



4Q19 EARNINGS PRESENTATION

March 6th, 2020

Forward looking statements

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

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BUSINESS ENVIRONMENT

LOWER INTEREST RATES

DEC/18	FEB/20
6.50%	4.25%

CAPITAL MARKETS DEVELOPMENT

INCREASED EXPOSURE TO CAPITAL MARKETS IN MUTUAL FUNDS PORTFOLIO

2018	2019
R\$639 bn	R\$965 bn
(15% of AuM)	(20% of AuM)

PUBLIC EQUITY OFFERINGS IN THE YEAR

2018	2019
R\$11 bn	R\$89 bn
(5 offers)	(42 offers)

OF RETAIL INVESTORS ACCOUNTS IN THE EQUITY DEPOSITORY

DEC/18	DEC/19
0.8 MM	1.7 MM

B3'S OPERATIONAL PERFORMANCE

SEGMENT GROWTH (2019 x 2018)

+40.9% CASH EQUITIES ADTV

+31.3% LISTED DERIVATIVES ADV

+14.2% NEW FIXED INCOME AND DERIVATIVE TRANSACTIONS IN OTC SEGMENT

+11.4% NUMBER OF FINANCED VEHICLES

B3'S DEVELOPMENTS

PRODUCT ROADMAP

DELIVERY OF OVER 40 NEW PRODUCTS AND SERVICES SINCE THE RELEASE OF FIRST ROADMAP (AUG/18)

OPERATIONAL EXCELLENCE

99.96% AVAILABILITY IN PLATFORMS AND SYSTEMS DURING THE YEAR

PRICING

DISCLOSURE OF NEW PRICING SCHEDULES FOR LISTED CASH EQUITIES AND OTC TO BE IMPLEMENTED IN 2020, SHARING OPERATIONAL LEVERAGE WITH CLIENTS

ACQUISITIONS

BLK AND PORTAL DE DOCUMENTOS, DIVERSIFYING PRODUCT OFFER TO CUSTOMERS

RETURN TO SHAREHOLDERS

CASH DISTRIBUTION OF R\$3.5 BN RELATED TO FISCAL YEAR 2019, REPRESENTING A PAYOUT RATIO OF 130%

4Q19 Highlights – Operational Performance

		4Q19	4Q19 / 4Q18 (%)
Listed - Equities			
Equities	ADTV (R\$ millions)	18,874.2	24.8%
	<i>Margin (bps)</i>	4.224	-0.242 bps

Stock Indices	ADV (thousands of contracts)	1,602.4	70.0%
	<i>Average RPC (R\$)</i>	1.052	20.4%
Listed - Derivatives			
	ADV total (thousands of contracts)	4,520.0	63.7%
	Average RPC (R\$)	1.462	-22.3%
OTC			
Fixed Income	New issues (R\$ bn)	2,505.4	13.2%
	Outstanding volume (R\$ bn)	1,955.5	8.9%

Derivatives	New transactions (R\$ bn)	3,081.9	18.4%
	Outstanding volume (R\$ bn)	2,828.0	14.7%

4Q19 Highlights – Financial Performance

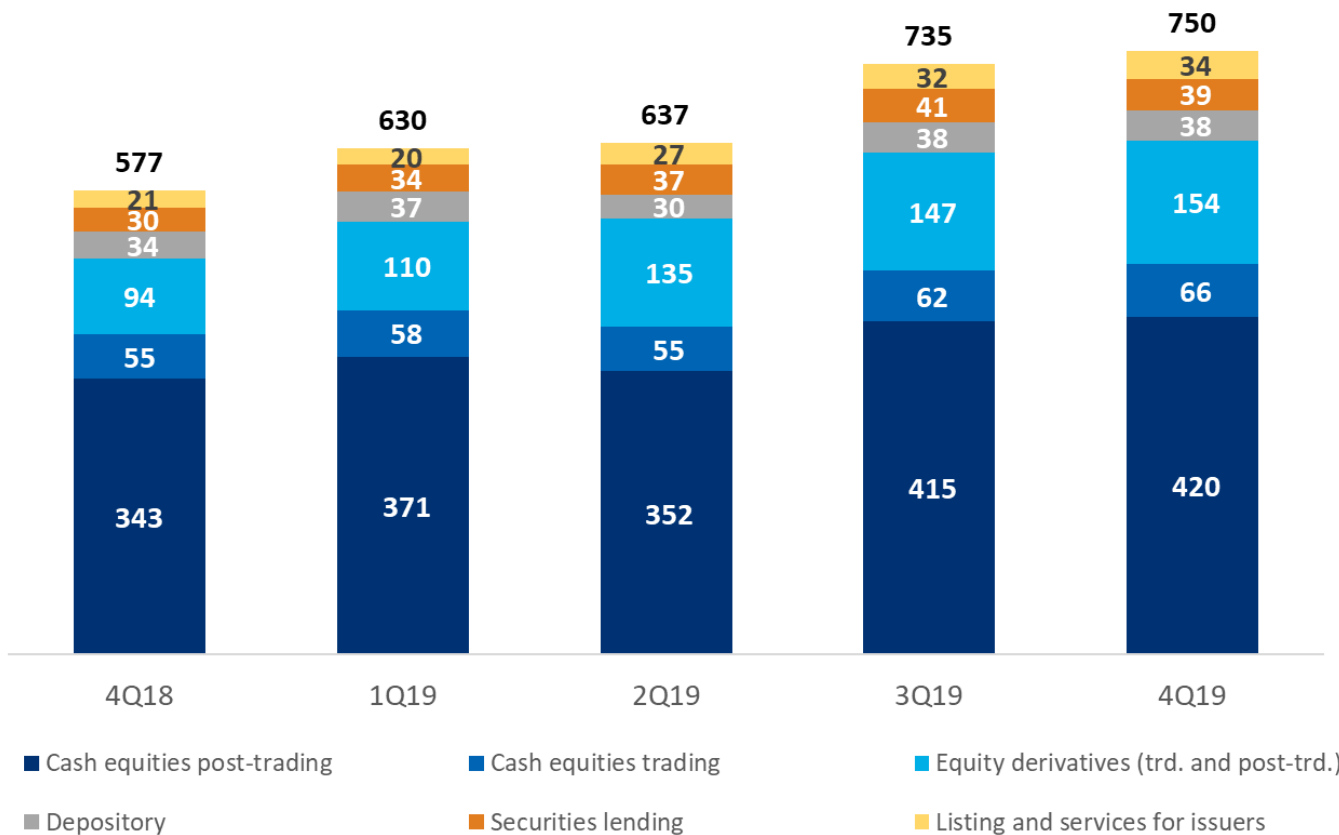
<i>R\$ millions</i>	4Q19	4Q19 / 4Q18 (%)
Total revenue	1,758.2	20.5%
Listed	1,157.9	30.5%
OTC	291.5	15.1%
Infrastructure for financing	113.4	-15.5%
Technology, data and services	195.3	6.2%
Net revenue	1,578.7	20.2%
Adjusted expenses¹	(311.8)	14.5%
Recurring EBITDA¹	1,179.9	29.1%
<i>Recurring EBITDA margin¹</i>	<i>74.7%</i>	<i>518 bps</i>
Financial Result	36.0	-5.5%
Recurring net income²	864.5	20.9%

¹ See reconciliation on slide 15 in the appendix. ² See reconciliation on slide 16 in the appendix.

Performance by segment

Listed – equities (43% of total revenues)

Revenue (R\$ millions)



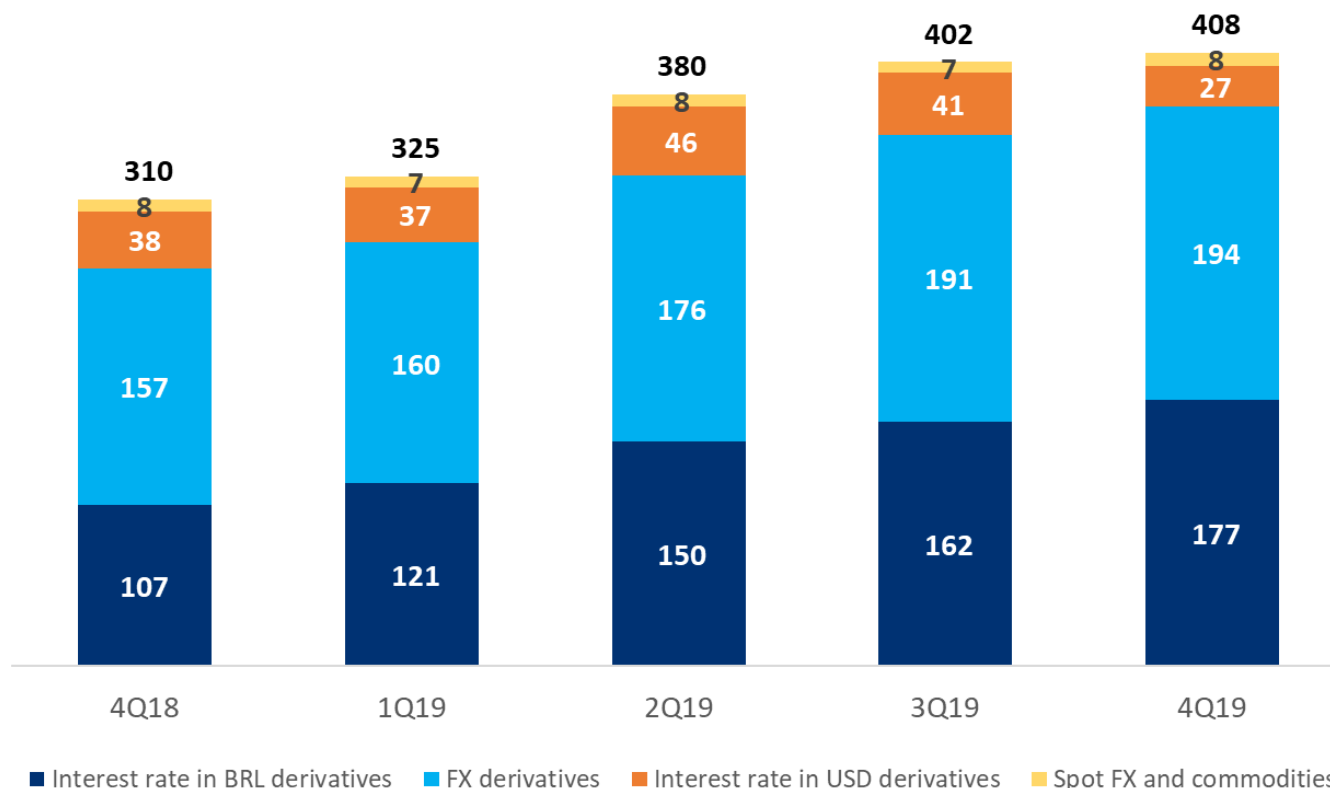
Performance (vs 4Q18): **+30%**

- Cash equities
 - ADTV increase of 25%
 - Lower margins reflecting volume-linked discounts and greater participation of local institutional investors
- ADV of stock indices future contracts with 70% growth
- Growth of 99% in the number of clients' accounts in the equity depository (incentives for brokerage firms reached R\$21.9 million in 4Q19)
- Revenue from Listing and services for issuers positively impacted by the activity in the local capital markets (equity and debt)

Performance by segment (cont.)

Listed – FICC (23% of total revenues)

Revenue (R\$ millions)



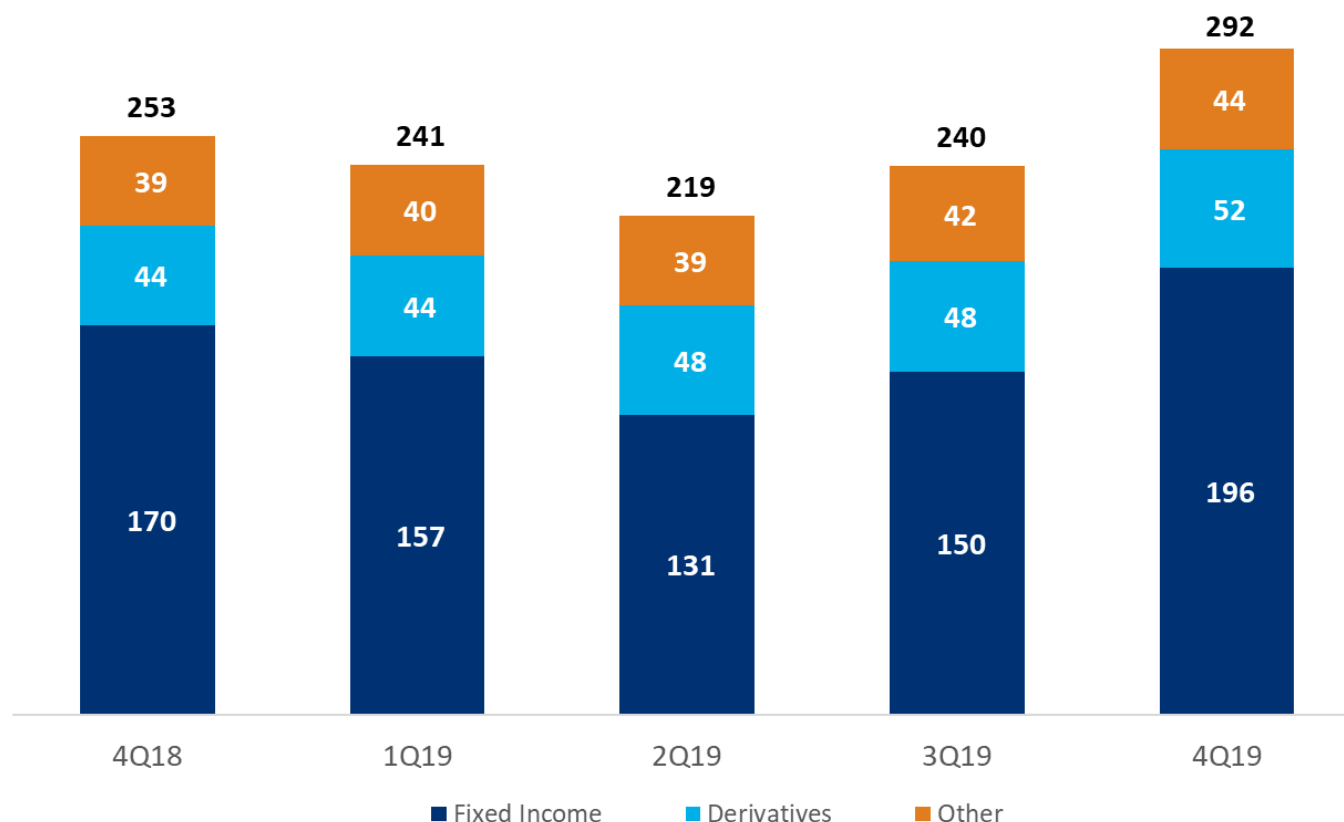
Performance (vs 4Q18): **+31%**

- Interest rates in BRL
 - Growth in the ADV partially offset by lower RPC (concentration in short-term contracts, which have lower RPC than average)
- FX related contracts¹
 - Growth in the ADV driven by the increase in Mini FX rate contracts along with the appreciation of the USD, which positively impacted the RPC

Performance by segment (cont.)

OTC (17% of total revenues)

Revenue (R\$ millions)



Performance (vs 4Q18): +15%

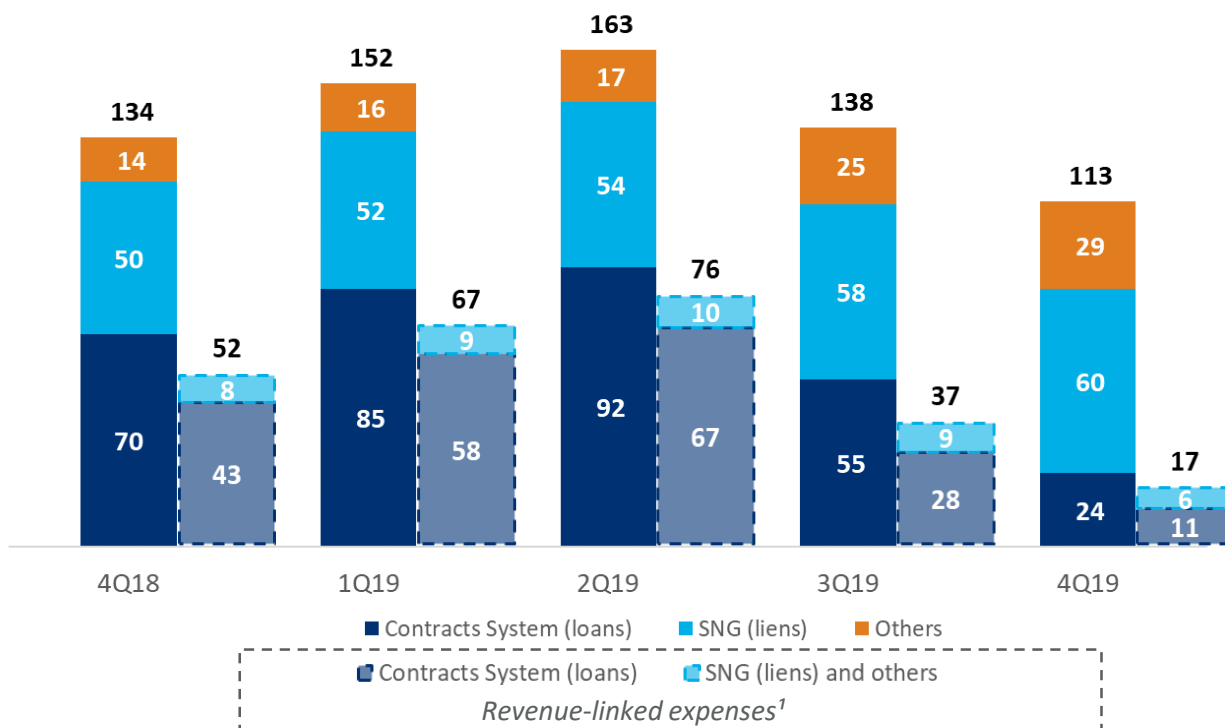
- Fixed Income
 - Treasury Direct: revenue of R\$ 44 million (vs R\$ 32 million in 4Q18) positively impacted by reversal of provision related to the investor incentive program and to brokers
 - Increase in issuances of corporate debt offset by redemption of debentures issued by leasing companies¹
- Derivatives
 - Increase in the financial volume and growth in outstanding volume, mainly in FX forward and swaps contracts, and increase in derivatives with CCP

¹ In Oct'16, the Central Bank published a resolution prohibiting the execution, extension and renewal of REPOS with securities issued by companies linked to the same financial conglomerate, including debentures issued by leasing companies.

Performance by segment (cont.)

Infrastructure for financing (6% of total revenues)

Revenue (R\$ millions)



Performance (vs 4Q18): **-16%**

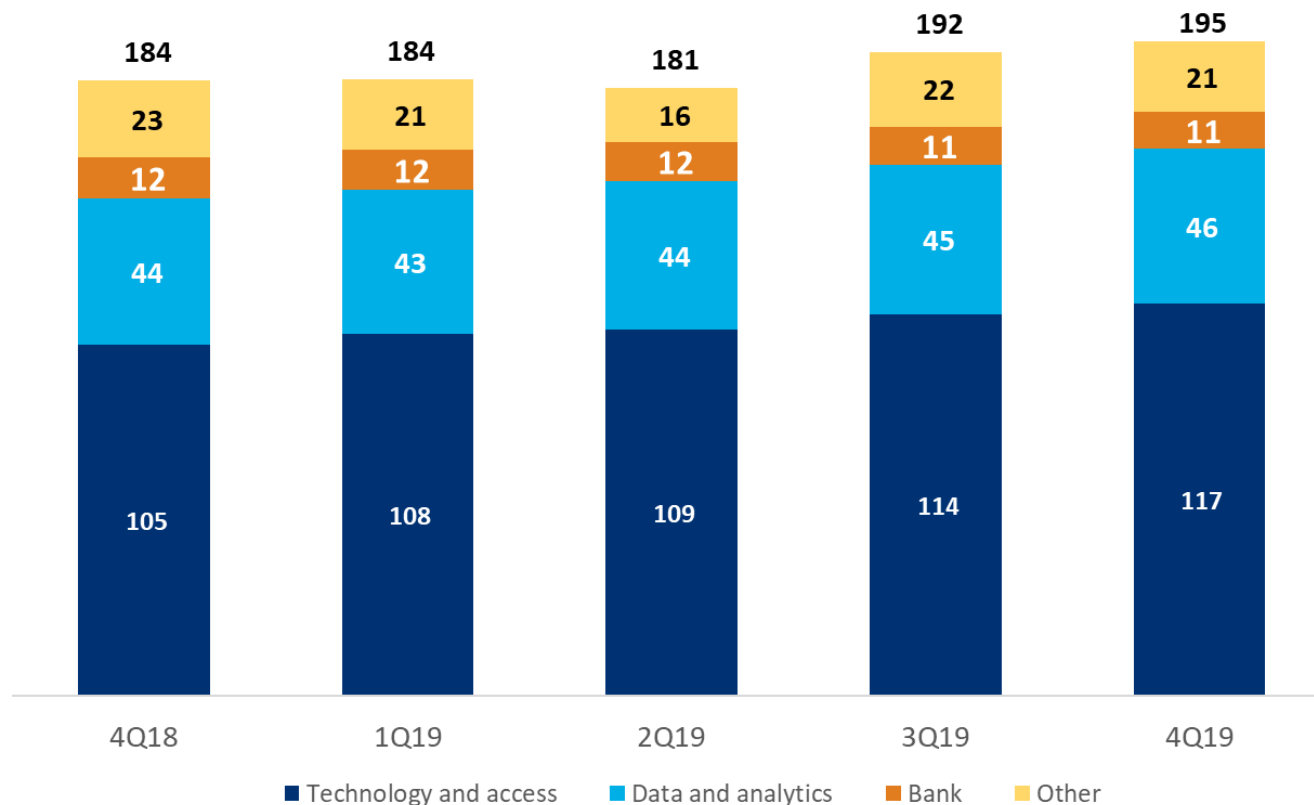
- National Liens System (SNG)
 - 13% growth in the number of financed vehicles
- Contracts System
 - New model implemented in some states, in which the cost of the registering company is no longer included in the fees charged by B3 (lower revenue and lower revenue-linked expense), with a reduction in the net result to B3
- Others
 - Positive impact from the acquisition of Portal de Documentos

¹ Considers only the revenue-linked expenses related to the Infrastructure for financing segment.

Performance by segment (cont.)

Technology, data and services (11% of total revenues)

Revenue (R\$ millions)

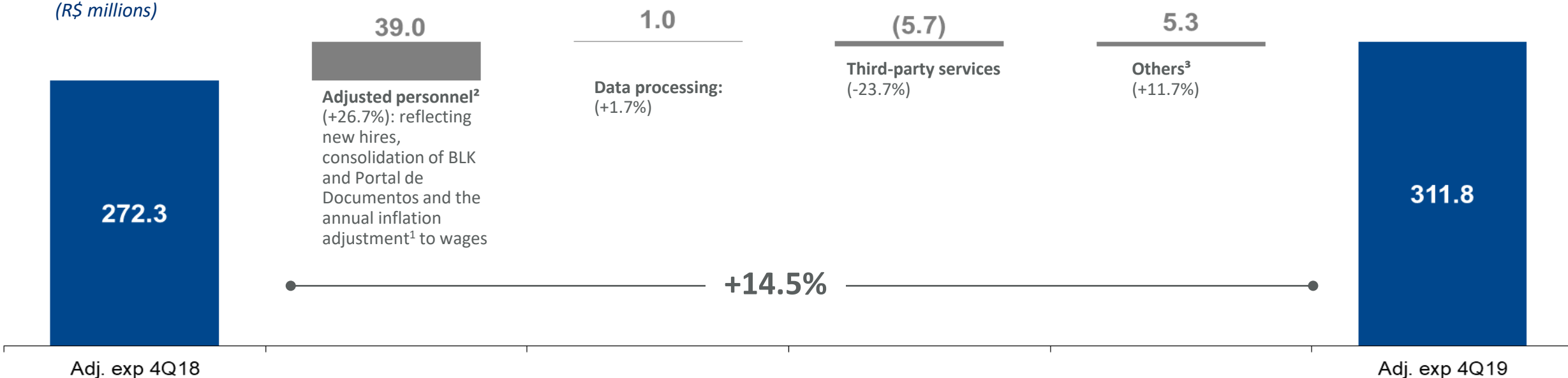


Performance (vs 4Q18): +6%

- Technology and access
 - Increase in the number of clients in the OTC segment and addition of BLK revenues
- Data and analytics
 - Positive impact from the appreciation of the US Dollar against the Real (approx. 47% of this revenue is linked to the US Dollar)

Adjusted expenses¹

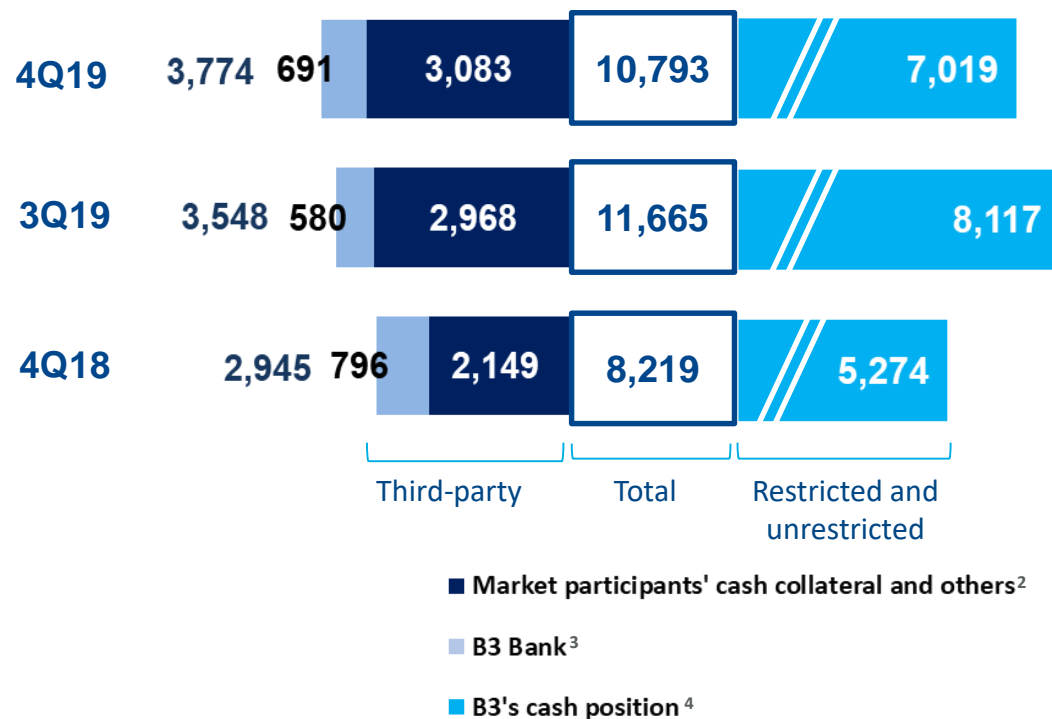
(R\$ millions)



(in R\$ millions and % of total adjusted expenses)	Adjusted personnel	Data processing	Third-party services	Others
4Q19	185.1 (59.4%)	57.7 (18.5%)	18.4 (5.9%)	50.7 (16.2%)
4Q18	146.1 (53.7%)	56.7 (20.8%)	24.1 (8.8%)	45.4 (16.7%)

Financial highlights

Cash and Financial Investments¹ (R\$ millions)

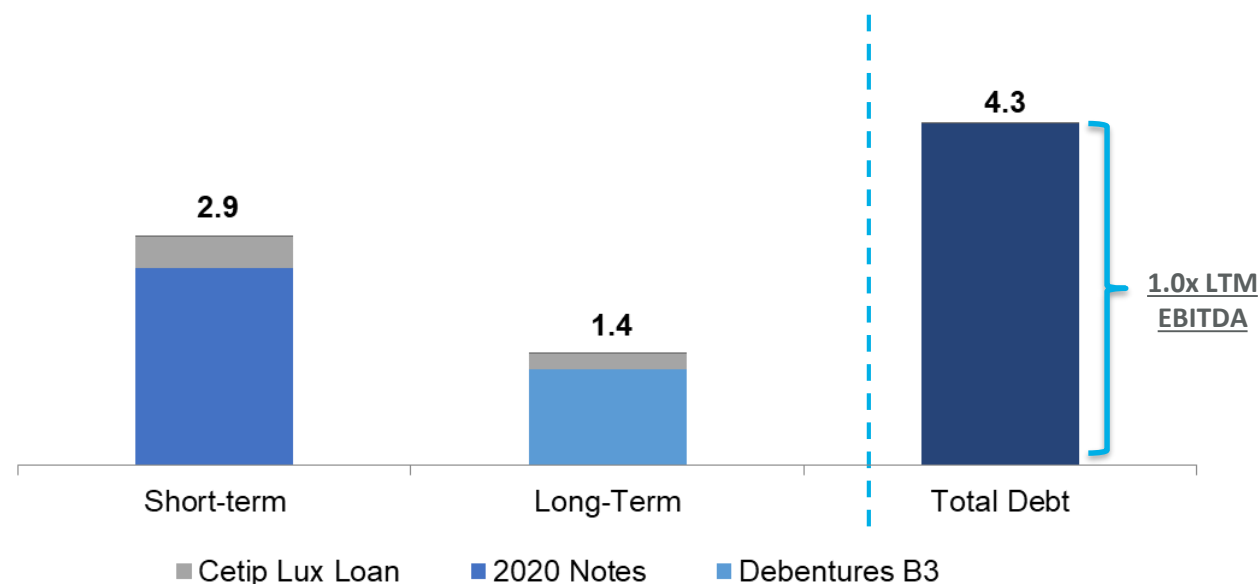


B3's cash supports clearing activities and general corporate needs. Includes R\$724 million in IoC and dividends already paid in Jan'20

Third-party cash of R\$ 3.0 bn is not considered as B3's own cash, but the Company earns interest on most of this cash balance

Financial Leverage and Debt Schedule

Debt Amortization Schedule (R\$ billions) and Financial Leverage⁵



2020 guidance:

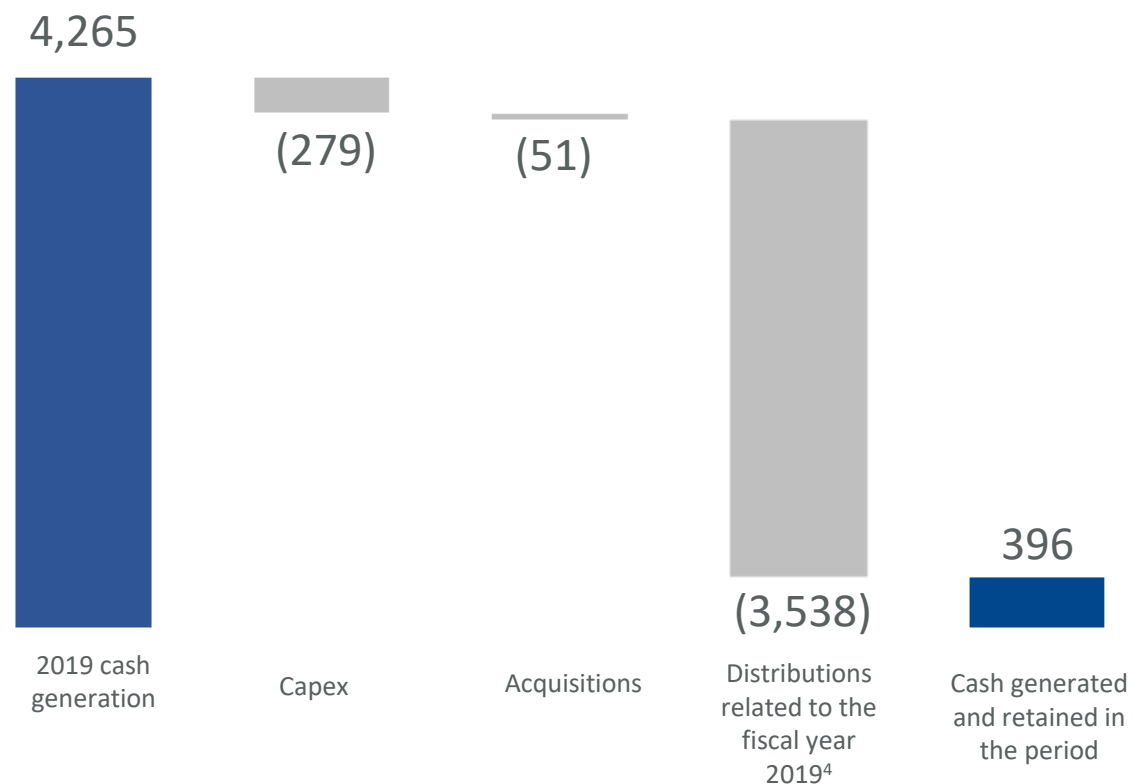
- Financial leverage of up to 1.5x Gross Debt / Recurring LTM EBITDA
- Payout ratio between 120% and 150% of IFRS net income

Financial highlights

Cash generation

<i>R\$ millions</i>	2019	2018
Adjusted net cash from operating activities ¹	4,898	4,225
Net cash from investment activities ²	(15)	(173)
Net cash from financing activities before distributions ³	(619)	(1,900)
Cash generation (before distributions, capex and acquisitions)	4,265	2,151

Cash destination – 2019 (*R\$ millions*)



Appendix

Financial Statements

Adjusted expenses reconciliation (R\$ million)

	4Q19	4Q18	4Q19/4Q18 (%)	3Q19	4Q19/3Q19 (%)	2019	2018	2019/2018 (%)
Expenses	(656.6)	(656.8)	0.0%	(677.7)	-3.1%	(2,678.8)	(2,433.2)	10.1%
(+) Depreciation and amortization	257.8	243.4	5.9%	257.3	0.2%	1,030.3	953.1	8.1%
(+) Long term stock based compensation	38.6	36.5	5.7%	41.4	-6.7%	170.5	124.9	36.5%
(+) Expenses related to the combination with Cetip	-	13.6	-	-	-	-	63.3	-
(+) Provisions (recurring and non-recurring)	18.2	33.5	-45.9%	49.2	-63.1%	164.6	109.0	51.0%
(+) Revenue-linked expenses	30.1	57.4	-47.5%	48.9	-38.3%	239.2	198.2	20.7%
Adjusted expenses	(311.8)	(272.3)	14.5%	(280.9)	11.0%	(1,074.2)	(984.7)	9.1%

EBITDA reconciliation (R\$ million)

	4Q19	4Q18	4Q19/4Q18 (%)	3Q19	4Q19/3Q19 (%)	2019	2018	2019/2018 (%)
EBITDA	1,179.9	900.1	31.1%	1,109.4	6.4%	4,259.2	3,351.8	27.1%
(+) Expenses related to the combination with Cetip	-	13.6	-	-	-	-	63.3	-
(+) Non-recurring provisions	-	-	-	-	-	-	9.4	-
Recurring EBITDA	1,179.9	913.7	29.1%	1,109.4	6.4%	4,259.2	3,424.5	24.4%
<i>Recurring EBITDA margin</i>	74.7%	69.6%	518 bps	72.5%	222 bps	72.1%	70.9%	122 bps

Financial Statements

Net income reconciliation (R\$ million)

	4Q19	4Q18	4Q19/4Q18 (%)	3Q19	4Q19/3Q19 (%)	2,019	2,018	2019/2018 (%)
Net income (attributable to shareholders)	733.4	582.9	25.8%	719.8	1.9%	2,714.2	2,087.4	30.0%
(+) Expenses related to the combination with Cetip	-	9.0	-	-	-	-	41.8	-
(+) Non-recurring provisions	-	-	-	-	-	-	6.2	-
(+) Impairment	-	-	-	-	-	-	5.8	-
(+) Amortization of intangibles from combination with Cetip	131.2	123.1	6.6%	131.2	0.0%	523.0	493.3	6.0%
Recurring net income	864.5	715.0	20.9%	851.0	1.6%	3,237.2	2,634.5	22.9%
(+) Deferred Tax (goodwill from Cetip combination)	119.6	119.6	-	119.6	-	478.5	478.5	-
Recurring net income adjusted by goodwill tax benefit	984.2	834.6	17.9%	970.6	1.4%	3,715.7	3,113.0	19.4%