



2Q21 Earnings Presentation

Important Disclosure

IN REVIEWING THE INFORMATION CONTAINED IN THIS PRESENTATION, YOU ARE AGREEING TO ABIDE BY THE TERMS OF THIS DISCLAIMER. THIS INFORMATION IS BEING MADE AVAILABLE TO EACH RECIPIENT SOLELY FOR ITS INFORMATION AND IS SUBJECT TO AMENDMENT. This presentation is prepared by XP Inc. (the “Company,” “we” or “our”), is solely for informational purposes. This presentation does not constitute a prospectus and does not constitute an offer to sell or the solicitation of an offer to buy any securities. In addition, this document and any materials distributed in connection with this presentation are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

This presentation was prepared by the Company. Neither the Company nor any of its affiliates, officers, employees or agents, make any representation or warranty, express or implied, in relation to the fairness, reasonableness, adequacy, accuracy or completeness of the information, statements or opinions, whichever their source, contained in this presentation or any oral information provided in connection herewith, or any data it generates and accept no responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) in relation to any of such information. The information and opinions contained in this presentation are provided as at the date of this presentation, are subject to change without notice and do not purport to contain all information that may be required to evaluate the Company. The information in this presentation is in draft form and has not been independently verified. The Company and its affiliates, officers, employees and agents expressly disclaim any and all liability which may be based on this presentation and any errors therein or omissions therefrom. Neither the Company nor any of its affiliates, officers, employees or agents makes any representation or warranty, express or implied, as to the achievement or reasonableness of future projections, management targets, estimates, prospects or returns, if any.

The information contained in this presentation does not purport to be comprehensive and has not been subject to any independent audit or review. Certain of the financial information as of and for the periods ended December 31, 2019, 2018 and 2017 has been derived from audited financial statements and all other financial information has been derived from unaudited interim financial statements. A significant portion of the information contained in this presentation is based on estimates or expectations of the Company, and there can be no assurance that these estimates or expectations are or will prove to be accurate. The Company’s internal estimates have not been verified by an external expert, and the Company cannot guarantee that a third party using different methods to assemble, analyze or compute market information and data would obtain or generate the same results.

Statements in the presentation, including those regarding the possible or assumed future or other performance of the Company or its industry or other trend projections, constitute forward-looking statements. These statements are generally identified by the use of words such as “anticipate,” “believe,” “could,” “expect,” “should,” “plan,” “intend,” “estimate” and “potential,” among others. By their nature, forward-looking statements are necessarily subject to a high degree of uncertainty and involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements and there can be no assurance that such forward-looking statements will prove to be correct. These risks and uncertainties include factors relating to: (1) general economic, financial, political, demographic and business conditions in Brazil, as well as any other countries we may serve in the future and their impact on our business; (2) fluctuations in interest, inflation and exchange rates in Brazil and any other countries we may serve in the future; (3) competition in the financial services industry; (4) our ability to implement our business strategy; (5) our ability to adapt to the rapid pace of technological changes in the financial services industry; (6) the reliability, performance, functionality and quality of our products and services and the investment performance of investment funds managed by third parties or by our asset managers; (7) the availability of government authorizations on terms and conditions and within periods acceptable to us; (8) our ability to continue attracting and retaining new appropriately-skilled employees; (9) our capitalization and level of indebtedness; (10) the interests of our controlling shareholders; (11) changes in government regulations applicable to the financial services industry in Brazil and elsewhere; (12) our ability to compete and conduct our business in the future; (13) the success of operating initiatives, including advertising and promotional efforts and new product, service and concept development by us and our competitors; (14) changes in consumer demands regarding financial products, customer experience related to investments and technological advances, and our ability to innovate to respond to such changes; (15) changes in labor, distribution and other operating costs; (16) our compliance with, and changes to, government laws, regulations and tax matters that currently apply to us; (17) the negative impacts of the COVID-19 pandemic on global, regional and national economies and the related market volatility and protracted economic downturn; and (18) other factors that may affect our financial condition, liquidity and results of operations. Accordingly, you should not place undue reliance on forward-looking statements. The forward-looking statements included herein speak only as at the date of this presentation and the Company does not undertake any obligation to update these forward-looking statements. Past performance does not guarantee or predict future performance. Moreover, the Company and its affiliates, officers, employees and agents do not undertake any obligation to review, update or confirm expectations or estimates or to release any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of the presentation. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented and we do not intend to update any of these forward-looking statements.

Market data and industry information used throughout this presentation are based on management’s knowledge of the industry and the good faith estimates of management. The Company also relied, to the extent available, upon management’s review of industry surveys and publications and other publicly available information prepared by a number of third party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although the Company believes that these sources are reliable, there can be no assurance as to the accuracy or completeness of this information, and the Company has not independently verified this information.

The contents hereof should not be construed as investment, legal, tax or other advice and you should consult your own advisers as to legal, business, tax and other related matters concerning an investment in the Company. The Company is not acting on your behalf and does not regard you as a customer or a client. It will not be responsible to you for providing protections afforded to clients or for advising you on the relevant transaction.

This presentation also includes certain non-GAAP financial information. We believe that such information is meaningful and useful in understanding the activities and business metrics of the Company’s operations. We also believe that these non-GAAP financial measures reflect an additional way of viewing aspects of the Company’s business that, when viewed with our International Financial Reporting Standards (“IFRS”) results, as issued by the International Accounting Standards Board, provide a more complete understanding of factors and trends affecting the Company’s business. Further, investors regularly rely on non-GAAP financial measures to assess operating performance and such measures may highlight trends in the Company’s business that may not otherwise be apparent when relying on financial measures calculated in accordance with IFRS. We also believe that certain non-GAAP financial measures are frequently used by securities analysts, investors and other interested parties in the evaluation of public companies in the Company’s industry, many of which present these measures when reporting their results. The non-GAAP financial information is presented for informational purposes and to enhance understanding of the IFRS financial statements. The non-GAAP measures should be considered in addition to results prepared in accordance with IFRS, but not as a substitute for, or superior to, IFRS results. As other companies may determine or calculate this non-GAAP financial information differently, the usefulness of these measures for comparative purposes is limited. A reconciliation of such non-GAAP financial measures to the nearest GAAP measure is included in this presentation.

For purposes of this presentation:

“Active Clients” means the total number of retail clients served through our XP Investimentos, Rico, Clear, XP Investments and XP Private (Europe) brands, with an AUC above R\$100.00 or that have transacted at least once in the last thirty days. For purposes of calculating this metric, if a client holds an account in more than one of the aforementioned entities, such client will be counted as one “active client” for each such account. For example, if a client holds an account in each of XP Investimentos and Rico, such client will count as two “active clients” for purposes of this metric.

“Assets Under Custody (AUC)” means the market value of all client assets invested through XP’s platform, including equities, fixed income securities, mutual funds (including those managed by XP Gestão de Recursos Ltda., XP Advisory Gestão Recursos Ltda. and XP Vista Asset Management Ltda., as well as by third-party asset managers), pension funds (including those from XP Vida e Previdência S.A., as well as by third-party insurance companies), exchange traded funds, COEs (Structured Notes), REITs, and uninvested cash balances (Floating Balances), among others.

Index

01 Opening Remarks

02 Highlights

03 2Q21 KPIs and Financials

04 Q&A

A blue gradient background on the left side of the slide, transitioning from a darker blue at the bottom to a lighter blue at the top.

1 Opening Remarks

Connecting the Dots to Build a Leading Ecosystem

XP's revenue represent slightly more than 1% of the Brazilian Financial Industry

INVESTMENTS

BUILDING MOATS

- EDUCATION
- CLIENT CENTRICITY
- DISTRIBUTION CAPABILITIES
- HARD TO PENETRATE
- TRUSTED BRAND
- PROFITABILITY

INROADS INTO NEW VERTICALS

LEVERS TO ACCELERATE GROWTH

- INSURANCE
- PENSION FUNDS
- CREDIT
- CREDIT CARD
- FX
- COMPANIES (SMB TO CORPORATE)

TAM EXPANSION

THE BIG DREAM GETS BIGGER

- + BRAZILIAN INDIVIDUALS AND COMPANIES ADRESSED
- + SHARE OF WALLET
- + CROSS SELLING

R\$ 70 BILLION TAM

2001-2019

Building a unique business while competing with large banks

R\$ 350 BILLION TAM

2019-2021

Paving the way to enhance relationships and expand TAM

R\$ 800 BILLION TAM

2022 ONWARDS

Reaping the benefits of a truly complete ecosystem



2 Highlights

Highlights

2Q21 Results

- **Strongest Quarter Ever (Again)**

M&As

- **Broker Dealers**
- **Independent Asset Managers**

Bond Issuance

- **Access to a sizeable and liquid market**

Brand Awareness

- **XP Private** awarded by Euromoney as Latin America's best bank for wealth management 2021
- **Main Sponsor** Investor in the **Brazilian Olympic Committee in Tokyo 2020**

A large blue graphic element on the left side of the slide, consisting of a dark blue triangle at the bottom left and a lighter blue triangle at the top left, meeting at a diagonal line.

3 2Q21 KPIs and Financials

Investments

Total AuC

R\$817 Billion

+88% YoY

Active Clients

3.1 Million

+33% YoY

Net Inflows

R\$75 Billion

+159% YoY

Banking

Credit Portfolio¹

R\$6.8 Billion

+17x YoY

Credit Card TPV

R\$2.1 Billion

+4x QoQ

NPL Ratio

0%

Financials

Gross Revenue

R\$3.2 Billion

+57% YoY

Adjusted EBITDA²

R\$1.2 Billion

+77% YoY

Adjusted Net Income²

R\$1.0 Billion

+83% YoY

NPS³ Jun-21: 76

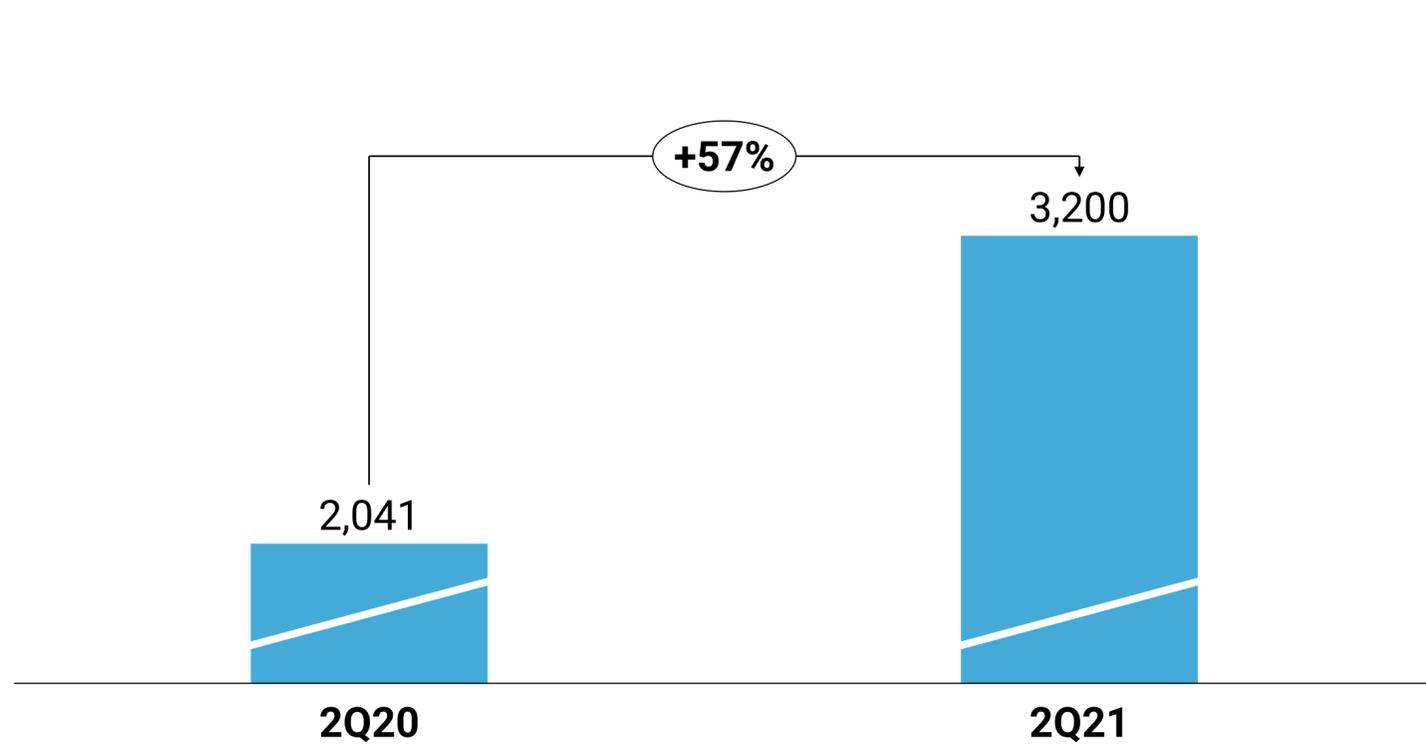
(1) Does not include Credit Card related loans and receivables

(2) See appendix for a reconciliation of Adjusted Net Income and Adjusted EBITDA

(3) NPS, is an independent widely known survey methodology that measures the willingness of customers to recommend a Company's products and services. The NPS calculation as of a given date reflects the average of the answers in the previous six months

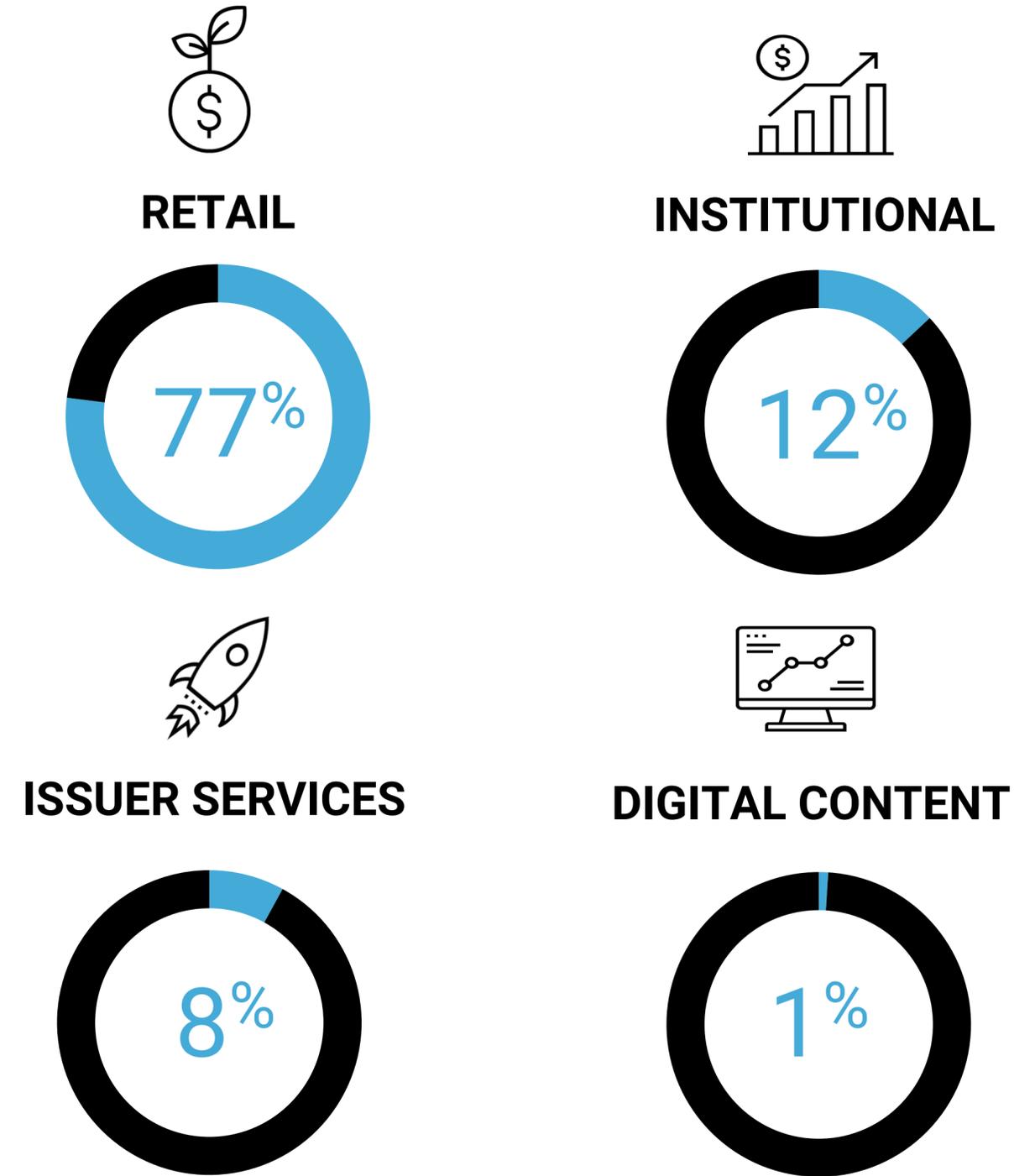
Revenue and Breakdown

Total Gross Revenues (in R\$ mn)



Highlights

- Strong growth leading to a new record, across different channels, with Retail contributing with 84% of the growth.
- Institutional recorded the best quarter so far, driven by intense Fixed income activity, benefiting from recent changes in Selic rate.



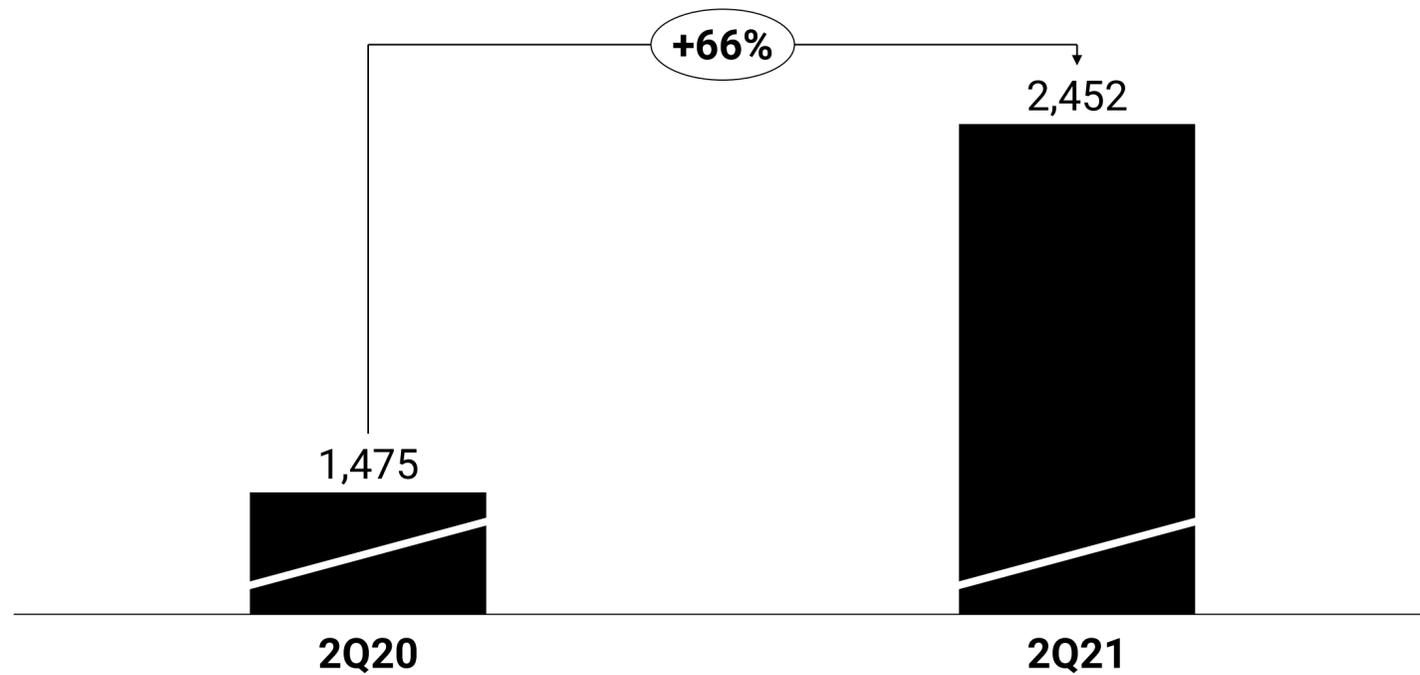
of 2Q21 Total Gross Revenue

Other Revenue represented 3% of Total Gross Revenues

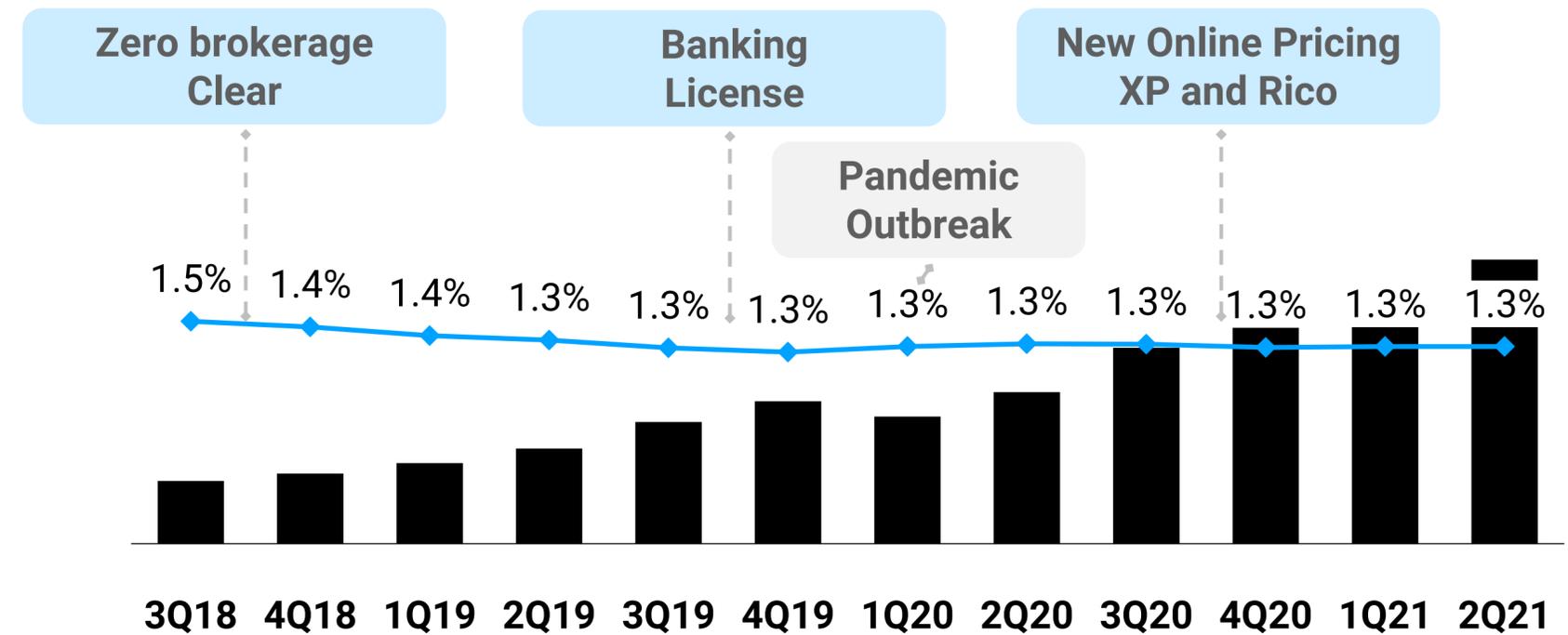
Retail Revenue and Take Rate

Resilient monetization and product diversification

Retail Revenue (in R\$ mn)



LTM Take Rate (LTM Retail Revenue / Average AUC)



Highlights

- Resilient revenue generation Retail despite steady volumes in equities and futures. Key growth drivers were Financial Products and Fixed Income.
- On 2Q21, Retail related revenues represented 82% of consolidated Net Income from Financial Instruments.

Highlights

- Ability to add new products and services in the platform – such as credit cards and credit, and diversified revenue profile.

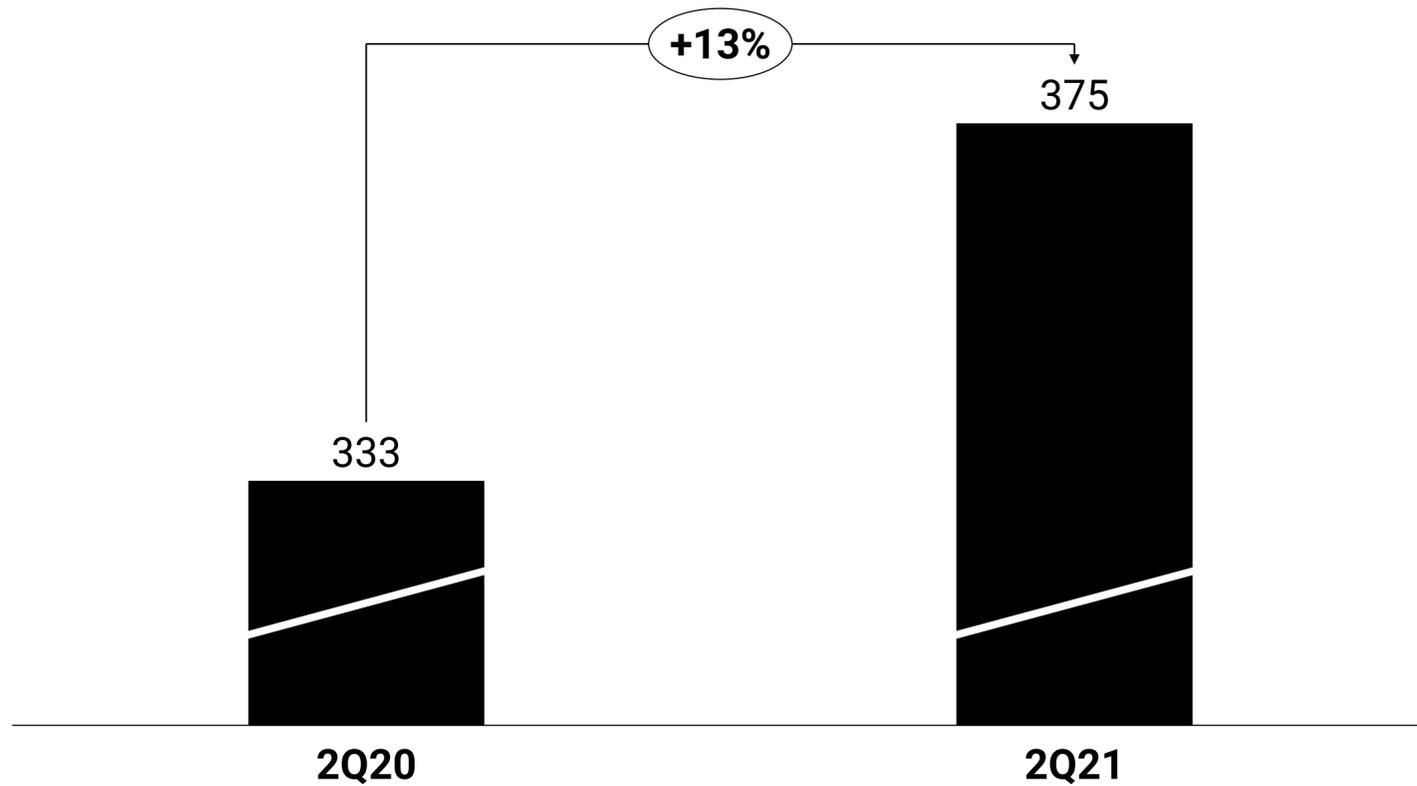
■ AUC
◆ LTM Take Rate

Note: Average AUC = (Sum of AUC from the beginning of period and each-quarter end in a given year, being 5 data points in one year)/5

Institutional

Institutional benefited from fixed income volumes

Institutional Revenue (in R\$ mn)

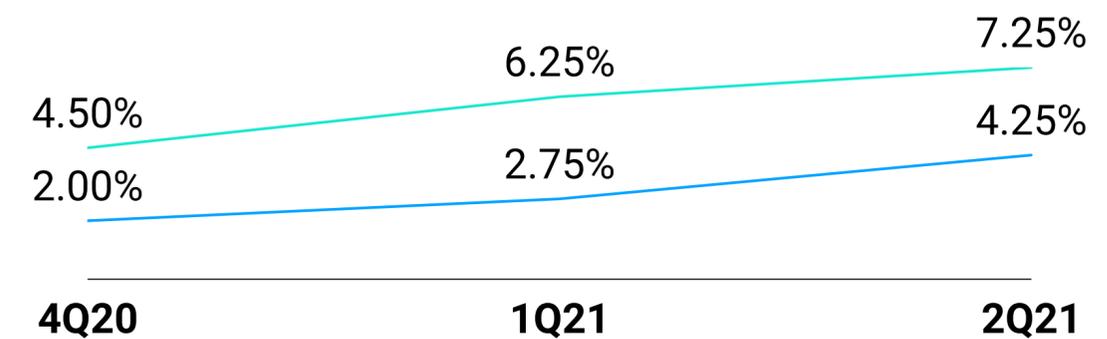


Revenue Growth QoQ



Highlights

- Fixed Income activity was strong – benefiting from recent increases in interest rates in Brazil – driving the channel to record its best quarter so far, despite high equity trading volumes in 2Q20.



— Selic Rate EoP
 — Expected Selic for 2021 EoP ⁽¹⁾

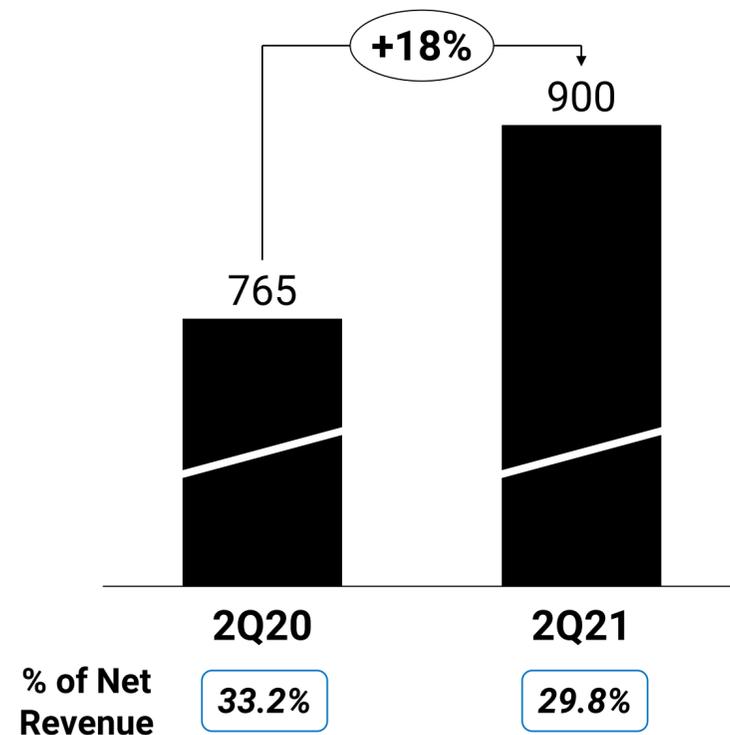
(1) Source - XP Department of Economy

Adjusted EBITDA and Margin

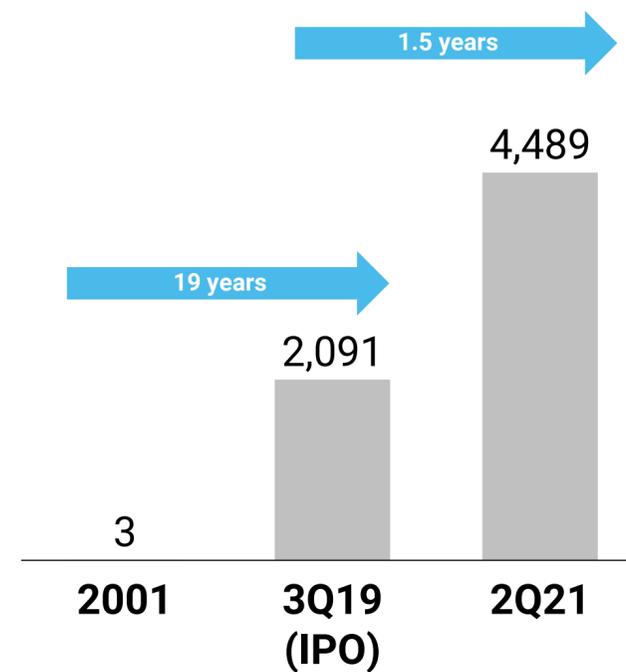
Operational Leverage despite investments in technology, client experience and product offering

Operating Expenses (in R\$ mn)

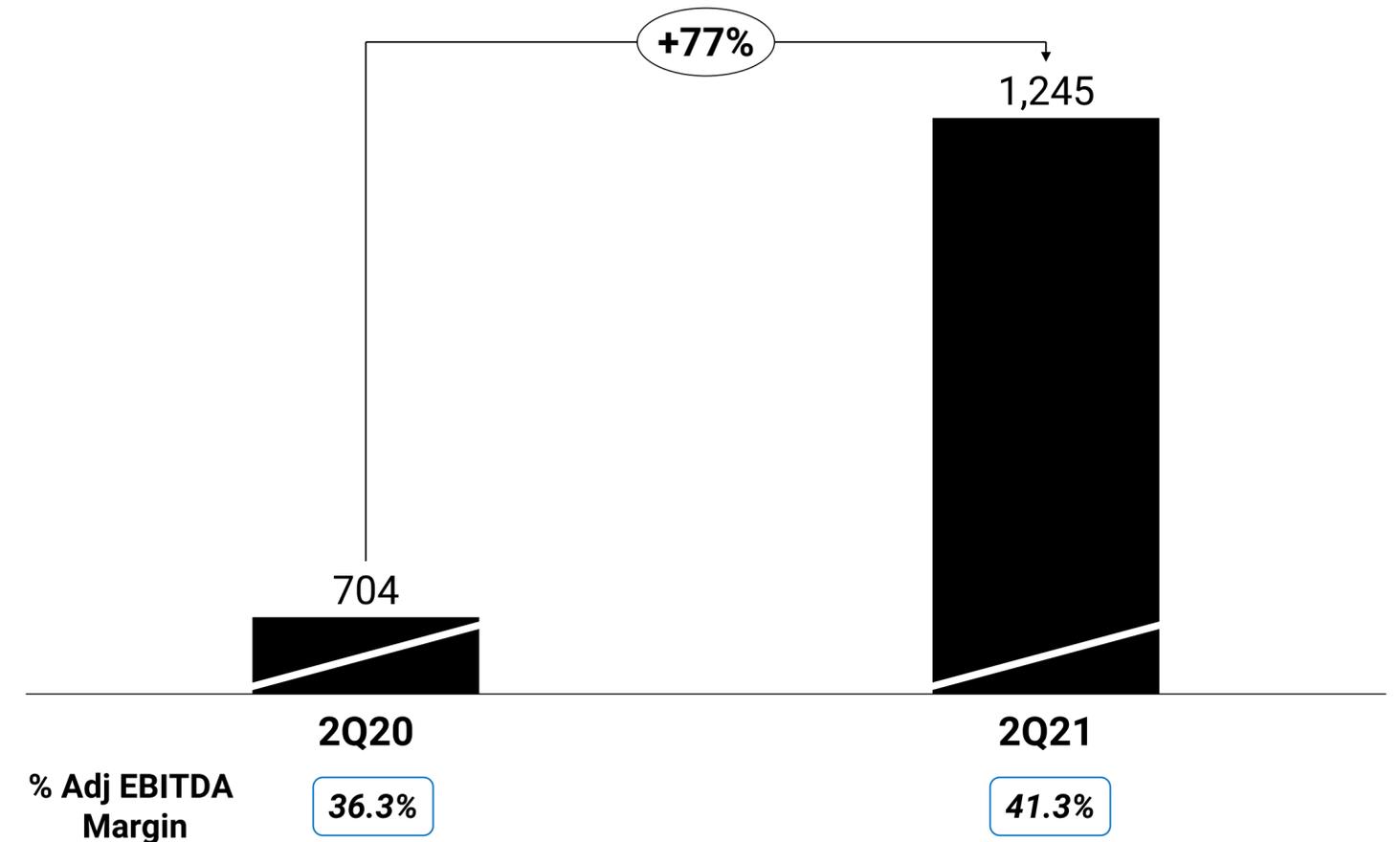
SG&A¹



Headcount Evolution



Adjusted EBITDA² (in R\$ mn)



Highlights

- Despite growing our headcount by 53% year-over-year, continuously investing in technology and new verticals, and deploying new products, we increased efficiency, reducing expenses as a percentage of net revenue by 340 bps.

Highlights

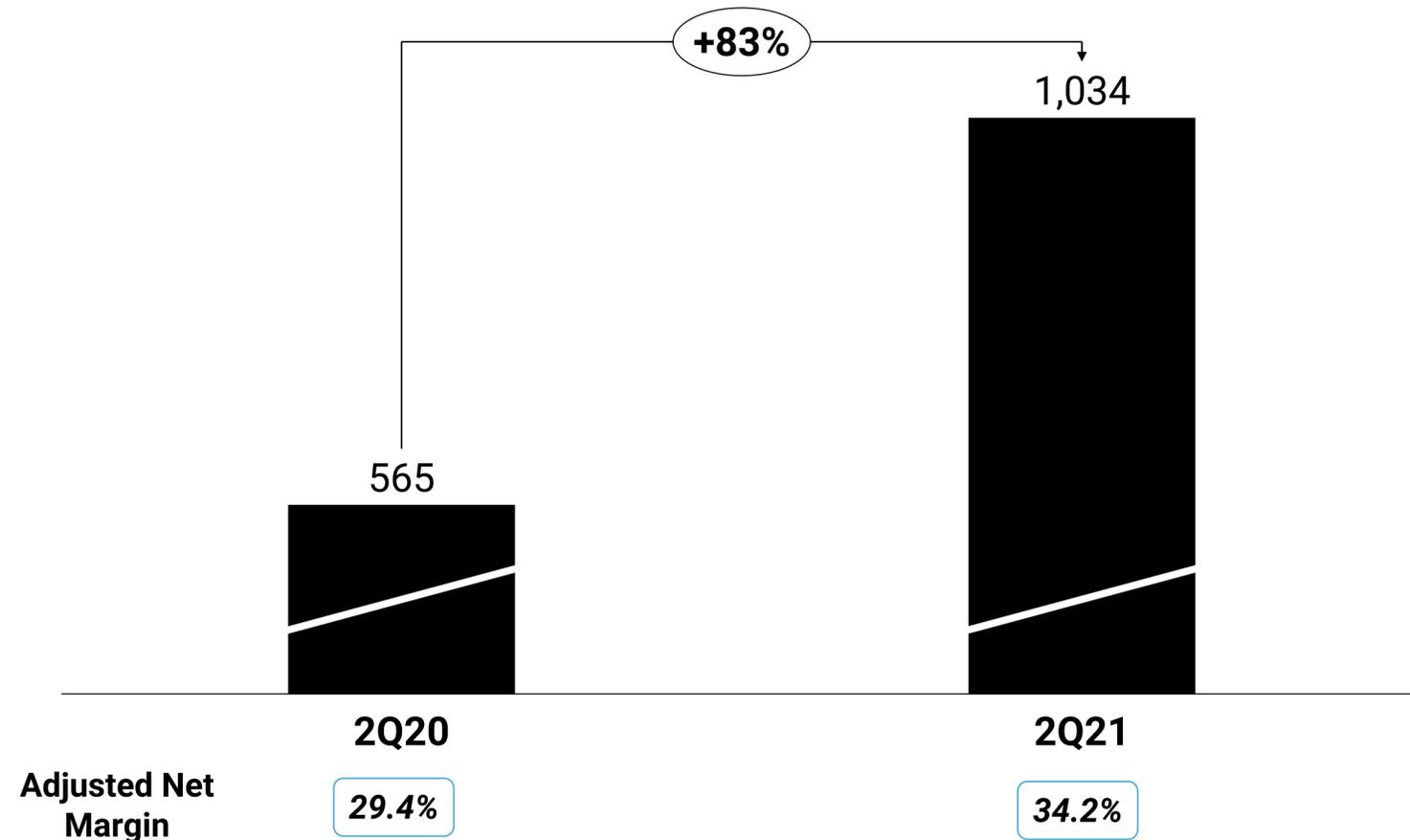
- Result of a scalable business model, with significant cross-sell and operating leverage opportunities
- Main drivers were (1) top line increase, mainly coming from Retail; (2) higher gross margins, and (3) operating leverage in SG&A.

(1) Excluding Share Based Compensation
 (2) See appendix for a reconciliation of Adjusted EBITDA.

Adjusted Net Income and Margin

Net margin expansion driven by strong growth in Retail, operating leverage and a lower tax rate

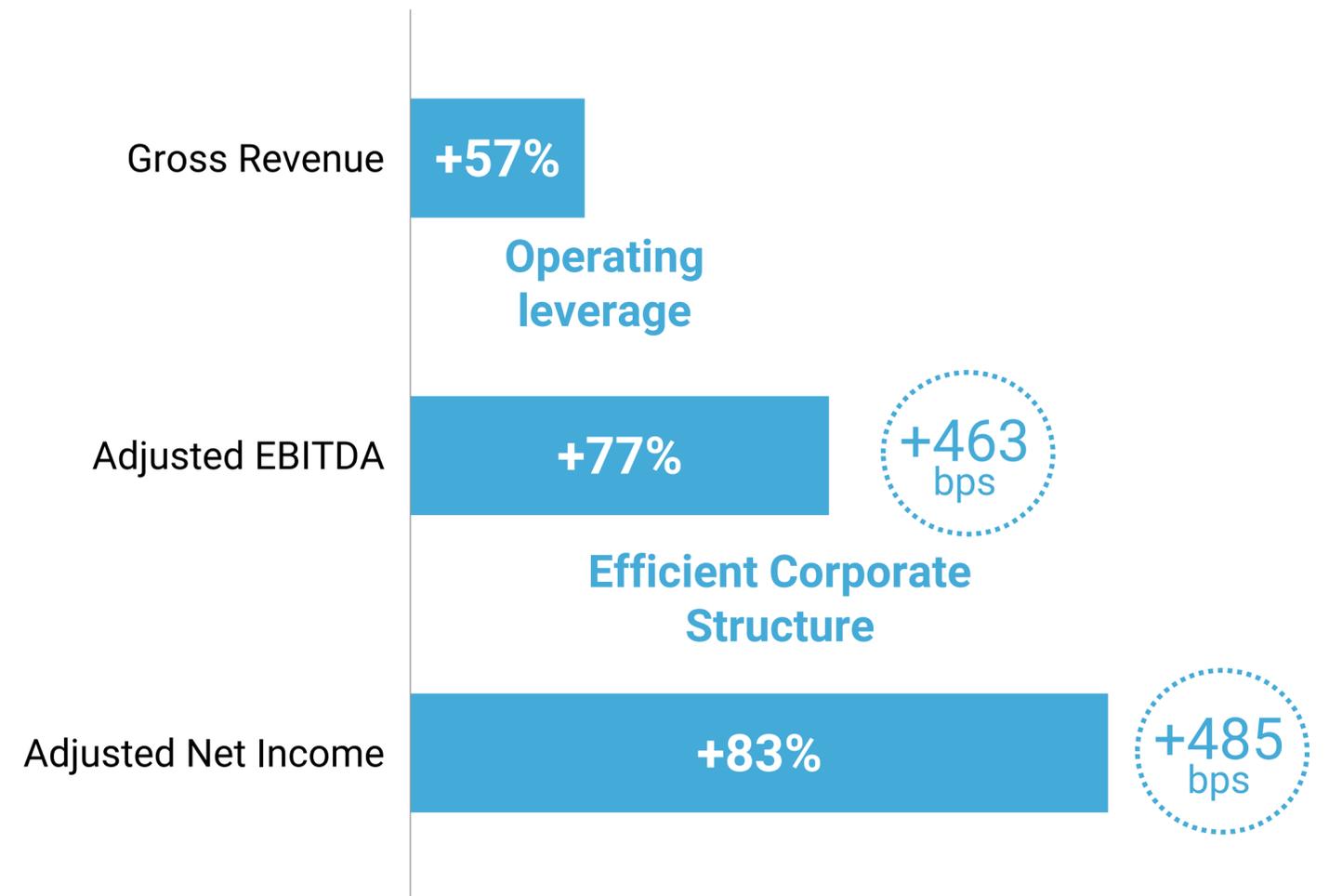
Adjusted Net Income (in R\$ mn)



Highlights

- Adjusted Net Income grew 83% vs. 2Q20, explained by (1) strong growth in Retail Revenue, (2) operating leverage in SG&A and (3) a lower effective tax rate.

YoY Growth Across 2Q21 P&L



Margin expansion YoY

Note: See appendix for a reconciliation of Adjusted Net Income.



Q&A

The logo for XP Inc. is centered on a black rectangular background. It features the letters "XP" in a bold, white, sans-serif font. A blue parallelogram shape is positioned behind the "P" and extends to the right, partially overlapping the "Inc." text. The word "Inc." is also in a bold, white, sans-serif font, with a period at the end.

XP Inc.

Investor Relations

ir@xpi.com.br

<https://investors.xpinc.com/>



Appendix

Non-GAAP Financial Information

Floating and Adjusted Gross Financial Assets

Floating Balance (in R\$ mn)

Floating Balance (=net uninvested clients' deposits)	2Q21	1Q21
Assets	(2,776)	(3,184)
(-) Securities trading and intermediation	(2,776)	(3,184)
Liabilities	20,814	20,399
(+) Securities trading and intermediation	20,814	20,399
(=) Floating Balance	18,038	17,214

Adjusted Gross Financial Assets (in R\$ mn)

Adjusted Gross Financial Assets	2Q21	1Q21
Assets	105,113	113,590
(+) Cash	1,237	1,557
(+) Securities - Fair value through profit or loss	45,360	62,855
(+) Securities - Fair value through other comprehensive income	23,701	21,629
(+) Securities - Evaluated at amortized cost	988	1,916
(+) Derivative financial instruments	15,485	13,587
(+) Securities purchased under agreements to resell	8,174	6,741
(+) Loan Operations	7,964	5,041
(+) Foreign exchange portfolio	2,204	263
Liabilities	(73,704)	(85,205)
(-) Securities loaned	(2,790)	(2,706)
(-) Derivative financial instruments	(16,373)	(13,564)
(-) Securities sold under repurchase agreements	(16,062)	(44,483)
(-) Private Pension Liabilities	(22,046)	(16,897)
(-) Deposits	(6,628)	(4,003)
(-) Structured Operations	(4,198)	(2,841)
(-) Financial Bills	(2,160)	(83)
(-) Foreign exchange portfolio	(2,324)	(322)
(-) Credit cards operations	(1,124)	(307)
(-) Floating Balance	(18,038)	(17,214)
(=) Adjusted Gross Financial Assets	13,372	11,170

Non-GAAP Financial Information

Adjusted Assets (from the factors listed below) reflects our business more realistically

Simplified Balance Sheet (in R\$ mn)

Assets	[A]	[B] Pension Funds	[A-B]	[C] Floating	[A-B-C]	[D] Client Liquidity & Sov. Bonds Arb.	Adjusted Assets [A-B-C-D]
Total	114,321	22,046	92,276	20,814	71,462	31,546	39,915
Securities - Fair Value through P&L	45,360	22,046	23,315	-	23,315	2,225	21,090
Securities - Repos	8,174	-	8,174	-	8,174	8,174	-
Securities - Fair Value through OCI	23,701	-	23,701	18,038	5,663	5,663	-
Securities - Trading & Intermediation	2,776	-	2,776	2,776	-	-	-
Other Financial Instruments	16,472	-	16,472	-	16,472	15,485	988
Other Assets	17,838	-	17,838	-	17,838	-	17,838

Liabilities + Equity	[A]	[B] Pension Funds	[A-B]	[C] Floating	[A-B-C]	[D] Client Liquidity & Sov. Bonds Arb.	Adjusted Liabilities & Equity [A-B-C-D]
Total	114,321	22,046	92,276	20,814	71,462	31,546	39,915
Securities - Repos	16,062	-	16,062	-	16,062	16,062	-
Other Finan. Liab.	19,163	-	19,163	-	19,163	15,485	3,678
Pension Funds	22,046	22,046	-	-	-	-	-
Securities - Trading & Intermediation	20,814	-	20,814	20,814	-	-	-
Other Liabilities & Equity	36,237	-	36,237	-	36,237	-	36,237

Key factors inflating our balance sheet

[B] Pension Funds

- AUM from XP Vida & Previdência is accounted in both assets and liabilities

[C] Floating

- Uninvested cash from clients allocated in sovereign bonds

[D] Client Liquidity & Sovereign Bonds Arbitrage

- Providing liquidity to clients with derivatives
- Money market funding (repos mostly) allocated into sovereign bonds targeting arbitrage opportunities

Non-GAAP Financial Information

Adjusted EBITDA and Adjusted Net Income

Adjusted EBITDA (in R\$ mn)

	2Q21	2Q20	YoY	1Q21	QoQ
EBITDA	1,080	663	63%	864	25%
(+) Share Based Compensation	165	40	309%	178	-7%
Adj. EBITDA	1,245	704	77%	1,043	19%

Adjusted Net Income (in R\$ mn)

	2Q21	2Q20	YoY	1Q21	QoQ
Net Income	931	540	72%	734	27%
(+) Share Based Compensation	165	40	309%	178	-7%
(+/-) Taxes	(63)	(16)	292%	(67)	-6%
Adj. Net Income	1,034	565	83%	846	22%