



**XP Inc. Unaudited interim condensed consolidated  
financial statements for the three months period  
ended March 31, 2024**

| Assets   | Note      | March 31,<br>2024  | December 31,<br>2023 |
|--|-----------|--------------------|----------------------|
| <b>Cash</b>  |           | <b>3,938,578</b>   | <b>3,943,307</b>     |
| <b>Financial assets</b>                              |           | <b>257,761,295</b> | <b>229,197,214</b>   |
| <b>Fair value through profit or loss</b>             |           | <b>144,887,279</b> | <b>127,015,678</b>   |
| Securities   | 4         | 112,185,069        | 103,282,212          |
| Derivative financial instruments                     | 5         | 32,702,210         | 23,733,466           |
| <b>Fair value through other comprehensive income</b> |           | <b>40,310,404</b>  | <b>44,062,950</b>    |
| Securities   | 4         | 40,310,404         | 44,062,950           |
| <b>Evaluated at amortized cost</b>                   |           | <b>72,563,612</b>  | <b>58,118,586</b>    |
| Securities   | 4         | 4,458,663          | 6,855,421            |
| Securities purchased under resale agreements         | 3         | 30,291,271         | 14,888,978           |
| Securities trading and intermediation                | 9         | 2,512,056          | 2,932,319            |
| Accounts receivable                                  |           | 639,142            | 681,190              |
| Loan operations                                      | 7         | 29,541,800         | 28,551,935           |
| Other financial assets                               | 15        | 5,120,680          | 4,208,743            |
| <b>Other assets</b>                                  |           | <b>9,005,592</b>   | <b>7,811,962</b>     |
| Recoverable taxes                                    |           | 436,769            | 245,214              |
| Rights-of-use assets                                 | 12        | 250,711            | 281,804              |
| Prepaid expenses                                     | 8         | 4,476,586          | 4,418,263            |
| Other  |           | 3,841,526          | 2,866,681            |
| <b>Deferred tax assets</b>                           | <b>17</b> | <b>2,183,746</b>   | <b>2,104,128</b>     |
| <b>Investments in associates and joint ventures</b>  | <b>11</b> | <b>3,114,918</b>   | <b>3,108,660</b>     |
| <b>Property and equipment</b>                        | <b>12</b> | <b>394,788</b>     | <b>373,362</b>       |
| <b>Goodwill and Intangible assets</b>                | <b>12</b> | <b>2,522,723</b>   | <b>2,502,045</b>     |
| <b>Total assets</b>                                  |           | <b>278,921,640</b> | <b>249,040,678</b>   |

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

| Liabilities and equity                                     | Note | March 31,<br>2024  | December 31,<br>2023 |
|--|------|--------------------|----------------------|
| <b>Financial liabilities</b>                               |      | <b>198,443,725</b> | <b>171,237,146</b>   |
| <b>Fair value through profit or loss</b>                   |      | <b>51,916,928</b>  | <b>45,208,490</b>    |
| Securities   | 4    | 17,528,172         | 20,423,074           |
| Derivative financial instruments                           | 5    | 34,388,756         | 24,785,416           |
| <b>Evaluated at amortized cost</b>                         |      | <b>146,526,797</b> | <b>126,028,656</b>   |
| Securities sold under repurchase agreements                | 3    | 49,054,325         | 33,340,511           |
| Securities trading and intermediation                      | 9    | 16,394,818         | 16,943,539           |
| Financing instruments payable                              | 13   | 63,037,172         | 60,365,590           |
| Accounts payables  |      | 954,009            | 948,218              |
| Borrowings   | 14   | 2,266,614          | 2,199,422            |
| Other financial liabilities                                | 15   | 14,819,859         | 12,231,376           |
| <b>Other liabilities</b>                                   |      | <b>59,934,949</b>  | <b>58,266,331</b>    |
| Social and statutory obligations                           |      | 625,433            | 1,146,127            |
| Taxes and social security obligations                      |      | 500,996            | 559,647              |
| Retirement plans and insurance liabilities                 | 16   | 58,654,362         | 56,409,075           |
| Provisions and contingent liabilities                      | 20   | 101,493            | 97,678               |
| Other  |      | 52,665             | 53,804               |
| <b>Deferred tax liabilities</b>                            | 17   | <b>118,193</b>     | <b>86,357</b>        |
| <b>Total liabilities</b>                                   |      | <b>258,496,867</b> | <b>229,589,834</b>   |
| <b>Equity attributable to owners of the Parent company</b> | 18   | <b>20,421,216</b>  | <b>19,449,352</b>    |
| Issued capital   |      | 26                 | 26                   |
| Capital reserve  |      | 19,332,457         | 19,189,994           |
| Other comprehensive income                                 |      | 186,171            | 376,449              |
| Treasury shares  |      | (127,454)          | (117,117)            |
| Retained earnings  |      | 1,030,016          | -                    |
| <b>Non-controlling interest</b>                            |      | <b>3,557</b>       | <b>1,492</b>         |
| <b>Total equity</b>  |      | <b>20,424,773</b>  | <b>19,450,844</b>    |
| <b>Total liabilities and equity</b>                        |      | <b>278,921,640</b> | <b>249,040,678</b>   |

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

**XP Inc. and its subsidiaries**  
**Unaudited interim condensed consolidated statements**  
**of income and of comprehensive income**



**For the three months period ended March 31, 2024 and 2023**

**In thousands of Brazilian Reals, except earnings per share**

|   | Note | Three months period ended<br>March 31, |                  |
|---|------|--|------------------|
|   |      | 2024                                   | 2023             |
| Net revenue from services rendered  | 21   | 1,623,851                              | 1,345,984        |
| Net income/(loss) from financial instruments at amortized cost and at fair value through other comprehensive income | 21   | 227,251                                | 502,113          |
| Net income/(loss) from financial instruments at fair value through profit or loss                                   | 21   | 2,201,754                              | 1,285,892        |
| <b>Total revenue and income</b>   |      | <b>4,052,856</b>                       | <b>3,133,989</b> |
| Operating costs   | 22   | (1,218,816)                            | (1,016,525)      |
| Selling expenses  | 23   | (32,054)                               | (14,942)         |
| Administrative expenses   | 23   | (1,451,651)                            | (1,093,939)      |
| Other operating income (expenses), net  | 24   | 9,221                                  | 18,881           |
| Expected credit losses  | 10   | (96,870)                               | (67,634)         |
| Interest expense on debt  |      | (181,337)                              | (162,828)        |
| Share of profit (loss) in joint ventures and associates   | 11   | 7,104                                  | 19,146           |
| <b>Income before income tax</b>   |      | <b>1,088,453</b>                       | <b>816,148</b>   |
| Income tax credit (expense)   | 17   | (58,898)                               | (20,203)         |
| <b>Net income for the period</b>  |      | <b>1,029,555</b>                       | <b>795,945</b>   |
| <b>Other comprehensive income</b>   |      |  |                  |
| <i>Items that can be subsequently reclassified to income</i>  |      |  |                  |
| Foreign exchange variation of investees located abroad  |      | 14,796                                 | (17,996)         |
| Gains (losses) on net investment hedge  |      | (12,561)                               | 20,871           |
| Changes in the fair value of financial assets at fair value through other comprehensive income                      |      | (171,480)                              | 80,384           |
| <b>Other comprehensive income (loss) for the period, net of tax</b>   |      | <b>(169,245)</b>                       | <b>83,259</b>    |
| <b>Total comprehensive income for the period</b>  |      | <b>860,310</b>                         | <b>879,204</b>   |
| <b>Net income attributable to:</b>  |      |  |                  |
| Owners of the parent company  |      | 1,030,016                              | 795,020          |
| Non-controlling interest  |      | (461)                                  | 925              |
| <b>Total comprehensive income attributable to:</b>  |      |  |                  |
| Owners of the parent company  |      | 860,771                                | 878,279          |
| Non-controlling interest  |      | (461)                                  | 925              |
| <b>Earnings per share from total income attributable to the ordinary equity holders of the company</b>              |      |  |                  |
| Basic earnings per share  | 26   | 1.8781                                 | 1.4847           |
| Diluted earnings per share  | 26   | 1.8503                                 | 1.4823           |

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

**XP Inc. and its subsidiaries**

**Unaudited interim condensed consolidated statements of changes in equity**

**For the three months period ended March 31, 2024 and 2023**

***In thousands of Brazilian Reais***



|   | Notes | Attributable to owners of the parent |                            |                   |                                      |                   |                    |                   | Non-Controlling interest | Total Equity      |
|---|-------|--------------------------------------|----------------------------|-------------------|--------------------------------------|-------------------|--------------------|-------------------|--------------------------|-------------------|
|   |       | Issued Capital                       | Capital reserve            |                   | Other comprehensive income and Other | Retained Earnings | Treasury Shares    | Total             |                          |                   |
|   |       |                                      | Additional paid-in capital | Other Reserves    |                                      |                   |                    |                   |                          |                   |
| <b>Balances as of December 31, 2022</b>                                 |       | <b>24</b>                            | <b>6,986,447</b>           | <b>12,169,935</b> | <b>(133,909)</b>                     | <b>-</b>          | <b>(1,986,762)</b> | <b>17,035,735</b> | <b>6,475</b>             | <b>17,042,210</b> |
| <b>Comprehensive income for the period</b>                              |       |                                      |                            |                   |                                      |                   |                    |                   |                          |                   |
| Net income for the period   |       | -                                    | -                          | -                 | -                                    | 795,020           | -                  | 795,020           | 925                      | 795,945           |
| Other comprehensive income, net   |       | -                                    | -                          | -                 | 83,259                               | -                 | -                  | 83,259            | -                        | 83,259            |
| <b>Transactions with shareholders - contributions and distributions</b> |       |                                      |                            |                   |                                      |                   |                    |                   |                          |                   |
| Share based plan  | 25    | -                                    | -                          | 38,156            | -                                    | -                 | -                  | 38,156            | -                        | 38,156            |
| Other changes in equity, net  |       | -                                    | -                          | -                 | 2,339                                | -                 | -                  | 2,339             | 119                      | 2,458             |
| Treasury shares   | 18c   | -                                    | -                          | -                 | -                                    | -                 | (915,859)          | (915,859)         | -                        | (915,859)         |
| <b>Allocations of the net income for the period</b>                     |       |                                      |                            |                   |                                      |                   |                    |                   |                          |                   |
| Dividends distributed   |       | -                                    | -                          | -                 | -                                    | -                 | -                  | -                 | (306)                    | (306)             |
| <b>Balances as of March 31, 2023</b>                                    |       | <b>24</b>                            | <b>6,986,447</b>           | <b>12,208,091</b> | <b>(48,311)</b>                      | <b>795,020</b>    | <b>(2,902,621)</b> | <b>17,038,650</b> | <b>7,213</b>             | <b>17,045,863</b> |
| <b>Balances as of December 31, 2023</b>                                 |       | <b>26</b>                            | <b>6,417,115</b>           | <b>12,772,879</b> | <b>376,449</b>                       | <b>-</b>          | <b>(117,117)</b>   | <b>19,449,352</b> | <b>1,492</b>             | <b>19,450,844</b> |
| <b>Comprehensive income for the period</b>                              |       |                                      |                            |                   |                                      |                   |                    |                   |                          |                   |
| Net income for the period   |       | -                                    | -                          | -                 | -                                    | 1,030,016         | -                  | 1,030,016         | (461)                    | 1,029,555         |
| Other comprehensive income, net   |       | -                                    | -                          | -                 | (169,245)                            | -                 | -                  | (169,245)         | -                        | (169,245)         |
| <b>Transactions with shareholders - contributions and distributions</b> |       |                                      |                            |                   |                                      |                   |                    |                   |                          |                   |
| Share based plan  | 25    | -                                    | 59                         | 142,404           | -                                    | -                 | -                  | 142,463           | 2,637                    | 145,100           |
| Other changes in equity, net  |       | -                                    | -                          | -                 | (21,033)                             | -                 | -                  | (21,033)          | -                        | (21,033)          |
| Treasury shares   | 18c   | -                                    | -                          | -                 | -                                    | -                 | (10,337)           | (10,337)          | -                        | (10,337)          |
| <b>Allocations of the net income for the period</b>                     |       |                                      |                            |                   |                                      |                   |                    |                   |                          |                   |
| Dividends distributed   |       | -                                    | -                          | -                 | -                                    | -                 | -                  | -                 | (111)                    | (111)             |
| <b>Balances as of March 31, 2024</b>                                    |       | <b>26</b>                            | <b>6,417,174</b>           | <b>12,915,283</b> | <b>186,171</b>                       | <b>1,030,016</b>  | <b>(127,454)</b>   | <b>20,421,216</b> | <b>3,557</b>             | <b>20,424,773</b> |

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

**XP Inc. and its subsidiaries**

**Unaudited interim condensed consolidated statements of cash flows**

**For the three months period ended March 31, 2024 and 2023**

***In thousands of Brazilian Reais***



|  | Note   | Three months ended |                  |
|--|--------|--------------------|------------------|
|  |        | 2024               | March 31, 2023   |
| <b>Operating activities</b>  |        |                    |                  |
| Income before income tax   |        | 1,088,453          | 816,148          |
| <b>Adjustments to reconcile income before income taxes</b>   |        |                    |                  |
| Depreciation of property, equipment and right-of-use assets  | 12     | 28,918             | 26,516           |
| Amortization of intangible assets  | 12     | 39,142             | 21,326           |
| Loss on write-off of right of use assets, property, equipment and intangible assets and lease, net | 12     | 15,813             | 5,325            |
| Share of profit or (loss) in joint ventures and associates   | 11     | (7,104)            | (19,146)         |
| Income from share in the net income of associates measured at fair value                           | 11     | 15                 | -                |
| Expected credit losses on financial assets   |        | 96,870             | 33,881           |
| Provision for contingencies, net   | 20     | (11,572)           | 34,660           |
| Net foreign exchange differences   |        | 159,575            | (210,419)        |
| Share based plan   | 25     | 145,100            | 38,156           |
| Interest accrued   |        | 182,512            | 154,183          |
| (Gain) / Loss on the disposal of investments   |        | -                  | 14,083           |
| <b>Changes in assets and liabilities</b>   |        |                    |                  |
| Securities (assets and liabilities)  |        | (8,709,462)        | 4,112,334        |
| Derivative financial instruments (assets and liabilities)  |        | 622,005            | 701,030          |
| Securities trading and intermediation (assets and liabilities)                                     |        | (135,724)          | (135,413)        |
| Securities purchased (sold) under resale (repurchase) agreements                                   |        | 1,314,890          | (5,969,509)      |
| Accounts receivable  |        | 37,352             | (8,431)          |
| Loan operations  |        | (1,045,877)        | (911,295)        |
| Prepaid expenses   |        | (58,323)           | (10,151)         |
| Other assets and other financial assets  |        | (4,256,116)        | 334,362          |
| Accounts payable   |        | 5,210              | (32,002)         |
| Financing instruments payable  |        | 2,450,655          | 2,690,874        |
| Social and statutory obligations   |        | (520,694)          | (464,824)        |
| Tax and social security obligations  |        | 30,481             | (13,087)         |
| Retirement plans liabilities   |        | 2,245,287          | 2,072,434        |
| Other liabilities and other financial liabilities  |        | 3,214,432          | 312,033          |
| <b>Cash (used in)/from operations</b>  |        | <b>(3,068,162)</b> | <b>3,593,068</b> |
| Income tax paid  |        | (268,007)          | (157,926)        |
| Contingencies paid   | 20     | (12)               | (199)            |
| Interest paid  |        | (10,064)           | (6,883)          |
| <b>Net cash flows (used in)/from operating activities</b>  |        | <b>(3,346,245)</b> | <b>3,428,060</b> |
| <b>Investing activities</b>  |        |                    |                  |
| Acquisition of property and equipment  | 12     | (32,965)           | (1,929)          |
| Acquisition of intangible assets   | 12     | (13,775)           | (8,348)          |
| Disposal of investments  | 11     | -                  | 19,338           |
| Acquisition of associates  | 30(ii) | (670,464)          | -                |
| <b>Net cash flows (used in)/from investing activities</b>  |        | <b>(717,204)</b>   | <b>9,061</b>     |
| <b>Financing activities</b>  |        |                    |                  |
| Acquisition of treasury shares   | 18     | (10,337)           | (915,859)        |
| Issuance of debt securities  | 30     | -                  | 134,598          |
| Payments of borrowings and lease liabilities   | 30     | (53,441)           | (27,477)         |
| Transactions with non-controlling interests  |        | -                  | 119              |
| Dividends paid to non-controlling interests  |        | (111)              | (306)            |
| <b>Net cash flows (used in) financing activities</b>   |        | <b>(63,889)</b>    | <b>(808,925)</b> |
| <b>Net increase in cash and cash equivalents</b>   |        | <b>(4,127,338)</b> | <b>2,628,196</b> |
| Cash and cash equivalents at the beginning of the period   |        | 9,210,482          | 4,967,480        |
| Effects of exchange rate changes on cash and cash equivalents                                      |        | 9,484              | (14,005)         |
| <b>Cash and cash equivalents at the end of the period</b>  |        | <b>5,092,628</b>   | <b>7,581,671</b> |
| Cash   |        | 3,938,578          | 3,088,840        |
| Securities purchased under agreements to resell  | 3      | 1,005,478          | 4,126,706        |
| Bank deposit certificates  | 4      | 58,572             | 236,125          |
| Other deposits at Brazilian Central Bank   |        | 90,000             | 130,000          |

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

## **1. Operations**

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XP Inc. (the “Company”) is a Cayman Island exempted company with limited liability, incorporated on August 29, 2019. The registered office of the Company is 20, Genesis Close, in George Town, Grand Cayman.

XP Inc. is currently the entity which is registered with the U.S. Securities and Exchange Commission (“SEC”). The common shares are trading on the Nasdaq Global Select Market (“NASDAQ-GS”) under the symbol “XP”.

XP Inc. is a holding company controlled by XP Control LLC, which holds 66.5% of voting rights and is controlled by a group of individuals.

XP Inc. and its subsidiaries (collectively, “Group” or “XP Group”) is a leading, technology-driven financial services platform and a trusted provider of low-fee financial products and services in Brazil. XP Group are principally engaged in providing its customers, represented by individuals and legal entities in Brazil and abroad, various financial products, services, digital content and financial advisory services, mainly acting as broker-dealer, including securities brokerage, private pension plans, commercial and investment banking products such as loan operations, transactions in the foreign exchange markets and deposits, through our brands that reach clients directly and through network of Independent Financial Advisers (“IFAs”).

These unaudited interim condensed consolidated financial statements as of March 31, 2024, were approved by the Board of Director’s meeting on May 13, 2024 and updated by subsequent events through May 21, 2024 as approved by the executive management.

### **1.1 Share buy-back program**

In May 2022, the Board of Directors approved a share buy-back program. Under the program, XP may repurchase up to the amount in dollars equivalent to R\$1.0 billion of its outstanding Class A common shares over a period beginning on May 12, 2022, continuing until the earlier of the completion of the repurchase or May 12, 2023, depending upon market conditions.

On November 4, 2022, the Board of Directors approved an amendment to the share buy-back program. Under the amended program, XP Inc may repurchase up to the amount in dollars equivalent to R\$2.0 billion of its outstanding Class A common shares (therefore, an increase of the maximum amount of R\$1.0 billion compared to the original program). The program period has not been amended, continuing until the earlier of the completion of the repurchase or May 12, 2023, depending upon market conditions.

The repurchase limit of R\$ 2.0 billion was reached on March 31, 2023, and, therefore, the share buy-back program terminated. At the end of the share buy-back program, the Company repurchased 25,037,192 shares (equivalent to R\$ 2,059 million or US\$ 394 million), which were acquired at an average price of US\$ 15.76 per share, with prices ranging from US\$ 10.69 to US\$ 24.85.

On February 20, 2024, the Board of Directors approved a new share repurchase program, which aims to neutralize future shareholder dilution due to the vesting of Restricted Stock Units (RSUs) from the Company’s long-term incentive plan. The Company proposes to undertake a share repurchase program pursuant to which the Board can annually, in each calendar year, approve the repurchase by the Company of a number of Class A common shares equal to the number of RSUs that have vested or will vest during the current calendar year.

Under the approved repurchase program for 2024, XP may repurchase up to 2,500,000 Class A common shares within the period started on February 28, 2024, and ending on December 27, 2024. As of March 31, 2024, the company repurchased 81,250 shares (equivalent to R\$ 10 million or US\$ 2 million), which were acquired at an average price of US\$ 25.48 per share, with prices ranging from US\$ 25.04 to US\$ 26.11.

### **1.2 Cancellation of treasury shares**

On April 5, 2023, the Company’s Board of Directors approved the cancellation of 31,267,095 Class A shares, totaling an amount of R\$ 2,785,504 (5.6% of total issued shares, on this date) held by the Company in treasury. Total issued shares count, on April 5, 2023, went from 560,534,012 to 529,266,917 after cancellation.

### **1.3 Termination of shareholders agreement between XP Control LLC, General Atlantic (XP) Bermuda, Iupar Group, ITB Holding Ltd. and Itaú Unibanco Holding S.A.**

On July 10, 2023, XP Inc. announced the termination of its shareholders agreement executed between XP Control LLC, General Atlantic (XP) Bermuda, Iupar Group, ITB Holding Ltd., and Itaú Unibanco Holding S.A., originally expected to continue until October 2026. As a result of the termination, Iupar Group will no longer have the right to nominate members to XP Inc’s board of directors, which was reduced from 11 to 9 members.

## 1.4 Corporate reorganization

In order to improve corporate structure, Group's capital and cash management, XP Inc is conducting entity reorganizations, as follows:

- i) Inversion of financial institutions in Brazil. At the end of the reorganization XP CCTVM will become a wholly owned subsidiary of Banco XP. As of March 31, 2024, up to the date of these consolidated financial statements, the corporate reorganization is not fully concluded and is expected to be completed by the end of 2024.
- ii) Reorganization of international operations. The entities XP Holding International LLC, XP Advisory US and XP Holding UK Ltd, which are no longer wholly owned subsidiaries of XP Investimentos S.A., and are now directly owned by XP Inc. The transaction was completed on October 20, 2023.

No material impacts on Group's financial position and results of operations are expected due to the previously described corporate reorganization.

## 2. Basis of preparation and changes to the Group's accounting policies

### a) Basis of preparation

The unaudited interim condensed consolidated balance sheet as of March 31, 2024, and the unaudited interim condensed consolidated statements of income and comprehensive income, changes in equity and cash flow for the three months period ended March 2024 and 2023 (the "financial statements") have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2023. The list of notes that were not presented in this unaudited interim condensed is described below:

| Note to financial statements of December 31, 2023 | Description  |
|---|--|
| 3.  | Summary of significant accounting policies                   |
| 4.  | Significant accounting judgements, estimates and assumptions |
| 5.  | Group structure  |
| 11.   | Accounts receivable  |
| 12.   | Recoverable taxes  |
| 21.   | Social and Statutory obligations                             |
| 22.   | Tax and social security obligations                          |
| 26. (a)   | Key-person management compensation                           |

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the new accounting policies adopted for the current interim reporting period, see Note 2 (b).

The unaudited interim condensed consolidated financial statements are presented in Brazilian reais ("R\$"), which is the Group's presentation currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.



**b) New standards, interpretations and amendments**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023.

**IFRS 18 – Presentation and Disclosure of Financial Statements:** The standard replaces “IAS 1 Presentations of Financial Statements”, and also changes other standards such as “IAS 7 – Statement of Cash Flows”, “IFRS 12 – Disclosures of Interests in Other Entities”, “IAS 33 – Earnings per Share”, “IAS 34 – Intermediate Statement”, “IAS 8 – Accounting Policies, Estimate Changes and Error Rectification”, and “IFRS 7 – Financial Instruments, Disclosure”, aiming to improve the communication of information in the financial statements, with a special focus on income statements and notes. The mandatory initial adoption of this standard is scheduled for January 1, 2027.

**Amendments to IAS 1 – Classification of liabilities as current or non-current:** The changes aim to promote consistency in the application of the requirements, helping companies to determine whether, in the statement of financial position, debts and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current, being effective for annual years beginning on or after January 1, 2024.

**Amendments to IAS 1 – Non-current Liabilities with Covenants:** The amendment clarifies how the conditions that an entity must comply with within twelve months after the reporting period affect the classification of liabilities, being effective for annual reporting periods beginning on or after 1 January 2024.

**Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules:** The amendment provides a temporary exception from requirements for initial application relating to deferred tax assets and liabilities related to Pillar Two income tax for the interim consolidated financial statements, but is mandatory for annual reporting periods from January 1, 2023. The Group has assessed the impacts of applying these changes and concluded that there are no impacts on these unaudited interim condensed consolidated financial statements.

**c) Basis of consolidation**

There were no changes since December 31, 2023, in the accounting practices adopted for consolidation of the Company's direct and indirect interests in its subsidiaries for the purposes of these unaudited interim condensed consolidated financial statements.

**(i) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of income and of comprehensive income, statement of changes in equity and balance sheet respectively.

**(ii) Associates**

Associates are companies in which the investor has a significant influence but does not hold control. Investments in these companies are initially recognized at cost of acquisition and subsequently accounted for using the equity method. Investments in associates include the goodwill identified upon acquisition, net of any cumulative impairment loss.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in the Group's income statement, and the Group's share of movements in other comprehensive income of the investee in the Group's other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

If its interest in the associates decreases, but the Group retains significant influence or joint control, only the proportional amount of the previously recognized amounts in other comprehensive income is reclassified in income, when appropriate.

**(iii) Interests in associates measured at fair value**

The Group has investments in associates measured at fair value in accordance with item 18 of IAS 28 – Investments in Associates and Joint Ventures. These investments are held through XP FIP Managers and XP FIP Endor, which are venture capital organizations. In determining whether the funds meet the definition of venture capital organizations, management considers the investment portfolio features and objectives. The portfolio classified in this category has the objective to generate growth in the value of its investments in the medium term and have an exit strategy. Additionally, the performance of these portfolios is evaluated and managed considering a fair value basis of each investment.

**d) Business combinations and other developments****a) Business combinations****(i) Banco Modal S.A. (“Banco Modal”)**

On January 6, 2022, XP Inc entered into a binding agreement to acquire up to 100% of Banco Modal's total shares, in a non-cash equity exchange transaction.

The transaction was approved by Administrative Council for Economic Defense (CADE) in July 2022 and by Brazilian Central Bank (BACEN) in June 2023. The closing occurred on July 1, 2023, the date on which the Group obtained control of 704,200,000 issued shares of Banco Modal S.A. Under the terms of this transaction, on the closing date, Banco Modal's former shareholders received 18,717,771 of newly issued XP Inc's BDRs at the price of R\$ 112.05 per unit of BDRs, paid in consideration for the acquisition of 100% of Banco Modal's shares. This quantity of BDRs reflects the initial consideration of 19.5 million BDRs adjusted for the interest on equity amount of R\$ 82,052, distributed by Banco Modal between the signing date of the binding agreement and the closing date of the transaction.

On the settlement date with Banco Modal's former shareholders, the transaction was recorded in accordance with Banco Modal's net assets fair value as of July 1, 2023, with an allocation of the purchase price between (i) the amount of fair value of the identifiable assets acquired and liabilities assumed and (ii) the goodwill arising at this date, corresponding to the difference between the total consideration transferred and the fair value of identifiable assets acquired and liabilities assumed. The total consideration transferred corresponds to the fair value of the 18,717,771 XP Inc BDR's at the closing date for an amount of R\$ 2,097,326. As of March 31, 2024, the goodwill is R\$ 1,278,596 and is attributable to the workforce and the high profitability of the acquired business.

**b) Other developments****(i) Minority stake acquisitions**

On December 29, 2023, the Group entered into agreements, through its subsidiary XP Controle 5 Participações Ltda., to acquire minority interests in Monte Bravo JV S.A. (“Monte Bravo”), Blue3 S.A. (“Blue3”), and Ável Participações Ltda. (“Ável”). The total fair value consideration recorded for those acquisitions was R\$ 834,743, including preliminary goodwill in a total amount of R\$ 537,671. As of March 31, 2024, from the total consideration of R\$ 834,743: (i) 45,000 was paid during 2023, (ii) 670,464 was paid during 2024 (including monetary correction on this amount), (iii) there is a remaining amount of R\$ 72,163 payable (of which R\$ 36,081 will be paid in January 2025 and R\$ 36,082 will be paid in January 2026) recorded through accounts payable and (iv) there is an amount equal to R\$ 50,000 recorded through contingent consideration (Note 15(b)).

**(ii) SPAC Transactions**

On April 25, 2022, XPAC Acquisition Corp., a special purpose acquisition company sponsored by the Group ("XPAC"), entered into a business combination agreement with a Brazilian biotechnology company ("the Target").

On May 2, 2023, the Target informed XPAC that it had decided to terminate the Business Combination Agreement, due to adverse market conditions, among other factors. Following the termination of the proposed business combination with the Target, the board of directors of XPAC determined that it is in the best interests of XPAC and its shareholders to accelerate the liquidation date of XPAC.

Following the announcement about the termination of the Business Combination Agreement and the intention of early liquidation, XPAC's management was approached by professional investors interested in acquiring and taking control of XPAC. On July 10, 2023, XPAC Acquisition Corp. entered into a Purchase and Sponsor Handover Agreement. Pursuant to the agreement, XPAC Sponsor LLC transferred control of XPAC Acquisition Corp., by selling 4,400,283 Class B ordinary shares and 4,261,485 private placement warrants to acquire 4,261,485 Class A ordinary shares of XPAC held by the Sponsor, for a total purchase price of \$250. As a condition to the consummation of the Sponsor Handover, new members of XPAC's board of directors and a new management team for XPAC were appointed by the existing Board, and the existing Board members and the existing management team have resigned. Furthermore, the name of XPAC Acquisition Corp. was changed to Zalatoris II Acquisition Corp.

The Purchase and Sponsor Handover Agreement was approved by the XPAC's shareholders at an extraordinary general meeting of shareholders on July 27, 2023, the date on which the Group ceases to control XPAC.

**(iii) Termination of XTAGE's client operations**

On October 18, 2023, XP Inc announced the termination of XTAGE's operations, which took place on December 15, 2023. XTAGE's operations were not considered material to the Group. After termination, XP Inc's customers can continue to have exposure to digital assets through funds (including Exchange-traded Funds, ETFs) regulated by the Brazilian securities commission (CVM).

**e) Segment reporting**

In reviewing the operational performance of the Group and allocating resources, the chief operating decision maker of the Group ("CODM"), who is the Group's Chief Executive Officer ("CEO") and the Board of Directors ("BoD"), represented by statutory directors holders of ordinary shares of the immediate parent of the Company, reviews selected items of the statement of income and of comprehensive income.

The CODM considers the whole Group as a single operating and reportable segment, monitoring operations, making decisions on fund allocation and evaluating performance based on a single operating segment. The CODM reviews relevant financial data on a combined basis for all subsidiaries and joint ventures.

The Group's revenue, results and assets for this one reportable segment can be determined by reference to the unaudited interim condensed consolidated statements of income and of comprehensive income and unaudited interim condensed consolidated balance sheet.

See Note 21(c) for a breakdown of total revenue and income and selected assets by geographic location.

**f) Estimates**

The preparation of unaudited interim condensed consolidated financial statements of the Group requires management to make judgments and estimates and to adopt assumptions that affect the amounts presented referring to revenues, expenses, assets and liabilities at the reporting date. Actual results may differ from these estimates.

In preparing these unaudited interim condensed consolidated financial statements, the significant judgements and estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that are set in the consolidated financial statements for the year ended December 31, 2023.

**3. Securities purchased (sold) under resale (repurchase) agreements**

**a) Securities purchased under resale agreements**

|   | March 31,<br>2024 | December 31,<br>2023 |
|---|-------------------|----------------------|
| <b>Collateral held</b>                            | <b>2,472,610</b>  | <b>3,891,759</b>     |
| National Treasury Notes (NTNs) (i)                | 1,780,973         | 2,013,366            |
| National Treasury Bills (LTNs) (i)                | 22,065            | 820,487              |
| Financial Treasury Bills (LFTs) (i)               | -                 | 799,417              |
| Debentures (ii)                                   | 89,833            | 89,234               |
| Real Estate Receivable Certificates (CRIs) (ii)   | 142,761           | 80,565               |
| Bank Deposit Certificates (CDBs) (ii)             | 271,690           | -                    |
| Other   | 165,288           | 88,690               |
|   | <b>27,237,455</b> | <b>11,000,022</b>    |
| <b>Collateral repledge</b>                        |                   |                      |
| National Treasury Bills (LTNs) (i)                | 2,708,148         | 2,416,143            |
| Financial Treasury Bills (LFTs) (i)               | 482,531           | 900,245              |
| National Treasury Notes (NTNs) (i)                | 14,087,063        | 116,583              |
| Debentures (ii)                                   | 5,446,830         | 4,258,213            |
| Real Estate Receivable Certificates (CRIs) (ii)   | 2,273,581         | 2,436,462            |
| Agribusiness Receivables Certificates (CRAs) (ii) | -                 | 459,896              |
| Interbank Deposits Certificate (CDIs) (ii)        | 1,583,921         | 304,572              |
| Other (ii)  | 655,381           | 107,908              |
|   | <b>586,118</b>    | <b>-</b>             |
| <b>Collateral sold</b>                            |                   |                      |
| National Treasury Bills (LTNs)                    | 586,118           | -                    |
|   | <b>(4,912)</b>    | <b>(2,803)</b>       |
| <b>Expected Credit Loss (iii)</b>                 |                   |                      |
| <b>Total</b>                                      | <b>30,291,271</b> | <b>14,888,978</b>    |

(i) Investments in purchase and sale commitments collateral-backed by sovereign debt securities refer to transactions involving the purchase of sovereign debt securities with a commitment to sale originated mainly in the subsidiaries XP CCTVM, Banco XP and in proprietary funds.

(ii) Refers to fixed-rate fixed-income assets, which are low-risk investments collateral-backed.

(iii) The reconciliation of gross carrying amount and the expected credit loss segregated by stages are presented in the Note 10.

As of March 31, 2024, securities purchased under resale agreements were carried out at average interest rates of 10.86% p.a. (11.85% p.a. as of December 31, 2023).

As of March 31, 2024, the amount of R\$ 1,005,478 (December 31, 2023 - R\$ 2,760,296), from the total amount of collateral held portfolio, is being presented as cash equivalents in the statements of cash flows.

**b) Securities sold under repurchase agreements**

|  | March 31,<br>2024 | December 31,<br>2023 |
|--|-------------------|----------------------|
| National Treasury Bills (LTNs)               | 3,112,097         | 3,274,568            |
| National Treasury Notes (NTNs)               | 24,152,124        | 8,456,861            |
| Financial Treasury Bills (LFTs)              | 867,336           | 1,867,365            |
| Debentures                                   | 9,841,919         | 8,776,735            |
| Real Estate Receivable Certificates (CRIs)   | 8,868,120         | 9,201,853            |
| Financial Credit Bills (LFs)                 | 1,620,746         | 954,447              |
| Agribusiness Receivables Certificates (CRAs) | 591,983           | 808,682              |
| <b>Total</b>                                 | <b>49,054,325</b> | <b>33,340,511</b>    |

As of March 31, 2024, securities sold under repurchase agreements were agreed with average interest rates of 10.14% p.a. (December 31, 2023 – 10.91% p.a.), with assets pledged as collateral.

4. Securities

a) Securities classified at fair value through profit and loss are presented in the following table:

|   | March 31, 2024        |                    |                   |                            | December 31, 2023     |                    |                   |                            |
|---|-----------------------|--------------------|-------------------|----------------------------|-----------------------|--------------------|-------------------|----------------------------|
|   | Gross carrying amount | Fair value         | Group portfolio   | Retirement plan assets (i) | Gross carrying amount | Fair value         | Group portfolio   | Retirement plan assets (i) |
| <b>Financial assets</b>                     |                       |                    |                   |                            |                       |                    |                   |                            |
| <b>At fair value through profit or loss</b> |                       |                    |                   |                            |                       |                    |                   |                            |
| <b>Available portfolio</b>                  |                       |                    |                   |                            |                       |                    |                   |                            |
| Brazilian onshore sovereign bonds           | 31,843,544            | 31,998,857         | 29,760,537        | 2,238,320                  | 29,587,276            | 30,172,040         | 28,000,854        | 2,171,186                  |
| Investment funds                            | 57,262,638            | 57,262,638         | 2,448,774         | 54,813,864                 | 55,922,364            | 55,922,364         | 3,022,360         | 52,900,004                 |
| Stocks issued by public-held company        | 6,069,369             | 6,069,369          | 5,686,045         | 383,324                    | 3,981,237             | 3,981,237          | 3,642,365         | 338,872                    |
| Debentures                                  | 4,092,165             | 4,063,083          | 3,558,317         | 504,766                    | 4,642,827             | 4,575,326          | 4,133,285         | 442,041                    |
| Structured notes                            | 59,865                | 81,551             | 81,551            | -                          | 90,876                | 113,816            | 113,816           | -                          |
| Bank deposit certificates (ii)              | 435,743               | 441,980            | 330,574           | 111,406                    | 756,066               | 765,741            | 663,985           | 101,756                    |
| Agribusiness receivable certificates        | 1,830,482             | 1,829,979          | 1,816,030         | 13,949                     | 1,132,479             | 1,200,254          | 1,183,214         | 17,040                     |
| Real estate receivable certificates         | 1,520,304             | 1,498,603          | 1,495,794         | 2,809                      | 1,843,651             | 1,924,269          | 1,921,927         | 2,342                      |
| Financial credit bills                      | 418,036               | 461,215            | 89,800            | 371,415                    | 435,425               | 469,943            | 153,994           | 315,949                    |
| Real estate credit bill                     | 19,922                | 19,957             | 19,957            | -                          | 29,126                | 29,157             | 29,157            | -                          |
| Agribusiness credit bills                   | 46,079                | 46,105             | 46,105            | -                          | 101,796               | 103,541            | 103,541           | -                          |
| Commercial notes                            | 990,817               | 990,991            | 984,788           | 6,203                      | 803,256               | 892,569            | 886,149           | 6,420                      |
| Others (iii)                                | 7,314,298             | 7,420,741          | 7,310,298         | 110,443                    | 3,055,153             | 3,131,955          | 3,075,864         | 56,091                     |
| <b>Total</b>                                | <b>111,903,262</b>    | <b>112,185,069</b> | <b>53,628,570</b> | <b>58,556,499</b>          | <b>102,381,532</b>    | <b>103,282,212</b> | <b>46,930,511</b> | <b>56,351,701</b>          |

- (i) Those financial products represent investment contracts that have the legal form of retirement plans, which do not transfer substantial insurance risk to the Group. Therefore, contributions received from participants are accounted for as liabilities and an asset of the participant in the linked Specially Constituted Investment Fund (“FIE”). Besides assets which are presented segregated above, as retirement plan assets, the Group has proprietary assets to guarantee the solvency of our insurance and pension plan operations, under the terms of CNSP Resolution No. 432/2021, presented as Group portfolio, within investment funds line. As of March 31, 2024, those assets represent R\$ 68,012 (December 31, 2023 - R\$ 202,678).
- (ii) Bank deposit certificates include R\$ 58,572 (December 31, 2023 – R\$ 67,985) presented as cash equivalents in the statements of cash flows.
- (iii) Mainly related to bonds issued and traded overseas and other securities.

Securities at fair value through other comprehensive income are presented in the following table:

|   | March 31, 2024        |                   | December 31, 2023     |                   |
|---|-----------------------|-------------------|-----------------------|-------------------|
|   | Gross carrying amount | Fair value        | Gross carrying amount | Fair value        |
| <b>Financial assets</b>                                 |                       |                   |                       |                   |
| <b>At fair value through other comprehensive income</b> |                       |                   |                       |                   |
| Brazilian onshore sovereign bonds                       | 37,442,891            | 37,362,177        | 41,023,844            | 41,343,987        |
| Foreign sovereign bonds                                 | 2,863,318             | 2,948,227         | 2,669,993             | 2,718,963         |
| <b>Total</b>  | <b>40,306,209</b>     | <b>40,310,404</b> | <b>43,693,837</b>     | <b>44,062,950</b> |

b) Securities evaluated at amortized cost are presented in the following table:

|                                   | March 31, 2024        |                  | December 31, 2023     |                  |
|-----------------------------------|-----------------------|------------------|-----------------------|------------------|
|                                   | Gross carrying amount | Book value       | Gross carrying amount | Book value       |
| <b>Financial assets</b>           |                       |                  |                       |                  |
| <b>At amortized cost (i)</b>      |                       |                  |                       |                  |
| Brazilian onshore sovereign bonds | 1,815,652             | 1,815,235        | 3,773,404             | 3,772,534        |
| Rural product note                | 623,874               | 622,572          | 616,083               | 615,576          |
| Commercial notes                  | 2,031,508             | 2,020,856        | 2,472,006             | 2,467,311        |
| <b>Total</b>                      | <b>4,471,034</b>      | <b>4,458,663</b> | <b>6,861,493</b>      | <b>6,855,421</b> |

(i) Includes expected credit losses in the amount of R\$ 12,371 (December 31, 2023 – R\$ 6,072). The reconciliation of gross carrying amount and the expected credit loss segregated by stages are presented in the Note 10.

c) Securities on the financial liabilities classified at fair value through profit or loss are presented in the following table:

|   | March 31, 2024        |            | December 31, 2023     |            |
|---|-----------------------|------------|-----------------------|------------|
|   | Gross carrying amount | Fair value | Gross carrying amount | Fair value |
| <b>Financial liabilities</b>                |                       |            |                       |            |
| <b>At fair value through profit or loss</b> |                       |            |                       |            |
| Securities                                  | 17,061,636            | 17,061,636 | 19,949,021            | 19,949,021 |

d) Debentures designated at fair value through profit or loss are presented in the following table:

On May 6, 2021, XP Investimentos, issued non-convertible Debentures, in the aggregate amount of R\$ 500,018, and designated this instrument as fair value through profit or loss in order to align it with the Group's risk management and investment strategy. The principal amount is due on April 10, 2036. The accrued interest is payable every month from the issuance date and is calculated based on the IPCA (Brazilian inflation index) plus 5% p.a.

|   | March 31, 2024        |            | December 31, 2023     |            |
|---|-----------------------|------------|-----------------------|------------|
|   | Gross carrying amount | Fair value | Gross carrying amount | Fair Value |
| <b>Financial liabilities</b>                |                       |            |                       |            |
| <b>At fair value through profit or loss</b> |                       |            |                       |            |
| Debentures                                  | 604,348               | 466,536    | 594,332               | 474,053    |

Unrealized gains/(losses) due to own credit risk for liabilities for which the fair value option has been elected are recorded in other comprehensive income. Gain/(losses) due to own credit risk were not material for the three months period ended March 31, 2024 and March 31, 2023.

**Determination of own credit risk for items for which the fair value option was elected**

The debenture's own credit risk is calculated as the difference between its yield and its benchmark rate for similar Brazilian federal securities.

e.1) Difference between aggregate fair value and aggregate remaining contractual principal balance outstanding

The following table reflects the difference between the aggregate fair value and the aggregate remaining contractual principal balance outstanding as of March 31, 2024, for instruments for which the fair value option has been elected.

|                       | March 31, 2024                       |            |  |
|-----------------------|--------------------------------------|------------|--|
|                       | Contractual principal<br>outstanding | Fair value | Fair value/(under)<br>contractual principal<br>outstanding |
| <b>Long-term debt</b> |                                      |            |  |
| Debentures            | 604,348                              | 466,536    | (137,812)  |

e) Securities classified by maturity:

|   | Assets             |                      | Liabilities       |                      |
|---|--------------------|----------------------|-------------------|----------------------|
|   | March 31,<br>2024  | December 31,<br>2023 | March 31,<br>2024 | December 31,<br>2023 |
| <b>Financial assets</b>                 |                    |                      |                   |                      |
| <b>At fair value through PL and OCI</b> |                    |                      |                   |                      |
| <b>Current</b>                          | <b>92,951,420</b>  | <b>74,520,326</b>    | <b>17,061,636</b> | <b>19,949,021</b>    |
| Non-stated maturity                     | 63,634,415         | 47,996,237           | 17,061,636        | 19,949,021           |
| Up to 3 months                          | 4,349,260          | 18,207,233           | -                 | -                    |
| From 4 to 12 months                     | 24,967,745         | 8,316,856            | -                 | -                    |
| <b>Non-current</b>                      | <b>59,544,053</b>  | <b>72,824,836</b>    | <b>466,536</b>    | <b>474,053</b>       |
| After one year                          | 59,544,053         | 72,824,836           | 466,536           | 474,053              |
| <b>Evaluated at amortized cost</b>      |                    |                      |                   |                      |
| <b>Current</b>                          | <b>2,421,920</b>   | <b>4,560,263</b>     | <b>-</b>          | <b>-</b>             |
| Up to 3 months                          | 1,114,081          | 2,015,126            | -                 | -                    |
| From 4 to 12 months                     | 1,307,839          | 2,545,137            | -                 | -                    |
| <b>Non-current</b>                      | <b>2,036,743</b>   | <b>2,295,158</b>     | <b>-</b>          | <b>-</b>             |
| After one year                          | 2,036,743          | 2,295,158            | -                 | -                    |
| <b>Total</b>                            | <b>156,954,136</b> | <b>154,200,583</b>   | <b>17,528,172</b> | <b>20,423,074</b>    |

The reconciliation of expected loss to financial assets at amortized cost segregated by stages is demonstrated in Note 10.

## 5. Derivative financial instruments

The Group trades derivative financial instruments with various counterparties to manage its overall exposures (interest rate, foreign currency and fair value of financial instruments) and to assist its customers in managing their own exposures.

Below is the composition of the derivative financial instruments portfolio (assets and liabilities) by type of instrument, stated fair value and by maturity:

|                    | March 31, 2024       |                   |            |                   |                     |                   |
|--------------------|----------------------|-------------------|------------|-------------------|---------------------|-------------------|
|                    | Notional             | Fair Value        | %          | Up to 3 months    | From 4 to 12 months | Above 12 months   |
| <b>Assets</b>      |                      |                   |            |                   |                     |                   |
| Options            | 2,895,860,502        | 14,210,628        | 43         | 4,859,467         | 4,858,847           | 4,492,314         |
| Swap contracts     | 308,584,853          | 4,663,288         | 14         | 475,029           | 85,243              | 4,103,016         |
| Forward contracts  | 280,626,055          | 10,669,564        | 33         | 9,923,221         | 212,310             | 534,033           |
| Future contracts   | 43,702,411           | 3,158,730         | 10         | 51,913            | 710,120             | 2,396,697         |
| <b>Total</b>       | <b>3,528,773,821</b> | <b>32,702,210</b> | <b>100</b> | <b>15,309,630</b> | <b>5,866,520</b>    | <b>11,526,060</b> |
| <b>Liabilities</b> |                      |                   |            |                   |                     |                   |
| Options            | 2,608,709,493        | 17,630,203        | 51         | 4,005,730         | 5,202,496           | 8,421,977         |
| Swap contracts     | 324,669,538          | 3,809,925         | 11         | 199,501           | 1,716,620           | 1,893,804         |
| Forward contracts  | 279,625,517          | 10,249,832        | 30         | 9,740,422         | 178,595             | 330,815           |
| Future contracts   | 338,843,024          | 2,698,796         | 8          | 147,824           | 93,541              | 2,457,431         |
| <b>Total</b>       | <b>3,551,847,572</b> | <b>34,388,756</b> | <b>100</b> | <b>14,093,477</b> | <b>7,191,252</b>    | <b>13,104,027</b> |

|                    | December 31, 2023    |                   |            |                  |                     |                  |
|--------------------|----------------------|-------------------|------------|------------------|---------------------|------------------|
|                    | Notional             | Fair Value        | %          | Up to 3 months   | From 4 to 12 months | Above 12 months  |
| <b>Assets</b>      |                      |                   |            |                  |                     |                  |
| Options            | 3,053,641,595        | 15,982,949        | 85         | 6,240,115        | 6,455,786           | 3,287,048        |
| Swap contracts     | 392,133,687          | 3,883,112         | 11         | 381,744          | 531,023             | 2,970,345        |
| Forward contracts  | 125,343,466          | 2,889,964         | 3          | 2,508,142        | 250,756             | 131,066          |
| Future contracts   | 8,005,705            | 977,441           | 1          | 833,172          | 104,758             | 39,511           |
| <b>Total</b>       | <b>3,579,124,453</b> | <b>23,733,466</b> | <b>100</b> | <b>9,963,173</b> | <b>7,342,323</b>    | <b>6,427,970</b> |
| <b>Liabilities</b> |                      |                   |            |                  |                     |                  |
| Options            | 2,308,283,883        | 17,970,099        | 74         | 5,996,813        | 5,601,569           | 6,371,717        |
| Swap contracts     | 403,391,373          | 3,448,067         | 13         | 56,590           | 842,922             | 2,548,555        |
| Forward contracts  | 82,074,317           | 2,705,166         | 3          | 2,216,996        | 250,030             | 238,140          |
| Future contracts   | 311,303,078          | 662,084           | 10         | 29,918           | 79,459              | 552,707          |
| <b>Total</b>       | <b>3,105,052,651</b> | <b>24,785,416</b> | <b>100</b> | <b>8,300,317</b> | <b>6,773,980</b>    | <b>9,711,119</b> |

## 6. Hedge accounting

The Group has three types of hedge relationships: hedge of net investment in foreign operations; fair value hedge and cash flow hedge. For hedge accounting purposes, the risk factors measured by the Group are:

- Interest Rate: Risk of volatility in transactions subject to interest rate variations;
- Currency: Risk of volatility in transactions subject to foreign exchange variations;
- Stock Grant Charges: Risk of volatility in XP Inc stock prices, listed on NASDAQ.

The structure of risk limits is extended to the risk factor level, where specific limits aim at improving the monitoring and understanding processes, as well as avoiding concentration of these risks.



The structures designed for interest rate and exchange rate categories take into account total risk when there are compatible hedging instruments. In certain cases, management may decide to hedge a risk for the risk factor term and limit of the hedging instrument.

**a) Hedge of net investment in foreign operations**

The objective of the Group was to hedge the risk generated by the US\$ variation from investments in our subsidiaries in the United States, XP Holding International LLC. and XP Advisors Inc. The Group has entered into forward contracts to protect against changes in future cash flows and exchange rate variation of net investments in foreign operations known as Non-Deliverable Forward (“NDF”) contracts.

The Group undertakes risk management through the economic relationship between hedge instruments and hedged items, in which it is expected that these instruments will move in opposite directions, in the same proportions, with the aim of neutralizing the risk factors.

| Strategies                                    | Hedged item    |          |   | Hedge instrument |  |
|---|----------------|----------|---|------------------|--|
|   | Book Value     |          | Variation in value recognized in Other comprehensive income | Notional value   | Variation in the amounts used to calculate hedge ineffectiveness |
| Assets  | Liabilities    |          |   |                  |  |
| <b>March 31, 2024</b>                         |                |          |   |                  |  |
| <b>Foreign exchange risk</b>                  |                |          |   |                  |  |
| Hedge of net investment in foreign operations | 490,559        | -        | 13,055  | 487,042          | (12,561)   |
| <b>Total</b>                                  | <b>490,559</b> | <b>-</b> | <b>13,055</b>   | <b>487,042</b>   | <b>(12,561)</b>  |
| <b>December 31, 2023</b>                      |                |          |   |                  |  |
| <b>Foreign exchange risk</b>                  |                |          |   |                  |  |
| Hedge of net investment in foreign operations | 450,853        | -        | (34,603)  | 446,442          | 41,235   |
| <b>Total</b>                                  | <b>450,853</b> | <b>-</b> | <b>(34,603)</b>   | <b>446,442</b>   | <b>41,235</b>  |

**b) Fair value hedge**

The Group’s fair value strategy consists of hedging the exposure to variation in fair value on the receipt, payment of interests and exchange variation on assets and liabilities.

The group applies fair value hedges as follows:

- Hedging the exposure of fixed-income securities carried out through structured notes. The market risk hedge strategy involves avoiding temporary fluctuations in earnings arising from changes in the interest rate market in Reais. Once this risk is offset, the Group seeks to index the portfolio to the CDI, through the use of derivatives (DI1 Futuro). The hedge is contracted in order to neutralize the total exposure to the market risk of the fixed-income funding portfolio, excluding the portion of the fixed-income compensation represented by the credit spread of Banco XP S.A., seeking to obtain the closest match deadlines and volumes as possible.
- Hedging to protect the change in the fair value of the exchange and interest rate risk of the component of future cash flows arising from the XP Inc bond issued (financial liability) recognized in the balance sheet of XP Inc in July 2021 by contracting derivatives.

The effects of hedge accounting on the financial position and performance of the Group are presented below:

| Strategies                                     | Hedged item |                   |   | Hedge instrument  |  |
|--|-------------|-------------------|---|-------------------|--|
|  | Book Value  |                   | Variation in value recognized in income | Notional value    | Variation in the amounts used to calculate hedge ineffectiveness |
| Assets   | Liabilities |                   |   |                   |  |
| <b>March 31, 2024</b>                          |             |                   |   |                   |  |
| <b>Interest rate and foreign exchange risk</b> |             |                   |   |                   |  |
| Structured notes                               | -           | 17,248,392        | 305,409                                 | 17,360,082        | (314,932)  |
| Issued bonds                                   | -           | 3,599,940         | (110,334)                               | 3,466,683         | 104,157  |
| <b>Total</b>                                   | <b>-</b>    | <b>20,848,332</b> | <b>195,075</b>                          | <b>20,826,765</b> | <b>(210,775)</b>   |

| Strategies                                     | Hedged item |                   |   | Hedge instrument  |  |
|--|-------------|-------------------|---|-------------------|--|
|  | Book Value  |                   | Variation in value recognized in income | Notional value    | Variation in the amounts used to calculate hedge ineffectiveness |
|  | Assets      | Liabilities       |   |                   |  |
| <b>December 31, 2023</b>                       |             |                   |   |                   |  |
| <b>Interest rate and foreign exchange risk</b> |             |                   |   |                   |  |
| Structured notes                               | -           | 16,593,439        | (816,142)                               | 16,702,984        | 849,160  |
| Issued bonds                                   | -           | 3,542,258         | 131,181                                 | 3,379,798         | (189,189)  |
| <b>Total</b>                                   | <b>-</b>    | <b>20,135,697</b> | <b>(684,961)</b>                        | <b>20,082,782</b> | <b>659,971</b>   |

**c) Cash flow hedge**

In March 2022, XP Inc recorded a hedge structure, in order to neutralize the impacts of XP share price variation on highly probable labor tax payments related to share-based compensation plans using SWAP-TRS contracts. The transaction has been elected for hedge accounting and classified as cash flow hedge in accordance with IFRS 9. Labor tax payments are due upon delivery of shares to employees under share-based compensation plans and are directly related to share price at that time.

The effects of hedge accounting on the financial position and performance of the Group are presented below:

| Strategies                     | Hedged item |                |   | Hedge instrument |  |
|--------------------------------|-------------|----------------|---|------------------|--|
|                                | Book Value  |                | Variation in value recognized in Other comprehensive income | Notional value   | Variation in the amounts used to calculate hedge ineffectiveness |
|                                | Assets      | Liabilities    |   |                  |  |
| <b>March 31, 2024</b>          |             |                |   |                  |  |
| <b>Market price risk</b>       |             |                |   |                  |  |
| Long term incentive plan taxes | -           | 502,559        | 33,008  | 445,687          | (10,508)   |
| <b>Total</b>                   | <b>-</b>    | <b>502,559</b> | <b>33,008</b>   | <b>445,687</b>   | <b>(10,508)</b>  |
| <b>December 31, 2023</b>       |             |                |   |                  |  |
| <b>Market price risk</b>       |             |                |   |                  |  |
| Long term incentive plan taxes | -           | 414,315        | (59,517)  | 438,765          | 70,906   |
| <b>Total</b>                   | <b>-</b>    | <b>414,315</b> | <b>(59,517)</b>   | <b>438,765</b>   | <b>70,906</b>  |

The table below presents, for each strategy, the nominal value and the adjustments to the fair value of the hedging instruments and the book value of the hedged object:

| Hedge Instruments            | March 31, 2024  |            |             |   |  |
|------------------------------|-----------------|------------|-------------|---|--|
|                              | Notional amount | Book value |             | Variation in fair value used to calculate hedge ineffectiveness | Hedge ineffectiveness recognized in income |
|                              |                 | Assets     | Liabilities |   |  |
| <b>Interest rate risk</b>    |                 |            |             |   |  |
| Futures                      | 20,619,638      | -          | 20,634,394  | (218,099)   | (14,499)                                   |
| <b>Foreign exchange risk</b> |                 |            |             |   |  |
| Futures                      | 694,169         | 490,559    | 213,938     | (5,237)   | (707)                                      |
| <b>Market price risk</b>     |                 |            |             |   |  |
| Swaps                        | 445,687         | -          | 502,559     | (10,508)  | 22,500                                     |

| Hedge Instruments            |                 |         | Book value  | Variation in fair value used to calculate hedge ineffectiveness | December 31, 2023                          |
|------------------------------|-----------------|---------|-------------|---|--|
|                              | Notional amount | Assets  | Liabilities |   | Hedge ineffectiveness recognized in income |
| <b>Interest rate risk</b>    |                 |         |             |   |  |
| Futures                      | 19,859,217      | -       | 19,896,226  | 675,035   | (19,807)                                   |
| <b>Foreign exchange risk</b> |                 |         |             |   |  |
| Futures                      | 670,007         | 450,853 | 239,472     | 26,171  | 1,449                                      |
| <b>Market price risk</b>     |                 |         |             |   |  |
| Swaps                        | 438,765         | -       | 414,315     | 70,906  | 11,389                                     |

The table below presents, for each strategy, the notional amount and the fair value adjustments of hedge instruments and the book value of the hedged item:

| Strategies                                    | March 31, 2024    |                        |                | December 31, 2023 |                        |                  |
|---|-------------------|------------------------|----------------|-------------------|------------------------|------------------|
|   | Hedge instruments |                        | Hedge item     | Hedge instruments |                        | Hedge item       |
|   | Notional amount   | Fair value adjustments | Book value     | Notional amount   | Fair value adjustments | Book value       |
| Hedge of fair value                           | 20,826,766        | (210,775)              | 195,075        | 20,082,782        | 659,971                | (684,961)        |
| Hedge of net investment in foreign operations | 487,042           | (12,561)               | 13,055         | 446,442           | 41,235                 | (34,603)         |
| Hedge of cash flow                            | 445,687           | (10,508)               | 33,008         | 438,765           | 70,906                 | (59,517)         |
| <b>Total</b>                                  | <b>21,759,495</b> | <b>(233,844)</b>       | <b>241,138</b> | <b>20,967,989</b> | <b>772,112</b>         | <b>(779,081)</b> |

The table below shows the breakdown notional value by maturity of the hedging strategies:

|   | March 31, 2024   |                  |                  |                  |                  |                  | Total             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|   | 0-1 year         | 1-2 years        | 2-3 years        | 3-4 years        | 4-5 years        | 5-10 years       |                   |
| Hedge of fair value                           | 981,732          | 3,032,392        | 9,287,483        | 3,542,372        | 2,011,162        | 1,971,625        | 20,826,766        |
| Hedge of net investment in foreign operations | 487,042          | -                | -                | -                | -                | -                | 487,042           |
| Hedge of cash flow                            | 445,687          | -                | -                | -                | -                | -                | 445,687           |
| <b>Total</b>                                  | <b>1,914,461</b> | <b>3,032,392</b> | <b>9,287,483</b> | <b>3,542,372</b> | <b>2,011,162</b> | <b>1,971,625</b> | <b>21,759,495</b> |

|   | December 31, 2023 |                  |                  |                  |                  |                  | Total             |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|   | 0-1 year          | 1-2 years        | 2-3 years        | 3-4 years        | 4-5 years        | 5-10 years       |                   |
| Hedge of fair value                           | 696,906           | 1,653,677        | 6,001,602        | 6,920,470        | 2,888,836        | 1,921,291        | 20,082,782        |
| Hedge of net investment in foreign operations | 400,918           | 45,524           | -                | -                | -                | -                | 446,442           |
| Hedge of cash flow                            | 438,765           | -                | -                | -                | -                | -                | 438,765           |
| <b>Total</b>                                  | <b>1,536,589</b>  | <b>1,699,201</b> | <b>6,001,602</b> | <b>6,920,470</b> | <b>2,888,836</b> | <b>1,921,291</b> | <b>20,967,989</b> |

## 7. Loan operations

Following is the breakdown of the carrying amount of loan operations by class, sector of debtor, maturity and concentration:

| Loans by type             | March 31, 2024    | December 31, 2023 |
|---------------------------|-------------------|-------------------|
| <b>Pledged asset loan</b> | <b>25,604,864</b> | <b>24,845,243</b> |
| Retail                    | 13,600,131        | 12,366,330        |
| Companies                 | 7,072,619         | 7,054,507         |
| Credit card               | 4,932,114         | 5,424,406         |
| <b>Non-pledged loan</b>   | <b>4,297,272</b>  | <b>4,036,646</b>  |
| Retail                    | 407,654           | 764,712           |
| Companies                 | 1,415,082         | 959,898           |
| Credit card               | 2,474,536         | 2,312,036         |

|   |                   |                   |
|---|-------------------|-------------------|
| <b>Total loans operations</b>                       | <b>29,902,136</b> | <b>28,881,889</b> |
| Expected Credit Loss (Note 10)                      | (360,336)         | (329,954)         |
| <b>Total loans operations, net of Expected Loss</b> | <b>29,541,800</b> | <b>28,551,935</b> |

|                                      | March 31,<br>2024 | December 31,<br>2023 |
|--------------------------------------|-------------------|----------------------|
| <b>By maturity</b>                   |                   |                      |
| Overdue by 1 day or more             | 495,334           | 329,707              |
| Due in 3 months or less              | 6,695,125         | 6,739,145            |
| Due after 3 months through 12 months | 5,192,069         | 5,056,321            |
| Due after 12 months                  | 17,519,608        | 16,756,716           |
| <b>Total loans operations</b>        | <b>29,902,136</b> | <b>28,881,889</b>    |

|                         | March 31,<br>2024 | December 31,<br>2023 |
|-------------------------|-------------------|----------------------|
| <b>By concentration</b> |                   |                      |
| Largest debtor          | 881,339           | 855,607              |
| 10 largest debtors      | 3,215,892         | 2,921,734            |
| 20 largest debtors      | 4,446,101         | 4,058,250            |
| 50 largest debtors      | 6,133,204         | 5,579,073            |
| 100 largest debtors     | 7,589,356         | 6,949,906            |

XP Inc offers loan products through Banco XP to its customers. The majority of the loan products offered are collateralized by customers' investments on XP platform and credit products strictly related to investments in structured notes, in which the borrower is able to operate leveraged, retaining the structured note itself as guarantee for the loan.

The reconciliation of gross carrying amount and the expected credit losses in loan operations, segregated by stages, according with IFRS 9, is demonstrated in Note 10.

## 8. Prepaid expenses

|  | March 31,<br>2024 | December 31,<br>2023 |
|--|-------------------|----------------------|
| Commissions and premiums paid in advance (a) | 4,079,097         | 4,081,456            |
| Marketing expenses                           | 9,972             | 10,687               |
| Other expenses paid in advance               | 387,517           | 326,120              |
| <b>Total</b>                                 | <b>4,476,586</b>  | <b>4,418,263</b>     |
| Current                                      | 995,931           | 826,107              |
| Non-current                                  | 3,480,655         | 3,592,156            |

Mostly comprised by long term investment programs implemented by XP CCTVM through its network of IFAs. These commissions and premiums paid are recognized at the signing date of each contract and are amortized in the Group's income statement, linearly, according to the investment term period.

(a) Include balances with related parties, in connection with the transactions disclosed on Note 2(d)(b)(i).

## 9. Securities trading and intermediation (receivable and payable)

Represented by operations at B3 on behalf of and on account of third parties, with liquidation operating cycle between D+1 and D+3.

|  | March 31,<br>2024 | December 31,<br>2023 |
|--|-------------------|----------------------|
| Cash and settlement records                                      | 465,779           | 1,277,579            |
| Debtors pending settlement                                       | 2,166,669         | 1,768,735            |
| Other  | 1,566             | 697                  |
| (-) Expected losses on Securities trading and intermediation (a) | (121,958)         | (114,692)            |
| <b>Total Assets</b>  | <b>2,512,056</b>  | <b>2,932,319</b>     |

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| Cash and settlement records           | 276,274           | 166,625           |
| Creditors pending settlement          | 2,445,710         | 1,957,045         |
| Customer's cash on investment account | 13,672,834        | 14,819,869        |
| <b>Total Liabilities</b>              | <b>16,394,818</b> | <b>16,943,539</b> |

(a) The reconciliation of gross carrying amount and the expected loss segregated by stages according to IFRS 9 were demonstrated in Note 10.

## 10. Expected Credit Losses on Financial Assets and Reconciliation of carrying amount

It is presented below the reconciliation of gross carrying amount of financial assets through other comprehensive income and financial assets measured at amortized cost – that have their ECLs (Expected Credit Losses) measured using the three-stage model, the low credit risk simplification and the simplified approach and the ECLs as of March 31, 2024:

|  | March 31, 2024        |                        |                      |
|--|-----------------------|------------------------|----------------------|
|  | Gross carrying amount | Expected Credit Losses | Carrying amount, net |
| <b>Financial assets at fair value through other comprehensive income</b> |                       |                        |                      |
| <b>Low credit risk simplification</b>                                    |                       |                        |                      |
| Securities (i) (vi)  | 40,306,209            | (11,672)               | 40,306,209           |
| <b>Financial assets amortized cost</b>                                   |                       |                        |                      |
| <b>Low credit risk simplification</b>                                    |                       |                        |                      |
| Securities (i)   | 4,471,034             | (12,371)               | 4,458,663            |
| Securities purchased under agreements to resell (i)                      | 30,296,183            | (4,912)                | 30,291,271           |
| <b>Three stage model</b>   |                       |                        |                      |
| Loans and credit card operations (ii) (iii) (iv) (vii)                   | 29,902,137            | (341,044)              | 29,561,093           |
| <b>Simplified approach</b>   |                       |                        |                      |
| Securities trading and intermediation                                    | 2,634,014             | (121,958)              | 2,512,056            |
| Accounts receivable  | 707,741               | (68,599)               | 639,142              |
| Other financial assets   | 5,196,322             | (75,642)               | 5,120,680            |
| <b>Total losses for on-balance exposures</b>                             | <b>113,513,640</b>    | <b>(636,198)</b>       | <b>112,889,114</b>   |
| Off-balance exposures (v)  | 9,026,203             | (19,293)               | 9,006,910            |
| <b>Total exposures</b>   | <b>122,539,843</b>    | <b>(655,491)</b>       | <b>121,896,024</b>   |

(i) Financial assets considered in Stage 1.

(ii) As of March 31, 2024, are presented in Stage 1: Gross amount of R\$ 27,347,144 and ECL of R\$ 60,951; Stage 2: Gross amount of R\$ 2,285,695 and ECL of R\$ 75,088; Stage 3: Gross amount of R\$ 268,717 and ECL of R\$ 205,005, respectively.

(iii) Gross amount: As of March 31, 2024, there were transfers between Stage 1 to Stage 2 of R\$ 737,268; Stage 1 to Stage 3 of R\$ 28,909; Stage 2 to Stage 1 of R\$ 407,041; Stage 2 to Stage 3 of R\$ 73,880; Stage 3 to Stage 1 of R\$ 2; and stage 3 to write-off of R\$ 26,205.

(iv) Expected credit loss: As of March 31, 2024, there were transfers between Stage 1 to Stage 2 of R\$ 21,268; Stage 1 to Stage 3 of R\$ 17,922; Stage 2 to Stage 1 of R\$ 1,240 and Stage 2 to Stage 3 of R\$ 52,323.

(v) Include credit cards limits and letters of guarantee.

(vi) The loss allowance for ECL of R\$ 11,672 on securities at fair value through other comprehensive income does not reduce the carrying amount, but an amount equal to the allowance is recognized in OCI as an accumulated impairment amount, with corresponding impairment gains or losses recognized in the statement of income.

(vii) In the three months period ended March 31, 2024, there was R\$ 26,211 of credit write-off.

|  | December 31, 2023     |                        |                      |
|--|-----------------------|------------------------|----------------------|
|  | Gross carrying amount | Expected Credit Losses | Carrying amount, net |
| <b>Financial assets at fair value through other comprehensive income</b> |                       |                        |                      |
| <b>Low credit risk simplification</b>                                    |                       |                        |                      |
| Securities (i)   | 43,693,839            | (12,199)               | 43,693,839           |
| <b>Financial assets amortized cost</b>                                   |                       |                        |                      |
| <b>Low credit risk simplification</b>                                    |                       |                        |                      |
| Securities (i)   | 6,861,493             | (6,072)                | 6,855,421            |
| Securities purchased under agreements to resell (i)                      | 14,891,781            | (2,803)                | 14,888,978           |
| <b>Three stage model</b>   |                       |                        |                      |
| Loans and credit card operations (ii) (iii)(iv)                          | 28,881,889            | (311,823)              | 28,570,066           |
| <b>Simplified approach</b>   |                       |                        |                      |
| Securities trading and intermediation                                    | 3,047,011             | (114,692)              | 2,932,319            |
| Accounts receivable  | 745,097               | (63,907)               | 681,190              |
| Other financial assets   | 4,263,948             | (55,205)               | 4,208,743            |
| <b>Total losses for on-balance exposures</b>                             | <b>102,385,058</b>    | <b>(566,700)</b>       | <b>101,830,556</b>   |
| Off-balance exposures (credit card limits)                               | 8,912,707             | (18,131)               | 8,894,576            |
| <b>Total exposures</b>   | <b>111,297,765</b>    | <b>(584,832)</b>       | <b>110,725,132</b>   |

(i) Financial assets considered in Stage 1.

(ii) As of December 31, 2023 are presented in Stage 1: Gross amount of R\$ 26,447,368 and ECL of R\$ 54,845, Stage 2: Gross amount of R\$ 2,202,931 and ECL of R\$ 74,696, Stage 3: Gross amount of R\$ 231,589 and ECL of R\$ 182,282, respectively.

(iii) Gross amount: As of December 31, 2023 there were transfers between Stage 1 to Stage 2 of R\$ 1,800,466, Stage 1 to Stage 3 of R\$ 193,066, Stage 2 to Stage 1 of R\$ 518,241, Stage 2 to Stage 3 of R\$ 33,238, Stage 3 to Stage 1 of R\$ 27 and Stage 3 to Stage 2 of R\$ 117.

(iv) Expected credit loss: As of December 31, 2023 there were transfers between Stage 1 to Stage 2 of R\$ 63,095, Stage 1 to Stage 3 of R\$ 148,305, Stage 2 to Stage 1 of R\$ 1,173, Stage 2 to Stage 3 of R\$ 28,663, Stage 3 to Stage 1 of R\$ 1 and Stage 3 to Stage 2 of R\$ 17.

## 11. Investments in associates and joint ventures

Set out below are the associates and joint ventures of the Group as of March 31, 2024 and March 31, 2023.

| Entity                         | December 31, 2023 | Changes in Equity | Equity in earnings / Fair value | Other comprehensive income | March 31, 2024   |
|--------------------------------|-------------------|-------------------|---------------------------------|----------------------------|------------------|
| <b>Equity-accounted method</b> |                   |                   |                                 |                            |                  |
| Associates (i.a)               | 1,657,956         | -                 | 7,104                           | -                          | 1,665,060        |
| <b>Measured at fair value</b>  |                   |                   |                                 |                            |                  |
| Associates (ii)                | 1,450,704         | (831)             | (15)                            | -                          | 1,449,858        |
| <b>Total</b>                   | <b>3,108,660</b>  | <b>(831)</b>      | <b>7,089</b>                    | <b>-</b>                   | <b>3,114,918</b> |

| Entity                         | December 31, 2022 | Changes in Equity | Equity in earnings / Fair value | Other comprehensive income | March 31, 2023   |
|--------------------------------|-------------------|-------------------|---------------------------------|----------------------------|------------------|
| <b>Equity-accounted method</b> |                   |                   |                                 |                            |                  |
| Associates (i.a)               | 748,306           | (11,033)          | 19,146                          | 2,430                      | 758,849          |
| <b>Measured at fair value</b>  |                   |                   |                                 |                            |                  |
| Associates (ii)                | 1,523,425         | (22,388)          | (3,411)                         | -                          | 1,497,626        |
| <b>Total</b>                   | <b>2,271,731</b>  | <b>(33,421)</b>   | <b>15,735</b>                   | <b>2,430</b>               | <b>2,256,475</b> |

(i) As of March 31, 2024 and December 31, 2023, includes the interests in the total and voting capital of the following companies:

(a) Associates - Wealth High Governance Holding de Participações S.A. (49.9% of the total and voting capital on March 31, 2024 and December 31, 2023); Primo Rico Mídia, Educacional e Participações Ltda. (21.83% of the total and voting capital on March 31, 2024 and December 31, 2023); Novus Capital Gestora de Recursos Ltda. (27.5% of the total and voting capital on March 31, 2024 and December 31, 2023); NK112 Empreendimentos e Participações S.A. (49.9% of the total and voting capital on March 31, 2024 and December 31, 2023); Ável Participações Ltda. ("Ável") (35% of the total and voting capital on March 31, 2024 and December 31, 2023); Monte Bravo Holding JV S.A. (45% of the total and voting capital on March 31, 2024 and December 31, 2023); and Blue3 S.A. (42% of the total and voting capital on March 31, 2024 and December 31, 2023).

(ii) As mentioned in Note 2 (c)(iii), the Group values the investments held through some proprietary investment funds at fair value. The fair value of investments is presented in the statement of income as Net income/(loss) from financial instruments at fair value through profit or loss. Contingent consideration amounts related to the investments at fair value held through proprietary investment funds are presented in Note 15.

## 12. Property, equipment, goodwill, intangible assets and lease

### a) Changes in the period

|   | Property and equipment | Intangible assets |
|---|------------------------|-------------------|
| <b>As of January 1, 2023</b>              | <b>310,894</b>         | <b>844,182</b>    |
| Additions                                 | 1,929                  | 8,348             |
| Write-offs                                | (364)                  | (1,566)           |
| Foreign exchange                          | (274)                  | -                 |
| Depreciation / amortization in the period | (7,781)                | (21,326)          |
| <b>As of March 31, 2023</b>               | <b>304,404</b>         | <b>829,638</b>    |
| Cost                                      | 403,441                | 1,160,700         |
| Accumulated depreciation / amortization   | (99,037)               | (331,062)         |
| <b>As of January 1, 2024</b>              | <b>373,362</b>         | <b>2,502,045</b>  |
| Additions                                 | 32,965                 | 13,775            |
| Business combination (i)                  | -                      | 46,049            |
| Write-offs                                | (10)                   | -                 |
| Foreign exchange                          | (222)                  | (4)               |
| Depreciation / amortization in the period | (11,307)               | (39,142)          |
| <b>As of March 31, 2024</b>               | <b>394,788</b>         | <b>2,522,723</b>  |
| Cost                                      | 596,050                | 2,842,100         |
| Accumulated depreciation / amortization   | (201,262)              | (319,377)         |

(i) Related to fair value adjustments of identifiable assets and goodwill arising from the business combination with Banco Modal (Note 2(d)(a)(i)).

### b) Impairment test for goodwill

Given the interdependency of cash flows and the merger of business practices, all Group's entities are considered a single cash generating unit ("CGU") and, therefore, a goodwill impairment test is performed at the single operating level. Therefore, the carrying amount considered for the impairment test represents the Company's equity.

The Group performs its annual impairment test in December and when circumstances indicates that the carrying value may be impaired. The Group's impairment tests are based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the cash generating unit were disclosed in the annual consolidated financial statements for the year ended December 31, 2023. As of March 31, 2024, there were no indicators of a potential impairment of goodwill.

**c) Leases**

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period.

|                              | Right-of-use assets | Lease liabilities |
|------------------------------|---------------------|-------------------|
| <b>As of January 1, 2023</b> | <b>258,491</b>      | <b>285,638</b>    |
| Depreciation expense         | (18,735)            | -                 |
| Write-off                    | (3,395)             | -                 |
| Interest expense             | -                   | 6,146             |
| Revaluation                  | 268                 | -                 |
| Effects of exchange rate     | (3,206)             | (3,380)           |
| Payment of lease liabilities | -                   | (27,477)          |
| <b>As of March 31, 2023</b>  | <b>233,423</b>      | <b>260,927</b>    |
| Current                      | -                   | 49,487            |
| Non-current                  | 233,423             | 211,440           |

|                              | Right-of-use assets | Lease liabilities |
|------------------------------|---------------------|-------------------|
| <b>As of January 1, 2024</b> | <b>281,804</b>      | <b>304,762</b>    |
| Depreciation expense         | (17,611)            | -                 |
| Write-off                    | (15,803)            | (16,116)          |
| Interest expense             | -                   | 4,979             |
| Revaluation                  | 325                 | -                 |
| Effects of exchange rate     | 1,996               | (1,409)           |
| Payment of lease liabilities | -                   | (26,735)          |
| <b>As of March 31, 2024</b>  | <b>250,711</b>      | <b>265,481</b>    |
| Current                      | -                   | 112,657           |
| Non-current                  | 250,711             | 152,824           |

The Group did not recognize rent expense from short-term leases and low-value assets for the three months period ended March 31, 2024 and March 31, 2023. The total rent expense of R\$ 9,005 (R\$ 5,575 – March 31, 2023) includes other expenses related to leased offices such as condominiums for the period ended March 31, 2024.

**13. Financing Instruments Payable**

|                                      | March 31, 2024    | December 31, 2023 |
|--------------------------------------|-------------------|-------------------|
| <b>Market funding operations (a)</b> | <b>57,320,581</b> | <b>54,831,509</b> |
| Deposits                             | 27,657,251        | 27,493,655        |
| Demand deposits                      | 1,626,351         | 1,812,469         |
| Time deposits                        | 24,899,822        | 25,230,996        |
| Interbank deposits                   | 1,131,078         | 450,190           |
| Financial bills                      | 10,315,211        | 9,019,789         |
| Structured notes                     | 19,135,037        | 18,015,165        |
| Others                               | 213,082           | 302,900           |
| <b>Debt securities (b)</b>           | <b>5,716,591</b>  | <b>5,534,081</b>  |
| Debentures                           | 2,280,393         | 2,212,441         |
| Bond                                 | 3,436,198         | 3,321,640         |
| <b>Total</b>                         | <b>63,037,172</b> | <b>60,365,590</b> |
| Current                              | 23,770,442        | 22,946,160        |
| Non-current                          | 39,266,730        | 37,419,430        |



(a) Market funding operations maturity

March 31, 2024

| Class              | Within 30 days   | From 31 to 60 days | From 61 to 90 days | From 91 to 180 days | From 181 to 360 days | After 360 days    | Total             |
|--------------------|------------------|--------------------|--------------------|---------------------|----------------------|-------------------|-------------------|
| Demand deposits    | 1,626,351        | -                  | -                  | -                   | -                    | -                 | 1,626,351         |
| Time deposits      | 2,180,020        | 1,421,949          | 1,845,796          | 6,688,246           | 3,244,410            | 9,519,401         | 24,899,822        |
| Interbank deposits | 620,159          | -                  | -                  | 85,219              | 207,433              | 218,267           | 1,131,078         |
| Financial bills    | 236,522          | 94,047             | 1,183,338          | 254,639             | 1,608,905            | 6,937,760         | 10,315,211        |
| Structured notes   | 7,823            | 48,331             | 15,016             | 132,698             | 829,373              | 18,101,796        | 19,135,037        |
| Others             | 972              | 19,711             | 2,468              | 92,845              | 97,086               | -                 | 213,082           |
| <b>Total</b>       | <b>4,671,847</b> | <b>1,584,038</b>   | <b>3,046,618</b>   | <b>7,253,647</b>    | <b>5,987,207</b>     | <b>34,777,224</b> | <b>57,320,581</b> |

December 31, 2023

| Class              | Within 30 days   | From 31 to 60 days | From 61 to 90 days | From 91 to 180 days | From 181 to 360 days | After 360 days    | Total             |
|--------------------|------------------|--------------------|--------------------|---------------------|----------------------|-------------------|-------------------|
| Demand deposits    | 1,812,469        | -                  | -                  | -                   | -                    | -                 | 1,812,469         |
| Time deposits      | 1,944,623        | 2,823,731          | 5,370,064          | 2,522,206           | 2,878,827            | 9,691,545         | 25,230,996        |
| Interbank deposits | -                | -                  | -                  | 1,006               | 276,113              | 173,071           | 450,190           |
| Financial bills    | 30,954           | 43,635             | 94,499             | 680,490             | 2,103,902            | 6,066,309         | 9,019,789         |
| Structured notes   | 23,345           | 32,730             | 1,756              | 69,879              | 712,046              | 17,175,409        | 18,015,165        |
| Others             | 1,119            | 17,116             | -                  | 46,688              | 235,513              | 2,464             | 302,900           |
| <b>Total</b>       | <b>3,812,510</b> | <b>2,917,212</b>   | <b>5,466,319</b>   | <b>3,320,269</b>    | <b>6,206,401</b>     | <b>33,108,798</b> | <b>54,831,509</b> |

(b) Debt securities maturity

The total balance is comprised of the following issuances:

|                 | Rate type     | March 31, 2024   |                  |                  | December 31, 2023 |                  |                  |
|-----------------|---------------|------------------|------------------|------------------|-------------------|------------------|------------------|
|                 |               | Up to 1 year     | 1-5 years        | Total            | Up to 1 year      | 1-5 years        | Total            |
| Bonds (i)       | Fixed rate    | 122,038          | 3,314,160        | 3,436,198        | 118,402           | 3,203,238        | 3,321,640        |
| Debentures (ii) | Floating rate | 1,105,047        | 1,175,346        | 2,280,393        | 1,105,047         | 1,107,394        | 2,212,441        |
| <b>Total</b>    |               | <b>1,227,085</b> | <b>4,489,506</b> | <b>5,716,591</b> | <b>1,223,449</b>  | <b>4,310,632</b> | <b>5,534,081</b> |
| Current         |               |                  |                  | 1,227,085        |                   |                  | 1,223,449        |
| Non-current     |               |                  |                  | 4,489,506        |                   |                  | 4,310,632        |

(i) XP Inc Bonds

On July 1, 2021, XP Inc. concluded the issuance of a gross of US\$750 million senior unsecured notes with net proceeds of US\$739 million (R\$ 3,697 million) with maturity on July 1, 2026, and bear interest at the rate of 3.250% per year, guaranteed by XP Investimentos S.A. The principal amount will be paid on the maturity date and the interest is amortized every six months.

(ii) XP Investimentos debentures

On July 19, 2022, XP Investimentos issued non-convertible debentures in the amount of R\$1,800,000 (R\$900,000 of series 1 and R\$900,000 of series 2). The debentures series, added together, has a maximum authorized issuance up to R\$1,800,000. The principal amount, including the interest, will be paid on the maturity date as follow: (i) June 23, 2024 (series 1) and (ii) June 23, 2025 (series 2). The interest rates for series 1 and series 2 debentures are CDI+1.75% and CDI+1.90%, respectively. On March 31, 2024, the total amount is R\$ 2,280,393 (R\$ 2,212,441 on December 31, 2023).

#### 14. Borrowings

|                              | Annual interest rate % | Maturity       | March 31, 2024   | December 31, 2023 |
|------------------------------|------------------------|----------------|------------------|-------------------|
| Banco Nacional do México (*) | Term SOFR + 0.40%      | August 2024    | 2,265,992        | 2,198,619         |
| Banco Daycoval               | 15.66%                 | September 2024 | 622              | 803               |
| <b>Total</b>                 |                        |                | <b>2,266,614</b> | <b>2,199,422</b>  |
| Current                      |                        |                | 2,266,614        | 2,199,422         |
| Non-current                  |                        |                | -                | -                 |

(\*) Security Overnight Financing Rate (SOFR).

#### 15. Other financial assets and financial liabilities

##### a) Other financial assets

|   | March 31, 2024   | December 31, 2023 |
|---|------------------|-------------------|
| Foreign exchange portfolio                                  | 3,334,525        | 1,022,083         |
| Receivables from IFAs                                       | 164,029          | 165,640           |
| Compulsory and other deposits at Brazilian Central Bank (i) | 1,493,805        | 2,956,896         |
| Other financial assets                                      | 203,963          | 119,329           |
| (-) Expected losses on other financial assets (ii)          | (75,642)         | (55,205)          |
| <b>Total</b>  | <b>5,120,680</b> | <b>4,208,743</b>  |
| Current   | 3,431,563        | 3,471,827         |
| Non-current   | 1,689,117        | 736,916           |

(i) As of March 31, 2024, the amount of R\$ 90,000 (December 31, 2023 - R\$ 2,438,896) is being presented as cash equivalents in the statements of cash flows.

(ii) The reconciliation of gross carrying amount and the expected loss according to IFRS 9 are presented in Note 10.

##### b) Other financial liabilities

|                               | March 31, 2024    | December 31, 2023 |
|-------------------------------|-------------------|-------------------|
| Foreign exchange portfolio    | 3,675,140         | 1,361,882         |
| Structured financing (i)      | 2,976,433         | 1,841,790         |
| Credit cards operations       | 7,044,046         | 7,234,116         |
| Contingent consideration (ii) | 571,723           | 571,723           |
| Lease liabilities             | 265,481           | 304,762           |
| Others                        | 287,036           | 917,103           |
| <b>Total</b>                  | <b>14,819,859</b> | <b>12,231,376</b> |
| Current                       | 14,591,432        | 11,974,989        |
| Non-current                   | 228,427           | 256,387           |

(i) Financing with prime brokers through the Group's proprietary fund Multistrategy using some of its own financial assets as collateral.

(ii) Contractual contingent considerations mostly associated with the investment acquisition. The maturity of the total contingent consideration payment is up to 5 years and the contractual maximum amount payable is R\$ 833,000 (the minimum amount is zero).

## 16. Retirement plans and insurance liabilities

As of March 31, 2024, active plans are principally accumulation of financial resources through products PGBL and VGBL structured in the form of variable contribution, for the purpose of granting participants with returns based on the accumulated capital in the form of monthly withdraws for a certain term or temporary monthly withdraws.

In this respect, such financial products represent investment contracts that have the legal form of private pension plans, but which do not transfer insurance risk to the Group. Therefore, contributions received from participants are accounted for as liabilities and balance consists of the participant's balance in the linked Specially Constituted Investment Fund ("FIE") on the reporting date (Note 4 (a)(i)).

Changes in the period:

|   | Three months period ended March 31, |                   |
|---|-------------------------------------|-------------------|
|   | 2024                                | 2023              |
| <b>As of January, 1</b>                   | <b>56,409,075</b>                   | <b>45,733,815</b> |
| Contributions received                    | 1,028,645                           | 534,716           |
| Transfer with third party plans           | 867,675                             | 2,033,910         |
| Withdraws                                 | (873,880)                           | (1,070,417)       |
| Claims paid                               | (194)                               | -                 |
| Other provisions (Constitution/Reversion) | 25,658                              | 102,352           |
| Monetary correction and interest income   | 1,197,383                           | 471,873           |
| <b>As of March, 31</b>                    | <b>58,654,362</b>                   | <b>47,806,249</b> |

## 17. Income tax

### a) Deferred income tax

Deferred tax assets (DTA) and deferred tax liabilities (DTL) are comprised of the main following components:

|  | Balance sheet    |                   | Net change in the three months period ended March 31, |              |
|--|------------------|-------------------|---|--------------|
|  | March 31, 2024   | December 31, 2023 | 2024  | 2023         |
| Tax losses carryforwards                       | 884,123          | 742,245           | 141,878   | 44,032       |
| Goodwill on business combinations (i)          | 35,297           | 35,823            | (526)   | 268          |
| Provisions for IFAs' commissions               | 89,328           | 90,075            | (747)   | 7,127        |
| Revaluations of financial assets at fair value | (164,833)        | (166,281)         | 1,448   | 187,208      |
| Expected credit losses (ii)                    | 296,086          | 335,711           | (39,625)  | 13,182       |
| Profit sharing plan                            | 111,523          | 278,983           | (167,460)   | (172,957)    |
| Net gain/(loss) on hedge instruments           | (26,625)         | (22,704)          | (3,921)   | (18,042)     |
| Share based compensation                       | 695,715          | 627,730           | 67,985  | 28,392       |
| Other provisions                               | 144,939          | 96,189            | 48,750  | (84,367)     |
| <b>Total</b>                                   | <b>2,065,553</b> | <b>2,017,771</b>  | <b>47,782</b>   | <b>4,843</b> |
| <b>Deferred tax assets</b>                     | <b>2,183,746</b> | <b>2,104,128</b>  |   |              |
| <b>Deferred tax liabilities</b>                | <b>(118,193)</b> | <b>(86,357)</b>   |   |              |

- (i) For Brazilian tax purposes, goodwill is amortized at least in 5 years on a straight-line basis when the entity acquired is sold or merged into the acquirer company.
- (ii) Include expected credit loss on accounts receivable, loan operations and other financial assets.

The changes in the net deferred tax were recognized as follows:

|  | Three months period ended<br>March 31, |                  |
|--|--|------------------|
|  | 2024                                   | 2023             |
| <b>As of January, 1</b>                                  | <b>2,017,771</b>                       | <b>1,480,442</b> |
| Foreign exchange variations                              | (19,850)                               | 18,484           |
| Charges to statement of income                           | (13,810)                               | 67,844           |
| Tax relating to components of other comprehensive income | 81,442                                 | (61,088)         |
| <b>As of March 31,</b>                                   | <b>2,065,553</b>                       | <b>1,505,682</b> |

Unrecognized deferred taxes

Deferred tax assets are recognized for tax losses to the extent that the realization of the related tax benefit against future taxable profits is probable. The Group did not recognize deferred tax assets of R\$ 101,144 (December 31, 2023 - R\$ 55,410) mainly in respect of losses from subsidiaries overseas and that can be carried forward and used against future taxable income.

**b) Income tax expense reconciliation**

The tax on the Group's pre-tax profit differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities. The following is a reconciliation of income tax expense to profit (loss) for the period, calculated by applying the combined Brazilian statutory rates at 34% for the three months period ended March 31:

|   | Three months period<br>ended March 31, |               |
|---|--|---------------|
|   | 2024                                   | 2023          |
| Income before taxes   | 1,088,453                              | 816,148       |
| Combined tax rate in Brazil (a)                               | 34%                                    | 34%           |
| Tax expense at the combined rate                              | 370,074                                | 277,490       |
| Effects from entities taxed at different rates                | 39,884                                 | 9,525         |
| Effects from entities taxed at different taxation regimes (b) | (278,340)                              | (269,681)     |
| Intercompany transactions with different taxation             | (46,190)                               | (16,820)      |
| Tax incentives and related donation programs                  | (119)                                  | (729)         |
| Non-deductible expenses (non-taxable income), net             | (26,344)                               | (3,808)       |
| Others  | (67)                                   | 24,226        |
| <b>Total</b>  | <b>58,898</b>                          | <b>20,203</b> |
| Current   | 55,415                                 | 88,085        |
| Deferred  | 3,483                                  | (67,882)      |
| <b>Total expense / (credit)</b>                               | <b>58,898</b>                          | <b>20,203</b> |

- (a) Considering that XP Inc. is domiciled in Cayman and there is no income tax in that jurisdiction, the combined tax rate of 34% demonstrated above is the current rate applied to XP Investimentos S.A. which is the holding company of all operating entities of XP Inc. in Brazil.
- (b) Certain eligible subsidiaries adopted the PPM tax regime and the effect of the presumed profit of subsidiaries represents the difference between the taxation based on this method and the amount that would be due based on the statutory rate applied to the taxable profit of the subsidiaries. Additionally, some entities and investment funds adopt different taxation regimes according to the applicable rules in their jurisdictions.

Other comprehensive income

The tax (charge)/credit relating to components of other comprehensive income is as follows:

|   | Before tax       | (Charge)/<br>Credit | After tax        |
|---|------------------|---------------------|------------------|
| Foreign exchange variation of investees located abroad      | (17,996)         | -                   | (17,996)         |
| Gains (losses) on net investment hedge                      | 31,482           | (10,611)            | 20,871           |
| Changes in the fair value of financial assets at fair value | 130,861          | (50,477)            | 80,384           |
| <b>As of March 31, 2023</b>                                 | <b>144,347</b>   | <b>(61,088)</b>     | <b>83,259</b>    |
| Foreign exchange variation of investees located abroad      | 14,796           | -                   | 14,796           |
| Gains (losses) on net investment hedge                      | (12,561)         | -                   | (12,561)         |
| Changes in the fair value of financial assets at fair value | (290,840)        | 119,360             | (171,480)        |
| <b>As of March 31, 2024</b>                                 | <b>(288,605)</b> | <b>119,360</b>      | <b>(169,245)</b> |

**18. Equity****(a) Issued capital**

The Company has an authorized share capital of US\$ 35, corresponding to 3,500,000,000 authorized shares with a par value of US\$ 0,00001 each of which:

- 2,000,000,000 shares are designated as Class A common shares and issued; and
- 1,000,000,000 shares are designated as Class B common shares and issued.

The remaining 500,000,000 authorized but unissued shares are presently undesignated and may be issued by our board of directors as common shares of any class or as shares with preferred, deferred or other special rights or restrictions. Therefore, the Company is authorized to increase capital up to this limit, subject to approval of the Board of Directors.

On July 1, 2023, XP Inc issued 18,717,771 Class A common shares (R\$ 2,097,326) to acquire 100% of Banco Modal's shares, in a non-cash equity exchange transaction.

As of March 31, 2024, the Company had R\$ 26 of issued capital which were represented by 436,776,614 Class A common shares and 112,717,094 Class B common shares.

**(b) Additional paid-in capital and capital reserve**

Class A and Class B common shares, have the following rights:

- Each holder of a Class B common share is entitled, in respect of such share, to 10 votes per share, whereas the holder of a Class A common share is entitled, in respect of such share, to one vote per share.
- Each holder of Class A common shares and Class B common shares vote together as a single class on all matters (including the election of directors) submitted to a vote of shareholders, except as provided below and as otherwise required by law.
- Class consents from the holders of Class A common shares and Class B common shares, as applicable, shall be required for any modifications to the rights attached to their respective class of shares the rights conferred on holders of Class A common shares shall not be deemed to be varied by the creation or issue of further Class B common shares and vice versa; and
- the rights attaching to the Class A common shares and the Class B common shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights, including, without limitation, shares with enhanced or weighted voting rights.

The Articles of Association provide that at any time when there are Class A common shares in issue, Class B common shares may only be issued pursuant to: (a) a share split, subdivision of shares or similar transaction or where a dividend or other distribution is paid by the issue of shares or rights to acquire shares or following capitalization of profits; (b) a merger, consolidation, or other business combination involving the issuance of Class B common shares as full or partial consideration; or (c) an issuance of Class A common shares, whereby holders of the Class B common shares are entitled to purchase a number of Class B common shares that would allow them to maintain their proportional ownership and voting interests in XP Inc.

The Board of Directors approved in December 2019 a share based long-term incentive plan, which the maximum number of shares should not exceed 5% of the issued and outstanding shares. As of March 31, 2024, the outstanding number of shares reserved under the plans were 16,369,903 restricted stock units (“RSUs”) (December 31, 2023 – 14,600,588) and 1,588,818 performance stock units (“PSUs”) (December 31, 2023 – 1,588,818) to be issued at the vesting dates.

The additional paid-in capital refers to the difference between the purchase price that the shareholders pay for the shares and their par value. Under Cayman Law, the amount in this type of account may be applied by the Company to pay distributions or dividends to members, pay up unissued shares to be issued as fully paid, for redemptions and repurchases of own shares, for writing off preliminary expenses, recognized expenses, commissions or for other reasons. All distributions are subject to the Cayman Solvency Test which addresses the Company’s ability to pay debts as they fall due in the natural course of business.

**(c) Treasury shares**

As of March 31, 2024, the Group recognized amounts of treasury shares as a result of: (i) the share purchase agreement with Itaú Unibanco, signed on June 2022 and (ii) the share repurchase program approved on February, 2024, which aims to neutralize future shareholder dilution due to the vesting of Restricted Stock Units (RSUs) from the Company’s long-term incentive plan. The treasury shares are registered as a deduction from equity until the shares are canceled or reissued.

As of March 31, 2024, the Group held 81,250 Class A common shares (December 31, 2023 - 0) and 1,056,308 Class B common shares (December 31, 2023 – 1,056,308) in treasury, totaling an amount of R\$ 127,454 (December 31, 2023 – R\$ 117,117).

**(d) Dividends distribution**

The Group has not adopted a dividend policy with respect to future distributions of dividends. The amount of any distributions will depend on many factors such as the Company’s results of operations, financial condition, cash requirements, prospects and other factors deemed relevant by XP Inc. board of directors and, where applicable, the shareholders.

For the three months period ended March 31, 2024 and 2023, XP Inc. has not declared and paid dividends to the shareholders.

Non-controlling shareholders of some XP Inc’s subsidiaries has received dividends in the period ended on March 31, 2024.

**(e) Other comprehensive income**

Other comprehensive income consists of changes in the fair value of financial assets at fair value through other comprehensive income, while these financial assets are not realized. Also includes gains (losses) on net investment hedge and foreign exchange variation of investees located abroad.

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**19. Related party transactions**

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Transactions with related parties includes transactions among the Company and its subsidiaries in the course of normal operations include services rendered such as: (i) education, consulting and business advisory; (ii) financial advisory and financial consulting in general; (iii) management of resources and portfolio management; (iv) information technology and data processing; (v) insurance and (vi) loan operations. The effects of these transactions have been eliminated and do not have effects on the consolidated financial statements.

Transactions with related parties also includes transactions among the Company and its associates related to commissions and premiums paid in advance, as described in Note 8.

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**20. Provisions and contingent liabilities**

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The Company and its subsidiaries are party to judicial and administrative litigations before various courts and government bodies, arising from the ordinary course of operations, involving tax, civil and labor matters and other issues. Periodically, Management evaluates the tax, civil and labor risks, based on legal, economic and tax supporting data, in order to classify the risks as probable, possible or remote, in accordance with the chances of them occurring and being settled, taking into consideration, case by case, the analyses prepared by external and internal legal advisors.

|                        | March 31,<br>2024 | December 31,<br>2023 |
|------------------------|-------------------|----------------------|
| Tax contingencies      | 1,540             | 1,537                |
| Civil contingencies    | 44,329            | 37,921               |
| Labor contingencies    | 55,624            | 57,965               |
| Other provisions       | -                 | 255                  |
| <b>Total provision</b> | <b>101,493</b>    | <b>97,678</b>        |
| Judicial deposits (i)  | 24,063            | 22,108               |

- (i) There are circumstances in which the Group is questioning the legitimacy of certain litigations or claims filed against it. As a result, either because of a judicial order or based on the strategy adopted by management, the Group might be required to secure part or the whole amount in question by means of judicial deposits, without this being characterized as the settlement of the liability. These amounts are classified as “Other assets” on the balance sheets and referred above for information.

**Changes in the provision during the period**

|                                   | Three months period<br>ended March 31, |               |
|-----------------------------------|--|---------------|
|                                   | 2024                                   | 2023          |
| <b>At the beginning of period</b> | <b>97,678</b>                          | <b>43,541</b> |
| Monetary correction               | 15,399                                 | 1,386         |
| Provision accrued                 | 11,662                                 | 34,789        |
| Provision reversed                | (23,234)                               | (129)         |
| Payments                          | (12)                                   | (199)         |
| <b>At the end of period</b>       | <b>101,493</b>                         | <b>79,388</b> |

**Nature of claims**

**a) Civil**

Most of the civil and administrative claims involve matters that are normal and specific to the business and refer to demands for indemnity primarily due to: (i) financial losses in the stock market; (ii) portfolio management; and (iii) alleged losses generated from the liquidation of customers assets in portfolio due to margin cause and/or negative balance. As of March 31, 2024, there were 579 (December 31, 2023 - 777) civil and administrative claims for which the likelihood of loss has been classified as probable, in the amount of R\$ 44,329 (December 31, 2023 - R\$ 37,921).

**b) Labor**

Labor claims to which the Group is party primarily concern: (i) the existence (or otherwise) of a working relationship between the Group and IFAs; and (ii) severance payment of former employees. As of March 31, 2024, the Company and its subsidiaries are defendants in 140 cases (December 31, 2023 - 116) involving labor matters for which the likelihood of loss has been classified as probable, in the amount of R\$ 55,624 (December 31, 2023 - R\$ 57,965).

**Contingent liabilities - probability of loss classified as possible**

In addition to the provisions mentioned above, the Company and its subsidiaries are party to several labor, civil and tax contingencies in progress, in which they are the defendants, and the likelihood of loss, based on the opinions of the internal and external legal advisors, is considered possible. The contingencies amount to approximately R\$ 1,795,174 (December 31, 2023 - R\$ 1,826,688).

Below these claims are summarized by nature:

|                    | March 31,<br>2024 | December 31,<br>2023 |
|--------------------|-------------------|----------------------|
| Tax (i) (ii) (iii) | 653,788           | 653,714              |
| Civil (iv)         | 856,627           | 883,485              |
| Labor (v)          | 284,759           | 289,489              |
| <b>Total</b>       | <b>1,795,174</b>  | <b>1,826,688</b>     |

- (i) Employees Profit Sharing Plans: In 2015, 2019, 2021, 2022 and 2024 tax authorities issued assessments against the Group claiming mainly for allegedly unpaid social security contributions on amounts due and paid to employees as profit sharing plans related to calendar years of 2011, 2015, 2017, 2018 and 2019. According to the tax authorities, the Group profit sharing plans did not comply with the provisions of Law 10,101/00. The risk of loss for these claims is classified as possible by the external counsels.
  - a. Tax assessment related to 2011: The first and the second administrative appeals were denied, and currently the Group awaits for the judgment of the special appeal by the Superior Court of the Administrative Council of Tax Appeals (“CSRF”). The amount claimed is R\$ 21,162.
  - b. Tax assessment related to 2015: The first and the second administrative appeals were denied, and currently the Group is awaiting to be notified by such unfavorable decision in order to appeal to the CSRF. The amount claimed is R\$ 55,153.
  - c. Tax assessment related to 2017: In addition to the claim related to the employees’ profit-sharing plan, tax authorities are also challenging the deductibility for Corporate Income Tax (IRPJ) and Social Contribution of Net Profits (CSLL) purposes of the amounts paid under such plan to the members of the Board. Administrative appeals were filed against the assessments, which are awaiting judgment by the Federal Revenue Service of Brazil (“RFB”). The total amount claimed is R\$ 135,252.
  - d. Tax assessment related to 2018: An administrative appeal was filed against the assessment, which awaits for judgment by the RFB. The total amount claimed is R\$ 145,426.
  - e. In June 2022, the Group was notified by the Public Labor Ministry for allegedly unpaid FGTS (Fund for Severance Indemnity Payment) on the amounts paid to employees under profit sharing plans related to years 2015 to 2020. According to the tax authorities, the Group profit sharing plans did not comply with the provisions of Law 10,101/00. The Group presented its administrative defense which awaits for judgment. The total amount claimed is R\$ 135,738.
  - f. Tax assessment related 2019: An administrative appeal was filed against the assessment, which awaits for judgment by the RFB. The amount claimed is R\$ 193,183.
- (ii) Amortization of goodwill: The Group also received four tax assessments in which the tax authorities challenge the deductibility for Corporate Income Tax (IRPJ) and Social Contribution of Net Profits (CSLL) purposes of the expenses deriving from the amortization of goodwill registered upon the acquisitions made by the Group between 2013 and 2016. According to the tax authorities, the respective goodwill was registered in violation of Laws 9.532/97 and 12.973/14, respectively. Currently, two of the proceedings are pending judgment by the RFB and the other two awaits for judgement by the CARF, considering that the administrative appeals were denied. Also, the Group have filed two lawsuits to prevent the issuance of new tax assessments and/or the application of the 150% penalty by the tax authorities in relation to expenses of such goodwill incurred in other periods. The risk of loss for these claims is classified as possible by the external counsels. The amount claimed is R\$ 92,973.
- (iii) Banco Modal S.A. - Employees Profit Sharing Plans: In March 2016, tax authorities issued an assessment against Banco Modal claiming mainly for allegedly unpaid social security contributions on amounts due and paid to employees as profit sharing plan related to calendar year of 2012. The first administrative appeal was denied, and currently Banco Modal awaits for the judgment of the second appeal by the CARF. The risk of loss for this claim is classified as possible by the external counsels. The total amount claimed is R\$ 7,169.
- (iv) The Group is defendant in 1,979 (December 31, 2023 – 778) civil and administrative claims by customers and investment agents, mainly related to portfolio management, risk rating, copyrights and contract termination. The total amount represents the collective maximum value to which the Group is exposed based on the claims’ amounts monetarily restated.
- (v) The Group is defendant in 310 (December 31, 2023 – 116) labor claims by former employees. The total amount represents the collective maximum value to which the Group is exposed based on the claims’ amounts monetarily restated.



## 21. Total revenue and income

### a) Net revenue from services rendered

Revenue from contracts with customers derives mostly from services rendered and fees charged at daily transactions from customers, therefore mostly recognized at a point in time. Disaggregation of revenue by major service lines are as follows:

| Major service lines                               | Three months period ended<br>March 31, |                  |
|---|--|------------------|
|   | 2024                                   | 2023             |
| Brokerage commission                              | 495,364                                | 494,017          |
| Securities placement                              | 489,528                                | 248,574          |
| Management fees                                   | 410,610                                | 381,645          |
| Insurance brokerage fee                           | 49,141                                 | 41,365           |
| Commission fees                                   | 208,395                                | 189,471          |
| Other services                                    | 127,699                                | 113,989          |
| <b>Gross revenue from services rendered</b>       | <b>1,780,737</b>                       | <b>1,469,061</b> |
| (-) Sales taxes and contributions on services (i) | (156,886)                              | (123,077)        |
| <b>Net revenue from services rendered</b>         | <b>1,623,851</b>                       | <b>1,345,984</b> |

(i) Mostly related to taxes on services (ISS) and contributions on revenue (PIS and COFINS).

### b) Net income/(loss) from financial instruments

|  | Three months period ended<br>March 31, |                  |
|--|--|------------------|
|  | 2024                                   | 2023             |
| Net income/(loss) from financial instruments at fair value through profit or loss  | 2,251,108                              | 1,330,060        |
| Net income/(loss) from financial instruments measured at amortized cost and at fair value through other comprehensive income | 238,333                                | 526,600          |
| <b>Total income from financial instruments</b>   | <b>2,489,441</b>                       | <b>1,856,660</b> |
| (-) Taxes and contributions on financial income  | (60,436)                               | (68,655)         |
| <b>Net income/(loss) from financial instruments</b>  | <b>2,429,005</b>                       | <b>1,788,005</b> |

### c) Disaggregation by geographic location

Breakdown of total net revenue and income and selected assets by geographic location:

|                            | Three months period ended<br>March 31, |                      |
|----------------------------|--|----------------------|
|                            | 2024                                   | 2023                 |
| Brazil                     | 3,872,525                              | 3,022,295            |
| United States              | 164,860                                | 95,965               |
| Europe                     | 15,471                                 | 15,729               |
| <b>Revenues</b>            | <b>4,052,856</b>                       | <b>3,133,989</b>     |
|                            |  |                      |
|                            | March 31,<br>2024                      | December 31,<br>2023 |
| Brazil                     | 14,400,579                             | 13,255,769           |
| United States              | 541,875                                | 508,544              |
| Europe                     | 95,567                                 | 88,395               |
| <b>Selected assets (i)</b> | <b>15,038,021</b>                      | <b>13,852,708</b>    |

(i) Selected assets are total assets of the Group, less: cash, financial assets and deferred tax assets and are presented by geographic location.

None of the clients represented more than 10% of our revenues for the periods presented.

## 22. Operating costs

|                                       | Three months period ended<br>March 31, |                  |
|---------------------------------------|--|------------------|
|                                       | 2024                                   | 2023             |
| <b>Commission and incentive costs</b> | <b>851,598</b>                         | <b>720,918</b>   |
| <b>Operating losses</b>               | <b>39,346</b>                          | <b>40,621</b>    |
| <b>Other costs</b>                    | <b>327,872</b>                         | <b>254,986</b>   |
| Clearing house fees                   | 135,520                                | 100,161          |
| Third parties' services               | 15,350                                 | 16,229           |
| Credit card cashback                  | 102,683                                | 89,731           |
| Other                                 | 74,319                                 | 48,865           |
| <b>Total</b>                          | <b>1,218,816</b>                       | <b>1,016,525</b> |

## 23. Operating expenses by nature

|   | Three months period ended<br>March 31, |                  |
|---|--|------------------|
|   | 2024                                   | 2023             |
| <b>Selling expenses (a)</b>   | <b>32,054</b>                          | <b>14,942</b>    |
| <b>Administrative expenses</b>  | <b>1,451,651</b>                       | <b>1,093,939</b> |
| <b>Personnel expenses</b>   | <b>1,006,627</b>                       | <b>759,662</b>   |
| Compensation  | 392,849                                | 248,888          |
| Employee profit-sharing and bonus                                     | 399,771                                | 305,864          |
| Executives profit-sharing   | 11,979                                 | 36,468           |
| Other personnel expenses (b)  | 202,028                                | 168,442          |
| <b>Other taxes expenses</b>   | <b>33,624</b>                          | <b>18,700</b>    |
| <b>Depreciation of property and equipment and right-of-use assets</b> | <b>28,919</b>                          | <b>26,516</b>    |
| <b>Amortization of intangible assets</b>                              | <b>39,142</b>                          | <b>21,326</b>    |
| <b>Data processing</b>  | <b>210,782</b>                         | <b>155,755</b>   |
| <b>Technical services</b>   | <b>33,933</b>                          | <b>30,086</b>    |
| <b>Third parties' services</b>  | <b>47,930</b>                          | <b>45,107</b>    |
| <b>Other administrative expenses (c)</b>                              | <b>50,694</b>                          | <b>36,787</b>    |
| <b>Total</b>  | <b>1,483,705</b>                       | <b>1,108,881</b> |

(a) Selling expenses refer to advertising and publicity.

(b) Other personnel expenses include benefits, social charges and others.

(c) Other administrative expenses include rent, communication and travel expenses, legal and judicial and other expenses.

## 24. Other operating income (expenses), net

|  | Three months period ended<br>March 31, |                 |
|--|--|-----------------|
|  | 2024                                   | 2023            |
| <b>Other operating income</b>                              | <b>44,310</b>                          | <b>40,080</b>   |
| Revenue from incentives from Tesouro Direto, B3 and others | 9,856                                  | 2,758           |
| Other operating income (a)                                 | 34,454                                 | 37,322          |
| <b>Other operating expenses</b>                            | <b>(35,089)</b>                        | <b>(21,199)</b> |
| Legal proceedings and agreement with customers             | (18,455)                               | (592)           |
| Charity  | (2,483)                                | (4,347)         |
| Other operating expenses (b)                               | (14,151)                               | (16,260)        |
| <b>Total</b>   | <b>9,221</b>                           | <b>18,881</b>   |

(a) Other operating income include recovery of charges and expenses, reversal of operating provisions, interest received on tax and others.

(b) Other operating expenses include fines and penalties, association and regulatory fees and other expenses.

## 25. Share-based plan

### (i) Outstanding shares granted and valuation inputs

The maximum number of shares available for issuance under the share-based plan shall not exceed 5% of the issued and outstanding shares.

Set out below are summaries of XP Inc's Restricted Stock Units ("RSU") and Performance Stock Units ("PSU") activity for the three months period ended March 31, 2024.

| (In thousands, except weighted-average data, and where otherwise stated) | RSUs              | PSUs             | Total             |
|--|-------------------|------------------|-------------------|
|  | Number of units   | Number of units  | Number of units   |
| <b>Outstanding, January 1, 2024</b>                                      | <b>14,600,588</b> | <b>1,588,818</b> | <b>16,189,406</b> |
| Granted  | 1,946,401         | -                | 1,946,401         |
| Forfeited  | (176,352)         | -                | (176,352)         |
| Vested   | (734)             | -                | (734)             |
| <b>Outstanding, March 31, 2024</b>                                       | <b>16,369,903</b> | <b>1,588,818</b> | <b>17,958,721</b> |

For the three months period ended March 31, 2024, total compensation expense of both plans was R\$ 177,648 (2023 - R\$ 68,412), including R\$ 36,192 of tax provisions (2023 - R\$ 29,262) and does not include any tax benefits on total share-based compensation expense once this expense is not deductible for tax purposes. The tax benefits will be perceived when the shares are converted into common shares.

Since the inception of the plans in 2019, the original grant-date fair value of RSU plans has ranged from US\$ 11.16 to US\$ 51.03 and of PSU plans has ranged from US\$ 31.60 to US\$ 64.68.

## 26. Earnings per share (basic and diluted)

Basic earnings per share is calculated by dividing net income for the period attributed to the owners of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing net income attributable to owners of XP Inc by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all dilutive potential shares into shares by applying the treasury stock method. The shares in the share-based plan are the only shares with potential dilutive effect.

The following table presents the calculation of net income applicable to the owners of the parent and basic and diluted EPS for the three months period ended of March 31:

|  | Three months period ended March |               |
|--|---------------------------------|---------------|
|  | 2024                            | 31, 2023      |
| Net income attributable to owners of the Parent              | 1,030,016                       | 795,945       |
| Basic weighted average number of outstanding shares (i)(iii) | 548,429                         | 536,103       |
| <b>Basic earnings per share - R\$</b>                        | <b>1.8781</b>                   | <b>1.4847</b> |
| <i>Effect of dilution</i>                                    |                                 |               |
| Share-based plan (ii) (iii)                                  | 8,246                           | 845           |
| Diluted weighted average number of outstanding shares (iii)  | 556,675                         | 536,948       |
| <b>Diluted earnings per share - R\$</b>                      | <b>1.8503</b>                   | <b>1.4823</b> |

(i) See on Note 18, the number of XP Inc.'s outstanding common shares during the period.

(ii) See on Note 25, the number of shares granted and forfeited during the period regarding XP Inc.'s Share-based plan.

(iii) Thousands of shares.

**27. Determination of fair value**

The Group measures financial instruments such as certain financial investments and derivatives at fair value at each balance sheet date.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The financial instruments included in the level 1 consist mainly in public financial instruments and financial instruments negotiated on active markets (i.e., stock exchanges).

Level 2: The fair value of financial instruments that are not traded in active markets is determined using valuation techniques, which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as an instrument are directly or indirectly observable, the instrument is included in level 2. The financial instruments classified as level 2 are composed mainly from private financial instruments and financial instruments negotiated in a secondary market.

Level 3: If one or more of the significant inputs is unobservable, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- Financial assets (other than derivatives) – The fair value of securities is determined by reference to their closing prices on the date of presentation of the consolidated financial statements. If there is no market price, fair value is estimated based on the present value of future cash flows discounted using the observable rates and market rates on the date of presentation.
- Swap – These operations swap cash flow based on the comparison of profitability between two indexers. Thus, the agent assumes both positions – put in one indexer and call on another.
- Forward – At the market quotation value, and the installments receivable or payable are fixed to a future date, adjusted to present value, based on market rates published at B3.
- Futures – Foreign exchange rates, prices of shares and commodities are commitments to buy or sell a financial instrument at a future date, at a contracted price or yield and may be settled in cash or through delivery. Daily cash settlements of price movements are made for all instruments.
- Options – Option contracts give the purchaser the right to buy or sell the instrument at a fixed price negotiated at a future date. Those who acquire the right must pay a premium to the seller. This premium is not the price of the instrument, but only an amount paid to have the option (possibility) to buy or sell the instrument at a future date for a previously agreed price.
- Other financial assets and liabilities – Fair value, which is determined for disclosure purposes, is calculated based on the present value of the principal and future cash flows, discounted using the observable rates and market rates on the date the financial statements are presented.
- Loans operations – Fair value is determined through the present value of expected future cash flows discounted using the observable rates and market rates on the date the financial statements are presented.
- Contingent consideration – Fair value of the contingent consideration liability related to acquisitions is estimated by applying the income approach and discounting the expected future payments to selling shareholders under the terms of the purchase and sale agreements.

Below are the Group financial assets and liabilities by level within the fair value hierarchy. The Group assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels:

|  | <b>March 31, 2024</b> |                |                |                   |                   |
|--|-----------------------|----------------|----------------|-------------------|-------------------|
|  | <b>Level 1</b>        | <b>Level 2</b> | <b>Level 3</b> | <b>Fair Value</b> | <b>Book Value</b> |
| <b>Financial Assets</b>                                      |                       |                |                |                   |                   |
| <b>Financial assets at Fair value through profit or loss</b> |                       |                |                |                   |                   |
| Securities   | 80,671,702            | 31,513,367     | -              | 112,185,069       | 112,185,069       |
| Derivative financial instruments                             | 3,158,730             | 29,543,480     | -              | 32,702,210        | 32,702,210        |
| Investments in associates measured at fair value             | -                     | -              | 1,449,858      | 1,449,858         | 1,449,858         |

As of March 31, 2024

In thousands of Brazilian Reais, unless otherwise stated

|  |            |            |         |            |            |
|--|------------|------------|---------|------------|------------|
| <b>Fair value through other comprehensive income</b> |            |            |         |            |            |
| Securities   | 40,310,404 | -          | -       | 40,310,404 | 40,310,404 |
| <b>Evaluated at amortized cost</b>                   |            |            |         |            |            |
| Securities   | 1,241,830  | 3,216,833  | -       | 4,458,663  | 4,458,663  |
| Securities purchased under agreements to resell      | -          | 27,893,313 | -       | 27,893,313 | 30,291,271 |
| Securities trading and intermediation                | -          | 2,512,056  | -       | 2,512,056  | 2,512,056  |
| Accounts receivable                                  | -          | 639,142    | -       | 639,142    | 639,142    |
| Loan operations                                      | -          | 27,702,743 | -       | 27,702,743 | 29,541,800 |
| Other financial assets                               | -          | 5,120,680  | -       | 5,120,680  | 5,120,680  |
| <b>Financial liabilities</b>                         |            |            |         |            |            |
| <b>Fair value through profit or loss</b>             |            |            |         |            |            |
| Securities   | 17,061,636 | 466,536    | -       | 17,528,172 | 17,528,172 |
| Derivative financial instruments                     | 2,698,796  | 31,689,959 | -       | 34,388,755 | 34,388,756 |
| <b>Evaluated at amortized cost</b>                   |            |            |         |            |            |
| Securities sold under repurchase agreements          | -          | 45,824,459 | -       | 45,824,459 | 49,054,325 |
| Securities trading and intermediation                | -          | 16,394,818 | -       | 16,394,818 | 16,394,818 |
| Financing instruments payable                        | -          | 62,157,527 | -       | 62,157,527 | 63,037,172 |
| Borrowings   | -          | 2,266,614  | -       | 2,266,614  | 2,266,614  |
| Accounts payables                                    | -          | 954,009    | -       | 954,009    | 954,009    |
| Other financial liabilities                          | -          | 14,248,136 | 571,723 | 14,819,859 | 14,819,859 |

|  | December 31, 2023 |            |           |             |             |
|--|-------------------|------------|-----------|-------------|-------------|
|  | Level 1           | Level 2    | Level 3   | Fair Value  | Book Value  |
| <b>Financial Assets</b>                                      |                   |            |           |             |             |
| <b>Financial assets at Fair value through profit or loss</b> |                   |            |           |             |             |
| Securities   | 92,628,880        | 10,653,332 | -         | 103,282,212 | 103,282,212 |
| Derivative financial instruments                             | 977,441           | 22,756,025 | -         | 23,733,466  | 23,733,466  |
| Investments in associates measured at fair value             | -                 | -          | 1,450,704 | 1,450,704   | 1,450,704   |
| <b>Fair value through other comprehensive income</b>         |                   |            |           |             |             |
| Securities   | 44,062,950        | -          | -         | 44,062,950  | 44,062,950  |
| <b>Evaluated at amortized cost</b>                           |                   |            |           |             |             |
| Securities   | 3,773,404         | 3,082,017  | -         | 6,855,421   | 6,855,421   |
| Securities purchased under agreements to resell              | -                 | 13,551,224 | -         | 13,551,224  | 14,888,978  |
| Securities trading and intermediation                        | -                 | 2,932,319  | -         | 2,932,319   | 2,932,319   |
| Accounts receivable  | -                 | 681,190    | -         | 681,190     | 681,190     |
| Loan operations  | -                 | 28,551,935 | -         | 28,551,935  | 28,551,935  |
| Other financial assets                                       | -                 | 4,208,743  | -         | 4,208,743   | 4,208,473   |
| <b>Financial liabilities</b>                                 |                   |            |           |             |             |
| <b>Fair value through profit or loss</b>                     |                   |            |           |             |             |
| Securities   | 19,949,021        | 474,053    | -         | 20,423,074  | 20,423,074  |
| Derivative financial instruments                             | 662,084           | 24,123,332 | -         | 24,785,416  | 24,785,416  |
| <b>Evaluated at amortized cost</b>                           |                   |            |           |             |             |
| Securities sold under repurchase agreements                  | -                 | 44,589,653 | -         | 44,589,653  | 33,340,511  |
| Securities trading and intermediation                        | -                 | 16,943,539 | -         | 16,943,539  | 16,943,539  |
| Financing instruments payable                                | -                 | 61,098,677 | -         | 61,098,677  | 60,365,590  |
| Borrowings   | -                 | 3,174,285  | -         | 3,174,285   | 2,199,422   |
| Accounts payables  | -                 | 948,218    | -         | 948,218     | 948,218     |
| Other financial liabilities                                  | -                 | 11,659,653 | 571,723   | 12,231,376  | 12,231,376  |

As of March 31, 2024, and December 31, 2023, the total contingent consideration liability is reported at fair value and is dependent on the profitability of the acquired associate and businesses. The total contingent consideration is classified within Level 3 of the fair value hierarchy. The contingent consideration liability represents the maximum amount payable under the purchase and sale agreements discounted using an appropriate rate, which includes the Brazilian risk-free rate. Changes in an average discount rate of 10.04% by 100 bps would increase/decrease the fair value of contingent consideration liability by R\$ 2,270.

The investments held through our investees which are considered to be venture capital investments are classified as Level 3 of the fair value hierarchy. The inputs used by the Group are derived for discounted rates for these investments using a capital asset model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Change in the discount rate by 100 bps would increase/decrease the fair value by R\$ 14,499.

Transfers into and out of fair value hierarchy levels are analyzed at the end of each consolidated financial statement. As of March 31, 2024, the Group had no transfers between Level 2 and Level 3.

## 28. Management of financial risks and financial instruments

The Group's activities are exposed to a variety of financial risks: credit risk, liquidity risk, market risk (including currency risk, interest rate risk and price risk), and operational risk. The Group's overall risk management structure focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to mitigate certain risk exposures. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

Management has overall responsibility for establishing and supervising the risk management structure of the Group. Risk Management is under a separated structure from business areas, reporting directly to senior management, to ensure exemption of conflict of interest, and segregation of functions appropriate to good corporate governance and market practices.

The risk management policies of the Group are established to identify and analyze the risks faced, to set appropriate risk limits and controls, and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the activities of the Group. The Group, through its training and management standards and procedures, developed a disciplined and constructive control environment within which all its employees are aware of their duties and obligations.

Regarding the subsidiary Banco XP and the other subsidiaries components of XP Prudential Conglomerate (Brazilian Central Bank oversight definition), the organizational structure is based on the recommendations proposed by the Basel Accord, in which procedures, policies and methodology are formalized consistent with risk tolerance and with the business strategy and the various risks inherent to the operations and/or processes, including market, liquidity, credit and operating risks. The Group seeks to follow the same risk management practices as those applying to all companies.

Such risk management processes are also related to going concern management procedures, mainly in terms of formulating impact analyses, business continuity plans, contingency plans, backup plans and crisis management.

The unaudited interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as of December 31, 2023. There have been no changes in the risk management department or in any risk management policies since the year-end.

### Sensitivity analysis

According to the market information, the Group performed the sensitivity analysis by market risk factors considered relevant. The largest losses, by risk factor, in each of the scenarios were presented with an impact on the profit or loss, providing a view of the exposure by risk factor of the Group in exceptional scenarios. The following sensitivity analyzes do not consider the functioning dynamics of risk and treasury areas, since once these losses are detected, risk mitigation measures are quickly triggered, minimizing the possibility of significant losses.

| Trading portfolio   | Exposures                      | March 31, 2024  |                  |                  |
|---------------------|--------------------------------|-----------------|------------------|------------------|
|                     |                                | Scenarios       |                  |                  |
| Risk factors        | Risk of variation in:          | I               | II               | III              |
| Fixed interest rate | Fixed interest rate in Reais   | (1,269)         | (145,236)        | (277,958)        |
| Exchange coupons    | Foreign currencies coupon rate | (146)           | (20,990)         | (42,454)         |
| Foreign currencies  | Exchange rates                 | (7,954)         | 89,133           | 442,952          |
| Price indexes       | Inflation coupon rates         | (12)            | (990)            | (1,769)          |
| Shares              | Shares prices                  | (2,020)         | (91,649)         | (277,622)        |
| Seed money (i)      | Seed money                     | (2,872)         | (71,807)         | (143,614)        |
|                     |                                | <b>(14,273)</b> | <b>(241,539)</b> | <b>(300,465)</b> |

|                     |                                | December 31,<br>2023 |               |                |
|---------------------|--------------------------------|----------------------|---------------|----------------|
| Trading portfolio   | Exposures                      | Scenarios            |               |                |
| Risk factors        | Risk of variation in:          | I                    | II            | III            |
| Fixed interest rate | Fixed interest rate in Reais   | (258)                | 21,269        | 22,753         |
| Exchange coupons    | Foreign currencies coupon rate | (367)                | (18,174)      | (36,588)       |
| Foreign currencies  | Exchange rates                 | 331                  | 343,440       | 907,349        |
| Price indexes       | Inflation coupon rates         | (103)                | (12,998)      | (24,579)       |
| Shares              | Shares prices                  | (3,472)              | (251,572)     | (289,613)      |
| Seed money (i)      | Seed money                     | (2,822)              | (70,566)      | (141,133)      |
|                     |                                | <b>(6,691)</b>       | <b>11,399</b> | <b>438,189</b> |

(i) Related to seed money strategy, which includes several risk factors that are disclosed in aggregate.

Scenario I: Increase of 1 basis point in the rates in the fixed interest rate yield, exchange coupons, inflation and 1 percentage point in the prices of shares, commodities and currencies;

Scenario II: Project a variation of 25 percent in the rates of the fixed interest yield, exchange coupons, inflation, prices of shares, commodities and currencies, both rise and fall, being considered the largest losses resulting by risk factor; and

Scenario III: Project a variation of 50 percent in the rates of the fixed interest yield, exchange coupons, inflation, prices of shares, commodities and currencies, both rise and fall, being considered the largest losses resulting from the risk factor.

## 29. Capital Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group also monitors capital based on the net debt and the gearing ratio. Net debt is calculated as total debt (including borrowings, lease liabilities, structured financing and debentures as shown in the balance sheet) less cash and cash equivalent (including cash, securities purchased under resale agreements and certificate deposits as shown in the statement of cash flows). The gearing ratio corresponds to the net debt expressed as a percentage of total capital.

The net debt and corresponding gearing ratios as of March 31, 2024, and December 31, 2023, were as follows:

|  | March 31,<br>2024 | December 31,<br>2023 |
|--|-------------------|----------------------|
| Group debt (Note 30) (i)   | 8,715,221         | 8,512,319            |
| Structured financing (Note 15 (b))                               | 2,976,433         | 1,841,790            |
| <b>Total debt</b>  | <b>11,691,654</b> | <b>10,354,109</b>    |
| Cash   | (3,938,578)       | (3,943,307)          |
| Securities purchased under resale agreements (Note 3 (a))        | (1,005,478)       | (2,760,296)          |
| Bank deposit certificates (Note 4 (a))                           | (58,572)          | (67,985)             |
| Other deposits at Brazilian Central Bank (Note 15 (a))           | (90,000)          | (2,438,896)          |
| <b>Net debt</b>  | <b>6,599,026</b>  | <b>1,143,625</b>     |
| <b>Total Equity attributable to owners of the Parent company</b> | <b>20,421,216</b> | <b>19,449,352</b>    |
| <b>Total capital</b>   | <b>27,020,242</b> | <b>20,592,977</b>    |
| <b>Gearing ratio %</b>   | <b>24.42%</b>     | <b>5.55%</b>         |

### (i) Minimum capital requirements

Although capital is managed considering the consolidated position, certain subsidiaries are subject to minimum capital requirement from local regulators.

The subsidiary Banco XP, leader of the Prudential Conglomerate (which includes XP CCTVM, XP DTVM, Banco Modal and Modal DTVM), under BACEN regulation regime, is required to maintain a minimum capital and follow aspects from the Basel Accord.

The subsidiary XP Vida e Previdência operates in retirement plans and insurance business and is oversight by the SUSEP, being required to present Adjusted Shareholders' Equity (PLA) equal to or greater than the Minimum Required Capital ("CMR"), CMR is equivalent to the highest value between base capital and Venture Capital Liquidity ("CR").

On March 31, 2024, the subsidiaries Banco XP, XP Vida e Previdência and XP Administradora de Benefícios were in compliance with all capital requirements.

There is no requirement for compliance with a minimum capital for the other Group companies.

**30. Cash flow information**

**(i) Debt reconciliation**

|   | Borrowings       | Lease liabilities | Debt securities (i)  |                  | Total            |
|---|------------------|-------------------|----------------------|------------------|------------------|
|   |                  |                   | Debentures and notes | Bonds            |                  |
| <b>Total debt as of January 1, 2023</b> | <b>1,865,880</b> | <b>285,638</b>    | <b>2,596,519</b>     | <b>3,911,383</b> | <b>8,659,420</b> |
| Acquisitions / Issuance                 | -                | -                 | 134,598              | -                | 134,598          |
| Payments/repurchase                     | -                | (27,477)          | -                    | -                | (27,477)         |
| Net foreign exchange differences        | (61,610)         | (3,380)           | -                    | (148,910)        | (213,900)        |
| Interest accrued                        | 20,911           | 6,146             | 91,009               | 34,731           | 152,797          |
| Interest paid                           | -                | -                 | (6,883)              | -                | (6,883)          |
| <b>Total debt as of March 31, 2023</b>  | <b>1,825,181</b> | <b>260,927</b>    | <b>2,815,243</b>     | <b>3,797,204</b> | <b>8,698,555</b> |
| <b>Total debt as of January 1, 2024</b> | <b>2,199,422</b> | <b>304,762</b>    | <b>2,806,774</b>     | <b>3,546,567</b> | <b>8,857,525</b> |
| Acquisitions / Issuance                 | -                | -                 | -                    | -                | -                |
| Payments/repurchase                     | (26,706)         | (26,735)          | -                    | -                | (53,441)         |
| Write-offs                              | -                | (16,116)          | -                    | -                | (16,116)         |
| Net foreign exchange differences        | 52,704           | (1,409)           | -                    | 110,050          | 161,345          |
| Interest accrued                        | 41,194           | 4,979             | 88,030               | 32,910           | 167,113          |
| Interest paid                           | -                | -                 | (10,064)             | -                | (10,064)         |
| <b>Total debt as of March 31, 2024</b>  | <b>2,266,614</b> | <b>265,481</b>    | <b>2,884,740</b>     | <b>3,689,527</b> | <b>9,106,362</b> |

Debt securities includes Debentures measured at FVPL presented in Note 4(e) and does not include fair value adjustments of (i) Debentures - R\$ 137,811 (R\$ 120,280 - December 31, 2023) and (ii) Bonds - R\$ 253,329 (R\$ 224,927 - December 31, 2023).

**ii) Cash reconciliation for investing and financing activities**

During the three months period ended March 31, 2024, the Group paid R\$ 670,464 in connection with the minority stake acquisitions in Monte Bravo JV S.A. ("Monte Bravo"), Blue3 S.A. ("Blue3"), and Ável Participações Ltda. ("Ável") disclosed in Note 2(d)(b)(i).



**XP**  **inc.**