

BOLSY Earnings Call Transcript

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Quarter: 3

Operator: Good morning, ladies and gentlemen, and welcome to the B3 Earnings Results Presentation for the Third Quarter of 2025, where Andre Milanez, B3's CFO, will discuss the results along Fernando Campos, Investor Relations Associate Director. [Operator Instructions] As a reminder, this conference is being broadcast live via webcast. The replay will be available after the event is concluded.

Fernando Tavares de 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 Andre Milanez, B3's CFO, and I will analyze the results of the third quarter of 2025. Andre will start by providing an overview of the quarter. Andre?

Andre 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 though -- 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 BRL 1.3 billion, and earnings per share were up to BRL 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 Tavares de Campos: Thank you, Andre. Regarding markets, I will start with the derivatives, which had a revenue that totaled BRL 888 million, a 7% decrease compared to the third Q '24, 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 BRL 9.3 million, an 80% 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 BRL 22 billion, a 6% decrease compared to the same period last year, there are 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 in '25 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 BRL 518 million. Highlights of the other segments include in the Data Analytics Solutions, growth in the vehicle financing and 18% in increase

in revenue from platforms and analytics with a strong presence of recurring revenues, especially in the Credit, Loss Prevention and Insurance verticals. In Technology and Platforms, the funding industry continues to expand, mainly related to the fixed income and reflected in an increased use of our technology solutions and the registration and custody of fund quotas, strengthening our market support services. Now Andre will talk about B3's financial performance and strategic advances. Andre?

Andre Milanez: Thank you, Fernando. Well, as I did mention 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 BRL 1.7 billion in the quarter, 1% above the third quarter of '24 with a 69.5% margin. In financial results, we successfully completed a BRL 2.6 billion debenture issuance with a very competitive cost of CDI plus 0.45% per year and a 5-year term, which allowed us to early redeem the seventh issuance with a positive impact in terms of net present value even considering the nonrecurring effect that we had in the quarter of around BRL 23.5 million as a result of the early redemption that was recognized in the period. The distributions for the quarter, they totaled BRL 1.3 billion with BRL 875 million in share buybacks and BRL 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 on another quarter for our company.

Operator: The floor is now open for questions. [Operator Instructions] Our first question comes from Kaio Prato with UBS.

Kaio Penso Da Prato: I have one question on top line that -- actually, I would like to divide in 3 subsegments, if I may, please. First is on Platform and Analytics. It grew almost 20% year-on-year, and you mentioned that it was driven by Credit and Insurance vertical, if I'm not wrong. But I 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'm not sure if this has some relation with the all-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 on 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 would be good as well.

Andre Milanez: Thank you for joining, Kaio. I'll start drawing some comments on securities lending, and then I'll pass on to Fernando to give you more details on the other revenue lines. But in securities lending, we have been working in several initiatives to help 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're 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 the -- 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 renewal of contracts another feature that was introduced also helps. More recently, we have initiated -- we launched the liquidity pool, which is aimed to 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're starting to see in terms of the revenue is a result of some of those initiatives that we have been introducing and have been taken in order to increase volume and liquidity for that product.

Fernando Tavares de Campos: So talking about market supporting services here, I think the main impact comes from the development of the fixed income fund industry. And there, it's basically there was an increase in AUM of those funds that we charge Custody fees on it, so that is volume, and there was a price adjustment that we implemented on this fund called Custody. So that's basically the main reason. So this can be -- we can see -- I'm not sure -- I cannot predict in which level, but we can see that there is still room to grow here. Talking about Platform and Analytics in the vehicle and real estate, we do have a better scenario for loans in the auto vehicle industry, which has a positive impact, a direct impact on the revenues in that segment. And on the -- when you go to the analytics, which was the former Neoway, Neurotech, they exist, but they've been merged with us. I'd like to highlight 3 different segments in their -- in those business. First one, Loss Prevention. Loss Prevention basically grew because of the commercial efforts. So I think we have a nice set of products that it's easier to sell now. And I think we are developing a lot of products that are super interesting to the market. And I think the commercial efforts here are paying off. In Credit, Credit and -- I think here new products as well, so the development of new products, but also it's 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 positively impacted by the vehicles industry here.

Andre Milanez: And just to finalize, Kaio, I think this is a good example to demonstrate that the investments and efforts that we have been putting into increasing potential avenues of growth for the company and diversification are starting to show better results, but also that there's still a lot that can be also done in the core business in terms of new features, product development, improve of liquidity. So that's why our strategy remains 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.

Operator: Our next question comes from Yuri Fernandes with JPMorgan.

Yuri Fernandes: Fernando, Milanez, I have a question regarding taxes in Brazil. We are seeing a lot of noise on a potential fintech tax to be debated in the coming days or weeks. And I'm not sure like if we should expect any impact for B3 from that? And if yes, if 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 is just regarding markets, especially equities and derivatives that I think are the 2 lines that were a little bit more like luster this quarter. Especially on equities, we see a kind of a bottom, right, on individuals when we try to estimate the turnover velocity for retail, we also see new at very low levels. So, maybe if you can give us an outlook here if this is really the bottom with the, I don't know, Brazilian index getting back to all-time highs, like you are seeing better 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 is more about pricing than volumes per se, but I would appreciate any outlook you 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.

Andre 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 on bets in a project that is being discussed, if I'm not mistaken, at the Senate at this stage. So there is a chance that, that could be approved. We have been working to try to not 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 a fintech. But there is a chance that, that could go through. What we have been doing and we 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 were things that were -- how can I describe that? Maybe they were already in the books, and we decided to accelerate some of those given that context, but they would 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 to not have that being voted and approved. Regarding the ADTV and ADV, this is always a very tricky question. If you look besides the, let's say, the more very short term, there has been some stability on volumes around the '23, '24 mark. I mean, in some months, you will get slightly higher volume and others 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 -- is 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 on 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 is -- it can be positive for next year. The outlook can be positive, but to really see a recovery -- a more strong recovery and sustainable -- new sustainable levels, I think we also need to see interest rates coming down in order to achieve that. And in relation to the ADV, I mean, I think we are coming from a very high comparison base also 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 we might -- 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.

Operator: Our next question comes from Renato Meloni with Autonomous research.

Renato Meloni: 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 is space to implement this, if it's close enough to your business? And if there are any regulatory hurdles that you foresee that?

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

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

Andre Milanez: Thank you, Renato, for the question. Look, we -- 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 continuously bringing 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 started to -- 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 sort of things, products that we are still -- or are starting to discuss with the regulators. As you know, for this -- 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 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 expiry options, the digital options, et cetera. But this is something -- definitely something that is in our agenda to explore and to discuss.

Renato Meloni: Does the regulator see this as a positive? Does it have any considerations on you launching predictive market products?

Andre Milanez: I think there is -- there are sometimes different opinions and views regarding this kind of products. But there's also -- I mean, 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 products and things that we will work

together with them to assess whether this can be addressed or mitigated in order to launch these kind of products. But that's the beginning of those discussions. So we don't have a clear view still around those products as of yet.

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

Eduardo Nishio: Andre, Fernando, two questions from my end. The first is on expenses. You had a great result this quarter, basically flat expenses. Is that a trend that you will try to take for next year, if there is 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 2 local new exchanges, if you can give us a time line, testing, results. Anything you can share with us would be great.

Andre Milanez: Thank you for your question, Nishio. 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 you're seeing -- so this quarter revenues almost flat in relation to last year is because we had a very -- last year, you had a much heavier second half of the year in relation to the first half. It's natural that the second half is slightly higher because that's where we get the annual adjustments on our salaries and other things, but it didn't have to be as volatile as it has been in recent years. So I think for this year, you can expect us to deliver the guidance that we gave, which is going to be a growth slightly above the inflation. And going forward, that remains our target and our commitment, trying to deliver cost growth around inflation, slightly above or slightly below. It's difficult to grow much lower than the inflation given 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 don't have a lot of updates time line. 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, et cetera. But I think they are 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.

Operator: Our next question comes from Pedro Leduc with Itaú BBA.

Pedro Leduc: Question this quarter, especially in September, I believe that you guys performed some adjustments on the market incentives for market makers, 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 just 1 month, but we see a different behavior there on the revenue per contract in equities. We also saw some volumes as a backfire maybe. Can you talk to us a little bit on how you saw this happening on the ground and maybe what we can expect its consequence to be also on the fourth quarter onward?

Fernando Tavares de 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 run, we thought that the impact would be neutral, and that's a little bit of what we saw. I know that there is some -- I think the volumes are low because the market is kind of -- it's a challenging scenario for macro -- in the macro scenario, but we haven't seen a significant impact from the changes that we did mainly on the market maker programs. And we did dug a lot deeper on that. We are entering the ticket -- from ticket to ticker, to -- from 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 in our understanding 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 are being -- they were implemented. They are successful. Like I said, we didn't saw a lot of

impact on the margins, but we have received positive feedback from clients. And we -- I think it made our operational leverage even clearer. So we are able to share more of that -- 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?

Andre Milanez: So for the future, I mean?

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

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

Operator: Our next question comes from Daniel Vaz with Safra.

Daniel Vaz: Just trying to put a context here. We are right now maybe with a weaker dollar, right, the context is of a renewed emerging market appetite, at least for now. So we started to hear, again, some companies maybe preparing for an IPO or for any follow-on given this renewed interest in the emerging markets or Latin markets. So -- however, on the other side, the local funds remain a lot under pressure. We see a lot of outflows on the industry and retail also, I think someone mentioned the turnover velocity is very low because the appetite is pretty much shifted toward the tax-exempt, right, fixed income instruments. So my question is, it seems likely that some of the IPOs could be -- 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 '26 or '27, 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 listings, like the key listings, mainly on the tech, whatever, to the local markets, like to your market instead of going like to NYSE, to NASDAQ?

Andre Milanez: Thank you for the question, Daniel. Look, we are ready for -- to receive these companies when there is a window of opportunity here. With conversations that we have directly with some of those issuers, potential new issuers with investment banks, I would say there are around potentially 100 companies that could be candidates for an IPO within 12, 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, it's potentially going to be an alternative for a few companies, companies that have -- there are not, I would say, Brazilian companies, but that I have a level of international exposure that is very high or companies that are tech companies. That has been the case not only for Brazil, but for other jurisdictions as well. So you see big English companies, German companies deciding to have their primary listing in the U.S. I think that's natural given the size and the relevance of the U.S. market. And it will be -- 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 U.S. and redomicile their listing here. We have also been working very close with the regulators in initiatives that could try to make the access to the capital markets easier. We have the so-called FÁCIL program starting next year. I believe that can also be an interesting opportunity for small-sized companies. I think 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 ECM market using that new regime for the small companies to use that regime. So I think we are very, very confident with that, I think the main question remains when that window of opportunity will present itself. And then in order for that to become a 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 -- looking at that very closely. We are very close to these new issuers, but I think that's how we are seeing that moment in that environment.

Operator: Our next question comes from Antonio Ruetter with Bank of America.

Antonio Gregorin Ruetter: So my first question goes on M&A.; You mentioned in the past that you already did your -- the 2 big acquisitions that you needed to make that was Neoway and Neurotech. I would like to ask if you still believe that that's the case. And how do you see M&A; today? Could we continue to see small acquisitions? Or are you considering that -- that's -- there's is a line of business and that maybe you would 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, Trademate. Okay, that's it for me.

Andre Milanez: Thank you, Antonio. So the first question -- sorry, was regarding...

Fernando Tavares de Campos: M&As.;

Andre Milanez: M&As.;, right? Sorry. Look, I think that remains being the case. I think the 2 large M&As; 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 some of our -- or to deliver some of our strategic objectives that we have. There is always a consideration if we should maybe for -- if we want to increase our offering and offer a new product, a new service, there is always a consideration if there is 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 2 recent cases of these smaller sized 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 -- besides 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 strategic objectives. But at the moment, there is not a large size M&A; or at least not of the size of what these 2 companies were on the radar. Regarding the Trademate our platform, we have been seeing improvements on that, especially on the government bond market. We have been breaking record after record in terms of volume. I think the last time that we reached the record was the end of last week or beginning of this week. There is 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 -- I don't 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 starting to see improvements on that. So that remains being one of the areas also of focus for us.

Operator: Our next question comes from Tito Labarta with Goldman Sachs.

Daer Labarta: Two questions also. One, a bit of a follow-up, I guess, on the previous question on M&A; because you did do 2 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 2 acquisitions are? And then my second question on the 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 -- yes, just how do you think about those changes? Do you think the Bitcoin futures 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?

Andre Milanez: Thank you for your question, Tito. As I said, I think those 2 companies were -- 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 given 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 receivables, 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 that -- 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 on that, but we also see potential for that acquisition to help generating -- to generate value in other parts of our business as well. And with CRDC, which is, 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 a capability of reaching a part of potential clients or players in that market that we are not used to deal with. So the commercial association and CRDC will help to increase the reach that our solutions will have, especially with small and midsized companies, commercial stores, et cetera. 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, that remains on the radar for the company. But at the moment, small-sized acquisitions to -- as add-ons or additional features to some of the initiatives that we have been developing.

Fernando Tavares de Campos: On Bitcoin futures, like 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 think -- we still consider the product a success. It's part of the strategy of having a more, a full set of products for the retail, retail-oriented products in derivatives, which Andre mentioned before. We do have products, derivatives on other cryptocurrencies. And we -- it is 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 it.

Operator: Our next question comes from Brian Flores with Citi.

Brian Flores: We have seen that non-listed markets, Data and Technology, as you mentioned, it's central to your diversification strategy given the high volatility of listed equities. So I just wanted to see if you could recap what new product rollouts could we see, particularly for digital assets, crypto-based products? And also, if you could elaborate a bit on what are the margin expectations of these new ventures compared to the current portfolio?

Fernando Tavares de Campos: So Brian, can you repeat the first one? So what can we do to enhance the other segments there besides 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 wanted to understand which new products we could see, particularly on digital assets and crypto. And if you could elaborate on the margin profile of these ventures.

Fernando Tavares de Campos: Sure. So on Data -- on crypto, I think we have already -- I don't think we have any other futures plan in the upcoming months. We think we have 3, the 3 largest contracts -- the 3 largest cryptocurrencies we have the future here. So I think that's in crypto by itself, the [indiscernible] derivatives, I don't think we have anything planned for the near future. Regarding Data, Data, it's a set of small initiatives. So we don't have like a big super bullet of products in many 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 kind of customize solutions for those. Obviously, when you look at midterm or longer term, I think we're going to have the data that we have are going to cross paths with the AI discussions that we are seeing. So it's something that we are already looking at our 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're going to see that on 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 tough. What we're seeing on the short term, I think it's the development of products really close -- working really close with clients, which has been the -- what's been supporting this impressive growth that we are seeing in Data and Analytics in the last quarters.

Andre Milanez: And Brian, this -- I think it's worth for you to understand that we are not selling data here. We are actually selling data solutions that are helping 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 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 there's 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 client segments, et cetera. 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, at some point. But in the near and the short-term, we are basically deciding to invest more 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 on those businesses, on those initiatives.

Operator: Our next question comes from Carlos Gomez-Lopez with HSBC.

Carlos Gomez-Lopez: Congratulations on your EPS growth. So 2 very brief ones. First, on the ForEx, you mentioned that you have been hurt by the appreciation of the real versus the U.S. 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 BRL 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?

Fernando Tavares de Campos: So Carlos, thank you for your question. Regarding your first question, the FX. We have close to 15% of our revenue that are linked to the USD. We do have the derivatives contracts that I mentioned, which moves -- the prices of those contracts are linked to the USD. So when there is a strengthen in the real, you're going to see the prices dropping. And we have the part of the market data that we sell to vendors that are also linked to USD. So that comprised of close to 15% of our total revenues -- 10% to 15% of our total revenues, but we do have a debt that are -- that is linked to the USD, and we do have a cash flow hedge account that kind of offset those impacts on the revenue per se, not on the prices. So Andre can talk about the second question.

Andre Milanez: So regarding the buybacks, right, when we announced the buyback program last year, I mean, 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 discount compared to our peers. That's what's going to be driving, and this is very dynamic. So having said all of that, I think we -- I don't expect us to execute the whole buyback program, given that 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 execute -- 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 that's how you should expect to continue to see us dealing with that equation between buybacks and IOC and dividends.

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

Andre Milanez: No, we're still buying at that level. Less shares at a lower pace, but we're still buying. And you can see that on the results that we publish every month. So you can track our -- the execution of our buyback program...

Fernando Tavares de Campos: Monthly...

Andre Milanez: Monthly...

Fernando Tavares de Campos: On our website. We do have all the volumes and all the prices and the average price there. So you can -- it's super easy to track.

Carlos Gomez-Lopez: Very good. And finally, on the ForEx, so 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 it's on the top line?

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

Carlos Gomez-Lopez: All right. So your net income should not be too much affected by where the currency goes.

Fernando Tavares de Campos: No.

Operator: This concludes today's question-and-answer session. I would like to invite Andre Milanez to proceed with his closing statements.

Andre Milanez: Well, I just wanted 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 would also like to 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 you 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're more than welcome to join us on the 16th of December. And with that, I finish this call. I hope to see you all soon. Bye-bye.

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