

Inter&Co, Inc Reports First Quarter 2023 Financial Results

BELO HORIZONTE - MG, Brazil, May 8, 2023 – Inter&Co, Inc ([Inter](#)), (NASDAQ: INTR | B3: INBR32), the premier Super App which provides financial and digital commerce services to more than 26 million customers, today reported financial results for its first quarter ended March, 2023. The full earnings release has been made available on the Company's Investor Relations website at ri.bancointer.com.br.

João Vitor Menin, CEO of Inter&Co stated:

“Following an incredible 2022, we've seen a strong start of 2023. I'm happy to say that we are harvesting profitable results from our solid foundations.

Our focus on delighting our clients while delivering operational excellence has been paramount. We had a significant level of new active client adds, reaching the impressive mark of 1 million in one quarter. Additionally, we increased our activity ratio, optimized our marketing spend, and launched the personalized Super App, all leading to higher engagement.

We continue to focus on high margin products and capital efficiency. This quarter we reported a strong level of operational leverage, with an impressive 62% efficiency ratio.

We continue actively repricing our portfolio, and as result our NIM continued expanding and reached its highest level in over a year.”

First Quarter 2023 highlights

1. Delivered a profitable quarter, mainly as result of loan repricing and cost optimization:
 - **Total gross revenue:** Following a strong 2022 year at R\$ 6 billion, Inter&Co delivered a robust first quarter in 2023 with total gross revenue reaching R\$ 1.8 billion, up 6% quarter-over-quarter (QoQ) and up 41% year-over-year (YoY).
 - **Improved cost efficiencies:** Decreased cost-to-serve by 21% to R\$ 13.8, achieved 62% efficiency ratio, and increased active clients per employee to 3500, a 56% YoY increase.
 - **Sustained profitability and earnings growth:** Reached net income of R\$ 24 million in 1Q2023.
2. Products achieved even greater market penetration across all major aspects of the client journey:
 - **Bank account penetration:** 12.5% in 1Q2023, up from 11.8% in 4Q2022.
 - **Demand deposits:** 3.6% in 1Q23, up from 3.4% in 4Q2022.
 - **Payroll loans:** 1.0% in 1Q2023, up 7bps QoQ.
3. Expanded loan portfolio, balancing risk and profitability through repricing:

- **Gross loan portfolio:** Loans grew to R\$25.1 billion in 1Q2023, increasing 36% YoY.
 - **Repricing the portfolio:** The ongoing repricing is one of the key strategies to deliver more profitability. This enabled Inter to reach an 8.7% NIM (IEP-Only), a 70bps improvement in one year.
4. Maintained a strong funding based:
- **Continued to grow total customer deposits:** Increasing to R\$ 30.8 billion, or a 3.3% increase QoQ.
 - **All-in cost of funding of 65%:** A significant advantage against competitive peer platforms.
5. Demonstrated strong adoption of its transactional platform with the client base reaching higher levels of engagement.
- **Inter Shop, Inter Insurance, Inter Invest, and Inter Global:** All of the business verticals experienced strong uptake among clients from 1Q2022 to 1Q2023 – with more than 65% of clients engaging with three or more products.
 - **Marketing efforts were more effective to drive client acquisition:** This led to higher-quality and more engaged clients who were more apt to use the products and services.

Conference Call

Inter&Co will discuss its 1Q2023 financial results today on May 8th, 2023 at 2:00 PM ET (3:00 pm Brazilian Time). The webcast details, along with the earnings press release and financial tables can be accessed on the Company's Investor Relations website at ri.bancointer.com.br.

About Inter&Co

Inter&Co is the holding company of Inter Group and indirectly holds all of Banco Inter's shares. Inter is the premier Super App providing financial and digital commerce services to more than 26 million customers. We offer a complete range of solutions, including banking, investments, credit, insurance and cross-border services, in addition to a marketplace that brings together the best retailers in Brazil and the United States.

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Disclaimer

This report may contain forward-looking statements regarding Inter, anticipated synergies, growth plans, projected results and future strategies. While these forward-looking statements reflect our Management's good faith beliefs, they involve known and unknown risks and uncertainties that could cause the company's results or accrued results to differ materially from those anticipated and discussed herein. These statements are not guarantees of future performance. These risks and uncertainties include, but are not limited to, our ability to realize the amount of projected synergies and the projected schedule, in addition to economic, competitive, governmental and technological factors affecting Inter, the markets, products and prices and other factors. In addition, this presentation contains managerial numbers that may differ from those presented in

our financial statements. The calculation methodology for these managerial numbers is presented in Inter's quarterly earnings release.

Statements contained in this report that are not facts or historical information may be forward-looking statements under the terms of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may, among other things, beliefs related to the creation of value and any other statements regarding Inter. In some cases, terms such as "estimate", "project", "predict", "plan", "believe", "can", "expectation", "anticipate", "intend", "aimed", "potential", "may", "will/shall" and similar terms, or the negative of these expressions, may identify forward looking statements.

These forward-looking statements are based on Inter's expectations and beliefs about future events and involve risks and uncertainties that could cause actual results to differ materially from current ones. Any forward-looking statement made by us in this document is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise. For additional information that about factors that may lead to results that are different from our estimates, please refer to sections "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors" of Inter&Co Annual Report on Form 20-F.

The numbers for our key metrics (Unit Economics), which include active users, average revenue per active client (ARPAC), cost to serve (CTS) and cross selling index (CSI), are calculated using Inter's internal data. Although we believe these metrics are based on reasonable estimates, but there are challenges inherent in measuring the use of our business. In addition, we continually seek to improve our estimates, which may change due to improvements or changes in methodology, in processes for calculating these metrics and, from time to time, we may discover inaccuracies and make adjustments to improve accuracy, including adjustments that may result in recalculating our historical metrics.

About Non-IFRS Financial Measures

To supplement the financial measures presented in this press release and related conference call, presentation, or webcast in accordance with IFRS, Inter&Co also presents non-IFRS measures of financial performance, as highlighted throughout the documents. The non-IFRS Financial Measures include, among others: Adjusted Net Income, Cost to Serve, Cost of Funding, Efficiency Ratio, Underwriting, NPL > 90 days, NPL 15 to 90 days, NPL and Stage 3 Formation, Cost of Risk, Coverage Ratio, Funding, All-in Cost of Funding, Gross Merchandise Volume (GMV), Premiums, Net Inflows, Global Services Deposits and Investments, Fee Income Ratio, Client Acquisition Cost, Cards+PIX TPV, Gross ARPAC, Net ARPAC, Marginal NIM 1.0, Marginal NIM 2.0, Net Interest Margin IEP + Non-int. CC Receivables (1.0), Net Interest Margin IEP (2.0), Cost-to-Serve.

A "non-IFRS financial measure" refers to a numerical measure of Inter&Co's historical or financial position that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS in Inter&Co's financial statements.

Inter&Co provides certain non-IFRS measures as additional information relating to its operating results as a complement to results provided in accordance with IFRS. The non-IFRS financial information presented herein should be considered together with, and not as a substitute for or superior to, the financial information presented in accordance with IFRS. There are significant limitations associated with the use of non-IFRS financial measures. Further, these measures may differ from the non-IFRS information, even where similarly titled, used by other companies and therefore should not be used to compare Inter&Co's performance to that of other companies.