

# INSTITUTIONAL PRESENTATION

## Accelerating Value-Based Growth



VIVT  
B3 LISTED



VIV  
LISTED  
NYSE

ISEB3 ICO2 B3

# DISCLAIMER


**This presentation may contain forward-looking statements** concerning prospects and objectives regarding the capture of synergies, growth of the subscriber base, a breakdown of the various services to be offered and their respective results

**Our actual results may differ materially from those contained in such forward-looking statements**, due to a variety of factors, including Brazilian political and economic factors, the development of competitive technologies, access to the capital required to achieve those results, and the emergence of strong competition in the markets in which we operate

**The exclusive purpose of such statements is to indicate how we intend to expand our business** and they should therefore not be regarded as guarantees of future performance

# Brazil is a vast and populous country with valuable opportunities for the Telco and digital services industries

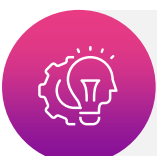
## Brazil in a nutshell

 **Latin America's largest economy**  
11<sup>th</sup> largest economy in the world<sup>1</sup>

 **203 million inhabitants<sup>2</sup>**  
7<sup>th</sup> most populous in the world

 **42% of population is under 30**  
With high potential of data & digital consumption

 **74 million homes<sup>3</sup>**  
30 million residential fiber accesses

 **6.7 million companies<sup>4</sup>**  
66% of SMEs in the early stages of digital transformation<sup>5</sup>

## Economic outlook

- Inflation outlook continues to improve and interest rate cutting cycle begins
- Economic activity surprised to the upside in 1H23, driven by exceptional agro harvest and good performances of service and industry sectors amid household consumption resilience
- Reforms advance with the approval of a **new fiscal framework** and progress in the **tax agenda**

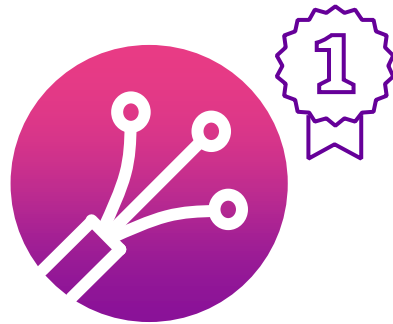
	23E <sup>6</sup>	24E <sup>6</sup>	25E <sup>6</sup>	26E <sup>6</sup>
<b>GDP Growth %</b>	+2.5%	+1.3%	+1.9%	+2.0%
<b>CPI<sup>7</sup> %, EoP</b>	+4.9%	+3.9%	+3.5%	+3.5%
<b>FX R\$/US\$ EoP</b>	5.0	5.0	5.1	5.2

# Vivo is enhancing Brazil's digital life through highspeed connectivity and top-quality services



**Market Leader**  
in mobile

**98 million accesses<sup>1</sup>**



**Market Leader**  
in fiber

**5.9 million accesses<sup>1</sup>**



**112 million accesses<sup>1</sup>, the absolute market leader**



**Top 3 brand in Brazil (#1 Telco)<sup>2</sup>**



**Over 1,800 stores, comparable to the largest retailers in Brazil**



**22 million unique users on Vivo's App**

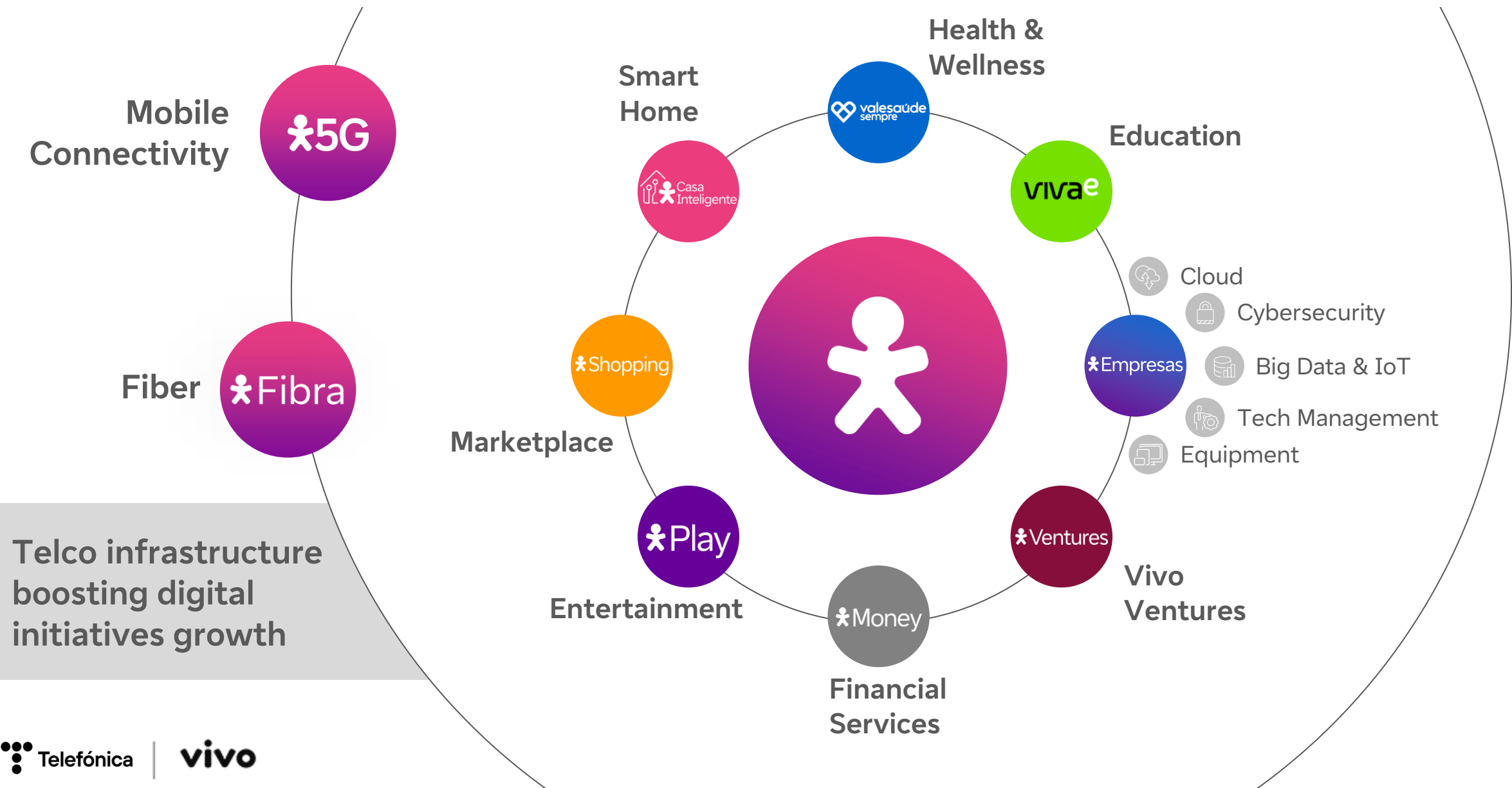


**Top 3 largest big data in Latin America**



**Extensive billing capabilities, alternative for customers with no bank account**

# We are evolving into a digital ecosystem, providing services that go beyond traditional telco for B2C and B2B customers





**FIBER**



**MOBILE  
CONNECTIVITY**



**DIGITAL  
SERVICES**



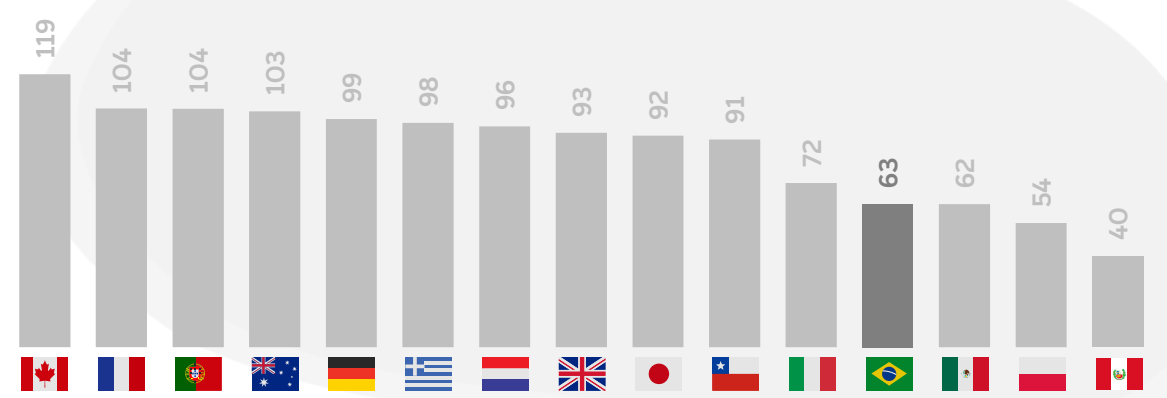
**FINANCIALS**



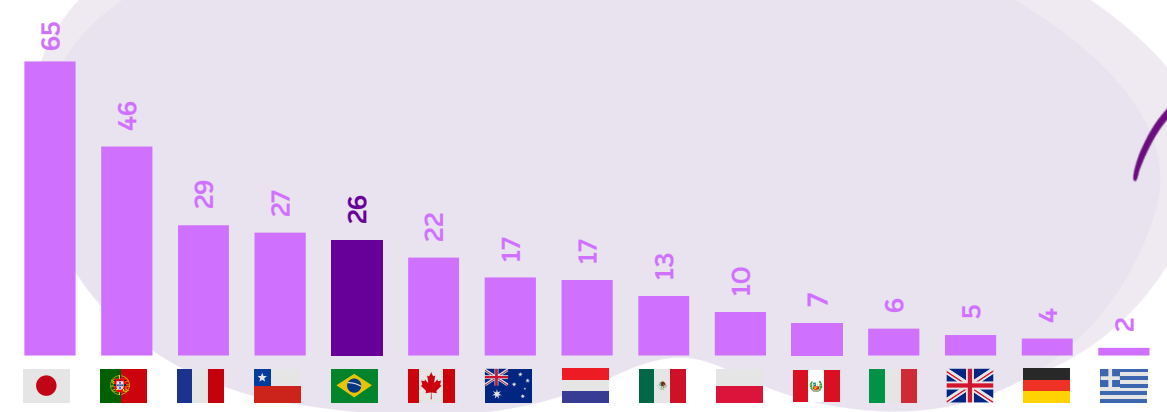
**ESG**

# Brazil has comparatively low broadband penetration, and the fast-pace of fiber growth confirms the appetite for quality connectivity

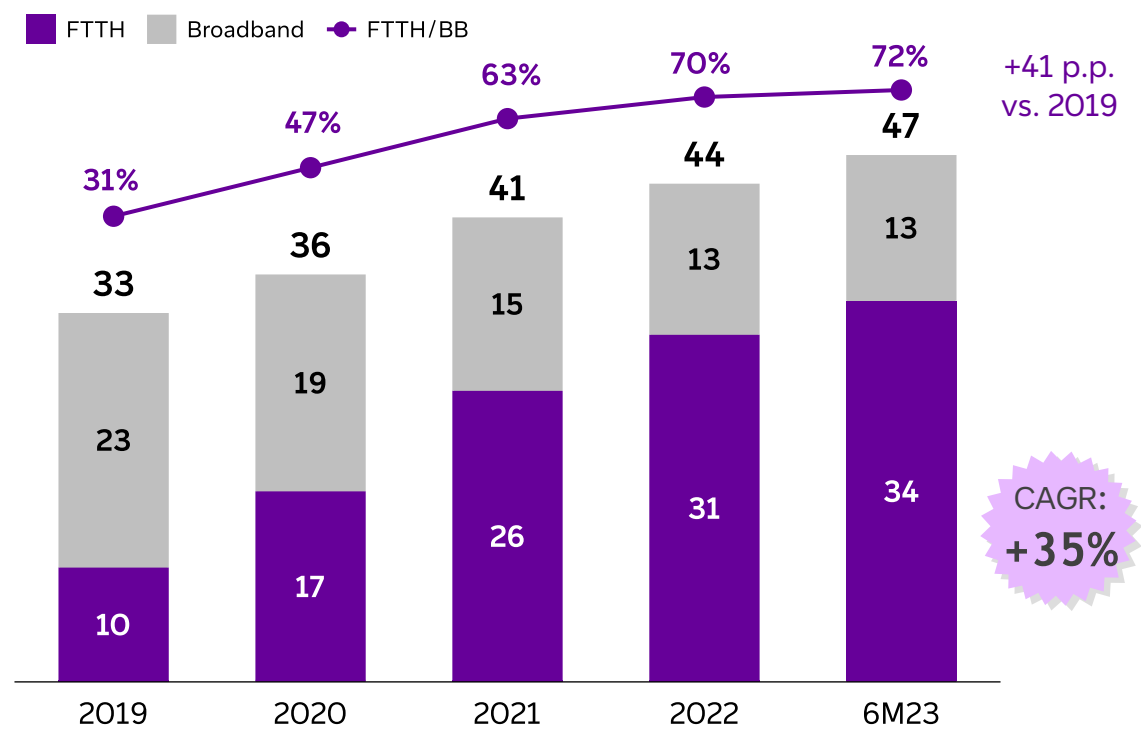
**Broadband Penetration in OECD Countries (%)**  
Accesses/100 Households



**Fiber Penetration in OECD Countries (%)**  
Accesses/100 Households



**Brazilian Broadband Market Breakdown**



Fiber is a future-proof technology capable of providing ultra high speeds with unmatched stability and capacity

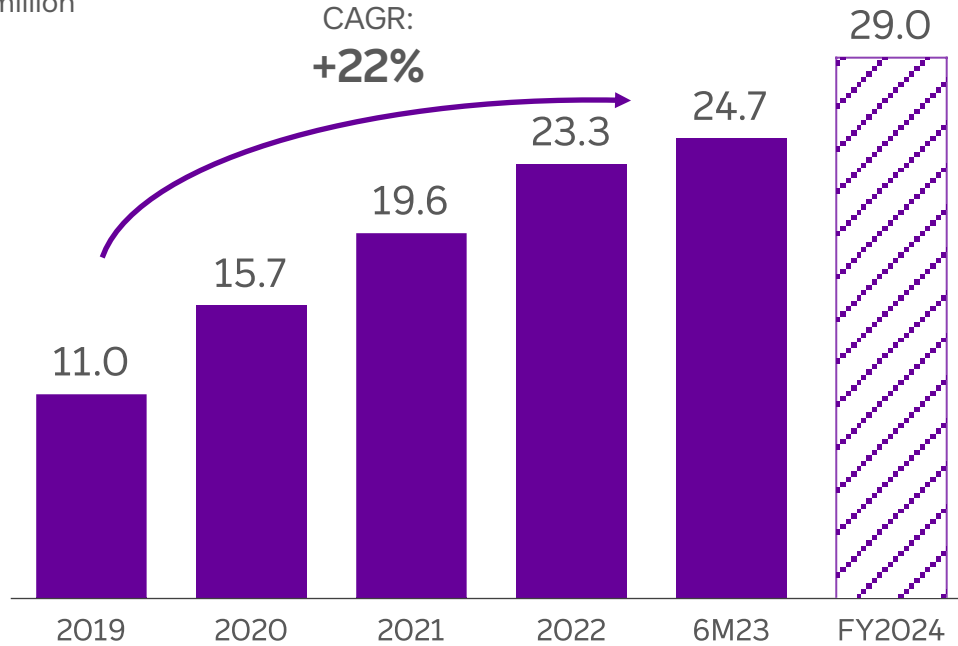
# Vivo is Brazil's leading fiber company, and it is expanding fast



## Homes Passed

million

CAGR:  
+22%



# of cities

164

266

327

409

439

Cost/HP  
(R\$)

≈400

≈300

≈160

≈160

≈160

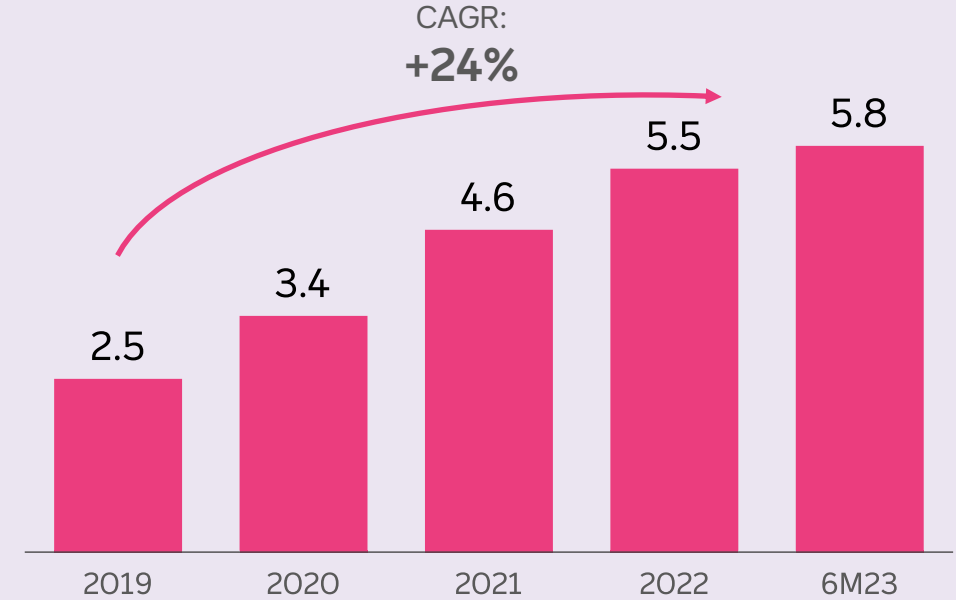
Vivo's investments are aimed at expanding fiber footprint and penetration to all regions of Brazil



## Fiber Accesses

million

CAGR:  
+24%



FTTH  
Take-up  
Rate

22.6%

21.5%

23.5%















23.5%

23.6%

FTTH<sup>1</sup> take-up to increase in the following years as high-speed connectivity gains more and more relevance



# Ambitious target of 29 million HPs by FY24 to be fulfilled through organic expansion and alternative strategies that improve capex allocation

Fiber Expansion Model	 Rationale	 Region of interest	 Target FY2024	 HP Capex	 HC Capex
 Organic Expansion	Main lever of growth of Vivo's fiber deployment	Deployment in premium regions, with superior return over investment	22.0 million	 vivo	 vivo
 FIBRASIL	Greenfield and Brownfield deployments, initiating with 1.6 million HPs	Mid-sized cities outside São Paulo State	6.3 million	 FIBRASIL	 vivo
 + other InfraCos	Partner builds and operates Homes Passed infrastructure	Mid-sized cities (ATC: Minas Gerais State)	≈0.8 million	Partner	 vivo
 terra conectado por vivo FIBRA	Participate in Fiber value chain of small ISPs <sup>1</sup> while offering a convergent offer to more Vivo customers	Regions and cities where Vivo does not provide broadband services	n.a.	ISP <sup>1</sup>	ISP <sup>1</sup>



FIBER



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FINANCIALS

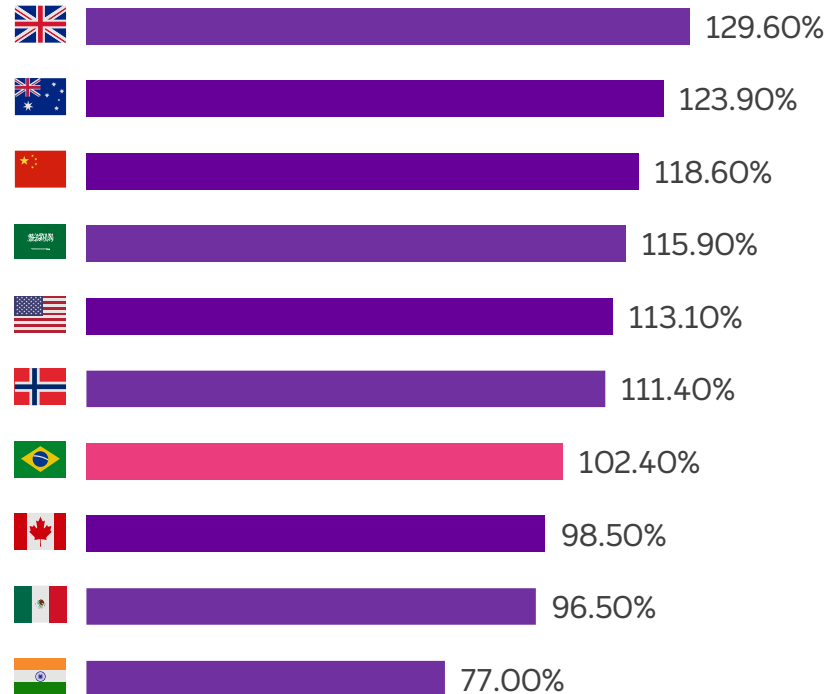


ESG

# Brazil is a highly connected country with a digital-savvy population with growth opportunity



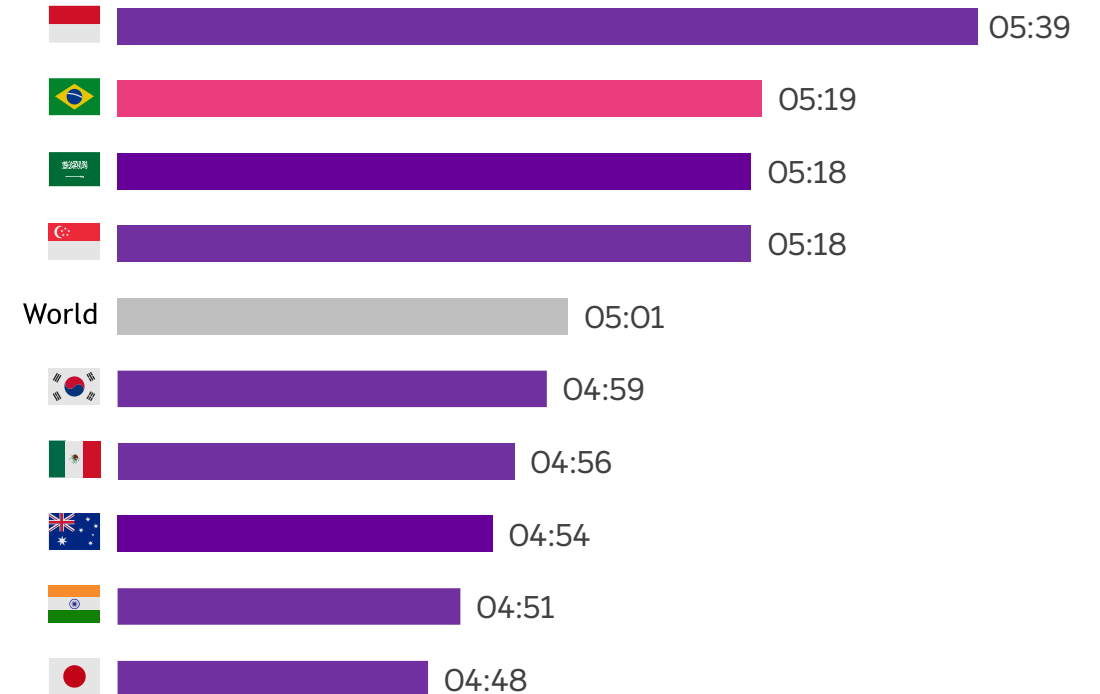
Mobile connections compared with total population (%)



Brazil still has room to grow in terms of mobile connectivity...



Daily time online via mobiles (hours)

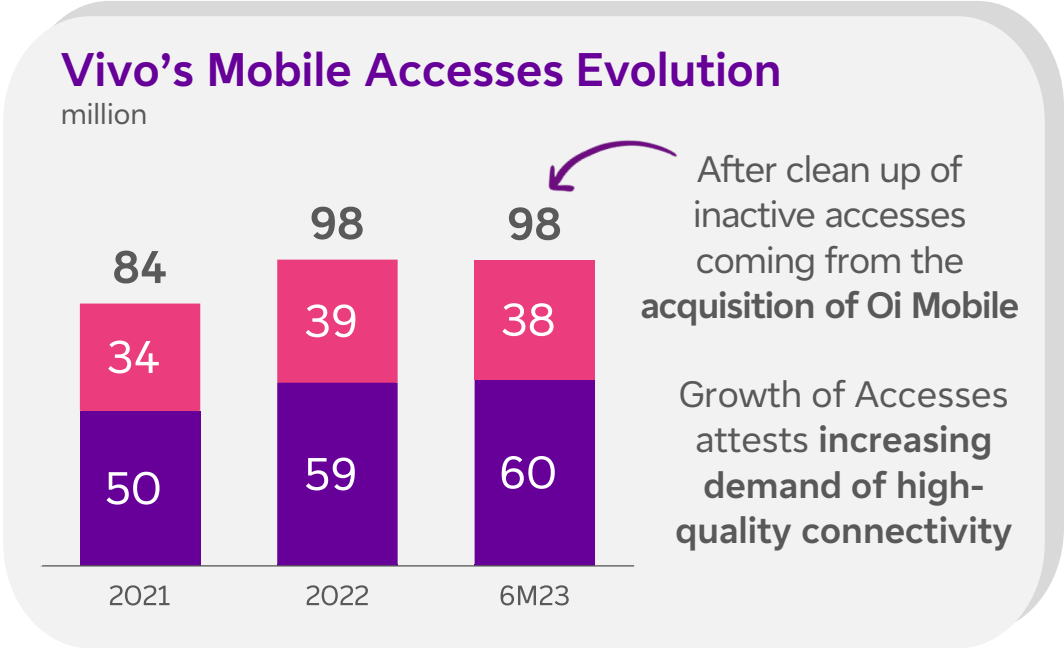
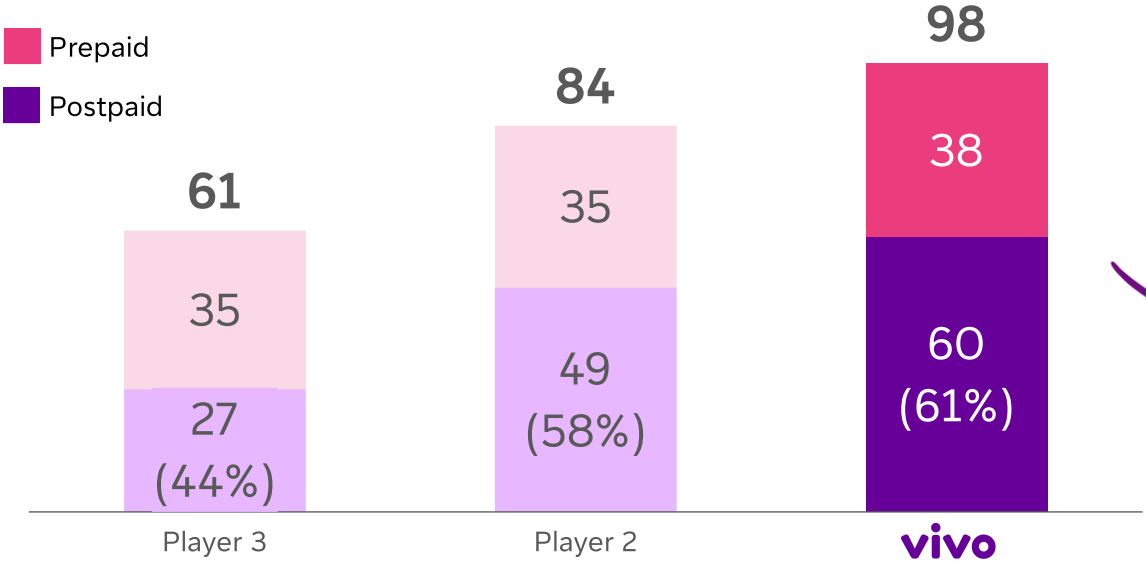


... and is already the 2<sup>nd</sup> country in the world that most uses internet through mobile devices

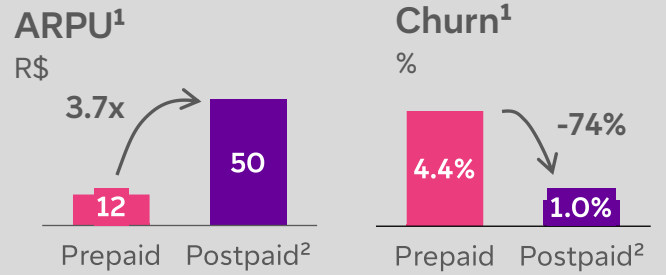
# Vivo is the mobile market leader with a growing customer base, offering the best connectivity in mobile and fixed to enhance lifetime value

## Mobile Market Overview<sup>1</sup>

Million of accesses



Vivo focuses on the **postpaid<sup>2</sup>** segment, which has **higher ARPU** and **lower churn**



**Convergent offers with mobile and fixed plans enhance value proposition and increase lifetime value of our customers**

**Digital Ecosystem**

**Convergent Offer**

- Total
- Postpaid
- Fiber
- Other Services<sup>3</sup>



FIBER



MOBILE  
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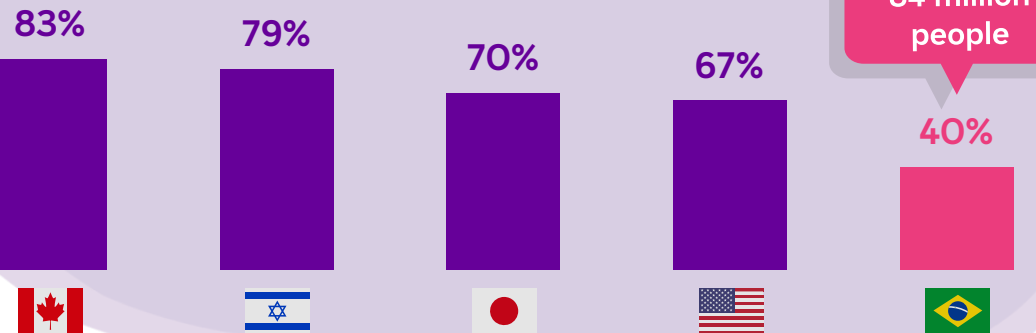


ESG

# Digitalization will be Brazil's main vector of transformation as it will increase the penetration of essential services and goods

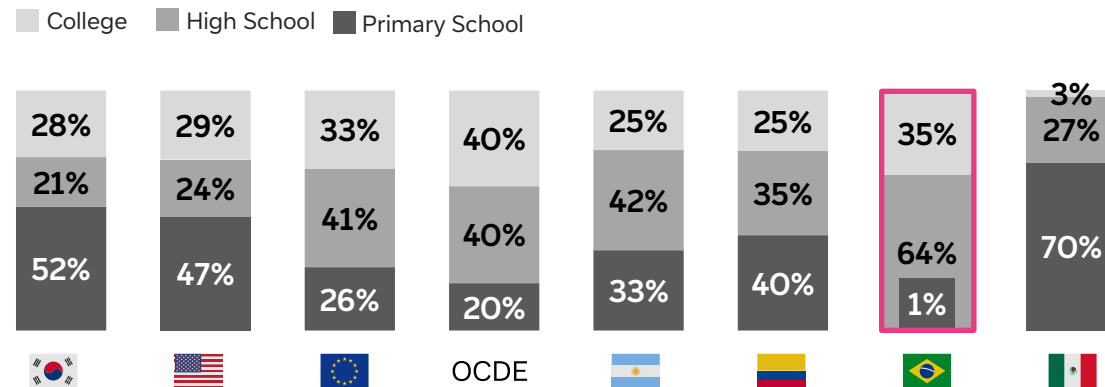
## Financial Services

Credit card penetration (%)



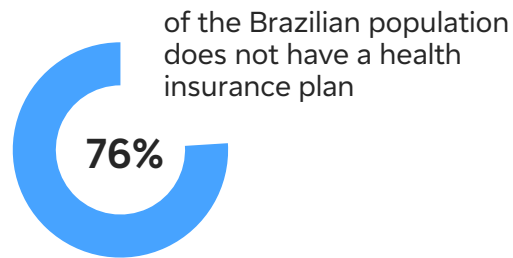
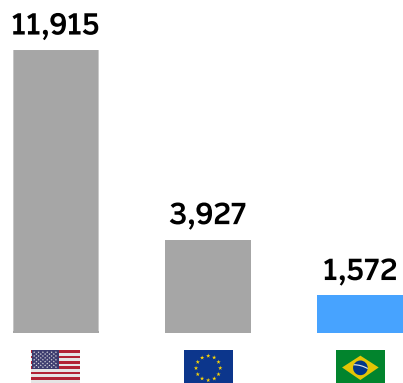
## Education

% of population above 25 years old



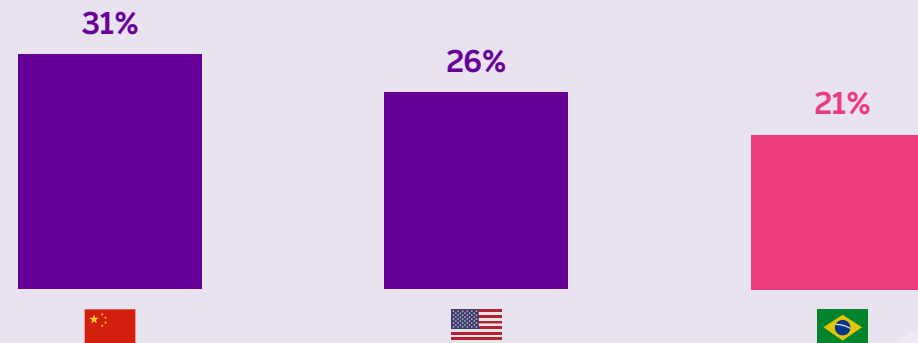
## Health

Average Health Expenditure by income, per capita (US\$)

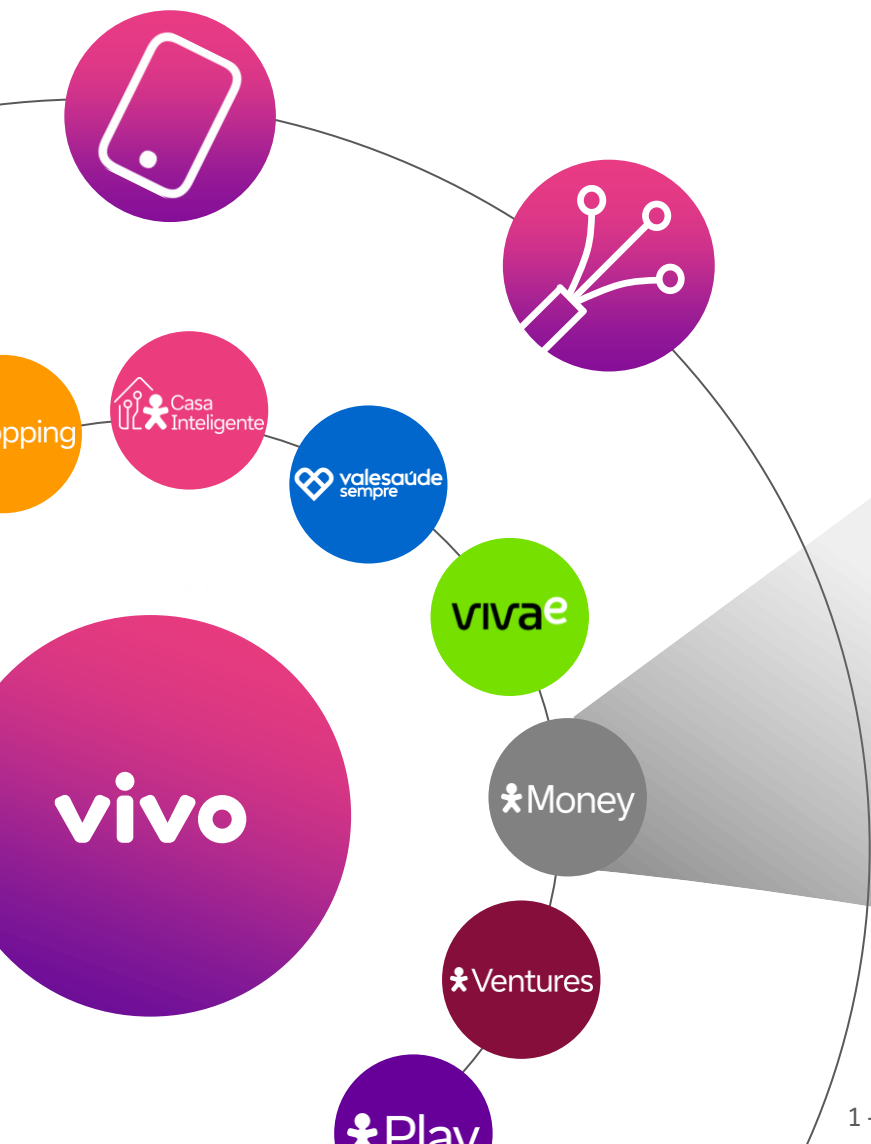


## e-Commerce

E-Commerce penetration over retail sales (2022)



# Vivo's financial initiatives promote economic inclusion and serve as an enabler for other digital services, with significant cross-sell opportunities



## Money

Personal loan service



100% digital loans with competitive interest rates



Polígono to invest R\$250mn through the acquisition of senior quotas of the FIDC

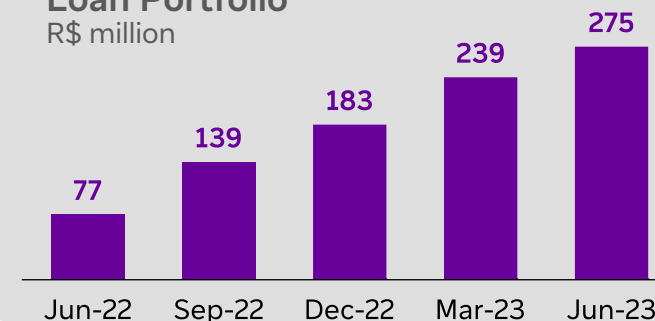


Available to postpaid and hybrid customers



Up to R\$50,000 in 36 installments

Loan Portfolio  
R\$ million



# On the education front, Vivo teamed up Ânima Educaç o to form a joint venture focused on Lifelong Learning to promote employability



## viva e



50/50 Joint Venture with Ânima Educaç o, aiming to create digital courses focused on **lifelong learning and employability**



Digital platform that offers nano-courses in areas such as data science, programming, IT, among others



Plans starting from as low as **R\$39.90/mo.**



High cross-sell potential with other initiatives of Vivo's Ecosystem



# Acquisition of Vale Saúde Sempre as another step towards building a health and wellness hub, offering a wide variety of health services



## \*Controle

Launch of **Vivo Hybrid Health**, a new Hybrid bundle starting at R\$77/mo. to help us scale Vale Saúde



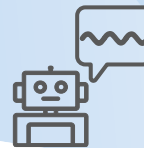
Acquisition made in March 2023 of **up to R\$60 mi**, increasing Vivo's presence in different industries



**Immediate and scheduled** doctors' appointments



**Discount in >27k drugstores** throughout Brazil



**Pre-screening of symptoms** through AI



**Digital certificates, exam requests and prescriptions**

Vivo is using its unique position to become a hub for our customers' digital lives, leveraging its e-commerce and smart homes solutions...



## Shopping

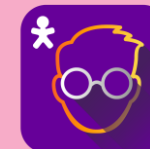
By offering a wide range of goods, we continue to increase **customers' lifetime value**

### OVVI

Launch of our **new brand** to offer **accessories** from phone cases to chargers and others

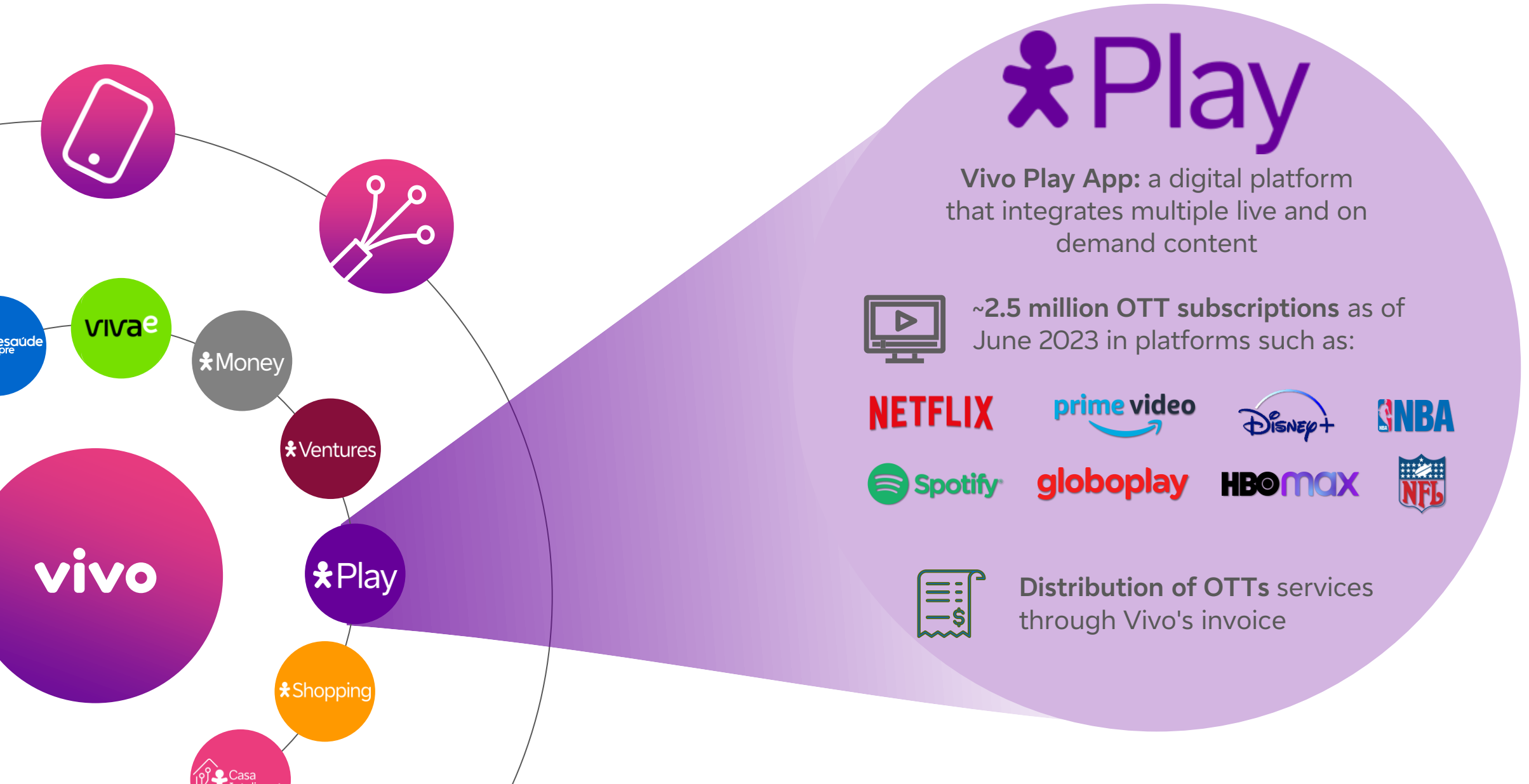
## Casa Inteligente

Leveraging on fiber connectivity to offer **tech home services and automation**

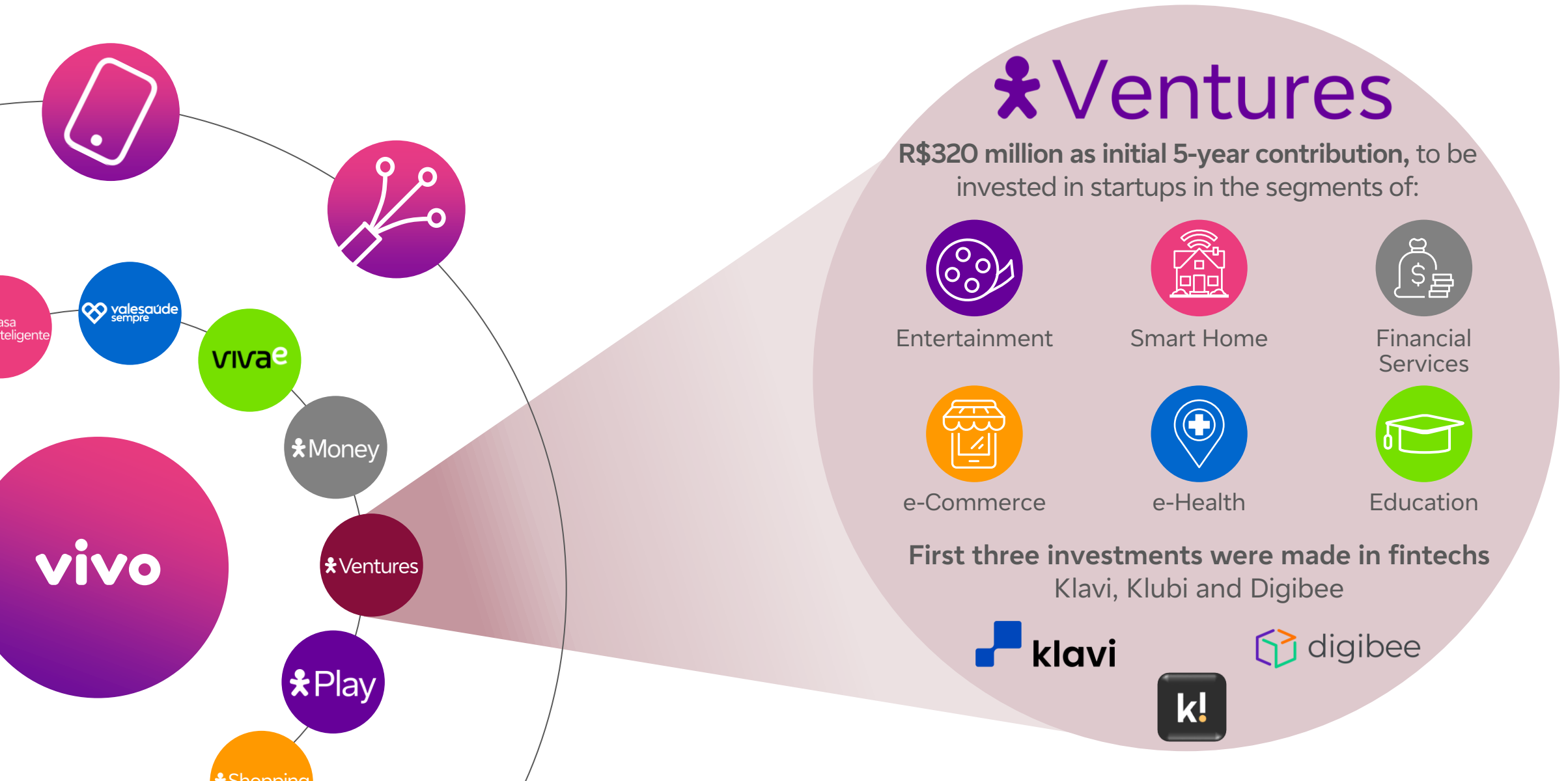


Vivo Guru is our **24/7 technical service** especially designed for **simplifying our customer's tech life**

# ...and serving as a curator and aggregator of multiple over-the-top services

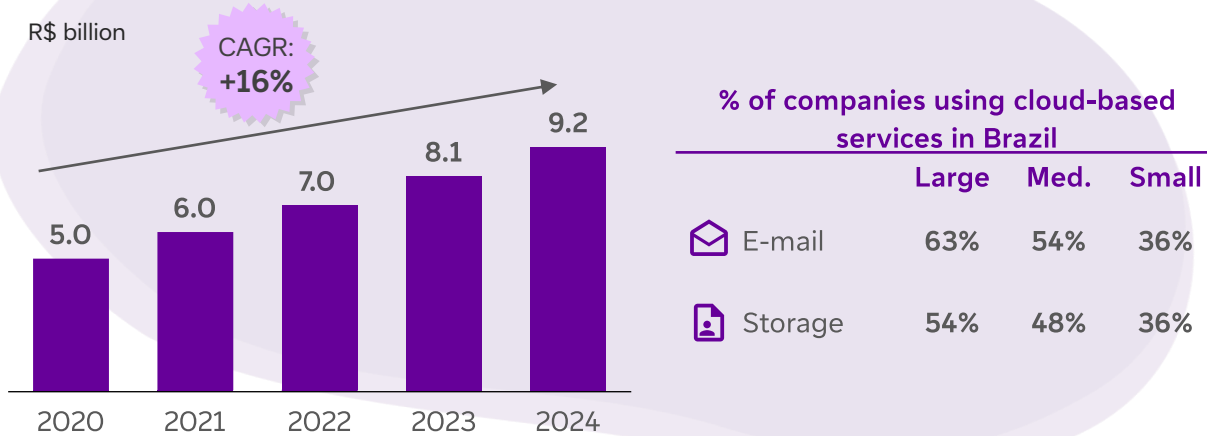


# As an extension of the B2C segment, Vivo Ventures will invest in startups focused on innovation, further enhancing lifetime value of customers

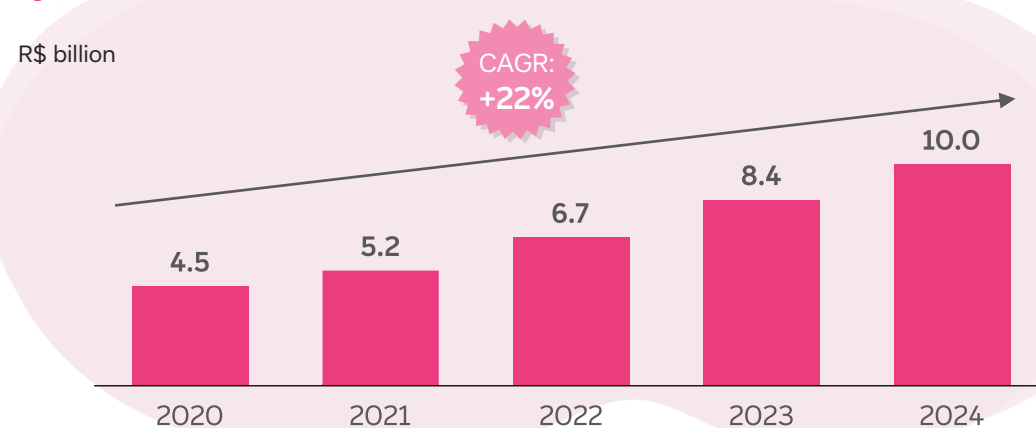


# B2B Digital services will have an expressive evolution in the following years and Brazil still has space to capture that opportunity

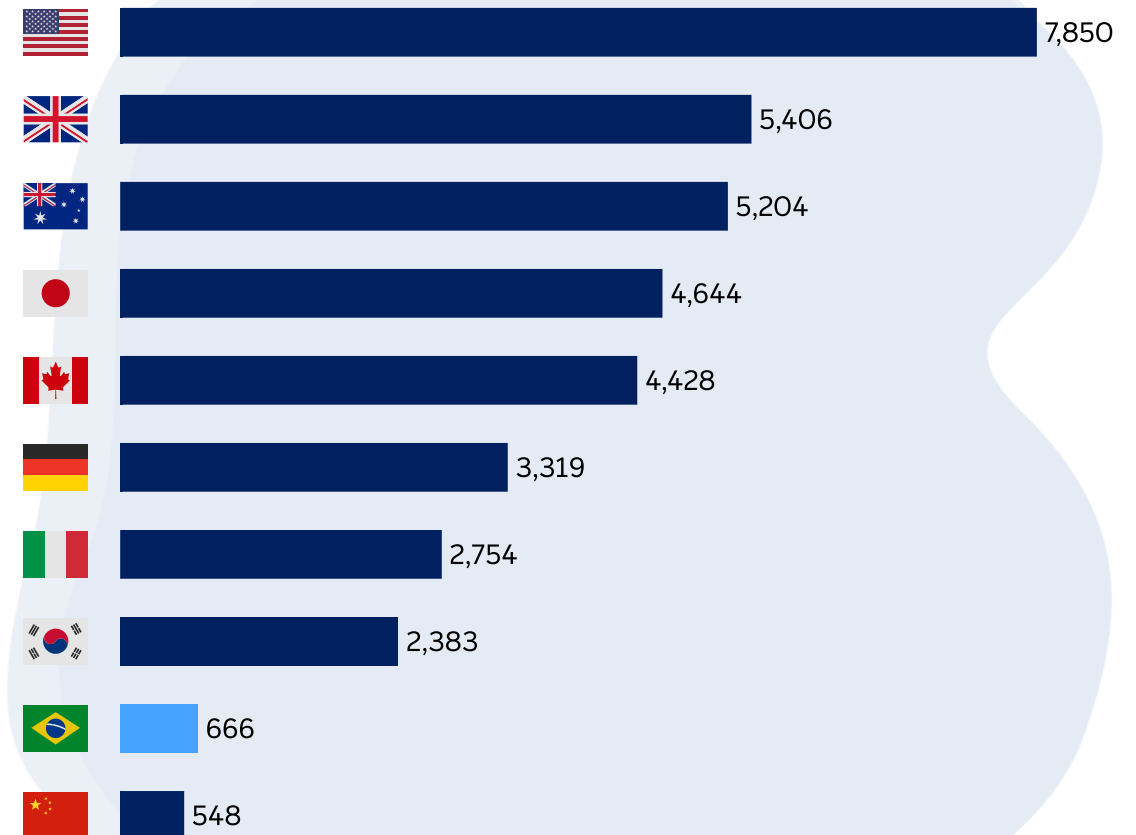
## Brazilian Cloud Market Revenues



## Brazilian IoT Market Revenues



## IT + Software Expenses/employee (USD)



Digital B2B revenues totaled R\$ 3 billion LTM, growing 29.7% YoY

# Digital B2B



Double-digit growth, already representing ~30% of B2B revs and 6% of total revenues



Beyond connectivity, Vivo offers B2B services such as **Cloud, IoT + Messaging, Cybersecurity**, among others



Vivo is a **one-stop shop** for companies of all sizes that are digitalizing their business

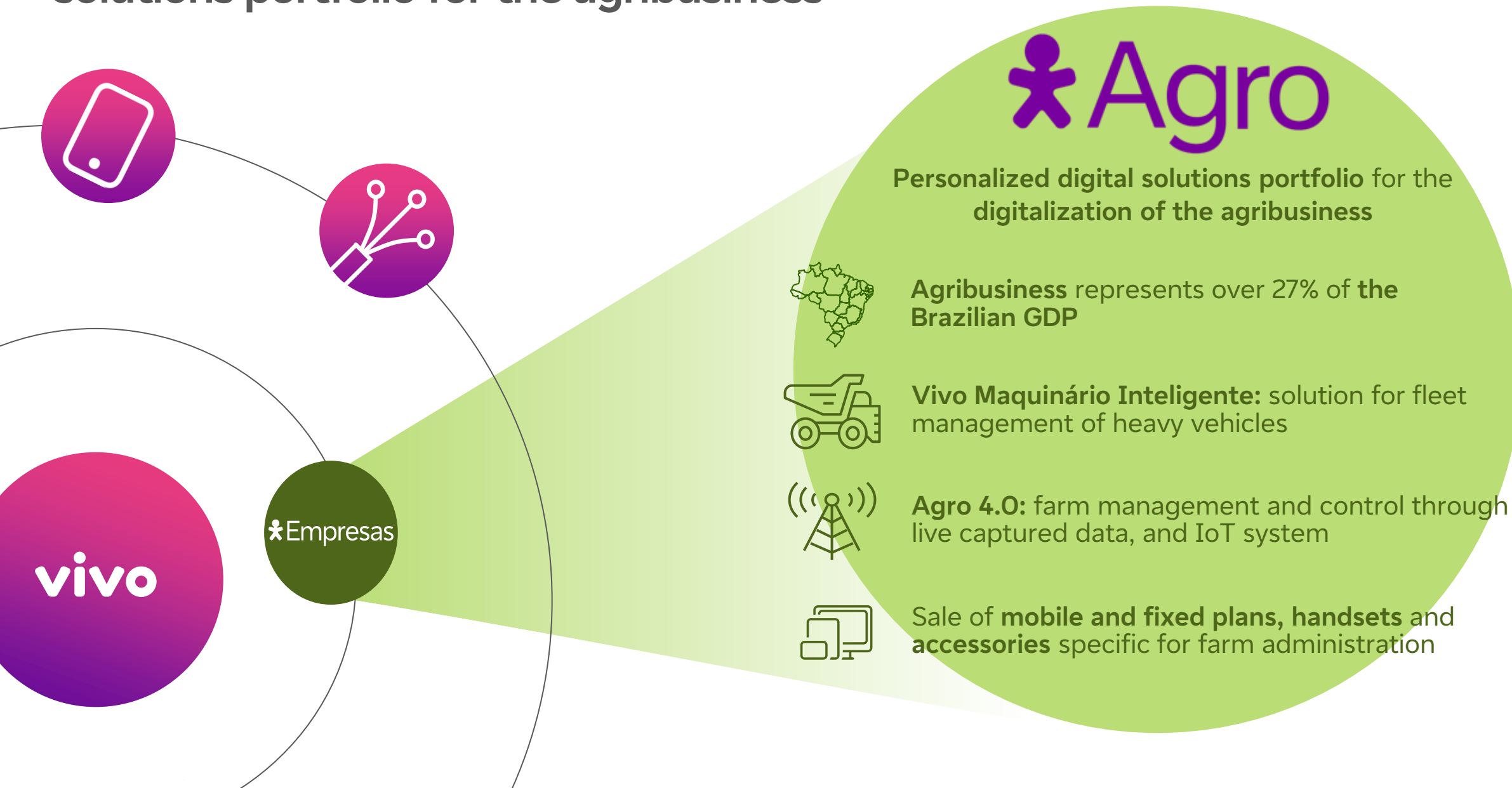


Business segment with **potential** revolution through 5G



Vivo Empresas won the **2023 Latam Microsoft Partner of the Year Award**

# As the ideal partner for all companies, Vivo is expanding its B2B digital solutions portfolio for the agribusiness





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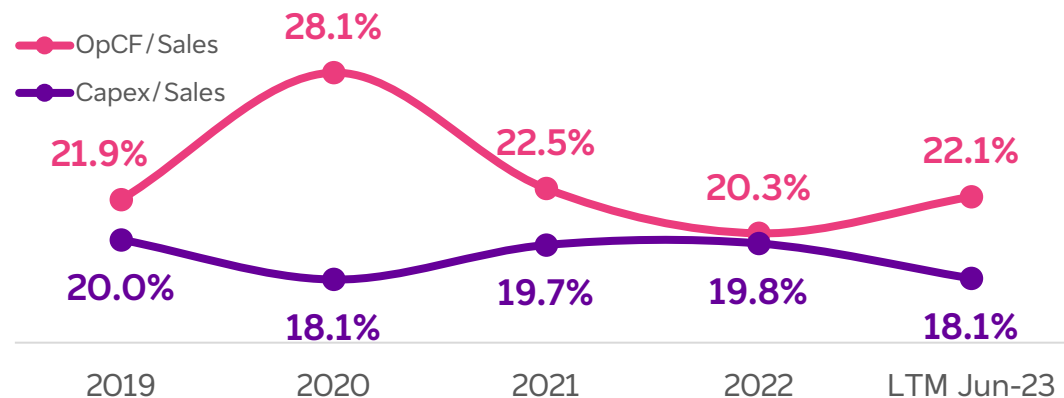


ESG



# Robust operating cash flow generation even with continued investment in growth, supporting our solid financial position

## Profitability

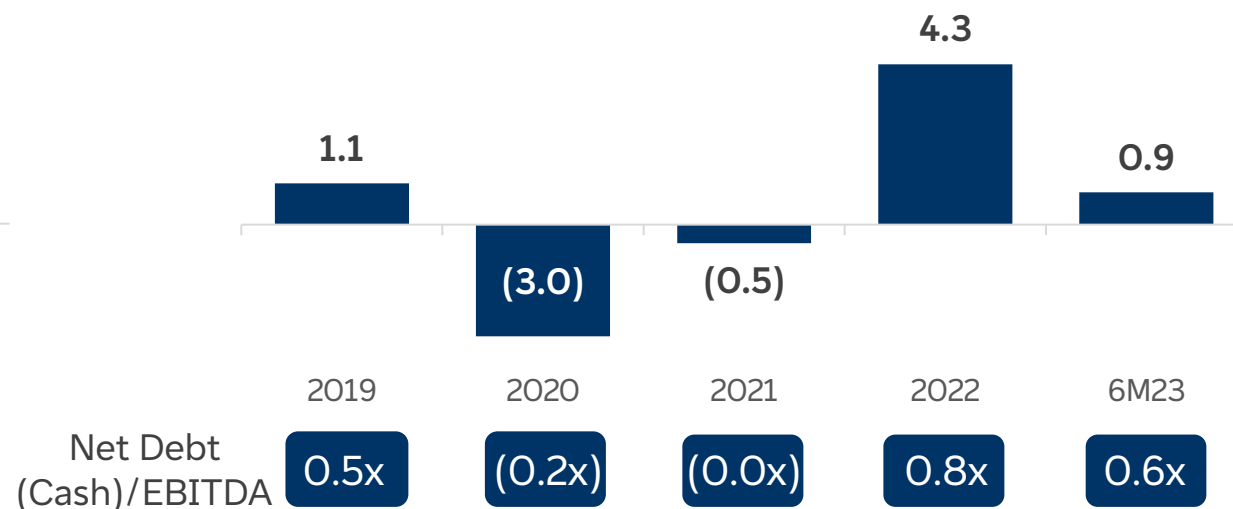


R\$ billion

	2019	2020	2021	2022	LTM Jun-23
OpCF	9.1	9.9	9.3	9.8	11.1
Capex <sup>2</sup>	8.8	7.8	8.7	9.5	9.1

## Indebtedness

■ Net Debt (Cash)<sup>1</sup>  
R\$ billion



## Ratings

FitchRatings

MOODY'S

S&P Global

AAA(bra)

Ba1

brAAA

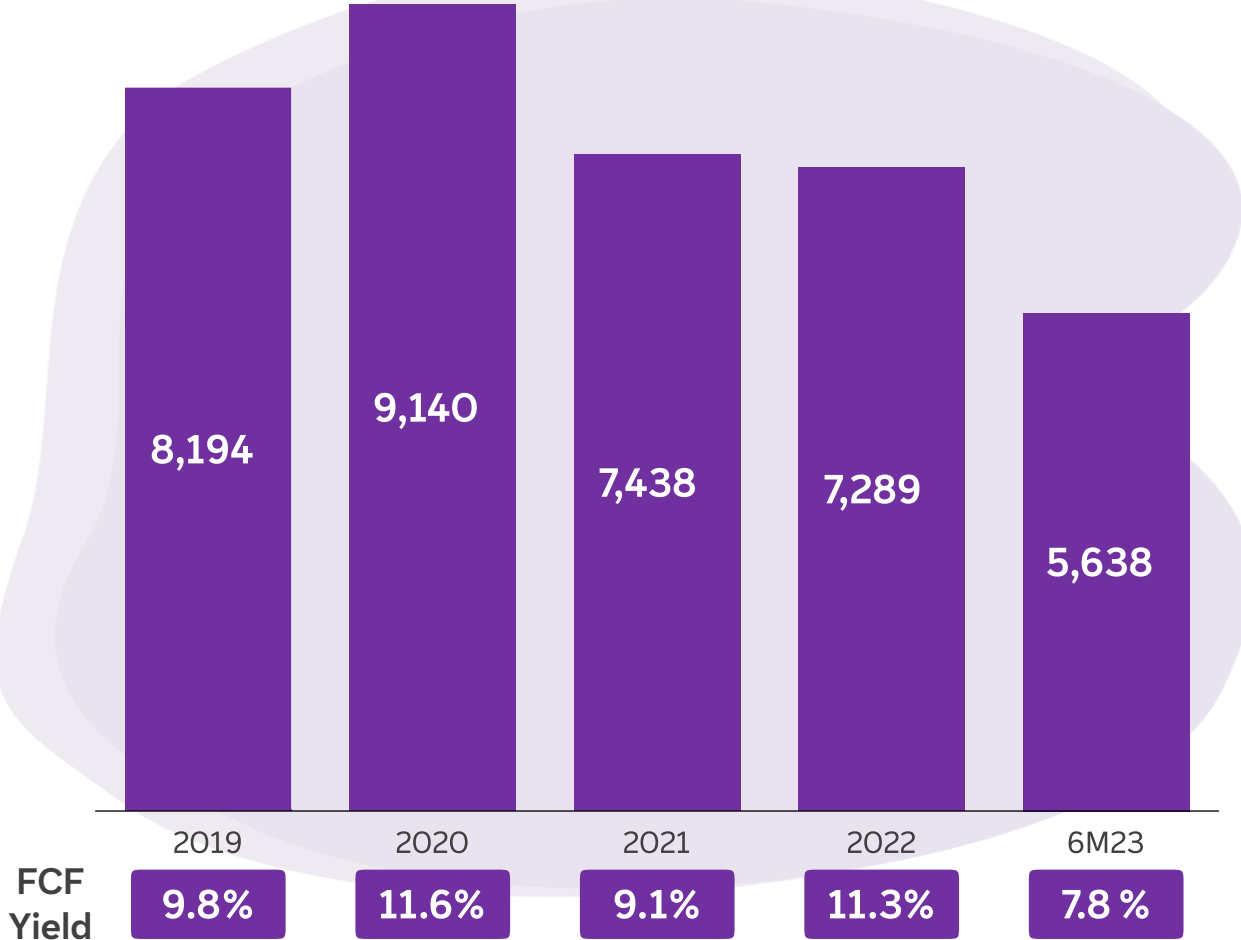
Vivo has been able to invest in Brazil's connectivity while maintaining high OpCF margins

Strong balance sheet and cash position providing financial flexibility

# Very strong cash generation profile reinforces our ability to remunerate our shareholders through different alternatives

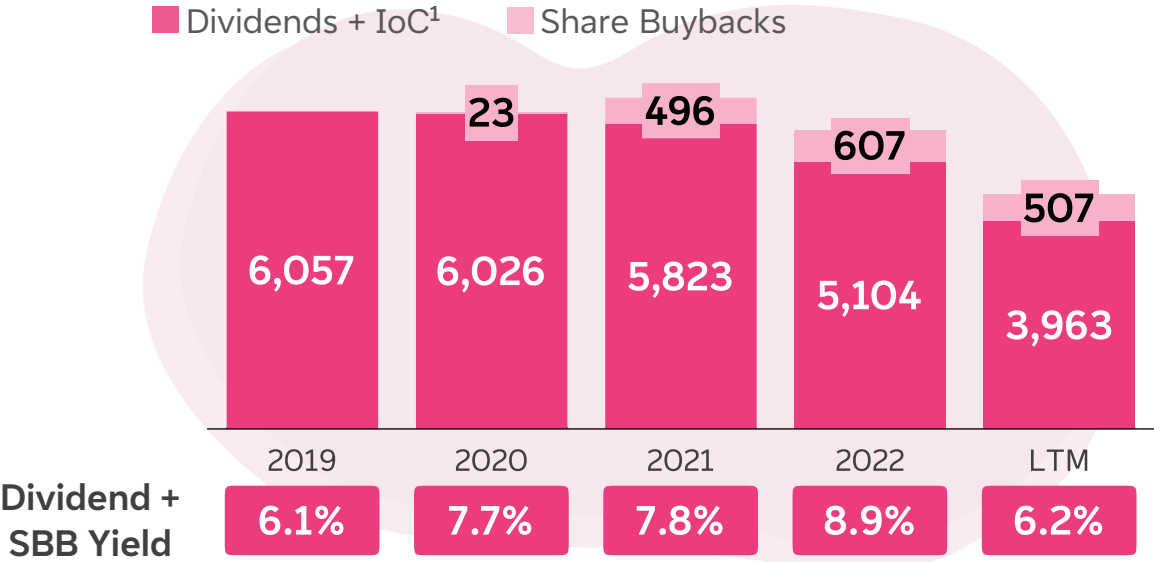
## Free Cash Flow

R\$ million



## Shareholder Remuneration

R\$ million



## Capital Reduction

- On February 15, 2023, we requested a Prior Consent to ANATEL to be able to reduce our Capital Stock in up to R\$5 billion
- Once approved, the transaction can be carried out in one or more events during the next years



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ESG

# ESG is one of Vivo's strategic pillars, aiming to create a positive and long-term impact through the Responsible Business Plan

## Responsible Business Plan

- More than 100 indicators with targets monitored by the Quality and Sustainability Committee
- Contributing to UN's Agenda 2030 and to the 17 Sustainable Development Goals (SDG)

## ESG Indexes

**ISE B3**



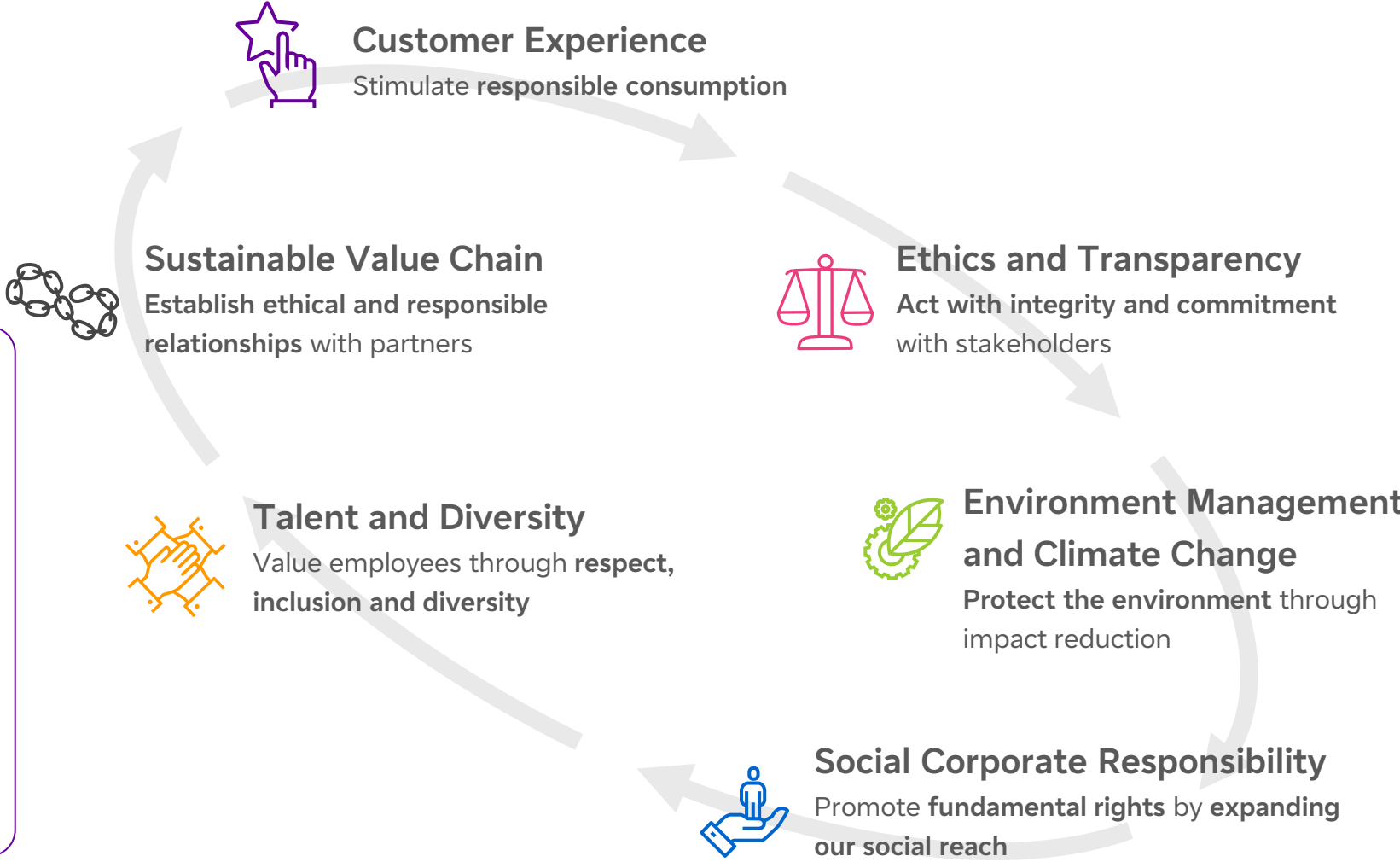
**ICO2 B3**



FTSE4Good



T E | **Mulheres**  
V A | **na Liderança**



# Accordingly, Vivo focuses on projects that will expand green energy supply, extend social reach and strengthen governance



## Environment

- **100% Renewable Electric Energy** and **Carbon Neutral** for direct emissions since 2019
- **Distributed Generation Program**, targeting **85 renewable energy plants**
- **Eco Smart** (B2B) and **Eco Rating** (B2C): seals that show customers the positive environmental impact of P&S
- **Vivo Recycle**: more than 5 million electronic products collected since 2006



## Social

- **2 million people benefited** through **educational projects in public schools** and **solidarity actions**
- **Internship and Trainee Program**: 50% of positions exclusively for black students
- **Top 10 in GPTW** (companies with more than 10,000 employees)
- **ISO 26.001** (Social Responsibility) and **ISO 45.001** for São Paulo region (Health and Safety)



## Governance

- **ESG indicator linked to short and long-term variable compensation of executives**
- **DSC10.000 standard** for the Compliance System, **#VivoDeAcordo**
- **ISO 27.001 certification** for digital security program (**Vivo Segura**) processes\*
- Board of Directors members: **83% are independent** and **33% are women**

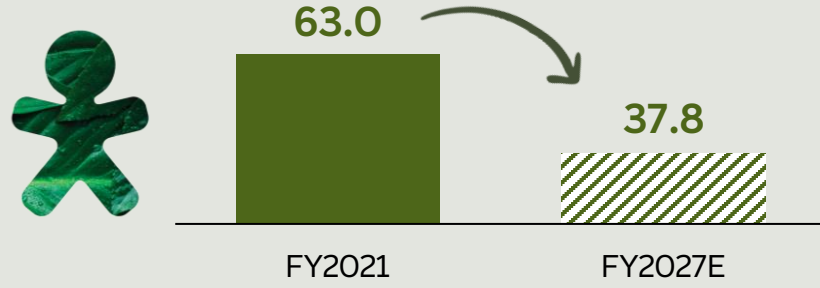


# In-line with its strategy, Vivo issued debentures linked to ESG Commitments based on its Sustainability-Linked Financing Framework

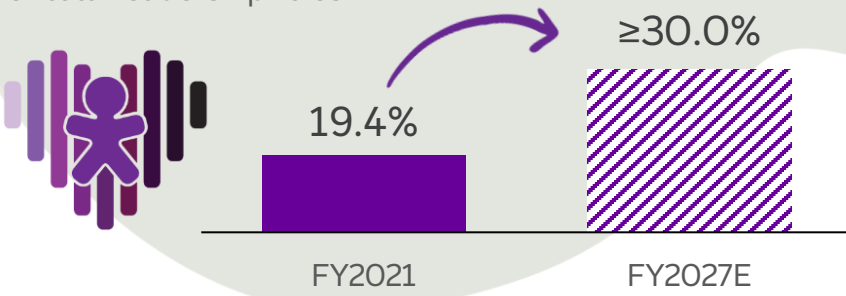
## Debenture linked to Sustainability

- R\$3.5 billion associated with ESG goals
- Two main goals to be accomplished by 2027<sup>1</sup>:

**#1: Lower Greenhouse Gases emissions<sup>2</sup> in 40%**  
thousand tons, CO2eq



**#2: Reach 30% of black people in leadership positions**  
% over total leadership roles



## Sustainability-Linked Financing Framework

- Verified by a **Second Party Opinion**
- Alignment of the **financing strategy** of the Company with its **mission and sustainability strategy**

KPIs aligned with UN's Sustainable Development Goals (SDG):

<p>Reduction of <b>Green House Gases</b></p>	<p>Increase # of <b>black people on leadership roles</b></p>
<p>Increase # of <b>black people on the workforce</b></p>	<p>Increase # of <b>women on leadership roles</b></p>

For further information:

## Investor Relations

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