Telefónica vivo

INSTITUTIONAL PRESENTATION

Telefônica Brasil S.A.
Investor Relations

VIVT B3 LISTED
VIV LISTED NYSE
ISEB3
ICO2B3

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

The Brazilian telco industry is full of valuable opportunities, leveraged by the constant improvement of the regulatory scenario

Telefónica | vivo

Brazil in a nutshell

11th largest economy in the world[1]

+2.9% GDP growth in 2023

7th largest population in the world[2]

213 million human mobile accesses[3]

35 million fiber accesses[3]

3rd country with most Instagram and TikTok users

Regulatory update: STFC[4] Concession migration

Recap: In **2019**, a change in the General Telecommunications Law (LGT) enabled concessionaries to **change to an authorization model**. Currently, concessionaries have **heavy obligations** related to **reversible assets**

Main update: On **May 23rd, 2024**, Vivo reached an understanding on the **proposed terms and conditions** for the adaptation of the **STFC Concession contracts** to an **Authorization instrument**. The proposal includes:

(i) **termination of all proceedings** related to the Concession

(ii) **withdrawal of the arbitral proceedings** filed against ANATEL

(iii) **commitment to public interest pledges in up to 10 years**

(iv) **maintenance of STFC** in certain locations until **2028**

The proposal is subject to obtaining the **necessary approvals** for the confirmation of its effectiveness

Potential upsides: Regulatory framework update, allowing the **reduction of costs related to legacy technologies** and **greater investments allocation on modern, future-proof solutions**

1 - Nominal GDP, World Bank. 2 – 2022 Brazilian Census. 3 – ANATEL, Dec/23. 4 - Switched Fixed Telephone Service.

Over time, we have built a unique set of assets...

Largest access base
in Latin America

Top 10 retailer
in Brazil

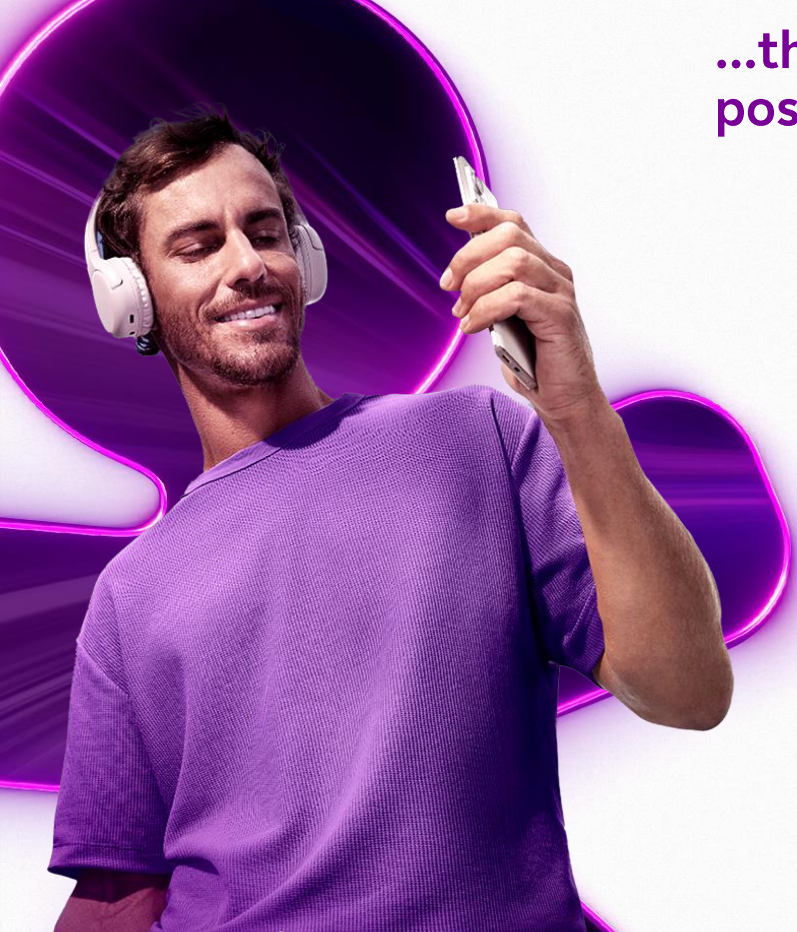
3rd largest Data Lake
in Latin America

Top 10 Great Place to Work
in Brazil

Most sustainable company
in Brazil

3rd most valuable brand
in Brazil

Telefónica | vivo



...that have placed us in a privileged position in the Brazilian market...

#1 Market Share[1]

42%	35%	18%
Postpaid	Prepaid	Fiber

#1 Revenue Share[2]

43%

Revenue

NPS

#1

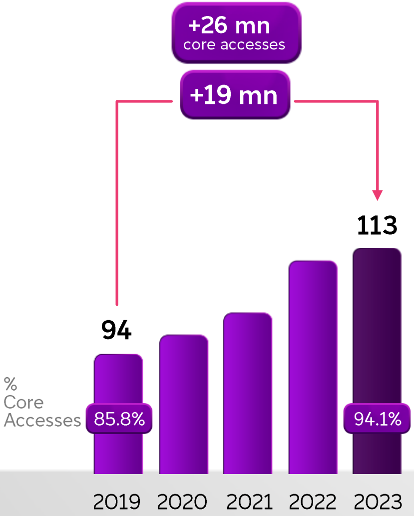
Sector leader

1 – Dec/23. 2 – Public information of the 3 largest players (Vivo, Claro, TIM) – reference 2023.

...allowing us to deliver consistent, solid results even in challenging times

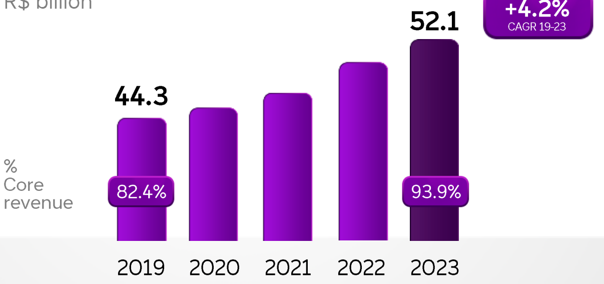
Strong operating performance

Accesses
million

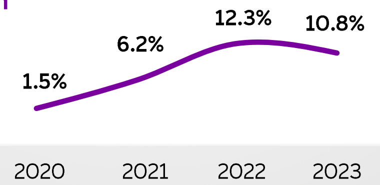


Accelerated Revenue growth

Total Revenue
R$ billion



Core Revenue Growth[1]
YoY

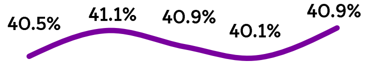


Core Revenue[1]
+7.6%
CAGR 19-23

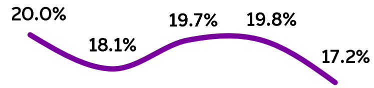
IPCA Average[2]
+5.9% YoY
average 19-23[2]

Improvement in Profitability

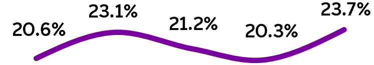
Recurring EBITDA Margin
%



Capex[3] / Total Revenue
%



OpCF[4] Margin
%



2019 2020 2021 2022 2023

Telefónica | vivo

1 - Vivo's total revenue excluing fixed voice, xDSL and DTH.
2 - Source: IBGE.
3 - Capex ex-licenses and leases (IFRS-16).
4 - Considers recurring EBITDA and Capex ex-licenses and leases (IFRS-16).

Our leadership is supported by irreplicable differences that set Vivo apart

Robust infrastructure

Largest access base in Latin America

Broad and complete portfolio

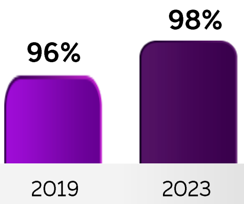
Powerful channels

vivo Contemporary and Inspiring Brand

In mobile, we have the best coverage-quality balance

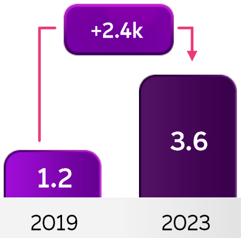
Total Coverage
% population

5.1k
cities with mobile coverage



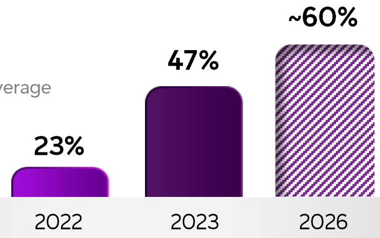
4.5G Coverage
cities (thousand)

~90%
population covered by 4.5G



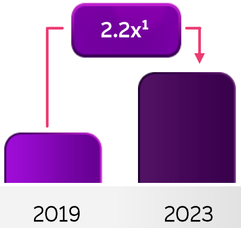
5G Coverage
% population

173 cities
greatest population coverage
5G



Spectrum leadership

Largest buyer
of spectrum in the 5G Auction

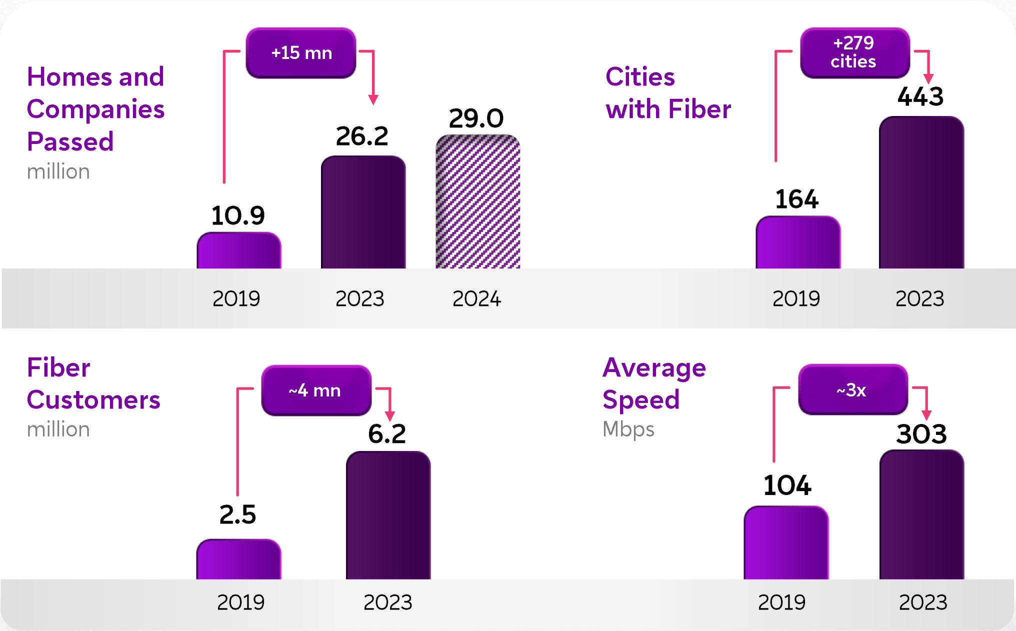


Best in Test 05 23
umlaut Mobile Benchmark Brazil
umlaut
Part of Accenture

In the Umlaut (Best in Test) measurements, **Vivo was recognized as the best mobile network in Brazil** in terms of speed, latency and coverage

1 – Does not include millimeter bands.

In fiber, we built the largest network in Latin America



Our customer base is massive and predominantly recurrent...

Customer Base

57 million
individuals

1.6 million
companies

Ownership

1.4 products
per individual[1]

1.7 products
per company

Engagement

36 million
invoices issued/month

3.4 million
commercial transactions/month

136 million
accesses on digital channels/month

4 million
customers engaged in Vivo Valoriza[2]

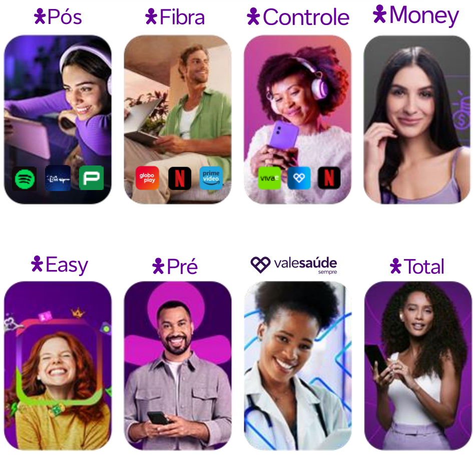
154k
B2B visits/month

1 – Does not include prepaid customers and additional bundled services. 2 – "Vivo Valoriza" is our loyalty program.

… and is served by a complete portfolio, that enables us to continue growing and lead across different segments

Telefónica | vivo

B2C Portfolio



B2B Portfolio

% of Total Revenue by Segment

76% B2C

+8.6% CAGR 2021-23

24% B2B[1]

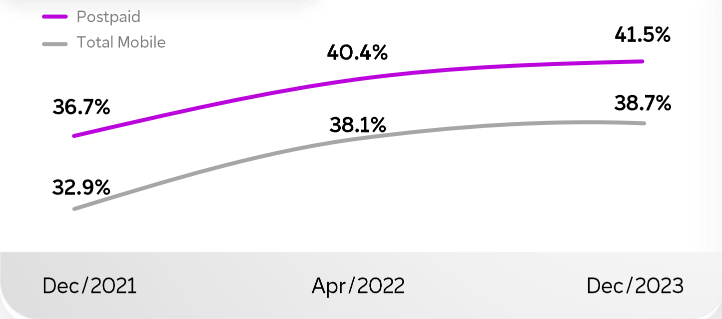
+9.5% CAGR 2021-23

1 – Considers B2B and wholesale revenues. B2B ex-wholesale represents 21% of Vivo's total revenues.

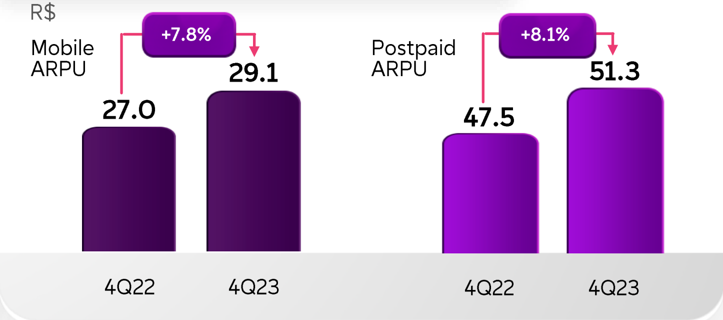
Mobile is at the heart of our revenue generation, and we are improving both monetization and churn

Telefónica | vivo

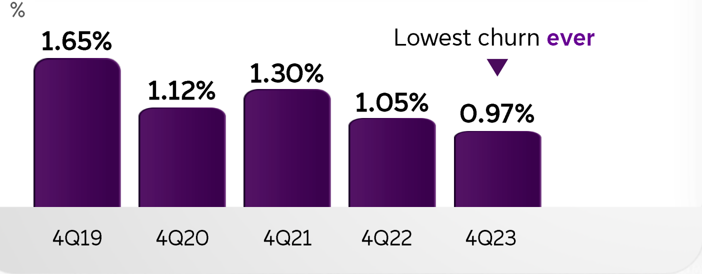
Mobile Leadership



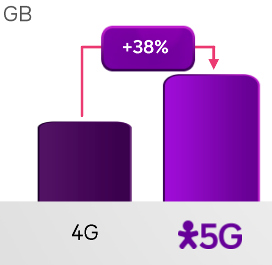
ARPU Expansion



Postpaid ex-M2M Churn



Data consumption per customer: 4G vs 5G



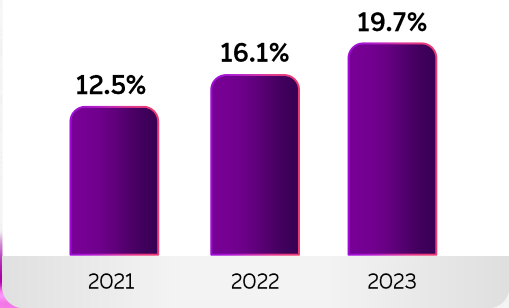
5G adoption boosts data usage, leading to **higher demand for quality connectivity**

Considers B2C + B2B accesses

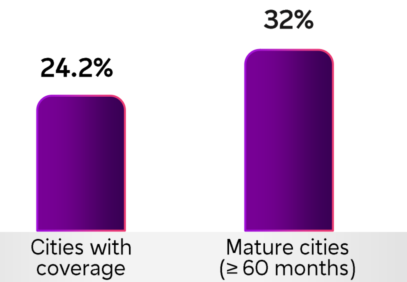
Fiber is a key component of our strategy, and our share of net adds is increasing, leading to improved take-up rates

Telefónica | vivo

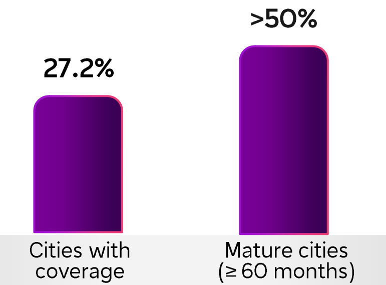
Share of FTTH net adds



FTTH Take-up



FTTH Market Share



Fibra

Vivo Fibra with digital services has an ARPU 30% higher

Fibra ≥500 Mbps

Vivo Fibra ≥500 Mbps has a churn 40% lower

Considers B2C + B2B access

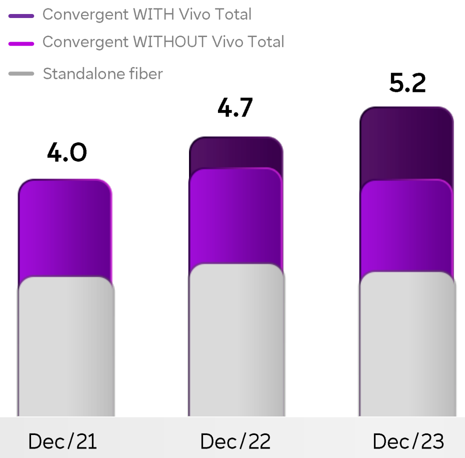
Take-up = FTTH park (B2C + B2B) / HPs

Our convergent plans, with the best of Mobile and Fiber, represent a distinct value proposition that enhances lifetime value

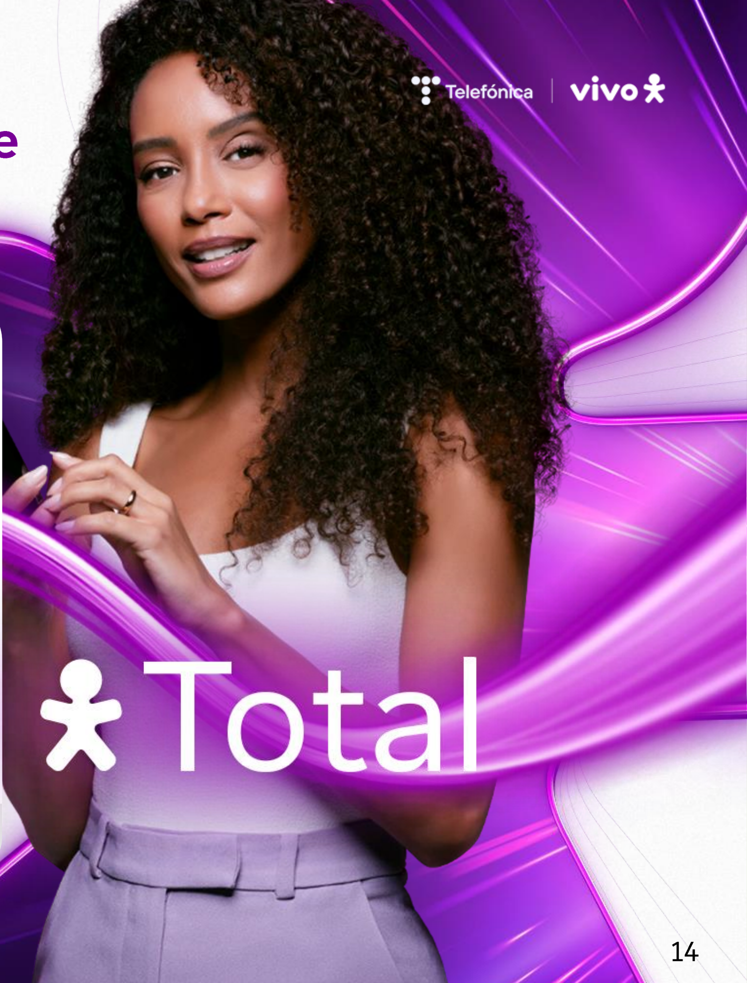
Telefónica | vivo

Convergent B2C Base

Million B2C Accesses

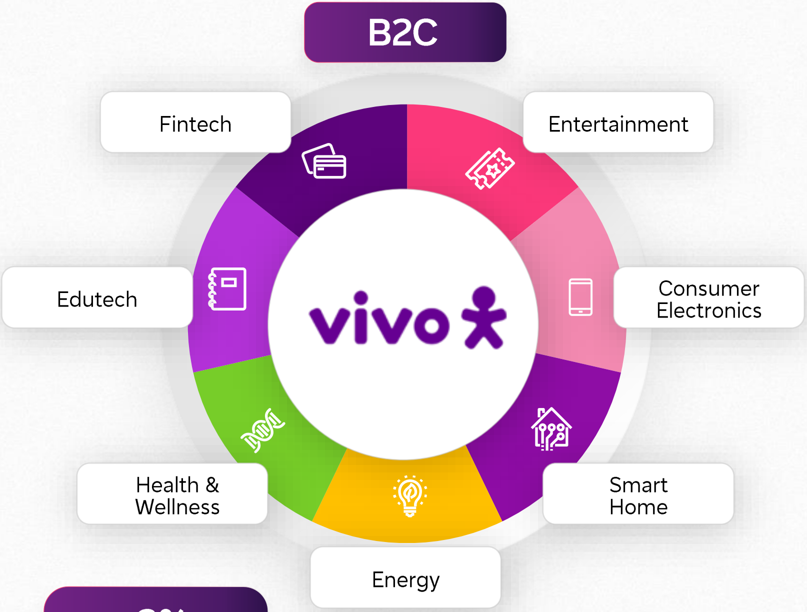


Ticket	Churn
+4%	-39%
+85%	-14%
100	100



Convergent = mobile clients + FTTH over total FTTH accesses.

We are going beyond connectivity with new digital businesses, that have become an important growth lever for Vivo

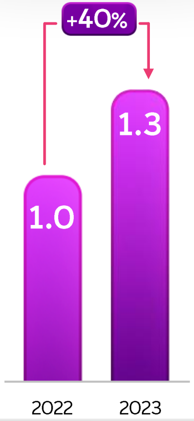


~3%
of Total Revenue

~6.5%
of Total Revenue

Combined, the new B2C businesses already represent R$ 1.3 billion in revenues, with annual growth above 40%

Revenue[1] (R$ bn)

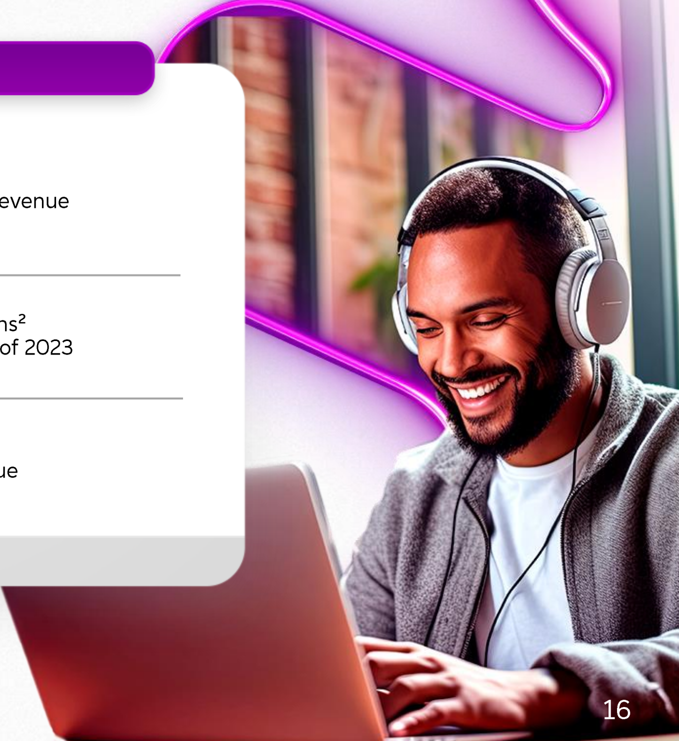


Highlights 2023

~R$ 380 mn additional revenue in 2023

> 4 mn subscriptions[2] by the end of 2023

~3% of Vivo's total revenue



1 – Considers Fintech, Entertainment, Electronics (except devices) and Other. 2 – Considers personal loan and insurance contracts, credit card, Vivo Pay active accounts, Vivo Guru, OTT, Vale Saúde and Vivae subscriptions.

In B2B, growth has been driven by a broad technology portfolio, that grew 25.4% y/y in digital revenues in 2023

Cyber Security

IoT & Big Data

TI & Cloud

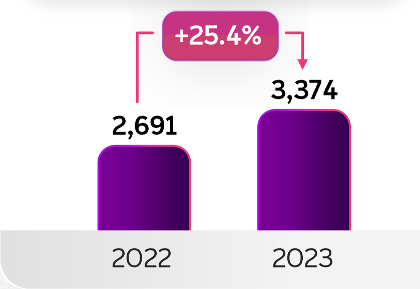
Networking

+

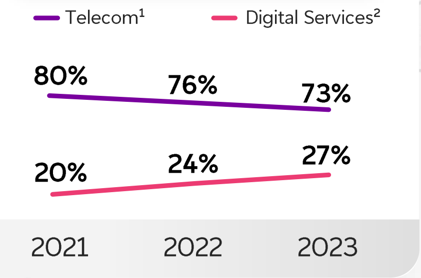
Ecosystem with more than 40 top-notch partners

Google Cloud · SAMSUNG · HUAWEI · motorola · POSITIVO TECNOLOGIA · intelbras · Microsoft · CISCO Partner · IBM · FORTINET · Lenovo · NOKIA · intel · aws · DELL · netskope · CHECK POINT · ORACLE

Digital Revenue B2B
(R$ million)



Total B2B Revenue Mix



Digital Services have **10% penetration** among active customers

Customers' churn with digital products **is 20% lower than telecom-only customers**

1 – Considers Vivo's entire B2B revenue, excluding digital services.
2 - Digital considers revenues from cloud, cybersecurity, IoT/Messaging and IT.

Our clients are served by a powerful combination of channels, that offer the best in-person and digital experience

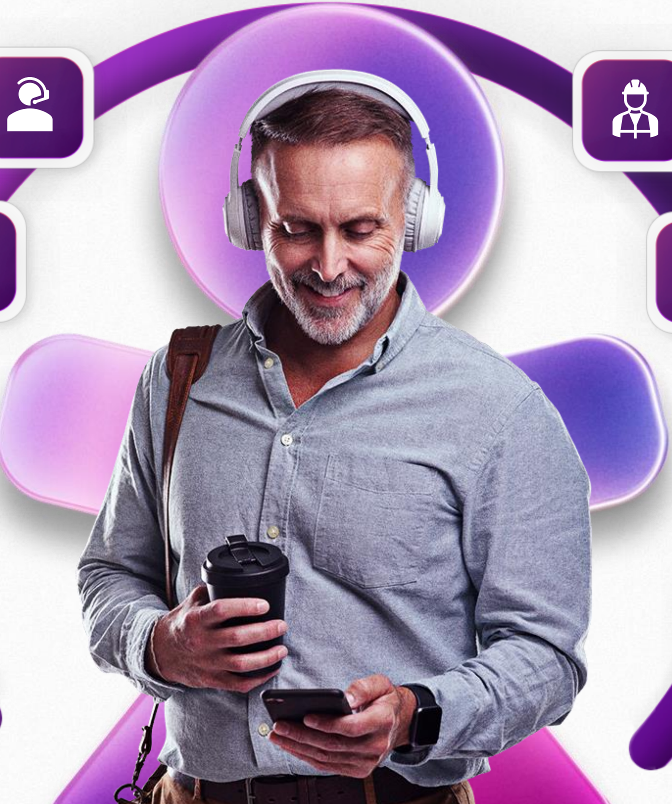
Telefónica | vivo

18k
Call center attendants

1.8k
Stores

22 million
Unique users Vivo App

+5k
B2B Sellers



12.5k
Field technicians

240k
Top-up stations

+50 million
E-commerce monthly sessions

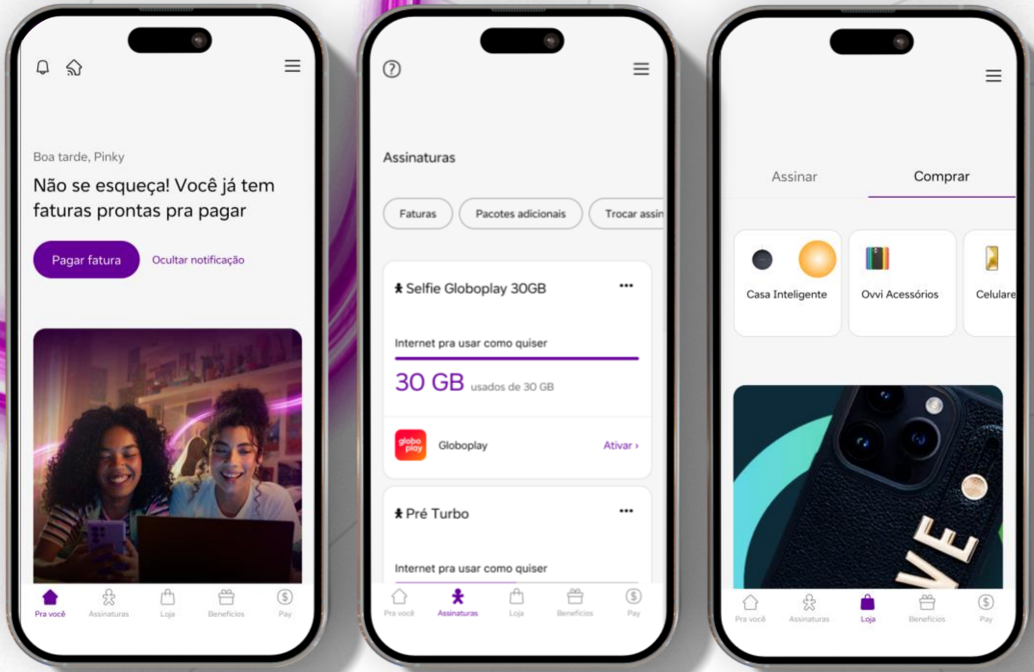
+3k
B2C in-person salespeople

In March 2024, we launched our new Vivo App, further developing our digital experience

Telefónica | vivo

A **customer relationship app** that goes beyond self-service, including:

- Simpler, easier and **more effective** interface
- Subscription management for **all Vivo services**
- **Offering** of all products, services and benefits
- **Financial services**
- **Smart home**



All of this is supported by the strength of a contemporary and inspirational brand

ISTOÉ Dinheiro

3rd most valuable brand in Brazil among all sectors, with a market value of US$3 billion according to "The Most Valuable Brands in Brazil 2023"

Vivo is Brazil's most remembered brand in mobile, 5G and fiber, according to Top of Mind Research

Employee diversity has become a pillar of Vivo's culture

Gender

Women in top management

+12 p.p.

2019	2023
21%	~33%

45% of women in the company

410 women field technicians

LGBTI+

Self-declared LGBTI+

+5 p.p.

2019	2023
3%	8%

108 Trans employees

Race

Black people in leadership

+15 p.p.

2019	2023
18%	~33%

42% of black people in the company

50% Trainee/ Intern openings are for black people

Pw/D

People with disabilities

+4 p.p.

2019	2023
1%	5%

Vivo is one of the most sustainable companies in Brazil and in the world, according to ISE B3 and S&P rankings

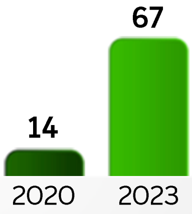
Protagonism in building a more sustainable society

Equipment and accessories collected
(tons)

Recicle

Distributed Generation
(power plants)

Distributed Generation



Reduction of Emissions
(thousand CO_2 tons)

CO_2 Carbon Neutral

Recognition from the main sustainability rankings

ISEB3

Top 3 in the ISE B3 ranking, among all sectors

S&P Global

In the top 10 most sustainable **companies** of the sector in the world

CDP A LIST 2023 CLIMATE

Listed for the 3rd time in the A List of climate of CDP

COP28 UAE

Winner of the 1st edition of the **Net Zero Ambition Award**

Now, our ambition is to consolidate our leadership even further

We reached 26mn HPs with fiber
... and we still have more than 10mn HPs with legacy technology

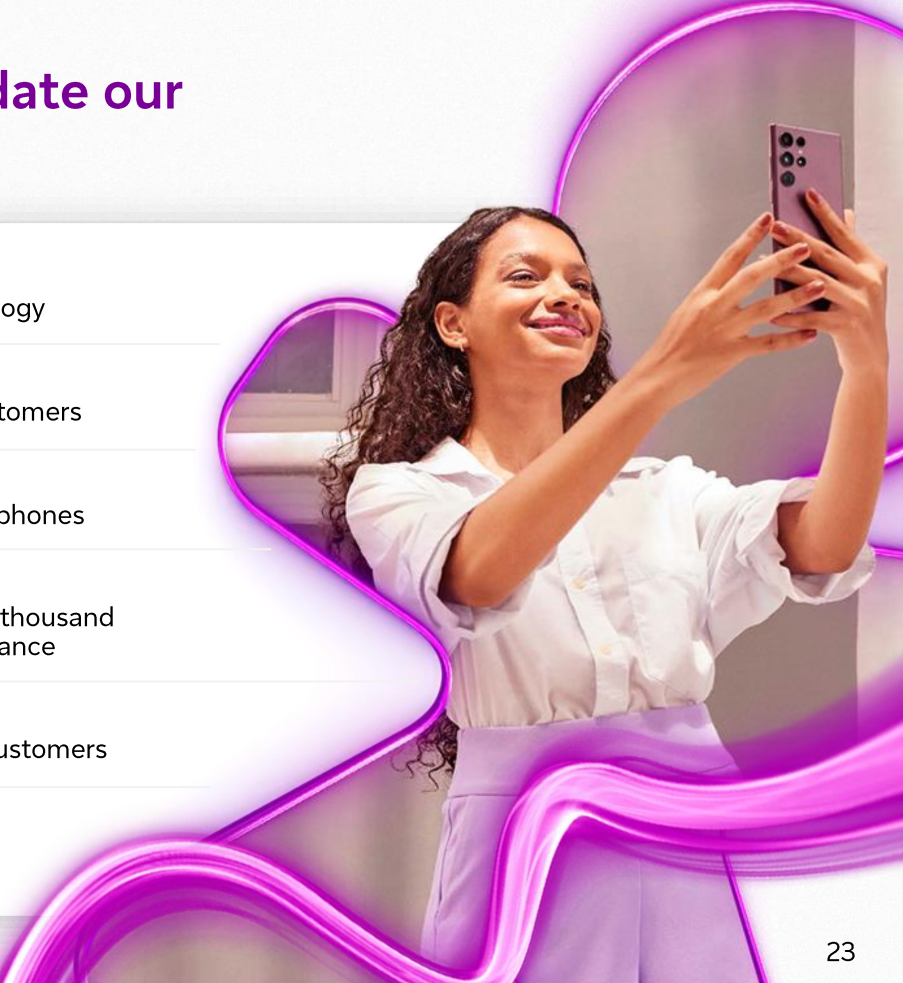
We connected 6.2mn homes with fiber
... with ~24% network occupancy and 50% of convergent customers

We bring 5G coverage to 47% of the population
... and 31% of pure postpaid customers have 5G-ready smartphones

The digital B2C ecosystem is maturing
... entertainment reaches 2.7mn customers, loans benefit 50 thousand customers and 20% of handset sales come with Mobile Insurance

Digital B2B revenues grew +25%
... we currently provide digital solutions to ~10% of our B2B customers

~1.5mn smartphones sold
... still far from the big retailers and when compared to our customer base



Numbers based on 2023 results.

Telefónica | vivo

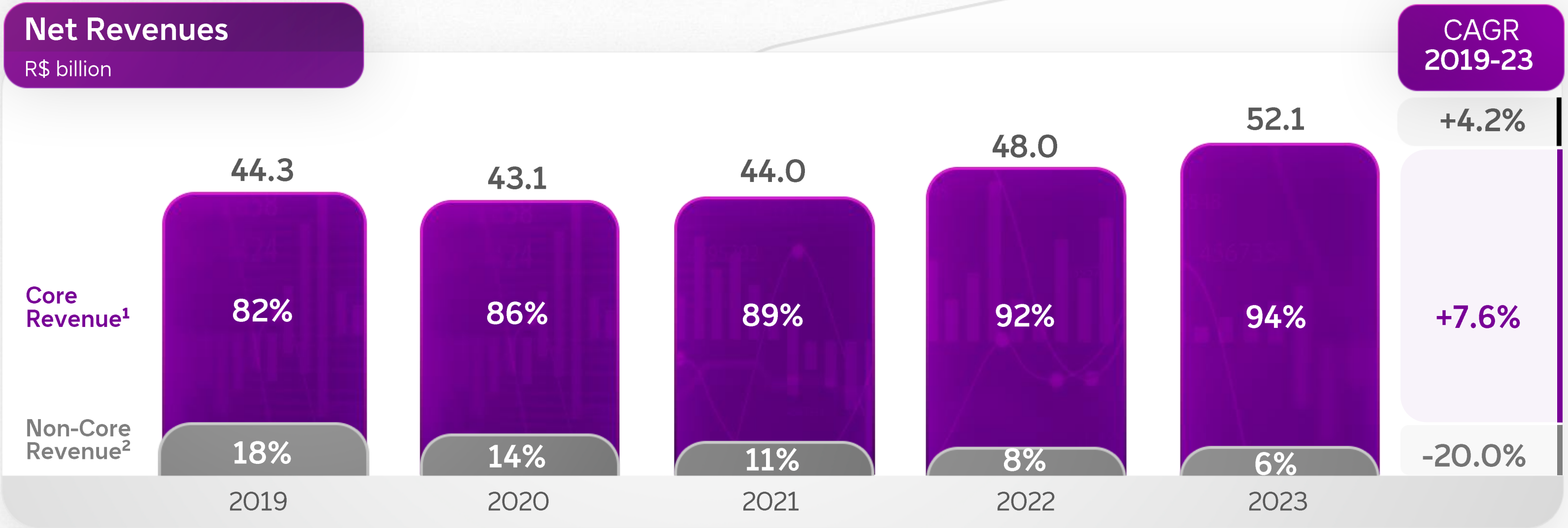
Financials

VIVT B3 LISTED

25 YEARS VIV LISTED NYSE

ISEB3 ICO2B3

Transformation of the business mix leading to strong revenue growth...



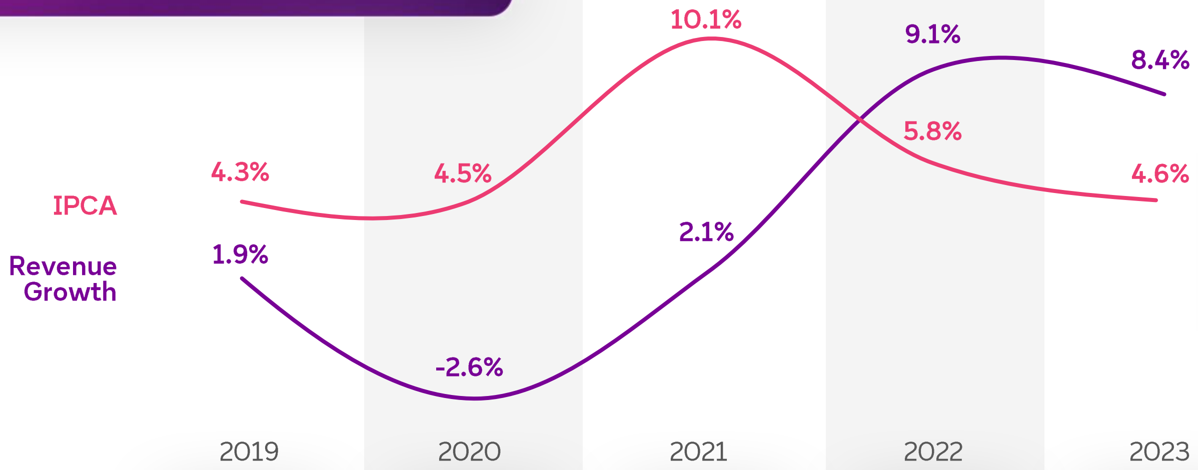
High exposure to services with recurrent billing (approx. 80%) helps us pass on inflation and accelerate product convergence

Revenues from mobile, FTTH, B2B and new businesses are the main growth drivers

1 – Total revenues excluding fixed voice, xDSL and DTH.
2 – Non-Core revenues includes fixed voice, xDSL and DTH. Since Jan/2023 we do not offer DTH services.

...above inflation in the past two years

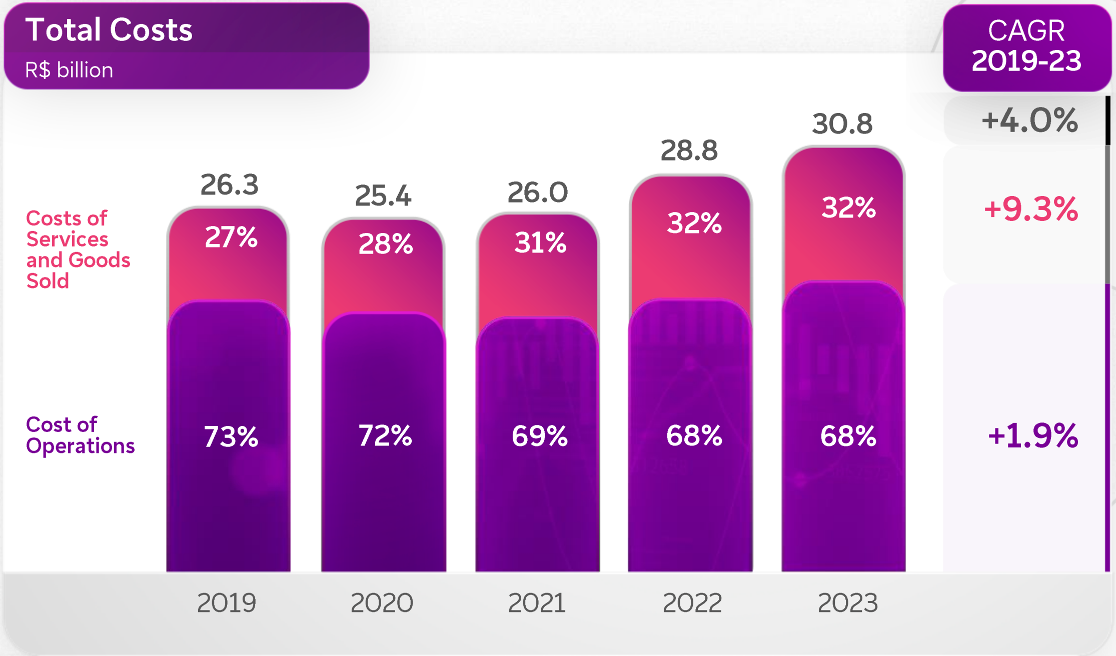
Net Revenue Growth x IPCA



	2019	2020	2021	2022	2023
Real Revenue Growth	-2.5%	-7.1%	-8.0%	+3.3%	+3.8%

Continuity of positive revenue growth trend, leveraged by business mix

Changes in cost base reflect the new business mix and the continuous digitization of the Company



Evolution in line with commercial activity, sale of electronics and digital services, with potential savings in infrastructure costs due to scale

Numerous optimization opportunities through the digitalization of commercial activities and customer service, shutdown of legacy network, and energy efficiency

Additional efficiencies are expected to be captured, contributing to opex control

4Q23 Postpaid ex-M2M Churn: **0.97%**
(-14% vs 2020)

4Q23 FTTH Churn:
1.63%
(-3% vs 2020)

Customer Acquisition Cost:
-17% vs 2020

Vivo App Unique Users:
22 mn
(+19% vs 2020)

Unitary Retention Cost:
-22% vs 2020

Back Office Cost:
-29% vs 2020

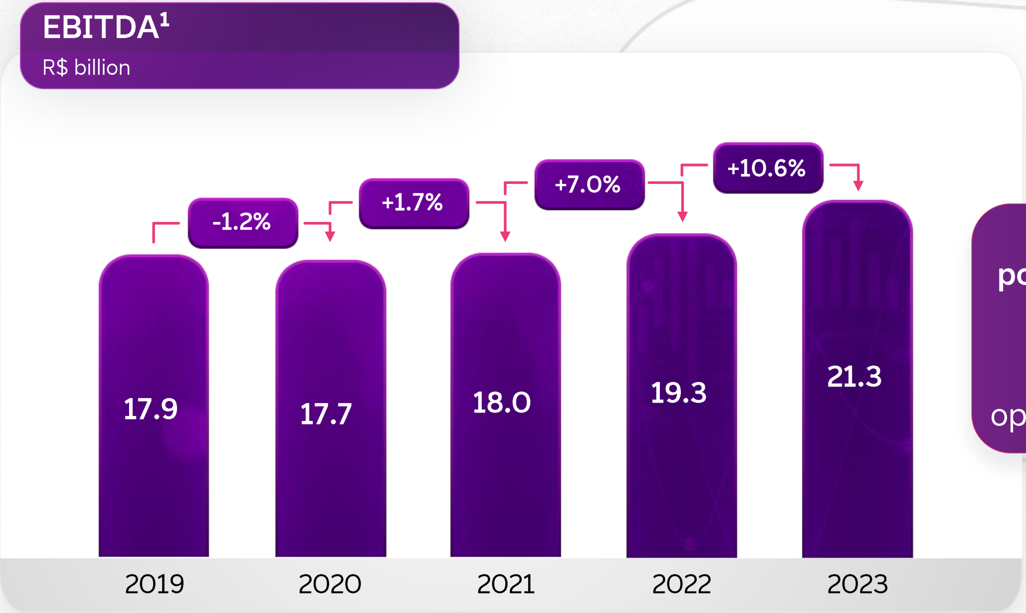
% Digital Channel Sales:
approx. **30%**
(+15 p.p. vs 2020)

% of PIX in received payments:
31% (+15 p.p. YoY)

Energy savings with self-production and use of renewable energy power plants

Network cost efficiencies through a robust portfolio of spectrum and shutdown of legacy technologies

By combining revenue growth above inflation with controlled cost evolution, we establish the foundation for sustained EBITDA expansion

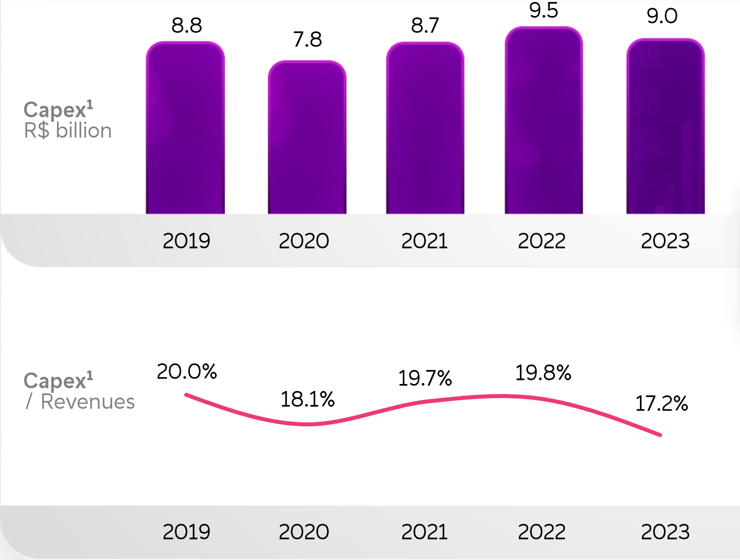


EBITDA with positive evolution in the next years, reflecting our commercial and operational efficiency

1 – Recurring EBITDA.

The investments made to date enable us to reduce capital intensity

Investments optimization benefiting from efficiencies and expansion of new services that do not consume Capex



Trend of lower **Capex/Revenues intensity** should continue

Improvement in the mobile mix, as traffic migrates from 4G to 5G, coupled with ongoing efficiency initiatives, **may create additional savings**

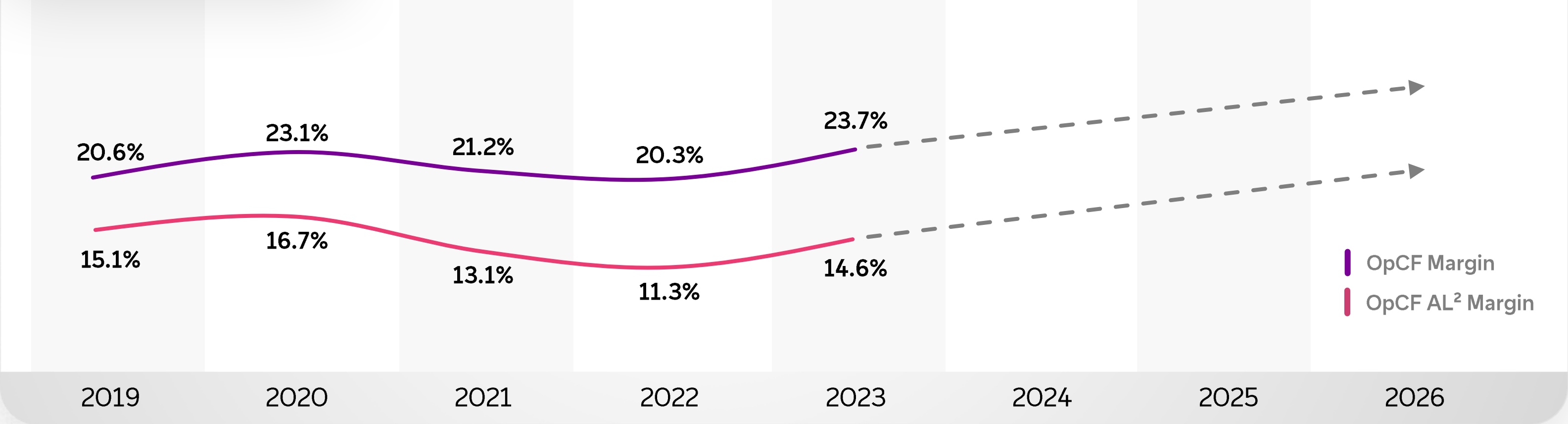
Expansion of the fiber network to 29 million HPs by 2024 done primarily through overlay, but also in partnership with FiBrasil

Reduction of the Capex dedicated to IT transformation

1 – Ex-licenses and IFRS-16.

Operating cash flow margin with positive trend as business performance improves

Operating Cash Flow Margin[1]



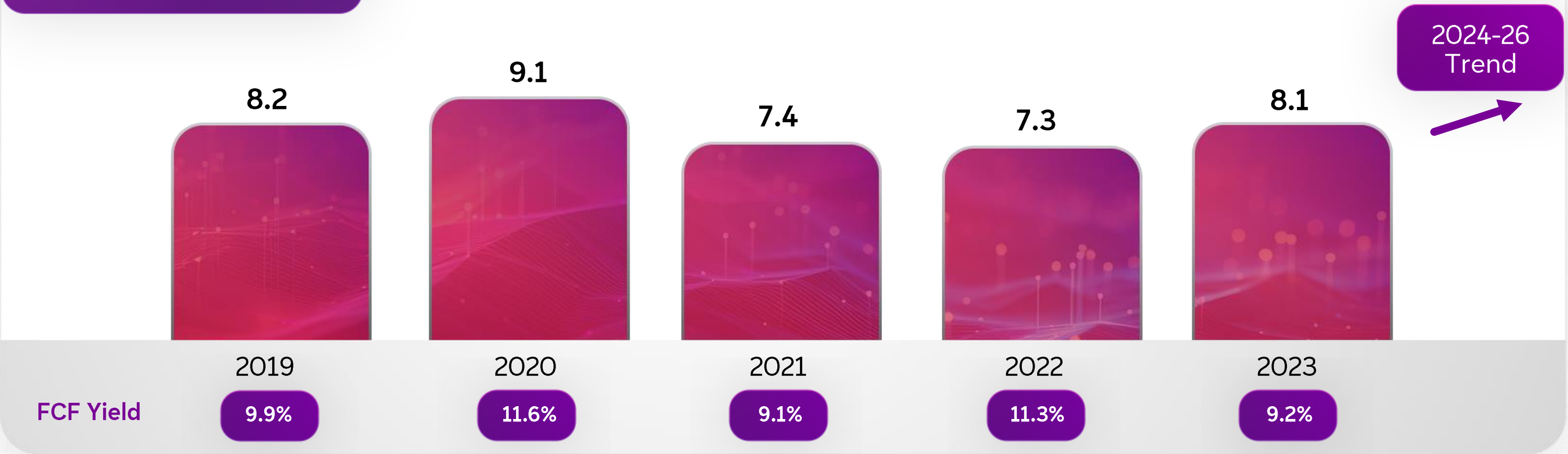
Improvement in operational results, combined with controlled levels of Capex, **will lead to an expansion of Operating Cash Flow...**

...with **positive evolution** both before and after leases

1 – Operating Cash Flow (OpCF) considers recurring EBITDA – CAPEX. 2 – "AL" means after IFRS-16 leases.

Free cash flow generation will continue to be one of our main attributes, allowing for different value creation opportunities

Free Cash Flow
R$ billion



Free Cash Flow expansion, **boosted mainly by EBITDA growth and lower capital intensity...**

...continuing with **improvements in ROCE[1] levels**

This should maintain **Vivo as one of the leading companies in terms of FCF yield** in the sector

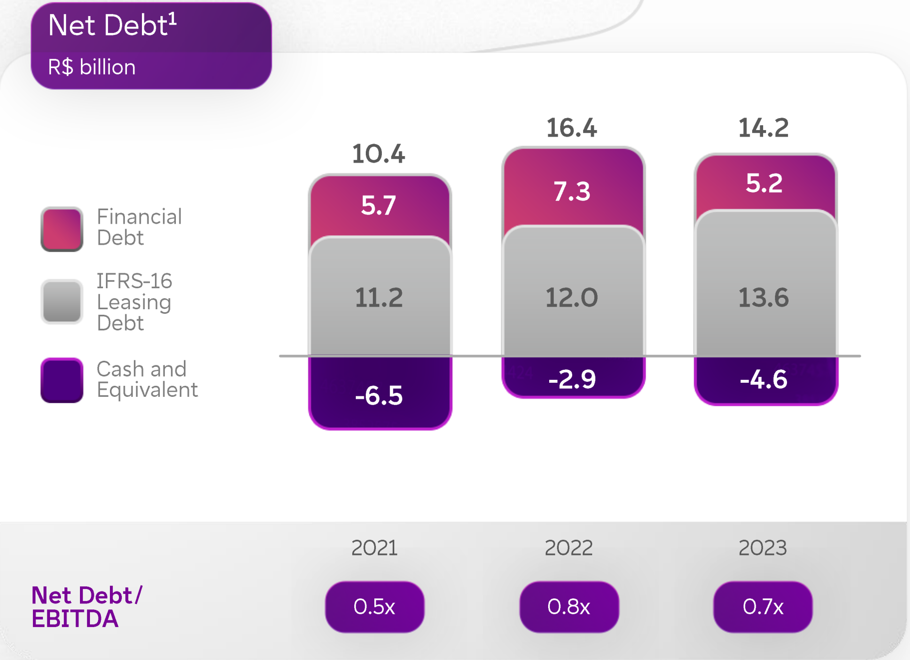
1 – Return on capital employed.

Our low leverage serves as a shield and creates optionality for the future

Low leverage allows us to maintain **the best ratings of all agencies on a local basis,** highlighting how solid our balance sheet is...

FitchRatings	Moody's	S&P Global Ratings
Rating AAA(bra)	Rating AAAbr	Rating brAAA

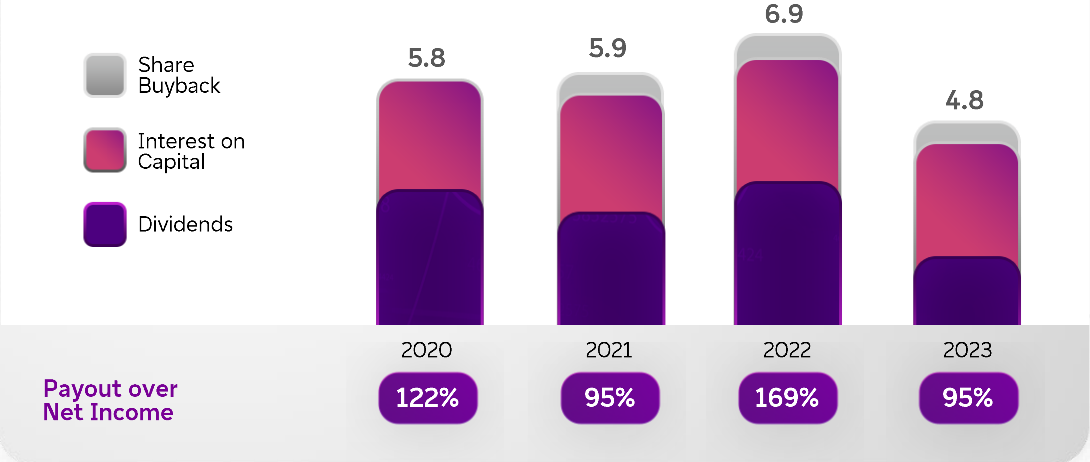
...allowing for **alternatives to reshape our capital structure**



1 – Net Debt including IFRS-16. Debt does not include fee related to FISTEL for the years 2020 to 2023, totaling R$3.5 billion.

Solid shareholder remuneration will continue to be one of our defining characteristics...

Shareholder Remuneration[1]
R$ billion



According to the **guidance published** on November 11th, 2023, **the payout over net income for the years 2024, 2025 and 2026 will be ≥100%**

1 – Considers events deliberated and paid in each period.

...strengthened by a robust share buyback program and capital reduction

Telefónica | vivo

Share Buyback

From 2020 to 2023, we invested **R$1.6 billion in share buybacks** (38.4 million shares), equivalent to 2.3% of our total shares, cancelling all of them

We announced a new **Share Buyback Program**, from **March 2024 to March 2025**, planning buybacks of up to **R$1 billion** in the period

Capital Reduction

In September 2023, ANATEL approved our request for a capital stock reduction **of up to R$5 billion**

The first tranche, of R$1.5 billion, was approved by our shareholders on January 24th, 2024, **and will be paid on July 10th, 2024**

Telefónica | vivo

1Q24 Results

VIVT B3 LISTED

VIV LISTED NYSE

ISEB3 ICO2B3

Strong operating performance leading to above-inflation growth in revenues, EBITDA and net income

Telefónica | vivo

GPS Growth Profitability Sustainability

Growth Profitability Sustainability

1Q24

Mobile Postpaid Accesses	Total Revenue	EBITDA	Net Income[2]
62.6 mn (+6.6% YoY)	+6.5%	+6.8%	R$0.9 bn
99.7mn Total Mobile Accesses (+1.6% YoY)	YoY	YoY	+7.3% YoY
Fiber Homes Connected	**Mobile Serv. Revenue**	**Operating Cash Flow[1]**	**Free Cash Flow**
6.3 mn (+12.3% YoY)	+9.3%	R$3.4 bn	R$2.4 bn
26.8mn Homes Passed (+10.0% YoY)	YoY	25.1% of Total Revenues	17.6% of Total Revenues

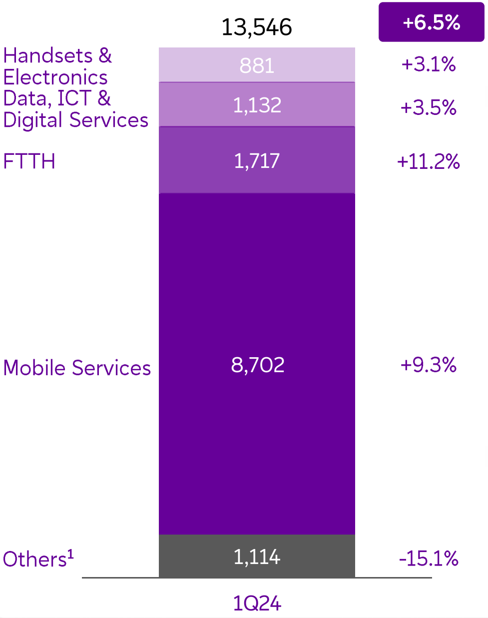
1 – Capex ex-licenses. 2 – Net income attributed to Telefônica Brasil.

Positive revenue momentum remains intact, supported by mobile and fiber revenues

Telefónica | vivo

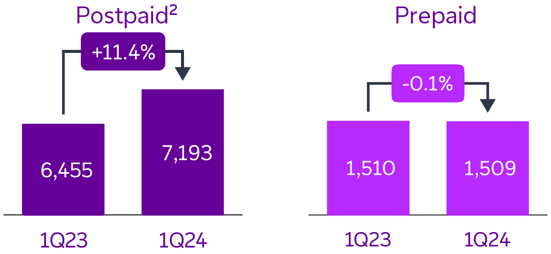
Total Revenues

R$ million



Mobile Service Revenues

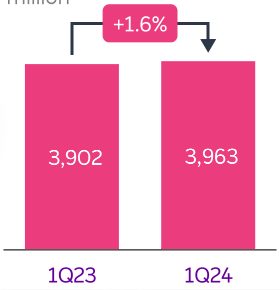
R$ million



Double-digit growth in postpaid revenues driven by **positive commercial momentum, and prepaid to postpaid upsells**

Fixed Revenues

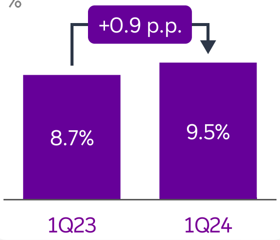
R$ million



Deceleration of fixed revenues due to seasonality, impacting the YoY evolution of Data, ICT & Digital Services, compensated by **consistent mid-teen expansion of FTTH revenues**

B2B Digital + B2C New Businesses over Total Revenues

%

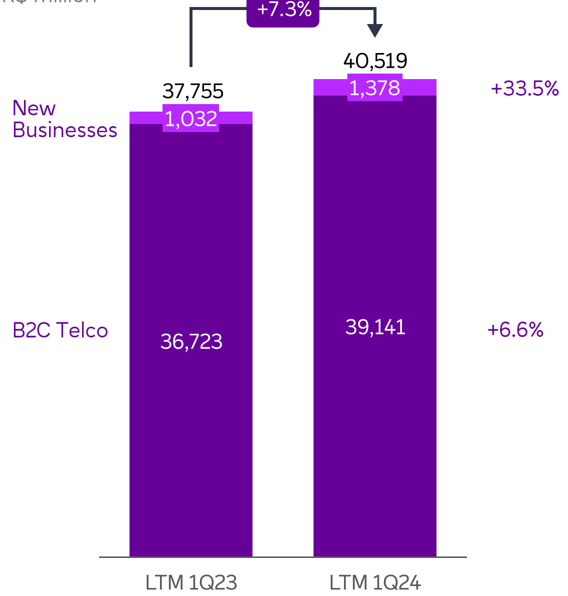


1 – "Others" includes FTTC (Fiber-to-the-Cabinet), xDSL, IPTV and Voice. 2 – Postpaid Revenues include M2M, Dongles, Wholesale, Roaming, etc.

B2C revenues grew well above inflation, highlighting the new businesses, that increased over 30% YoY

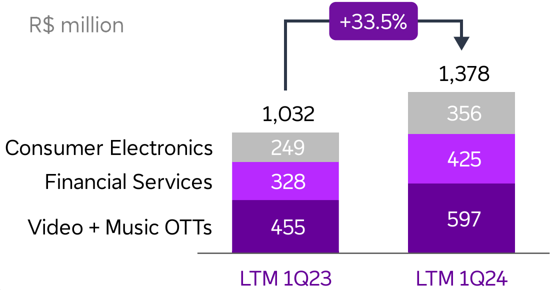
Total B2C Revenues[1]

R$ million



New Businesses

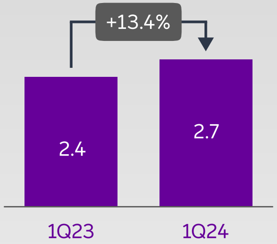
R$ million



B2C new businesses continue its rapid growth, and already represents **2.6% of total revenues (+0.6 p.p. YoY)**

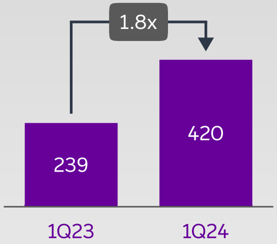
OTT subscriptions

million



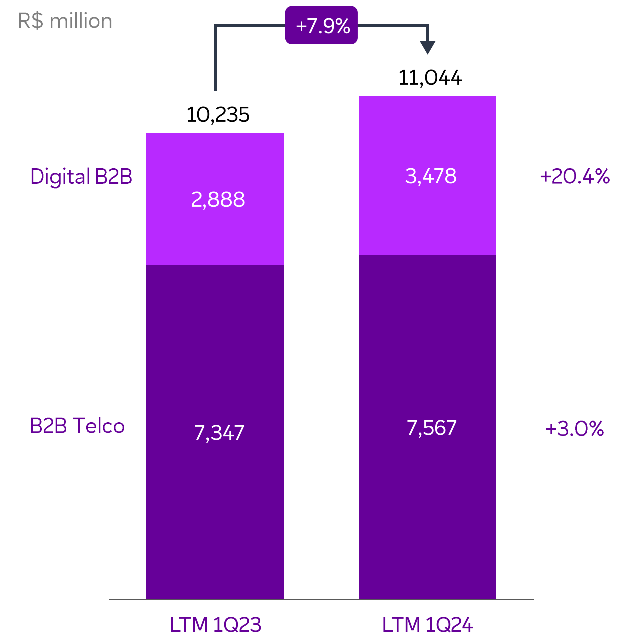
Vivo Money's credit portfolio

R$ million

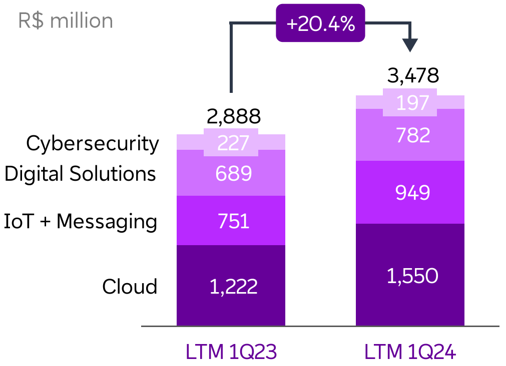


B2B continues to accelerate driven by digital solutions, and already represents 21% of Vivo's total revenues

Total B2B Revenues[1]



Digital B2B



Digital B2B continues to grow, and already represents **31.5% of total B2B revenues** (+3.3 p.p. YoY), **and 6.6% of total revenues** (+0.7 p.p. YoY)

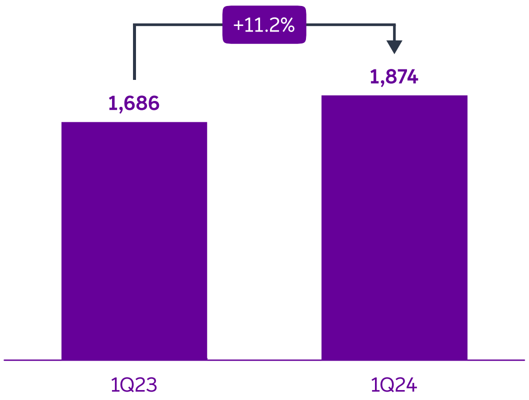
1Q24 saw meaningful opportunities in **private network**, with the development of customized solutions for **key B2B customers**

1 – Excludes Wholesale revenues that amounted R$1,362 million in 1Q24 LTM.

Robust commercial performance drove operating cash flow expansion with margin improvement

Capex[1]

R$ million

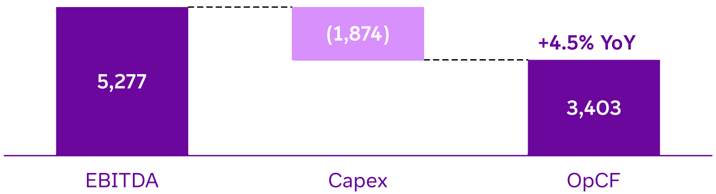


% of sales 13.3% 13.8%

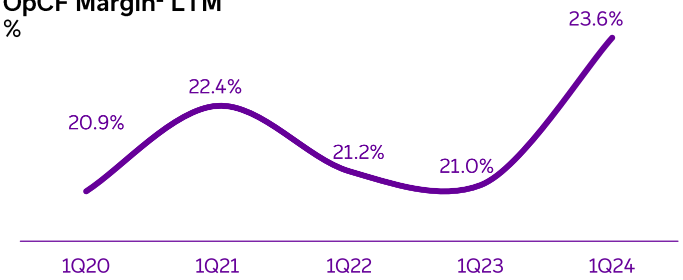
Capex efficiency remains a priority, as we are the only 5G operator in all cities with >200k inhabitants, covering 47% of Brazil's population

Operating Cash Flow[1]

R$ million, 1Q24



OpCF Margin[1] LTM
%



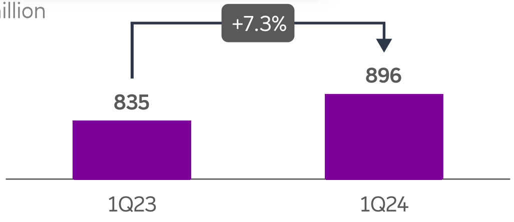
1 – Ex-spectrum licenses and IFRS-16.

Despite challenging comps, free cash flow generation remains solid and net income continues to expand

Telefónica | vivo

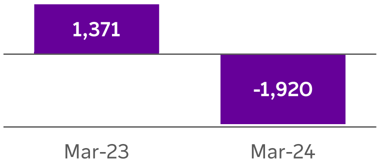
Net Income[1]

R$ million



Net Debt[2]

R$ million



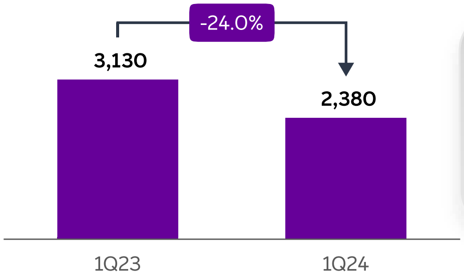
Mar-24 Net Debt including IFRS-16

R$11.5bn

0.5x LTM EBITDA

Free Cash Flow[3]

R$ million



YoY Free Cash Flow reduction **due to seasonality and positive effects recognized in 1Q23[4]**

Free Cash Flow Yield[5] (LTM)

8.8%

Free Cash Flow/Sales (LTM)

14.0%

1 – Considers the net income attributed to Telefônica Brasil. 2 – Excluding IFRS-16. Debt position does not include the outstanding amount related to the FISTEL TFF fee for the period 2020-2024, amounting to R$4.4 billion. 3 – After leases. 4 – We were benefitted by a compensation of tax credits in the amount of R$492mn in 1Q23. 5 – Market cap based on 03/31/2024.

For further information

Investor Relations

ri.telefonica.com.br/en

ir.br@telefonica.com

VIVT B3 LISTED

VIV LISTED NYSE

ISEB3

ICO2B3