.8	-12.9%	1,216.3	-3.9%

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 JUNE 30, 2023

Assets, Liabilities and Shareholders' Equity Accounts

The Company ended the quarter with total assets of R\$47.1 billion, down by 1.1% compared to Dec/22. Cash and due from banks and financial investments (current and non-current) totaled R\$16.7 billion, a decrease of 5.6%, reflecting the (i) completion of the acquisition of Neurotech, (ii) decrease in the volume of cash collateral (also recognized in current liabilities), (iii) the 2023/2024 share buyback program, and (iv) buyback of the 2031 Bond during the period. The cash position included R\$306.6 million in dividends and R\$351.5 million in IoC, both paid in July.

As for liabilities, B3's gross debt at the end of 2Q23 amounted to R\$11.4 billion (82% long-term and 18% short-term), corresponding to 1.7x the recurring EBITDA for the last 12 months.

Shareholders' equity at the end of June 2023 was R\$20.6 billion, mainly consisting of R\$12.5 billion in capital stock and R\$4.3 billion of capital reserve (vs. R\$8.0 billion in Dec/22).

OTHER INFORMATION

CAPEX

Investments of R\$38.9 million were made during the quarter, of which R\$24.1 million related to the core business, while R\$14.9 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 and cyber security and development of new products and functionalities.

Distributions to shareholders

On June 22, 2023, the Board of Directors approved the payment of IoC and dividends in the amount of R\$351.5 million and R\$306.6 million, respectively, paid on July 7. Additionally, in the quarter, shares buyback related to the 2023/2024 Share Buyback Program totaled R\$556.1 million, which, together with dividends and IoC, totaled R\$1.2 billion returned to shareholders.

SUSTAINABILITY

During 2Q23, the main highlights to B3's sustainability strategy were:

- Promotion of the event "ESG Forum: Reporting Trends", which gathered representatives from ISSB, CBPS and TNFD, to support companies in understanding new standards for disclosing ESG information.
- "Mobilizing Green Investment: The UK-Brazil Green and Inclusive Growth Partnership" event, which brought together stakeholders around the need to mobilize private and public investments for green investments in Brazil.
- Through the volunteer activities promoted by B3 Social, 676 employees participated in volunteer actions during the first half of 2023, representing approximately 25% of the Company's total number of employees.

CONSOLIDATED INCOME STATEMENT

(In R\$ thousands)	2Q23	2Q22	2Q23/2Q22 (%)	1Q23	2Q23/1Q23 (%)	Neurotech (2Q23)	B3 (Ex-Neurotech)
Total revenues	2,477,122	2,486,797	- 0.4%	2,460,480	0.7%	12,485	2,464,637
Listed	1,523,807	1,618,716	- 5.9%	1,538,944	- 1.0%	-	1,523,807
Cash Equities and Equity Instruments	927,213	1,046,889	- 11.4%	922,207	0.5%	-	927,213
Trading and post-trading	784,198	867,228	- 9.6%	776,621	1.0%	-	784,198
Depository	35,802	35,573	0.6%	33,981	5.4%	-	35,802
Securities lending	74,276	100,627	- 26.2%	82,095	- 9.5%	-	74,276
Listing and solutions for issuers	32,937	43,461	- 24.2%	29,510	11.6%	-	32,937
Interest Rate, FX and Commodities	596,594	571,827	4.3%	616,737	- 3.3%	-	596,594
Trading and post-trading	596,594	571,827	4.3%	616,737	- 3.3%	-	596,594
OTC	365,405	319,054	14.5%	349,512	4.5%	-	365,405
Fixed income	239,098	206,234	15.9%	222,966	7.2%	-	239,098
Derivatives	71,344	64,604	10.4%	75,294	- 5.2%	-	71,344
Other	54,963	48,216	14.0%	51,252	7.2%	-	54,963
Infrastructure for Financing	112,770	110,617	1.9%	110,674	1.9%	-	112,770
Technology, Data and Services	473,269	438,314	8.0%	461,200	2.6%	12,485	460,784
Technology and access	282,591	246,499	14.6%	279,027	1.3%	-	282,591
Data and analytics	129,904	128,155	1.4%	126,272	2.9%	12,485	117,419
B3 Bank	32,549	31,874	2.1%	32,227	1.0%	-	32,549
Other	28,225	31,786	- 11.2%	23,674	19.2%	-	28,225
Reversal of provisions and recovery of expenses	1,871	96	1849.0%	150	1147.3%	-	1,871
Revenue deductions	(246,900)	(245,165)	0.7%	(251,080)	- 1.7%	(725)	(246,175)
PIS and Cofins	(203,537)	(203,330)	0.1%	(210,209)	- 3.2%	(475)	(203,062)
Service tax	(43,363)	(41,835)	3.7%	(40,871)	6.1%	(250)	(43,113)
Net Revenues	2,230,222	2,241,632	- 0.5%	2,209,400	0.9%	11,760	2,218,462
Expenses	(858,964)	(842,504)	2.0%	(851,844)	0.8%	(12,801)	(846,163)
Personnel and charges	(324,923)	(307,282)	5.7%	(320,239)	1.5%	(9,418)	(315,505)
Data processing	(123,757)	(127,676)	- 3.1%	(127,791)	- 3.2%	(1,806)	(121,951)
Depreciation and amortization	(268,942)	(266,010)	1.1%	(259,590)	3.6%	(375)	(268,567)
Revenue-linked expenses	(60,770)	(65,096)	- 6.6%	(63,281)	- 4.0%	(178)	(60,592)
Third-party services	(13,391)	(27,380)	- 51.1%	(33,571)	- 60.1%	(364)	(13,027)
General maintenance	(6,887)	(6,016)	14.5%	(6,735)	2.3%	(47)	(6,840)
Marketing	(7,583)	(6,044)	25.5%	(5,144)	47.4%	(176)	(7,407)
Taxes and fees	(4,194)	(4,616)	- 9.1%	(3,278)	27.9%	-	(4,194)
Board and committee members' compensation	(3,842)	(3,675)	4.5%	(3,829)	0.3%	-	(3,842)
Other	(44,675)	(28,709)	55.6%	(28,386)	57.4%	(438)	(44,237)
Operating income	1,371,258	1,399,128	- 2.0%	1,357,556	1.0%	(1,041)	1,372,299
<i>Operating margin</i>	<i>61.5%</i>	<i>62.4%</i>	<i>- 93 bps</i>	<i>61.4%</i>	<i>4 bps</i>	<i>- 8.9%</i>	<i>61.9%</i>
Impairment of assets	-	-	-	-	-	-	-
Equity in income of investees	3,057	475	543.6%	(581)	-	-	3,057
Financial result	102,750	(15,256)	-	142,145	- 27.7%	280	102,470
Financial revenues	434,915	450,873	- 3.5%	493,615	- 11.9%	421	434,494
Financial expenses	(357,446)	(411,075)	- 13.0%	(365,775)	- 2.3%	(141)	(357,305)
Net FX variations	25,281	(55,054)	-	14,305	76.7%	-	25,281
Income before taxes	1,477,065	1,384,347	6.7%	1,499,120	- 1.5%	(761)	1,477,826
Income tax and social contribution	(424,123)	(292,070)	45.2%	(409,662)	3.5%	182	(424,305)
Current	(396,959)	(261,487)	51.8%	(368,409)	7.7%	182	(397,141)
Deferred	(27,164)	(30,583)	- 11.2%	(41,253)	- 34.2%	-	(27,164)
Net income for the period	1,052,942	1,092,277	- 3.6%	1,089,458	- 3.4%	(579)	1,053,521
<i>Net Margin</i>	<i>47.2%</i>	<i>48.7%</i>	<i>- 151 bps</i>	<i>49.3%</i>	<i>- 210 bps</i>	<i>- 4.9%</i>	<i>47.5%</i>
Attributed to:							
B3's shareholders	1,052,794	1,092,182	- 3.6%	1,089,351	- 3.4%	(579)	1,053,373
<i>Net margin</i>	<i>47.2%</i>	<i>48.7%</i>	<i>- 152 bps</i>	<i>49.3%</i>	<i>- 210 bps</i>	<i>- 4.9%</i>	<i>47.5%</i>
Minority interest	148	95	55.8%	107	38.3%	-	148

SUMMARY OF CONSOLIDATED BALANCE SHEET

ASSETS	06/30/2023	12/31/2022	LIABILITIES AND SHAREHOLDERS' EQUITY	06/30/2023	12/31/2022
Current	16,127,049	17,114,735	Current	9,946,058	9,306,446
Cash and due from banks	2,170,662	2,613,794	Collateral for transactions	4,536,549	4,756,602
Financial investments	12,074,992	12,283,245	Derivative financial instruments	19,071	16,318
Other	1,881,395	2,217,696	Loans and debentures	2,036,847	560,238
Long-term non-current assets	14,878	14,878	Other	3,353,591	3,973,288
Non-current assets	31,035,028	30,559,816	Non-current liabilities	16,677,814	18,099,840
Long-term receivables	2,885,130	3,190,140	Loans and debentures	9,391,469	11,550,937
Financial investments	2,461,618	2,809,553	Deferred income tax and social contribution	5,806,259	5,583,493
Other	423,512	380,587	Other	1,480,086	965,410
Investments	655,812	654,484	Equity	20,553,083	20,283,143
Property and equipment	881,372	920,622	Capital	12,548,655	12,548,655
Intangible assets	26,612,714	25,794,570	Capital reserve	4,341,765	7,957,428
Goodwill	24,441,511	23,696,956	Other	3,650,402	- 234,946
Software and projects	2,171,203	2,097,614	Minority interest	12,261	12,006
Total assets	47,176,955	47,689,429	Total liabilities and shareholders' equity	47,176,955	47,689,429