

**XP  inc.**

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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 Client Assets 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.

“Client Assets” 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.

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# **1 Opening Remarks**

# 1Q23 Highlights

**R\$ 954 Billion**

Client Assets

**+ 89k**

Net New Clients

**+ 688**

Net New IFAs

**R\$ 3.5 Billion**

Gross Revenue<sup>1</sup>

+7% YoY<sup>1</sup>

**R\$ 977 Million**

EBT<sup>1</sup>

+14% YoY<sup>1</sup>

**R\$ 927 Million**

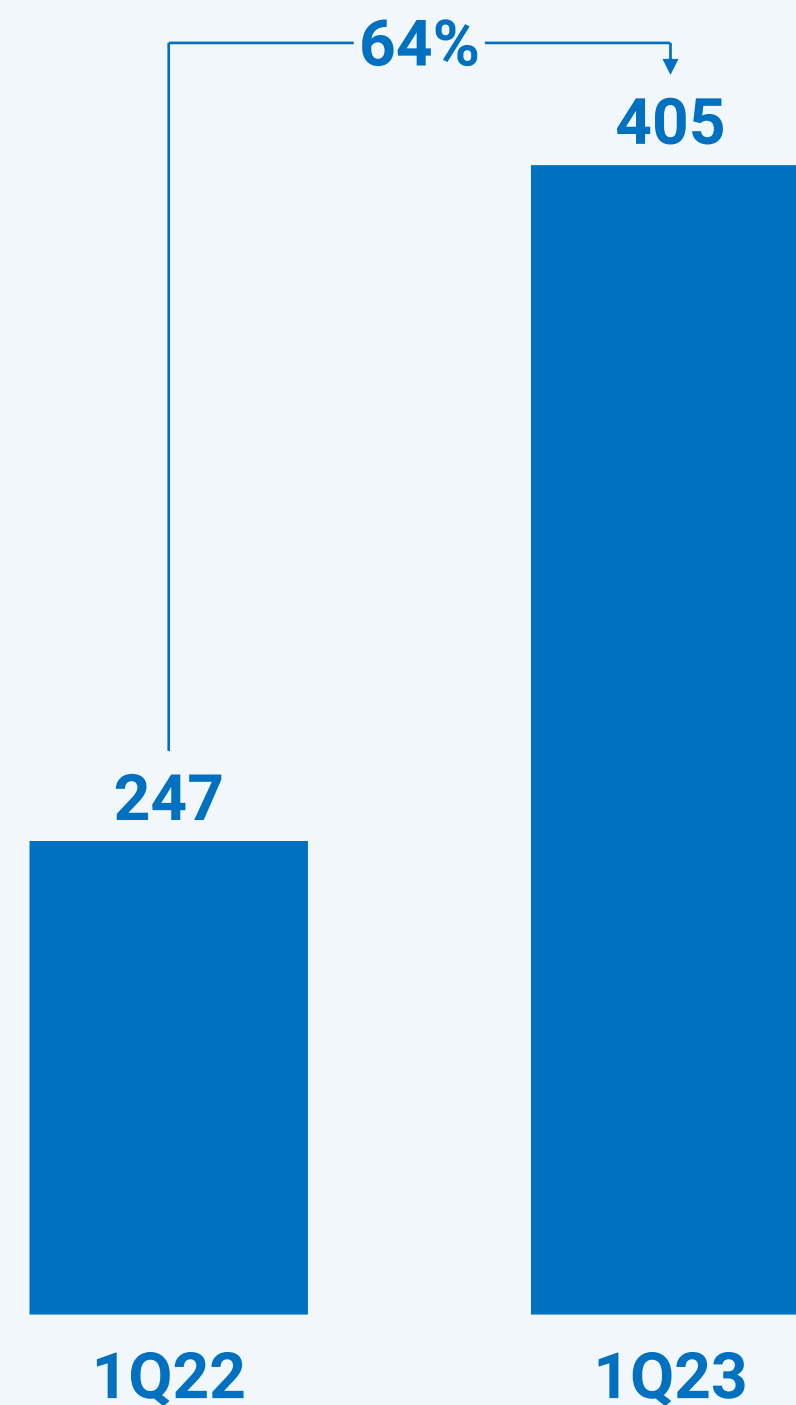
Net Income<sup>1</sup>

+8% YoY<sup>1</sup>

# 1Q23 Highlights

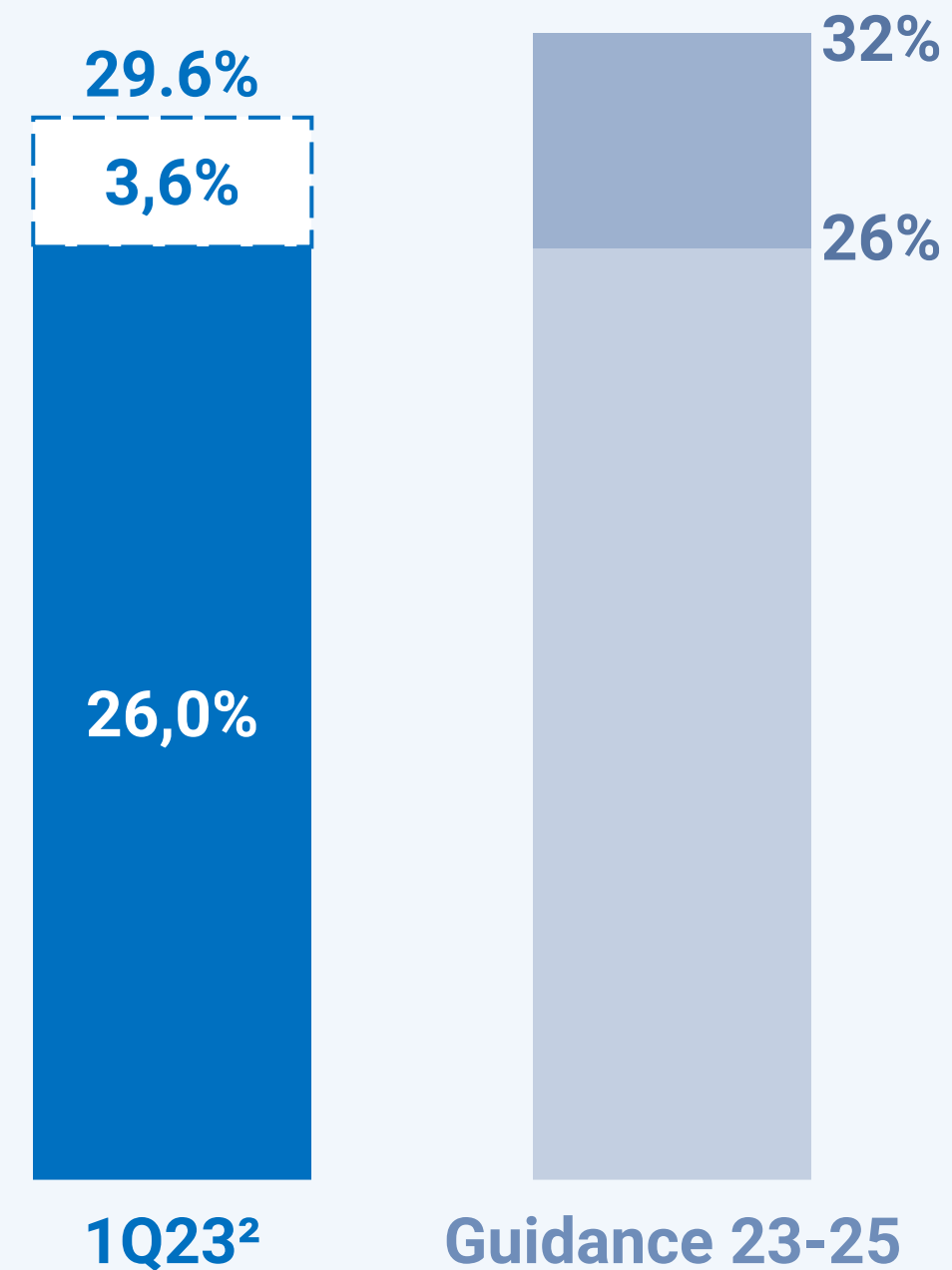
## New Verticals<sup>1</sup>

Revenue (in R\$ mn)



## EBT Margin

EBT Margin (in %)



## Brand Milestones

Best financial advisory platform by Folha

5<sup>th</sup> consecutive year



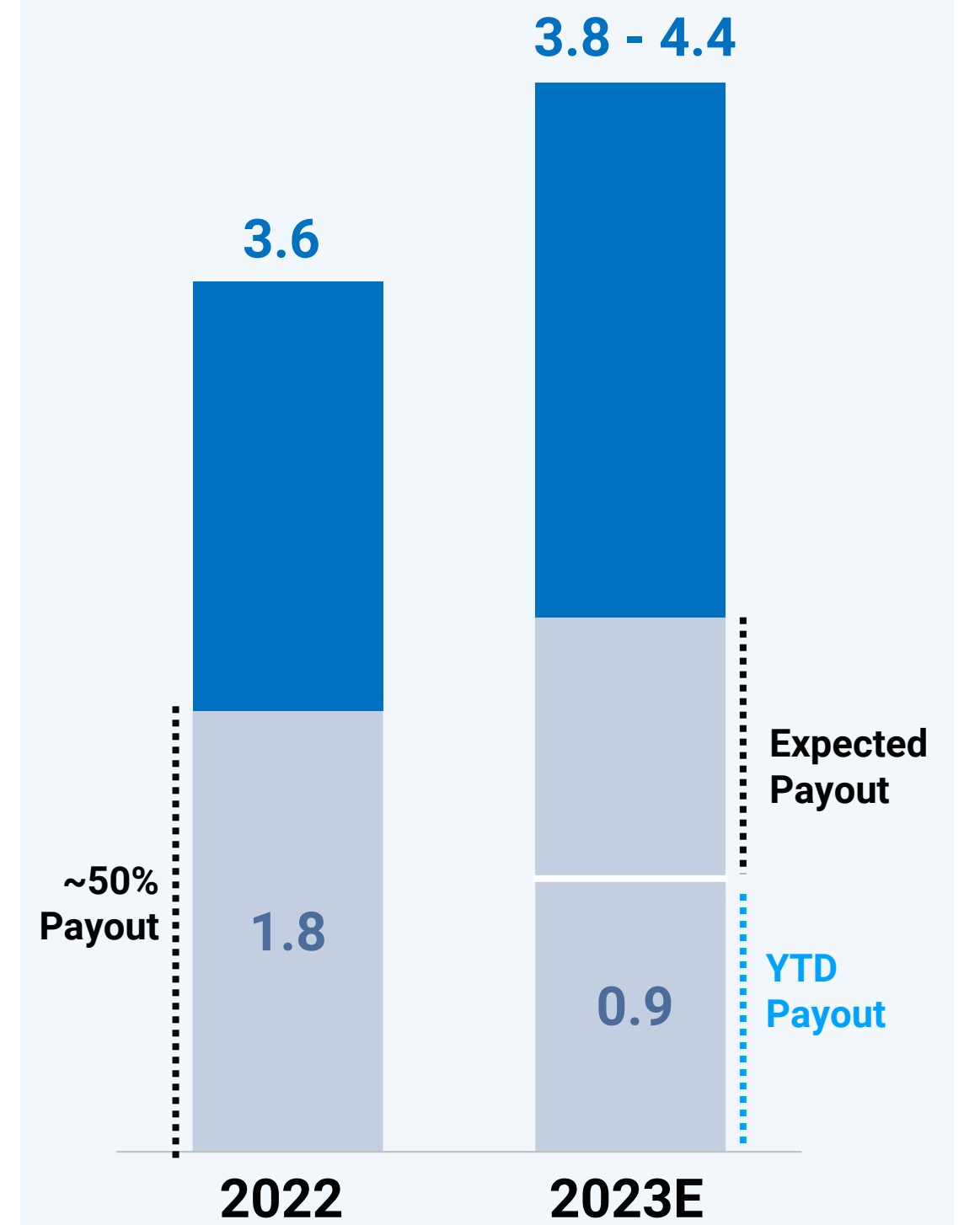
12<sup>th</sup> most valuable brand in Brazil by Interbrand



## Return to Shareholders

R\$2.7bn returned in LTM

Net Income and Payout (in R\$ bn)



Notes: 1 – Includes Retirement Funds, Cards, Insurance and Credit. 2 – Excluding the one-time non-recurring loss related to the bonds of a large corporate issuer that filed for bankruptcy in the quarter.



## Leadership in Investments

Keep expanding our Core Business, aiming absolute leadership in the segment



## Cross sell

Expand offering to attend client needs throughout their financial life



## Quality

Superior service level to deliver a unique value proposition



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# **2 1Q23 Financials**

# Gross Revenue

Total Gross Revenue (in R\$ mn)

|                             | 1Q23<br>Reported | One-time<br>loss | 1Q23 <sup>1</sup> | Δ QoQ <sup>1</sup> | Δ YoY <sup>1</sup> | 1Q22<br>Mix | 4Q22<br>Mix | 1Q23 <sup>1</sup><br>Mix |
|-----------------------------|------------------|------------------|-------------------|--------------------|--------------------|-------------|-------------|--------------------------|
| <b>Gross Revenue</b>        | 3,326            | (164)            | 3,489             | +5%                | +7%                | 100%        | 100%        | 100%                     |
| Retail                      | 2,569            | (95)             | 2,664             | +5%                | +15%               | 71%         | 76%         | 76%                      |
| Institutional               | 332              | -                | 332               | -7%                | -39%               | 17%         | 11%         | 10%                      |
| Corporate & Issuer Services | 266              | -                | 266               | -3%                | +7%                | 8%          | 8%          | 8%                       |
| Other                       | 158              | (69)             | 227               | +46%               | +37%               | 5%          | 5%          | 6%                       |

- One-time non-recurring loss of R\$164 million related to the bonds of a large corporate issuer that filed for bankruptcy.
- Adjusted by this one-time event, Gross Revenue reached R\$3.5bn, a growth of 5% QoQ and 7% YoY.

Notes: 1 – Excluding the one-time non-recurring loss related to the bonds of a large corporate issuer that filed for bankruptcy in the quarter.

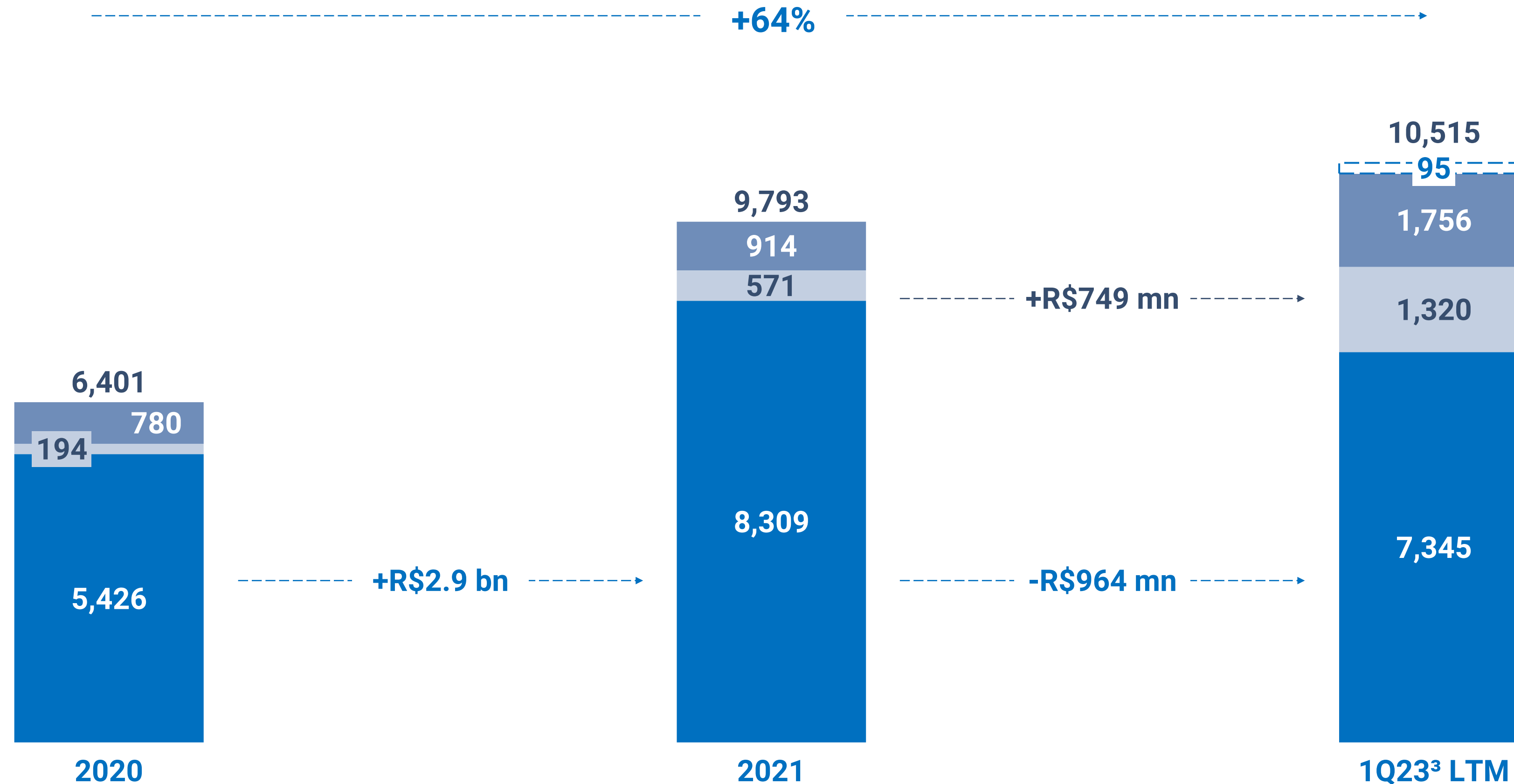
# Retail Revenue (1/2)

| Total Retail Revenue (in R\$ mn) | 1Q23 Reported | One-time loss | 1Q23 <sup>1</sup> | Δ QoQ <sup>1</sup> | Δ YoY <sup>1</sup> |
|----------------------------------|---------------|---------------|-------------------|--------------------|--------------------|
| <b>Retail</b>                    | 2,569         | (95)          | <b>2,664</b>      | +5%                | +15%               |
| <b>Core Retail Investments</b>   | 1,715         | (95)          | <b>1,809</b>      | +6%                | +1%                |
| Equities                         | 1,069         | -             | 1,069             | +7%                | -3%                |
| Fixed Income                     | 332           | (95)          | 427               | +9%                | +0%                |
| Funds Platform                   | 313           | -             | 313               | +1%                | +17%               |
| <b>New Verticals</b>             | <b>364</b>    | -             | <b>364</b>        | -10%               | +60%               |
| Retirement Plans                 | 87            | -             | 87                | -7%                | +17%               |
| Cards                            | 204           | -             | 204               | -13%               | +112%              |
| Credit                           | 41            | -             | 41                | -13%               | +19%               |
| Insurance                        | 32            | -             | 32                | +2%                | +42%               |
| <b>Other Retail</b>              | <b>490</b>    | -             | <b>490</b>        | +10%               | +70%               |

Notes: 1 – Excluding the one-time non-recurring loss related to the bonds of a large corporate issuer that filed for bankruptcy in the quarter.

# Retail Revenue (2/2)

Core<sup>1</sup> New Verticals<sup>2</sup> Other One-time loss<sup>3</sup>



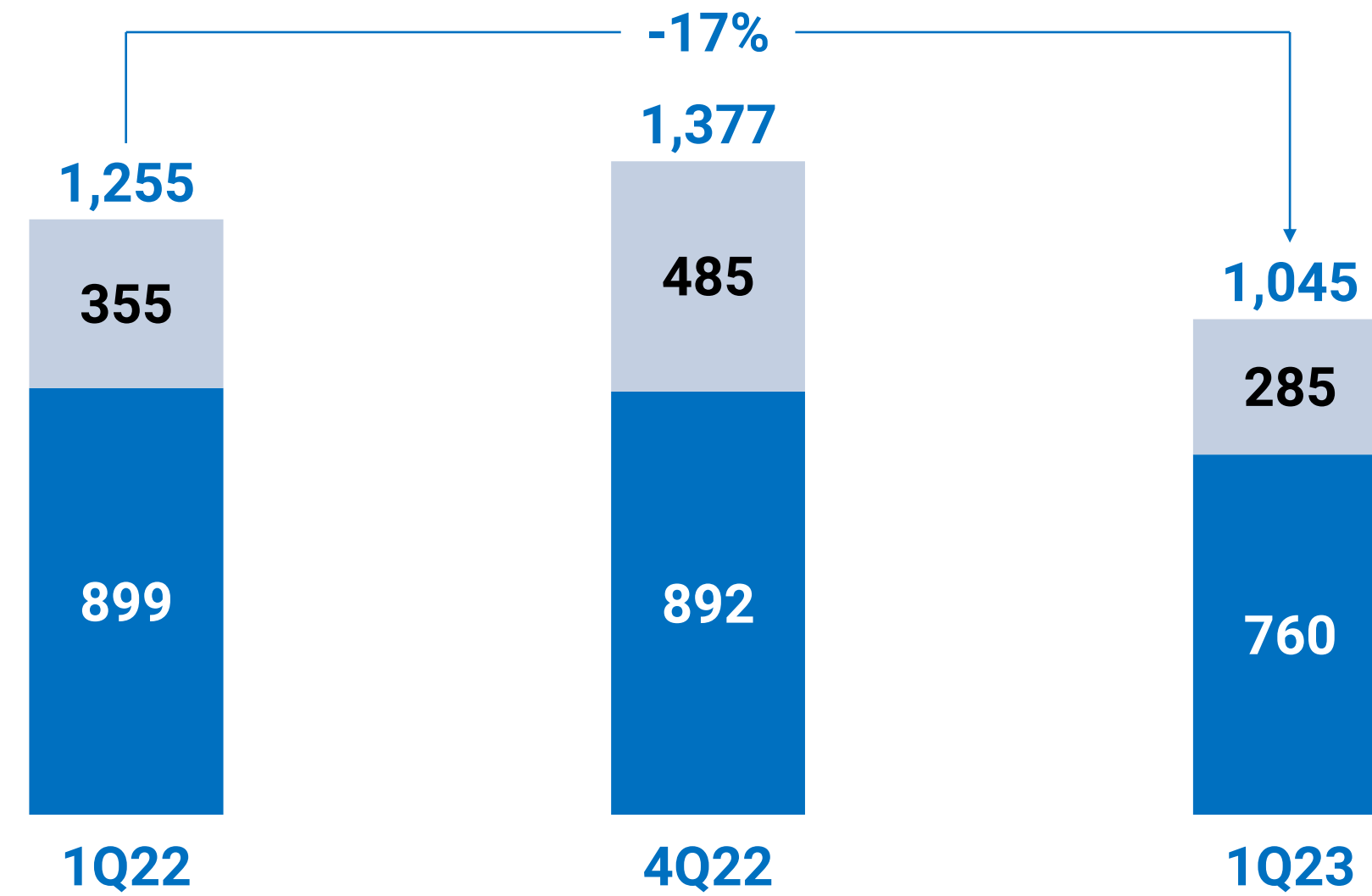
- Macroeconomic environment mostly affects the core investments (Equities, Fixed Income and Funds Platform).
- New verticals revenue growth of R\$749 million since 2021 partially mitigates the deceleration of the core business.

Notes: 1 – Includes Equities, Fixed Income and Funds Revenue. 2 - Includes Retirement Funds, Cards, Insurance and Credit Revenue.. 3 - one-time non-recurring loss related to the bonds of a large corporate issuer that filed for bankruptcy.

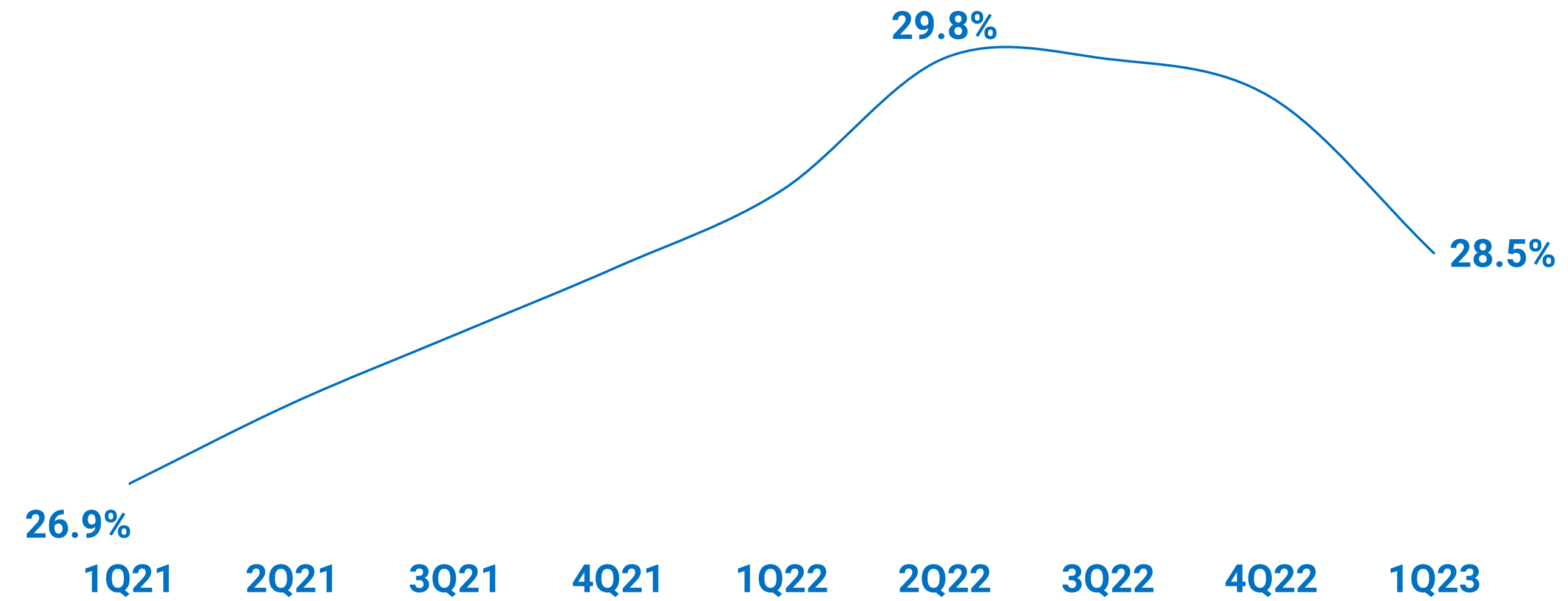
# SG&A and Comp Ratio

SG&A<sup>1</sup> (in R\$ mn)

■ People ■ Non-People



LTM Comp Ratio<sup>2</sup> (in %)



LTM Efficiency Ratio<sup>2</sup>



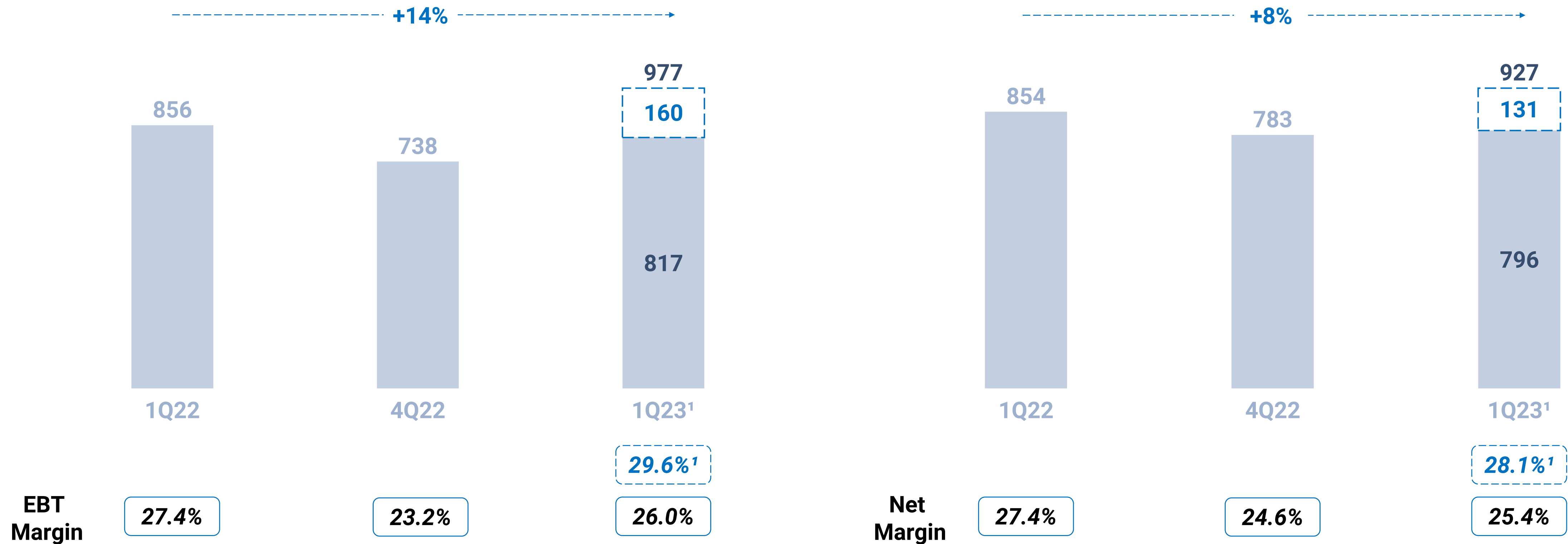
- Total SG&A excluding incentives<sup>1</sup> reflected the cost structure adjustments implemented since late 2022.
- Net reduction of 782 employees in the quarter. We believe XP is right sized for a challenging macro environment ahead of us.

Notes: 1 – Excludes Revenue from incentives from Tesouro Direto, B3 and others. 2 - Calculated as SG&A ex-revenue from incentives from Tesouro Direto, B3, and others divided by Net Revenue. 3 – Calculated as People SG&A (Salary and Taxes, Bonuses and Share Based Compensation) divided by Net Revenue.

# EBT and Net Income

EBT and EBT Margin (in R\$ mn, %)

Net Income and Net Margin (in R\$ mn, %)



- EBT margin consistent with annual guidance between 26% and 32%, converging from the bottom in 2023 to the top in 2025.
- EBT and Net Income didn't benefit from incentives as in 4Q22, reinforcing 1Q23 earnings quality.

Notes: 1 – Excludes one-time non-recurring loss related to the bonds of a large corporate issuer that filed for bankruptcy.





**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](mailto:ir@xpi.com.br)**

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



# Appendix

# 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] Retirement Plans        | [C] Float        | Adjusted Assets [A-B-C]        |
|---------------------------------------|----------------|-----------------------------|------------------|--------------------------------|
| <b>Total</b>                          | <b>194,441</b> | <b>47,806</b>               | <b>15,269</b>    | <b>131,365</b>                 |
| Securities - Fair Value through P&L   | 84,511         | 47,806                      | -                | 36,705                         |
| Securities - Repos                    | 11,830         | -                           | -                | 11,830                         |
| Securities - Fair Value through OCI   | 29,145         | -                           | 12,662           | 16,483                         |
| Securities - Trading & Intermediation | 2,607          | -                           | 2,607            | -                              |
| Other Financial Instruments           | 25,921         | -                           | -                | 25,921                         |
| Other Assets                          | 40,426         | -                           | -                | 40,426                         |
| <b>Liabilities + Equity</b>           | <b>[A]</b>     | <b>[B] Retirement Plans</b> | <b>[C] Float</b> | <b>Adjusted Assets [A-B-C]</b> |
| <b>Total</b>                          | <b>194,441</b> | <b>47,806</b>               | <b>15,269</b>    | <b>131,365</b>                 |
| Securities - Repos                    | 25,921         | -                           | -                | 25,921                         |
| Other Finan. Liab.                    | 26,545         | -                           | -                | 26,545                         |
| Pension Funds                         | 47,806         | 47,806                      | -                | -                              |
| Securities - Trading & Intermediation | 15,269         | -                           | 15,269           | -                              |
| Other Liabilities & Equity            | 78,898         | -                           | -                | 78,898                         |

## Key factors inflating our balance sheet

### [B] Retirement Plans

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

### [C] Float

- Uninvested cash from clients allocated in sovereign bonds

# Net Asset Value

(in R\$ mn)

|  | 1Q23             | 4Q22             |
|--|------------------|------------------|
| <b>Financial Assets</b>                    | <b>180,747</b>   | <b>177,761</b>   |
| Securities & Derivatives                   | 139,577          | 140,481          |
| Loans                                      | 23,107           | 22,211           |
| Repos                                      | 11,830           | 7,604            |
| Other                                      | 6,233            | 7,465            |
| <b>(-) Financial Liabilities</b>           | <b>(149,313)</b> | <b>(146,194)</b> |
| (-) Retirement Plans Liabilities           | (47,806)         | (45,734)         |
| (-) Market Funding Operations              | (40,750)         | (38,094)         |
| (-) Repos                                  | (25,921)         | (31,790)         |
| (-) Securities & Derivatives               | (26,545)         | (22,135)         |
| (-) Other                                  | (8,290)          | (8,442)          |
| <b>(-) Float</b>                           | <b>(12,662)</b>  | <b>(12,792)</b>  |
| <b>(=) Adjusted Gross Financial Assets</b> | <b>18,772</b>    | <b>18,775</b>    |

|  | 1Q23           | 4Q22           |
|--|----------------|----------------|
| <b>(=) Adjusted Gross Financial Assets</b> | <b>18,772</b>  | <b>18,775</b>  |
| <b>(-) Gross Debt</b>                      | <b>(9,950)</b> | <b>(9,389)</b> |
| (-) Bonds                                  | (3,497)        | (3,561)        |
| (-) Debentures                             | (2,235)        | (2,029)        |
| (-) Borrowings                             | (1,825)        | (1,866)        |
| (-) Structured financing                   | (2,393)        | (1,934)        |
| <b>(=) Net Asset Value</b>                 | <b>8,822</b>   | <b>9,385</b>   |

$$NAV = \text{Adj. Gross Financial Assets} - \text{Gross Debt}$$

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