



EARNINGS RELEASE 3Q23



VIVT
B3 LISTED



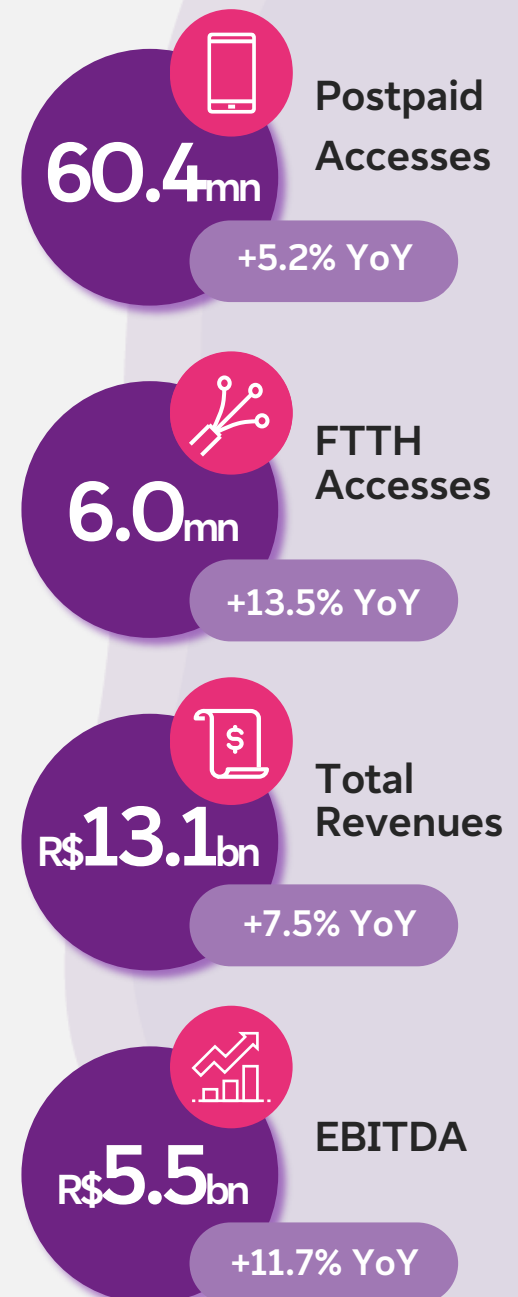
VIV
LISTED
NYSE

Telefônica Brasil S.A. (B3: VIVT3, NYSE: VIV) discloses today its results for the third quarter of 2023, presented in accordance with International Financial Reporting Standards (IFRS) and the pronouncements, interpretations and guidelines issued by the Accounting Pronouncements Committee.

TO ACCESS THE SPREADSHEET CONTAINING THE DATA AVAILABLE ON OUR INVESTOR RELATIONS WEBSITE, [CLICK HERE.](#)

3Q23 HIGHLIGHTS

- Strengthening of leadership in mobile with **98 million¹ accesses**. In the **postpaid segment (ex-M2M)**, market share at the end of August/23 was **43.6%** (+1.9 p.p. YoY), while churn in 3Q23 remained at historically low levels, at **1.09%**.
- The **FTTH network** is currently present in **439 cities** (+59 cities YoY) with **25.1 million homes passed** (+12.9% YoY) and **6.0 million homes connected** (+13.5% YoY).
- **Net revenues continue to grow above inflation** (+7.5% YoY) driven by **mobile service revenue** (+9.0 YoY). **Fixed revenue** maintained its positive performance, increasing **+3.1% YoY**, driven by FTTH revenues (**+15.1% YoY**) and **Corporate Data, ICT and Other** revenues (**+14.7% YoY**).
- **EBITDA grew +11.7% YoY**, with a margin of **42.2%** (+1.6 p.p. YoY), due to strong performance of core revenues (**+9.6% YoY**) and **cost control** (**+4.6% YoY**) in the quarter, as well as the **positive net effect of R\$175 million in 3Q23**, related to the post-closing price adjustment agreement from the acquisition of part of Oi Móvel's assets.
- In 9M23, **Operating Cash Flow** totaled **R\$8,901 million** (+27.1% YoY), with a **margin of 23.1%** (+3.3 p.p. YoY) over net revenue. **Investments** totaled **R\$6,665 million** (-5.3% YoY) or 17.3% of revenues (-2.6 p.p. YoY), maintaining the projected Investment level below R\$9 billion in 2023.
- **Net income²** reached **R\$3,429 million** in 9M23 (+15.9% YoY). **Shareholder remuneration** declared³ up to October 2023 hit **R\$2,870 million**, of which R\$1,736 million were in interest on capital, R\$827 million in dividends and R\$308 million in share buybacks.



¹ We disconnected 3,812k accesses that came from the acquisition of part of Oi Móvel's assets considered inactive by Vivo's criteria, of which 3,015k in Sep-22, 339k in Dec-22 and 457k in Mar-23.

² Considers the net income attributed to Telefônica Brasil.

³ Considers the shareholding position dates from January to October 2023.

HIGHLIGHTS



CONSOLIDATED IN R\$ MILLION

| | 3Q23 | 3Q22 | Δ% YoY | 9M23 | 9M22 | Δ% YoY |
|---|----------------|----------------|-------------------|-----------------|-----------------|-------------------|
| Net Operating Revenue | 13,112 | 12,199 | 7.5 | 38,565 | 35,382 | 9.0 |
| Core Revenue ¹ | 12,335 | 11,256 | 9.6 | 36,120 | 32,380 | 11.6 |
| Mobile Revenue | 9,279 | 8,480 | 9.4 | 27,025 | 24,172 | 11.8 |
| Fixed Core Revenue | 3,056 | 2,776 | 10.1 | 9,095 | 8,209 | 10.8 |
| Non-core Revenue ² | 777 | 943 | (17.6) | 2,445 | 3,002 | (18.5) |
| Total Costs | (7,573) | (7,242) | 4.6 | (22,999) | (21,335) | 7.8 |
| EBITDA | 5,539 | 4,957 | 11.7 | 15,566 | 14,047 | 10.8 |
| <i>EBITDA / Net Revenue Margin</i> | <i>42.2%</i> | <i>40.6%</i> | <i>1.6 p.p.</i> | <i>40.4%</i> | <i>39.7%</i> | <i>0.7 p.p.</i> |
| Net Income³ | 1,472 | 1,440 | 2.2 | 3,429 | 2,959 | 15.9 |
| Earnings per Share (EPS)⁴ | 0.89 | 0.86 | 2.9 | 2.07 | 1.77 | 16.6 |
| CAPEX ex-IFRS 16⁵ | 2,626 | 2,586 | 1.5 | 6,665 | 7,041 | (5.3) |
| Operating Cash Flow (OpCF)⁶ | 2,913 | 2,371 | 22.9 | 8,901 | 7,006 | 27.1 |
| <i>OpCF⁶ / Net Revenue Margin</i> | <i>22.2%</i> | <i>19.4%</i> | <i>2.8 p.p.</i> | <i>23.1%</i> | <i>19.8%</i> | <i>3.3 p.p.</i> |
| Free Cash Flow | 1,918 | 1,839 | 4.3 | 7,556 | 6,473 | 16.7 |
| Core Revenue¹ / Net Revenue | 94.1% | 92.3% | 1.8 p.p. | 93.7% | 91.5% | 2.1 p.p. |
| Non-core Revenue² / Net Revenue | 5.9% | 7.7% | (1.8) p.p. | 6.3% | 8.5% | (2.1) p.p. |
| Total Subscribers (Thousand) | 111,582 | 111,688 | (0.1) | 111,582 | 111,688 | (0.1) |
| Core Subscribers | 104,701 | 104,070 | 0.6 | 104,701 | 104,070 | 0.6 |
| <i>% / total accesses</i> | <i>93.8%</i> | <i>93.2%</i> | <i>0.7 p.p.</i> | <i>93.8%</i> | <i>93.2%</i> | <i>0.7 p.p.</i> |
| Non-core Subscribers | 6,881 | 7,618 | (9.7) | 6,881 | 7,618 | (9.7) |
| <i>% / total accesses</i> | <i>6.2%</i> | <i>6.8%</i> | <i>(0.7) p.p.</i> | <i>6.2%</i> | <i>6.8%</i> | <i>(0.7) p.p.</i> |

¹Total revenues excluding fixed voice, xDSL and DTH.

²Fixed voice, xDSL and DTH revenues.

³Net income attributed to Telefónica Brasil.

⁴Earnings per share (EPS) calculated base on net income attributed to Telefónica Brasil divided by outstanding shares.

⁵Does not include the relative amount related to licenses renewal in the amounts of R\$9.8 million in 1Q22, reversal of provision for licenses renewal in the amount of -R\$181 million in 2Q23, renewal of license in the amount of R\$202.7 million in 3Q23 and IFRS 16 effects.

⁶Operating Cash Flow is equivalent to EBITDA less CAPEX ex-IFRS 16.

MOBILE BUSINESS

| CONSOLIDATED IN R\$ MILLION | 3Q23 | 3Q22 | Δ% YoY | 9M23 | 9M22 | Δ% YoY |
|-------------------------------|--------------|--------------|-------------|---------------|---------------|-------------|
| NET MOBILE REVENUE | 9,279 | 8,480 | 9.4 | 27,025 | 24,172 | 11.8 |
| Mobile Service Revenue | 8,465 | 7,763 | 9.0 | 24,614 | 22,051 | 11.6 |
| Postpaid ¹ | 7,010 | 6,218 | 12.7 | 20,218 | 17,772 | 13.8 |
| Prepaid | 1,455 | 1,545 | (5.8) | 4,396 | 4,279 | 2.7 |
| Handset Revenue | 814 | 717 | 13.5 | 2,411 | 2,120 | 13.7 |



The **Mobile Service Revenue** growth of 9.0% YoY was mainly boosted by **Postpaid Revenue**¹ (+12.7% YoY), which was positively impacted by the customer base increase, annual price adjustments and churn at historic low levels. We added **739k postpaid accesses** in the quarter, driven by both the migration from prepaid to hybrid, and the positive balance of portability from other competitors.

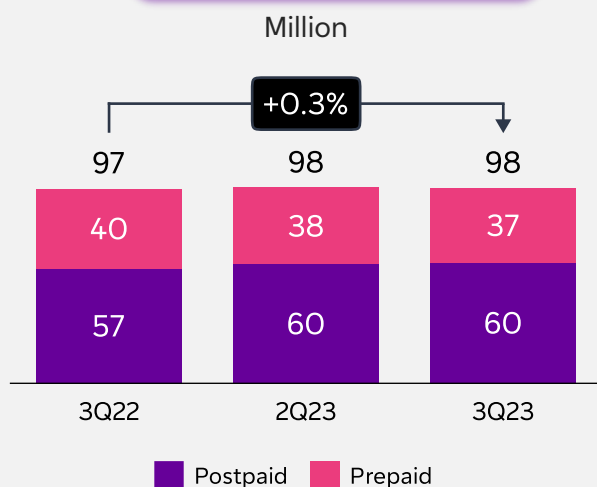


Prepaid Revenue decreased 5.8% YoY, due to the customers migration from prepaid to hybrid, which benefits the mobile service revenue dynamic as a whole. Despite revenue decrease, prepaid ARPU accelerated by 4.8% YoY.

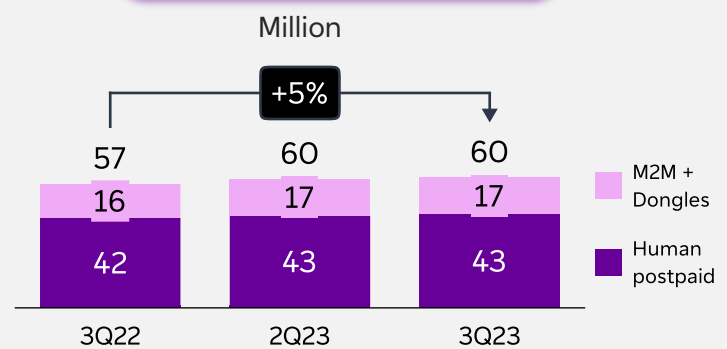


The sale of smartphones compatible with 5G, that already represent 82% of all smartphones sold in Vivo's stores, in addition to the launch of high-end devices, and the broad portfolio of electronics, contributed to an increase of 13.5% in **Handset Revenue** in comparison to the same quarter of the previous year.

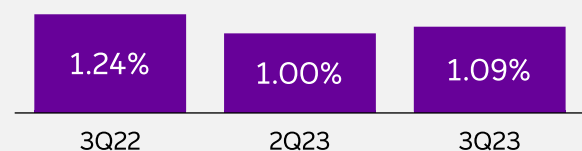
MOBILE ACCESSES



POSTPAID ACCESSES



Postpaid Churn (ex-M2M) %



¹Postpaid revenue includes M2M, dongles, wholesale and others.

FIXED BUSINESS

| CONSOLIDATED IN R\$ MILLION | 3Q23 | 3Q22 | Δ% YoY | 9M23 | 9M22 | Δ% YoY |
|---|--------------|--------------|-------------------|---------------|---------------|-------------------|
| NET FIXED REVENUE | 3,833 | 3,719 | 3.1 | 11,540 | 11,210 | 2.9 |
| Core Fixed Revenue¹ | 3,056 | 2,776 | 10.1 | 9,095 | 8,209 | 10.8 |
| FTTH | 1,570 | 1,364 | 15.1 | 4,568 | 3,950 | 15.6 |
| FTTC | 58 | 123 | (52.9) | 219 | 433 | (49.4) |
| IPTV | 367 | 365 | 0.7 | 1,113 | 1,115 | (0.2) |
| Corporate Data, ICT and Others | 1,060 | 924 | 14.7 | 3,195 | 2,712 | 17.8 |
| % of Revenues from Digital B2B | 57.0% | 52.2% | 4.8 p.p. | 56.6% | 51.6% | 5.0 p.p. |
| Non-core Fixed Revenue² | 777 | 943 | (17.6) | 2,445 | 3,002 | (18.5) |
| <i>Core Fixed Revenue¹ / Net Fixed Revenue</i> | <i>79.7%</i> | <i>74.6%</i> | <i>5.1 p.p.</i> | <i>78.8%</i> | <i>73.2%</i> | <i>5.6 p.p.</i> |
| <i>Non-core Fixed Revenue² / Net Fixed Revenue</i> | <i>20.3%</i> | <i>25.4%</i> | <i>(5.1) p.p.</i> | <i>21.2%</i> | <i>26.8%</i> | <i>(5.6) p.p.</i> |



Net Fixed Revenue grew 3.1% YoY, due to double-digit growth in **Core Fixed Revenue** (+10.1% YoY), which corresponds to 79.7% (+5.1 p.p. YoY) of net fixed revenue. Fixed revenue continues to expand, as a result of the strategic decision to focus on the expansion of the fiber and digital B2B businesses.



FTTH revenue rose by 15.1% YoY in 3Q23, due to the increase in customer base and annual price adjustment. During the last twelve months, we expanded our FTTH network to **2.9 million** new homes, connecting **715k new clients** and reached **59 new cities**, now covering 439 in total. The FTTH performance was boosted by our fiber and postpaid convergent offer, **Vivo Total**, which has **1.1 million accesses**, growing 2.5x YoY. This offer accounted for **79% of our fiber gross adds** in stores for the past three months and showed a monthly churn rate of **0.44%** in the period, well below the churn rate of the standalone services.



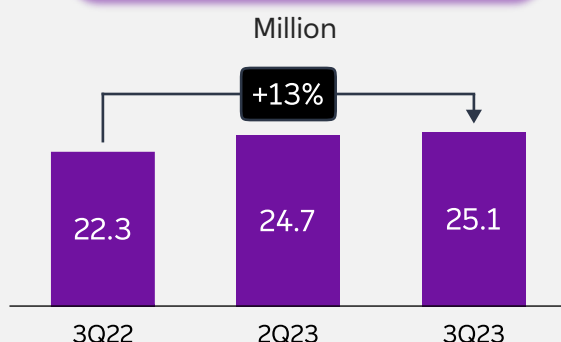
The **IPTV Revenue**, a product related to fiber connectivity, increased 0.7% YoY in 3Q23, reflecting the annual price readjustment, even with a small reduction in the access base (-3.3% YoY).



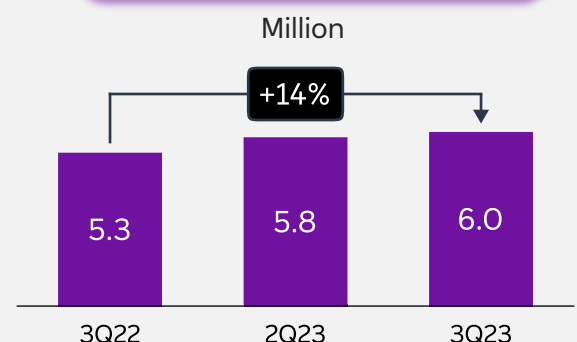
Corporate Data, ICT, and Other Revenues grew +14.7% YoY in 3Q23, as a result of digital services for companies, that already represent 57.0% (+4.8 p.p. YoY) of this revenue stream. For more information on digital B2B, [click here](#).

FTTH

HOMES PASSED



HOMES CONNECTED



¹ FTTH, FTTC, IPTV, Corporate Data and ICT, Wholesale and other fixed revenues.
² Fixed voice, xDSL and DTH revenues. DTH service was discontinued in January 2023.

COSTS

| CONSOLIDATED IN R\$ MILLION | 3Q23 | 3Q22 | Δ% YoY | 9M23 | 9M22 | Δ% YoY |
|--|----------------|----------------|------------|-----------------|-----------------|-------------|
| TOTAL COSTS | (7,573) | (7,242) | 4.6 | (22,999) | (21,335) | 7.8 |
| COSTS OF SERVICES AND PRODUCTS SOLD | (2,485) | (2,347) | 5.9 | (7,316) | (6,646) | 10.1 |
| Services | (1,419) | (1,404) | 1.1 | (4,240) | (3,991) | 6.2 |
| Products sold | (1,066) | (943) | 13.0 | (3,076) | (2,655) | 15.8 |
| COSTS FROM OPERATIONS | (5,088) | (4,895) | 3.9 | (15,683) | (14,688) | 6.8 |
| Personnel | (1,423) | (1,248) | 14.0 | (4,175) | (3,549) | 17.6 |
| Commercial and Infrastructure | (3,315) | (3,259) | 1.7 | (9,883) | (9,592) | 3.0 |
| Provision for Bad Debt | (291) | (301) | (3.3) | (1,024) | (1,000) | 2.4 |
| G&A Expenses | (333) | (273) | 22.1 | (893) | (833) | 7.1 |
| Other Net Oper. Rev. (Exp.) | 274 | 185 | 47.5 | 292 | 286 | 1.8 |

Total Costs, excluding expenses with Depreciation and Amortization, totaled **R\$7,573 million** in the quarter, an increase of **4.6% in the year**.



COSTS OF SERVICES AND PRODUCTS SOLD

Cost of Services and Products Sold grew **5.9% YoY**, due to higher revenues from digital services and sales of handsets and electronics.

- **SERVICES** – increase of **1.1% YoY in 3Q23**, due to sales of licenses and services to companies.
- **PRODUCTS SOLD** – evolution of **13.0% compared to 3Q22**, reflecting higher revenue from handset sales.

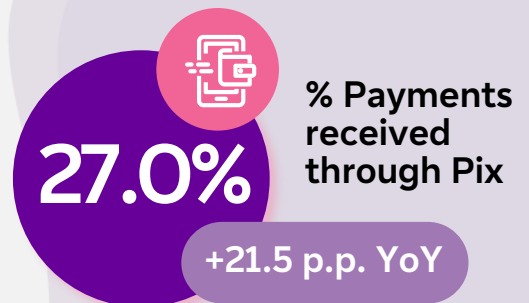
COSTS FROM OPERATIONS

The Costs from Operations presented a **3.9% YoY** growth, caused primarily by inflation in the period.

- **PERSONNEL** - **14.0% YoY increase in 3Q23**, due to annual salary and benefits readjustment, higher expenses related to internalization of critical areas, creation of new businesses and greater commercial activity.
- **COMMERCIAL AND INFRASTRUCTURE** - increase of **1.7% compared to 3Q22**, as a result of higher expenses with commercial operations, as well as higher costs with leasing of neutral fiber networks, related to the increase in customer base. These effects were partially offset by the termination of the Transition Service Agreement with Oi and higher digital channels adoption.
- **PROVISION FOR BAD DEBT** - **reduction of 3.3% YoY, ending 3Q23 at R\$291 million**, representing 1.6% of Gross Revenue (-0.1 p.p. YoY). The decrease in PBD demonstrates the customers prioritization in paying their connectivity services, as well as the execution of actions related to credit concession and collection.
- **GENERAL AND ADMINISTRATIVE** - **increase of 22.1% YoY in the quarter**, related to higher expenses with third-party services.
- **OTHER OPERATING REVENUES (EXPENSES)** - **presented revenue of R\$274 million, an increase of 47.5%** compared to the same quarter of last year, mainly due to the recognition of the net amount of R\$175 million associated to the acquisition of part of Oi Móvel assets, composed of a revenue of R\$244 million related to the price adjustment agreed by the parties, and an expense of R\$69 million related to cancelation costs of tower contracts.



DIGITALIZATION KPIs



FROM EBITDA TO NET INCOME



EBITDA

The **EBITDA** (Earnings Before Interest, Taxes, Depreciation, and Amortization) in 3Q23 was **R\$5,539 million**, an increase of **11.7%** compared to 3Q22, with an EBITDA margin of 42.2% (+1.6 p.p. YoY). This performance reflects the strong total revenue growth of 7.5% YoY, with higher share of core revenues 94.1% (+1.8 p.p. YoY), and continuous cost control.

DEPRECIATION AND AMORTIZATION

Depreciation and Amortization increased **6.0%** compared to 3Q22, due to investments made in recent years.

FINANCIAL RESULTS

In 3Q23, the **Financial Results** recorded an expense of **R\$570 million**, which represents an increase of R\$532 million YoY, mainly due to the lower level of revenue from monetary update.

NET INCOME

Net Income¹ totaled **R\$1,472 million** in the third quarter of 2023, a rise of **+2.2%** in the annual comparison, due to the strong EBITDA evolution (+11.7% YoY).

¹ Considers the net income attributed to Telefônica Brasil.

CAPEX

| CONSOLIDATED IN R\$ MILLION | 3Q23 | 3Q22 | Δ% YoY | 9M23 | 9M22 | Δ% YoY |
|---|--------------|--------------|-------------|--------------|--------------|--------------|
| Network | 2,255 | 2,215 | 1.8 | 5,722 | 5,986 | (4.4) |
| Tech, Information and Others | 371 | 371 | 0.0 | 943 | 1,055 | (10.7) |
| CAPEX¹ EX-LICENSES EX-IFRS 16 | 2,626 | 2,586 | 1.5 | 6,665 | 7,041 | (5.3) |
| IFRS 16 Leases | 1,686 | 447 | 277.3 | 2,223 | 2,218 | 0.2 |
| TOTAL IFRS 16 | 4,312 | 3,033 | 42.2 | 8,888 | 9,259 | (4.0) |

The Investments¹ made in **3Q23** reached **R\$2,626 million** (+1.5% YoY), representing **20.0%** of the Net Operating Revenue for the quarter, a reduction of 1.2 p.p. YoY. Investments were directed towards strengthening our mobile network, highlighting the activation of 5G in cities with over 200k inhabitants, in addition to the investment for the expansion of our fiber network.

In the last nine months, Investments¹ added up to **R\$6,665 million** (-5.3% YoY), which leads the Company to a solid position to meet the Capex guidance, excluding licenses and leases (IFRS 16), of up to **R\$9 billion²** in 2023.

FREE CASH FLOW

| CONSOLIDATED IN R\$ MILLION | 3Q23 | 3Q22 | Δ% YoY | 9M23 | 9M22 | Δ% YoY |
|---|--------------|--------------|-------------|---------------|---------------|-------------|
| Reported EBITDA | 5,539 | 4,957 | 11.7 | 15,566 | 14,047 | 10.8 |
| Capital Expenditures | (2,626) | (2,586) | 1.5 | (6,665) | (7,041) | (5.3) |
| Working Capital | 342 | 673 | (49.3) | 2,524 | 3,042 | (17.0) |
| IFRS16 Lease Payments | (624) | (600) | 4.0 | (1,834) | (1,789) | 2.5 |
| Net Financial Result | (492) | (302) | 62.5 | (1,472) | (1,057) | 39.3 |
| Taxes Payments (Income Tax./Social Cont.) | (222) | (302) | (26.6) | (563) | (730) | (22.8) |
| FREE CASH FLOW | 1,918 | 1,839 | 4.3 | 7,556 | 6,473 | 16.7 |

Free Cash Flow reached **R\$1,918 million** in 3Q23, an increase of **4.3%** YoY, driven by EBITDA growth (+11.7% YoY) and the maintenance of investment level, partially offset by higher financial payments related to debentures interest paid in July 2023, which amounted approximately R\$ 248 million.

¹ Does not include amounts related to license renewal of R\$9.8 million in 1Q22, reversal of provision for licenses renewal in the amount of -R\$181 million in 2Q23, license renewal of R\$202.7 million in 3Q23 and IFRS 16 effects.

² The amount is an estimate and is subject to change in view of any changes in the business and macroeconomic environment.

INDEBTEDNESS

LOANS, FINANCING AND DEBENTURES

| ISSUANCES IN R\$ MILLION | CURRENCY | INTEREST RATE | DUE DATE | SHORT TERM | LONG TERM | TOTAL |
|---|----------|-------------------|----------|--------------|---------------|---------------|
| Debentures (7th Issue - 1st series) | R\$ | CDI + 1.12% YoY | 2025 | 46 | 1,500 | 1,546 |
| Debentures (7th Issue - 2nd series) | R\$ | CDI + 1.35% a.a. | 2027 | 62 | 2,000 | 2,062 |
| Liabilities for the acquisition of companies ¹ | R\$ | 100% CDI and IPCA | 2027 | 91 | 3 | 94 |
| Other Creditors ² | R\$ | CDI + 3.75% YoY | 2028 | 0 | 15 | 15 |
| 5G Licenses | R\$ | Selic and IGP-DI | 2040 | 640 | 968 | 1,607 |
| Gross Debt Ex-IFRS16 | | | | 839 | 4,486 | 5,324 |
| Leases ³ | R\$ | IPCA | 2036 | 3,539 | 8,891 | 12,430 |
| Gross Total Debt | | | | 4,378 | 13,377 | 17,754 |

NET DEBT | EX-IFRS 16

| CONSOLIDATED IN R\$ MILLION | 09/30/2023 | 12/31/2022 | 09/30/2022 |
|--|---------------|---------------|---------------|
| Short-Term Debt | 839 | 2,508 | 2,518 |
| Long-Term Debt | 4,486 | 4,761 | 5,031 |
| Gross Debt Ex-IFRS16 | 5,324 | 7,269 | 7,549 |
| Cash, Applic. and Deposit ⁴ | (5,024) | (2,955) | (6,151) |
| Derivatives | 18 | 6 | (61) |
| Net Debt (Cash) | 318 | 4,320 | 1,337 |
| Leases ³ | 12,430 | 12,033 | 12,198 |
| Net Debt | 12,748 | 16,353 | 13,535 |

L.T. DEBT PROFILE

| YEAR | Financial Debt (R\$ million) | IFRS 16 (R\$ million) |
|--------------|------------------------------|-----------------------|
| 2024 | 839 | 3,539 |
| 2025 | 1,557 | 2,780 |
| 2026 | 59 | 2,011 |
| After 2026 | 2,869 | 4,100 |
| Total | 5,324 | 12,430 |

The Company's gross debt (ex-leases) reached **R\$5,324 million** at the end of **3Q23**, being 100% denominated in local currency. Gross indebtedness declined 29% YoY due to the termination of the contractual retention of mobile assets acquisition from Oi and the resolution of the foreign currency loan (Law 4131) in September/23. Considering Cash and Applications, Contractual Retention¹ and Derivatives, the Company recorded **R\$318 million** in net debt on September 30, 2023. If the leasing effect³ is included, net debt reached **R\$12,748 million** at the end of **3Q23**.

¹ Liabilities under the contract for the acquisition of Oi's Mobile assets, Vita IT and Vale Saúde, more details in the note 20 of 3Q23 Quarterly Information.

² Refers to the investment made by Polígono Capital to Vivo Money in August/23, more details in the note 20 of 3Q23 Quarterly Information.

³ Also includes financial leases that were considered financial debt prior to IFRS 16 (R\$257 million in 3Q23, R\$227 million in 3Q22, and R\$227 million in 4Q22).

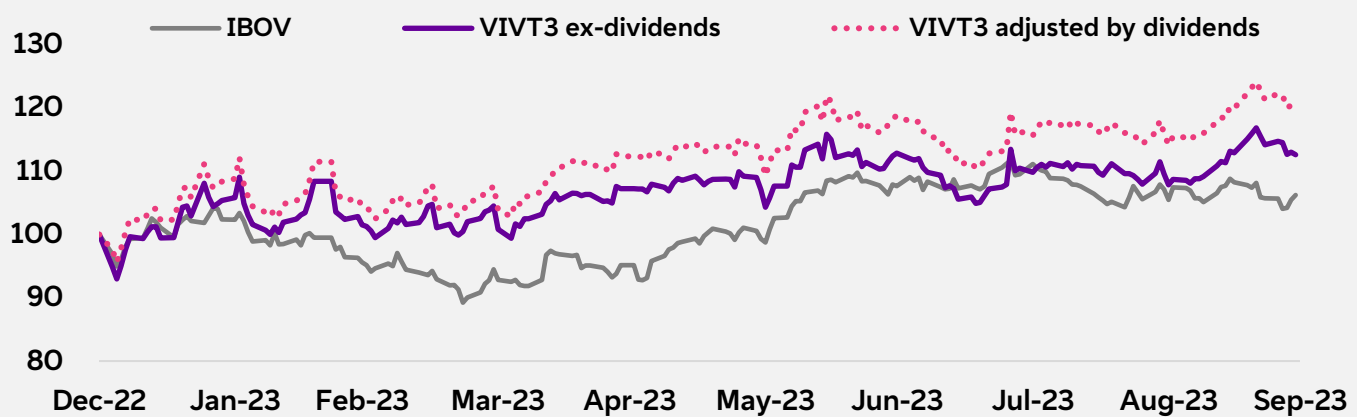
⁴ Considers cash and cash equivalents, financial investments, and accounts receivable from FIDC Vivo Money.

CAPITAL MARKET

Our capital stock consists exclusively of common shares, with voting rights, that are listed at the B3 (ticker: VIVT3) and the NYSE (ticker: VIV).

Share Performance

(Base 100 as of 12/31/2022)



| | 09/30/2023 | 12/31/2022 | Δ |
|--|---------------|---------------|--------------|
| Closing price VIVT3 (R\$) | 43.18 | 38.35 | 12.6% |
| Closing price VIVT (US\$) | 8.55 | 7.15 | 19.6% |
| Average daily volume 3M VIVT3 (R\$ mn) | 92.08 | 112.54 | -18.2% |
| Average daily volume 3M VIVT (US\$ mn) | 9.10 | 15.73 | -42.1% |
| Total number of shares | 1,663,556,731 | 1,676,938,271 | (13,381,540) |
| Outstanding shares | 1,656,556,432 | 1,663,556,731 | (7,000,299) |
| Treasury shares | 7,000,299 | 13,381,540 | (6,381,241) |
| Net income LTM per share (EPS) | 2.75 | 2.44 | 12.8% |
| Price/Earnings (P/E) | 15.76 | 15.85 | -0.6% |
| Market Cap/Book value (P/BV) | 1.04 | 0.94 | 10.3% |
| Book Value per Share | 41.67 | 40.82 | 2.1% |



SHAREHOLDER REMUNERATION



In September 2023, ANATEL approved the request for prior consent to allow the Company to reduce its capital stock in one or more events, subject to the management's assessment regarding opportunity and convenience, in a total amount of up to R\$5 billion.

Through the Share Buyback Program, in effect until February 22, 2024, we repurchased R\$308 million in shares between January and October 2023, reaffirming the Company's commitment to maximizing shareholders' return. In the last 12 months¹, the gross amount declared per share was R\$ 2.58, which represents a dividend yield¹ of 6.6% per year, considering the Share Buyback Program.

In 9M23, the Board of Directors deliberated dividends in the amount of R\$827 million for the fiscal year 2022, and the gross amount of R\$1,586 million in interest on capital for the fiscal year 2023. In addition, we deliberated R\$150 million in interest on capital on October 10, 2023. The deliberated interest on capital will be imputed to the mandatory minimum dividends for the fiscal year 2023, ad referendum of the Ordinary General Meeting of Shareholders to be held in 2024.

For more information regarding Dividends, [click here](#).

Div. Yield¹

6.6%

Gross Earnings/Share²

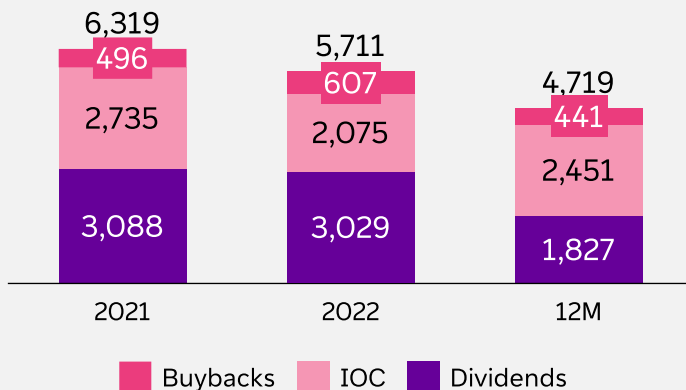
R\$2.58

Payout³

104%

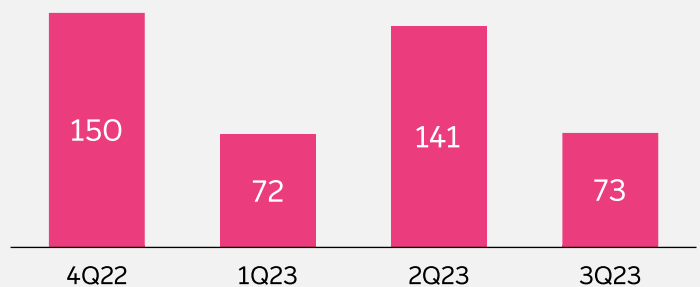
Total Shareholder Return Deliberated¹

R\$ million



Quarterly Buyback

R\$ million



Buybacks IOC Dividends

¹ Considers dividends, interest on capital declared, and share repurchases made between November 2022 and October 2023. ² Considers dividends and interest on capital declared between November 2022 and October 2023. ³ Considers dividends and interest on capital declared based on profit between November 2022 and October 2023 and share buybacks made in the same period.

DIGITAL ECOSYSTEM

Based on our strategic pillar **#temtudonaVivo** (there's everything at Vivo), we continue to move forward in the **development of an ecosystem with relevant partners** to fuel our consolidation as a digital services hub.

B2C



VIVO CONTROLE

Following the launch of the hybrid plans **Vivo Controle Saúde, Vivo Controle Netflix and Vivo Controle Entretenimento**, we launched a new plan called **Vivo Controle Educação** which provides access to fast-paced online courses with certificates on the Vivae platform - joint venture between Vivo and Ânima Educação - available for R\$ 72/month.



FINANCIAL SERVICES

In September 2023, **Vivo Money's** portfolio reached **R\$307 million**, a 2.2x increase compared to the same period last year. In July 2023, an investment commitment was signed by **Polígono Capital**, through funds managed by them, for an investment in Vivo Money of up to **R\$250 million** within 24 months. Revenues from financial services grew 45% year-on-year, totaling **R\$106 million** in 3Q23.



ENTERTAINMENT

Vivo offers to its customers the **best video and music OTTs in the market**. These services represented **R\$144 million** in revenues in 3Q23 (+33% YoY), and ended September 2023 with **2.8 million subscriptions** of content platforms (+32% YoY).

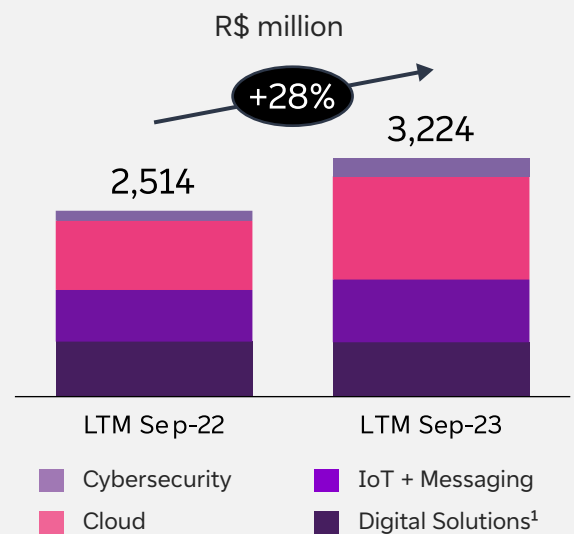
B2B

Companies in Brazil are moving towards digitalization, and Vivo offers services that go beyond connectivity, creating a digital services ecosystem comprised of **cloud, cybersecurity, IoT, big data, messaging, IT equipment sales and leases**, among others.

In the last 12 months, B2B digital services generated **R\$3,224 million in revenues** (+28% YoY), **accounting for 6.3% of Vivo's total revenue in the period** (+1.0 p.p. YoY).

Currently, around 10% of our B2B clientele hire digital services with Vivo, which explains the significant opportunity of increasing penetration of such services, mainly among Small and Medium-sized Enterprises. For this reason, **Vivo Meu Negócio** offers a complete ecosystem of digital services for SMEs², with accessible solutions for sales, web presence and efficiency tools.

B2B Digital Revenues



¹ Includes equipment. ² Small and Medium-sized Enterprises.

ESG

Environmental, Social and Governance

Telefônica Brasil presents an ESG strategy that aims to assure its commitment to sustainable growth with ethics and integrity. This strategy has 6 action pillars, with over 100 indicators monitored through the Responsible Business Plan (RBP). The RBP is approved by the Board of Directors and consists of company-wide targets (2021 – 2024), that promote the Company’s responsible growth and contribute to the Sustainable Development Goals/Agenda 2030. This plan addresses the most relevant, current, and future issues in the environmental, social, and governance dimensions.



CLIMATE

The company has launched the [Climate Action Plan](#), which details its **climate strategy** based on five models: operational, value chain, commercial, financial, and governance. The Plan was approved by the Board of Directors and is monitored by the Quality and Sustainability Committee.

Regarding the relationship of suppliers, actions aimed at the 125 carbon-intensive partners (around 90% of the chain’s emissions) are developed through the **Carbon in the Supply Chain Program**, and 60% of these are climate-focused. As for **customers**, in the last 12 months, the P&S that favor energy and climate efficiency and align with the goal of containing the increase of global temperature to 1.5°C amounted to **R\$1,860 million in revenues**.

The company will be the first company in the sector to start in the **Energy Self-Production** modality. In partnership with a specialized company, Telefônica Brasil will be a partner of 4 solar parks in Janaúba (MG) that will supply more than 200 medium-voltage consuming units. The recertification of **ISO 50,001** was also successfully achieved.



SOCIAL

Volunteer Day, which took place in August, had more than 9,500 volunteers in activities in 59 institutions benefiting more than 30,000 people. For the first time, employees were able to invite their family members to participate.

Telefônica Brasil has launched its impact analysis [Vivo for the 2030 SDGs](#), which details how its business contributes to the **Sustainable Development Goals (SDGs)**. The study presents its priority SDGs and reinforces its positive impact strategy. The launch took place at an event in the company to discuss with different stakeholders, how the private sector can boost this agenda.

At the music event The Town, the company reinforced the **Presença Preta (Black Presence)** initiative with actions aimed at promoting racial diversity at the event. Gifts such as pochettes and shoulder bags, made by women that are incarcerated or in the process of social reintegration using material from uniforms that would have been discarded, were distributed.



ESG RATINGS

Highlighting the Vivo Recycle program, Vivo was the only Brazilian company and the only company in the sector to be included in **Fortune's Change the World list** (21st position), which selects companies that promote positive impact from their businesses.

Telefônica Brasil was also recognized as one of the **Top 10 Best Companies to Work for in Brazil 2023**, in the Large Companies (more than 10,000 employees) category, in the national GPTW (Great Place To Work) ranking.

The company maintains its position in the following ratings: (1) Best IT and Telecom company according to **Época Negócios 360º**; (2) 1st place in **Telecom Annual Report 2023** published by Fórum Editorial.



OPERATIONAL INDICATORS

Mobile Business

| THOUSAND | 3Q23 | 3Q22 | Δ% YoY | 9M23 | 9M22 | Δ% YoY |
|---------------------------------|---------------|---------------|-------------------|---------------|---------------|-------------------|
| TOTAL MOBILE ACCESSES | 97,587 | 97,328 | 0.3 | 97,587 | 97,328 | 0.3 |
| Postpaid | 60,424 | 57,454 | 5.2 | 60,424 | 57,454 | 5.2 |
| Human postpaid (ex-M2M) | 43,467 | 41,712 | 4.2 | 43,467 | 41,712 | 4.2 |
| M2M | 15,620 | 14,210 | 9.9 | 15,620 | 14,210 | 9.9 |
| Dongles | 1,336 | 1,532 | (12.8) | 1,336 | 1,532 | (12.8) |
| Prepaid | 37,163 | 39,874 | (6.8) | 37,163 | 39,874 | (6.8) |
| MARKET SHARE¹ | 38.7% | 37.3% | 1.3 p.p. | 38.7% | 37.3% | 1.3 p.p. |
| Postpaid | 41.7% | 40.2% | 1.5 p.p. | 41.7% | 40.2% | 1.5 p.p. |
| Prepaid | 34.5% | 33.8% | 0.8 p.p. | 34.5% | 33.8% | 0.8 p.p. |
| ARPU (R\$/month) | 28.9 | 26.1 | 10.9 | 28.0 | 26.1 | 7.2 |
| Human Postpaid (ex-M2M) | 51.2 | 46.8 | 9.5 | 49.7 | 47.2 | 5.2 |
| M2M | 3.3 | 2.9 | 14.5 | 3.2 | 2.9 | 8.7 |
| Prepaid | 12.9 | 12.3 | 4.8 | 12.7 | 12.1 | 5.0 |
| MONTHLY CHURN | 2.3% | 2.4% | (0.1) p.p. | 2.5% | 2.5% | (0.1) p.p. |
| Postpaid (ex-M2M) | 1.1% | 1.2% | (0.2) p.p. | 1.1% | 1.2% | (0.1) p.p. |
| Prepaid ² | 3.6% | 3.9% | (0.3) p.p. | 4.0% | 4.3% | (0.2) p.p. |

Fixed Business

| THOUSAND | 3Q23 | 3Q22 | Δ% YoY | 9M23 | 9M22 | Δ% YoY |
|---|---------------|---------------|-------------------|---------------|---------------|-------------------|
| TOTAL FIXED ACCESSES | 13,995 | 14,360 | (2.5) | 13,995 | 14,360 | (2.5) |
| Core fixed accesses³ | 7,114 | 6,743 | 5.5 | 7,114 | 6,743 | 5.5 |
| FTTH | 5,992 | 5,277 | 13.5 | 5,992 | 5,277 | 13.5 |
| FTTC | 264 | 578 | (54.3) | 264 | 578 | (54.3) |
| IPTV | 858 | 888 | (3.3) | 858 | 888 | (3.3) |
| Non-core fixed accesses⁴ | 6,881 | 7,618 | (9.7) | 6,881 | 7,618 | (9.7) |
| Fixed Voice | 6,612 | 7,047 | (6.2) | 6,612 | 7,047 | (6.2) |
| xDSL | 269 | 458 | (41.2) | 269 | 458 | (41.2) |
| DTH ⁵ | 0 | 112 | n.d. | 0 | 112 | n.d. |
| ARPU FTTH (R\$/month) | 88.7 | 88.1 | 0.7 | 88.6 | 88.8 | (0.3) |
| ARPU IPTV (R\$/month) | 141.6 | 136.9 | 3.4 | 140.9 | 138.1 | 2.1 |
| <i>Core fixed accesses³ / Total Fixed accesses</i> | <i>50.8%</i> | <i>47.0%</i> | <i>3.9 p.p.</i> | <i>50.8%</i> | <i>47.0%</i> | <i>3.9 p.p.</i> |
| <i>Non-core fixed accesses⁴ / Total Fixed accesses</i> | <i>49.2%</i> | <i>53.0%</i> | <i>(3.9) p.p.</i> | <i>49.2%</i> | <i>53.0%</i> | <i>(3.9) p.p.</i> |

¹Data published by Anatel in August 2023. ²Does not consider the disconnection of accesses considered inactive by Vivo's criteria regarding the acquisition of Oi Mobile of 457 thousand prepaid accesses in Mar/23. Considering the disconnections, the prepaid churn rate would be 4.2% in 9M23. ³FTTH, FTTC and IPTV. ⁴Fixed voice, xDSL and DTH. ⁵DTH service was discontinued in January 2023.



INCOME STATEMENT

| CONSOLIDATED IN R\$ MILLION | 3Q23 | 3Q22 | Δ% YoY | 9M23 | 9M22 | Δ% YoY |
|--|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Gross Operating Revenue | 17,975 | 17,328 | 3.7 | 52,646 | 50,779 | 3.7 |
| Net Operating Revenue | 13,112 | 12,199 | 7.5 | 38,565 | 35,382 | 9.0 |
| Core revenues ¹ | 12,335 | 11,256 | 9.6 | 36,120 | 32,380 | 11.6 |
| Mobile core revenue | 9,279 | 8,480 | 9.4 | 27,025 | 24,172 | 11.8 |
| Fixed core revenue | 3,056 | 2,776 | 10.1 | 9,095 | 8,209 | 10.8 |
| Non-core revenues ² | 777 | 943 | (17.6) | 2,445 | 3,002 | (18.5) |
| Total Costs | (7,573) | (7,242) | 4.6 | (22,999) | (21,335) | 7.8 |
| Cost of Services and Products sold | (2,485) | (2,347) | 5.9 | (7,316) | (6,646) | 10.1 |
| Services | (1,419) | (1,404) | 1.1 | (4,240) | (3,991) | 6.2 |
| Products sold | (1,066) | (943) | 13.0 | (3,076) | (2,655) | 15.8 |
| Costs from Operations | (5,088) | (4,895) | 3.9 | (15,683) | (14,688) | 6.8 |
| Personnel | (1,423) | (1,248) | 14.0 | (4,175) | (3,549) | 17.6 |
| Commercial and Infrastructure | (3,315) | (3,259) | 1.7 | (9,883) | (9,592) | 3.0 |
| Provision for Bad Debt | (291) | (301) | (3.3) | (1,024) | (1,000) | 2.4 |
| General and Administrative | (333) | (273) | 22.1 | (893) | (833) | 7.1 |
| Other Net Oper. Revenue (Exp.) | 274 | 185 | 47.5 | 292 | 286 | 1.8 |
| EBITDA | 5,539 | 4,957 | 11.7 | 15,566 | 14,047 | 10.8 |
| <i>EBITDA Margin %</i> | <i>42.2%</i> | <i>40.6%</i> | <i>1.6 p.p.</i> | <i>40.4%</i> | <i>39.7%</i> | <i>0.7 p.p.</i> |
| Depreciation and Amortization | (3,418) | (3,226) | 6.0 | (9,885) | (9,397) | 5.2 |
| EBIT | 2,121 | 1,732 | 22.5 | 5,681 | 4,650 | 22.2 |
| Financial Result | (570) | (37) | 1,419.7 | (1,713) | (1,163) | 47.4 |
| Gain (Loss) on Investments | (3) | (5) | n.a. | (15) | (13) | 10.6 |
| Taxes (Income tax / Social contribution) | (72) | (253) | (71.7) | (521) | (543) | (4.0) |
| Net Income before non-controlling shareholders | 1,477 | 1,436 | 2.8 | 3,432 | 2,932 | 17.1 |
| <i>Net Income/(Loss) of non-controlling shareholders</i> | <i>5</i> | <i>(3)</i> | <i>n.a.</i> | <i>3</i> | <i>(27)</i> | <i>n.a.</i> |
| Net Income³ | 1,472 | 1,440 | 2.2 | 3,429 | 2,959 | 15.9 |
| <i>Earnings per Share (EPS)⁴</i> | <i>0.89</i> | <i>0.86</i> | <i>2.9</i> | <i>2.07</i> | <i>1.77</i> | <i>16.6</i> |

¹ Total revenues excluding fixed voice, xDSL and DTH.

² Fixed voice, xDSL and DTH revenues.

³ Net income attributed to Telefônica Brasil.

⁴ Earnings per share (EPS) calculated base on net income attributed to Telefônica Brasil divided by outstanding shares.



BALANCE SHEET

| CONSOLIDATED IN R\$ MILLION | 09/30/2023 | 12/31/2022 | Δ% YoY |
|---|----------------|----------------|--------------|
| ASSETS | 119,991 | 119,121 | 0.7 |
| Current Assets | 19,401 | 17,284 | 12.3 |
| Cash and Cash Equivalents | 4,556 | 2,274 | 100.3 |
| Accounts Receivable | 9,077 | 8,691 | 4.4 |
| Inventories | 888 | 790 | 12.5 |
| Other current assets | 4,881 | 5,529 | (11.7) |
| Non-Current Assets | 100,590 | 101,838 | (1.2) |
| Accounts Receivable | 367 | 399 | (8.1) |
| Guarantees and Deposits | 2,862 | 2,834 | 1.0 |
| Other assets | 2,816 | 2,981 | (5.5) |
| Property, Plant and Equipment, Net | 45,479 | 45,898 | (0.9) |
| Intangible Assets, Net | 49,067 | 49,725 | (1.3) |
| LIABILITIES AND SHAREHOLDERS' EQUITY | 119,991 | 119,121 | 0.7 |
| LIABILITIES | 50,665 | 50,666 | (0.0) |
| Current Liabilities | 21,044 | 22,171 | (5.1) |
| Accounts Payable and Suppliers | 10,248 | 8,451 | 21.3 |
| Taxes, Fees and Contributions | 1,852 | 1,101 | 68.2 |
| Loans, Financ., Deb., Leasing and Licenses | 4,378 | 6,020 | (27.3) |
| Interest on Capital and Dividends | 1,775 | 3,187 | (44.3) |
| Provisions and Contingencies | 1,326 | 1,878 | (29.4) |
| Other Liabilities | 1,465 | 1,533 | (4.5) |
| Non-Current Liabilities | 29,621 | 28,495 | 4.0 |
| Taxes, Fees and Contributions | 3,974 | 2,893 | 37.4 |
| Deferred Income Tax and Social Contribution | 3,343 | 3,832 | (12.8) |
| Loans, Financ., Deb., Leasing and Licenses | 13,377 | 13,282 | 0.7 |
| Provisions and Contingencies | 7,072 | 6,733 | 5.0 |
| Other Liabilities | 1,857 | 1,756 | 5.8 |
| SHAREHOLDERS' EQUITY | 69,326 | 68,456 | 1.3 |



ADDITIONAL INFORMATION

EBITDA After Leases (IFRS 16)

| CONSOLIDATED IN R\$ MILLION | 3Q23 | 3Q22 | Δ% YoY | 9M23 | 9M22 | Δ% YoY |
|--|--------------|--------------|-----------------|---------------|---------------|-----------------|
| EBITDA | 5,539 | 4,957 | 11.7 | 15,566 | 14,047 | 10.8 |
| Leases Depreciation (IFRS 16) | (765) | (775) | (1.2) | (2,431) | (2,267) | 7.2 |
| Leases Interest (IFRS 16) | (374) | (342) | 9.4 | (1,025) | (950) | 7.8 |
| EBITDA After Leases (EBITDA AL) | 4,400 | 3,841 | 14.6 | 12,111 | 10,829 | 11.8 |
| <i>EBITDA AL / Net Revenue Margin</i> | <i>33.6%</i> | <i>31.5%</i> | <i>2.1 p.p.</i> | <i>31.4%</i> | <i>30.6%</i> | <i>0.8 p.p.</i> |
| CAPEX ex-IFRS 16 | 2,626 | 2,586 | 1.5 | 6,665 | 7,041 | (5.3) |
| Operating Cash Flow (EBITDA AL - Capex) | 1,774 | 1,255 | 41.4 | 5,446 | 3,788 | 43.8 |
| <i>OpCF AL / Net Revenue Margin</i> | <i>13.5%</i> | <i>10.3%</i> | <i>3.2 p.p.</i> | <i>14.1%</i> | <i>10.7%</i> | <i>3.4 p.p.</i> |

Depreciation and Amortization

| CONSOLIDATED IN R\$ MILLION | 3Q23 | 3Q22 | Δ% YoY | 9M23 | 9M22 | Δ% YoY |
|--|----------------|----------------|------------|----------------|----------------|------------|
| Depreciation and Amortization | (3,418) | (3,226) | 6.0 | (9,885) | (9,397) | 5.2 |
| Depreciation | (1,562) | (1,590) | (1.7) | (4,570) | (4,620) | (1.1) |
| Leases Depreciation (IFRS 16) | (765) | (775) | (1.3) | (2,431) | (2,267) | 7.2 |
| Amortization | (850) | (671) | 26.6 | (2,166) | (1,930) | 12.2 |
| PPA ¹ Depreciation/Amortization | (241) | (189) | 27.1 | (719) | (579) | 24.2 |

¹Purchase Price Allocation.



CONFERENCE CALL

Date: _____ **Time:** _____ **Connection:** _____

November 01,
2023
(Wednesday)

10h00 (Brasília
time) /
09h00 (New
York time)

Zoom link:



[Click here](#)

A replay of the conference call will be available **after the end of the event, in our website**

TELEFÔNICA BRASIL INVESTOR RELATIONS

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