



Management Report

2025

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Dear Shareholders,

Telefônica Brasil S.A. (B3: VIVT3, NYSE: VIV) submits for appreciation the Management Report and the corresponding Financial Statements, accompanied by the audit report issued by the independent auditors, concerning the fiscal year ended December 31, 2025, presented in accordance with the International Financial Reporting Standards (IFRS) and the pronouncements, interpretations and guidelines issued by the Brazilian Accounting Pronouncements Committee.

Message from Management

In 2025, we reaffirmed the consistency of a trajectory built with a long-term vision. For the fourth consecutive year, we recorded revenue growth above inflation, demonstrating the strength of our business model and our ability to evolve sustainably in an increasingly complex and competitive environment. This performance, supported by the lowest churn levels in our history (1.0% in postpaid and 1.5% in fiber), marks an important milestone as we close the year. These results reflect a strategy guided by our purpose of “Digitalizing to Bring Closer”, placing the customer at the center of our decisions and offering services and solutions that connect people and companies, simplify life, and generate a positive impact in every experience.

Our operational strength is also reflected in public recognition. Vivo reached a market value of R\$107 billion¹, an increase of 41.5% in the year, during which we disbursed R\$6.4 billion when combining shareholder distributions and share buybacks. In 2026, we will distribute at least 100% of the net income generated, through dividends, interest on capital, share buybacks, and capital reduction. These achievements place us among the most valuable companies in Brazil and reflect not only our financial solidity, but also the confidence of our customers, partners, and investors in a company that is prepared for the future and committed to responsible growth.

Progress is directly linked to the way we think and operate. The 5 Purple Passions – The customer’s time is now; People are our best technology; Being curious is a good thing; There’s always a simpler way; Results are on me – revised and expanded as the foundations of our culture, have evolved beyond merely stated values and become practical daily commitments. They strengthen a more mature and resilient approach, capable of sustaining current challenges and the opportunities ahead. It is on this foundation that our strategic pillars are built, guiding decisions, investments, and business priorities in 2025.

In **Vivo Total**, our first strategic pillar, we strengthened our leadership in connectivity by investing R\$9.3 billion last year in the expansion and modernization of our network. We connected more people and businesses through leading technologies, especially 5G and fiber. In 2025, we reached 716 cities, with more than 67% of the Brazilian population covered by 5G. Considering all mobile networks, our coverage reaches 98% of the population. We maintained our pioneering position with the commercial rollout of 5.5G and advanced in network slicing, enabling new 5G-powered solutions for the corporate sector.

In the mobile market, we maintained our leadership with a 38.1% market share and the largest customer base in the country, with more than 103 million accesses. When analyzing each segment individually, our performance also stands out: we lead both the postpaid and prepaid markets, with 40.3% and 34.1% market share, respectively. To enhance our value proposition, we updated our portfolio and introduced new plan categories with fast activation, greater flexibility, and Vivo’s 5G quality – recognized by OpenSignal, for the second consecutive year, as the fastest in the world.

¹ As of December 31, 2025.

In parallel, fiber remains one of our main growth drivers, reaching 31.0 million homes and businesses in 453 cities.

The expansion of our network will further accelerate after an important milestone reached in April last year, when we signed Authorization Term No. 1/2025 with ANATEL, formalizing our migration from the Concession to the Authorization model. This achievement paves the way for additional investments in Brazil's digitalization, enabling Vivo to allocate resources to technologies that are more relevant to society – such as expanding 4G and 5G coverage in over 1,000 municipalities in the coming years, reducing the country's digital gap – along with increasing network capacity in hundreds of locations and modernizing fiber infrastructure. In this context, we expect to monetize legacy assets by approximately R\$4.5 billion, including R\$3 billion from copper sales and R\$1.5 billion from real estate.

Vivo's leadership, the quality of services we provide to our customers, and the reach of our fixed and mobile networks are the foundation of our value proposition, whose flagship is Vivo Total – our convergent offer that combines convenience and benefits to our customers. We ended the year with 3.4 million fiber accesses with this offer, an annual increase of 40.9%. Vivo Total is a strong competitive differentiator for Vivo, as churn among convergent customers is up to 40% lower compared to non-convergent customers.

Our innovative commercial strategy combines the best of digital with face-to-face interaction. In addition to the Vivo app, which connects us with more than 28 million customers every month, we maintain approximately 1,800 physical stores that serve as technology hubs, including iconic locations such as the new Oscar Freire store in São Paulo – a space that celebrates human connections and offers an experience that brings together innovation, gastronomy, literature, and art. We further expand our presence through indirect channels, relying on five thousand B2B sales representatives and three thousand door-to-door salespeople across Brazil.

This structure forms the foundation for the diversification of our activities. Under the **Vivo Max** pillar, we continue to develop a robust digital ecosystem that positions Vivo as a powerful technology partner. We are present in multiple areas, including financial services, health and wellness, education, smart home, entertainment, energy, and corporate solutions in cloud, cybersecurity, IoT, big data, and IT equipment. Combined, the revenues from these services already account for roughly 12% of the company's total revenue.

Structural projects illustrate this diversification. Our partnership with Sabesp to install 4.4 million smart water meters in the cities of São Paulo and São José dos Campos – the largest initiative of its kind in the world – demonstrates Vivo's role in modernizing essential services by combining technology, operational efficiency, and positive environmental impact. In financial services, highlights include our personal loan product, which surpassed R\$1 billion in disbursed operations since its launch, and our insurance products, which provide affordable coverage for smartphones and electronics, as well as for homes and travel.

We also strengthened partnerships with audio and video OTTs, offering exclusive deals that broaden the range of possibilities for our customers to enjoy an increasingly complete and relevant experience. In 2025, we reached 4.1 million subscriptions to these platforms through Vivo.

Acquisitions played an important role during the year and further strengthened Vivo Max. We acquired i2GO, one of Brazil's top smartphone accessory brands, creating synergies with Ovvi, our own brand launched in 2022, already recognized in the premium segment. Together, they offer a complete and quality portfolio for various consumer profiles. In the corporate segment, we took over the cybersecurity division of Telefónica Tech in Brazil, expanding our B2B portfolio with advanced information security solutions.

We also turned to open innovation to strengthen this entire ecosystem. With the expansion of Vivo Ventures, our corporate venture capital fund, we increased the total amount available for investment to R\$470 million, an increase of R\$150 million compared to the original commitment. Since its creation, we have allocated R\$200 million across 14 investees. In 2025 alone, we executed seven investments, including contributions to Asaas and 180 Seguros.

As we expand our portfolio, we continue to place the customer at the center of everything we do. Under the pillar **Vivo Sempre**, we reinforce our belief that, at Vivo, we sell experiences. Our focus is to offer a delightful journey across every touchpoint, supported by network excellence, high-quality field services, and increasingly preventive operations. In 2025, we achieved the highest NPS in our history; proactive monitoring and communication initiatives reduced fiber repair visits by 77%; and the Vivo app consolidated itself as the main interaction channel, accounting for 89% of all contacts.

With **Vivo Digital AI**, we advanced consistently in integrating business and technology, accelerating the use of artificial intelligence (AI) to enhance operational efficiency, support decision-making, and improve customer experience. We have used AI solutions for years, and with the arrival of its generative version, we accelerated our transformation toward becoming a data-driven company. In addition to productivity gains, we enhanced governance, security, quality, and ethics in the use of data, preparing Vivo for a future of new growth cycles grounded in reliable and scalable technology.

Looking toward the future also means embracing responsibility. Under the **Futuro Vivo** pillar, ESG criteria guide our decisions, investments, and actions across the entire value chain. In 2025, we reinforced our leadership position by earning significant recognitions, such as ranking first in the ISE (B3's Corporate Sustainability Index, which includes companies from all sectors of the Brazilian economy), 5th place globally among telecom companies in the S&P Global CSA, and other rankings positioning Vivo among the most sustainable companies in Brazil and globally.

We continue to advance an agenda focused on regeneration. During the Futuro Vivo Summit – an event dedicated to building a more sustainable and human-centered world – we launched a long-term biodiversity commitment through the Floresta Futuro Vivo initiative in partnership with re.green. The project aims to restore and protect approximately 800 hectares of forest in the Amazon, between Maranhão and Pará, over the next 30 years. The project includes the

planting and conservation of around 900 thousand trees from 30 native species, the reconnection of forest fragments, the restoration of ecological functions, and the protection of endangered species, while also generating sustainable opportunities for surrounding communities.

As a leader in environmental matters, we participated in COP 30 as a supporter and panelist in the first ever Planetary Science Pavilion – alongside the world’s most renowned climate scientists – contributing to discussions that promote sustainable development with solutions that prioritize people and nature.

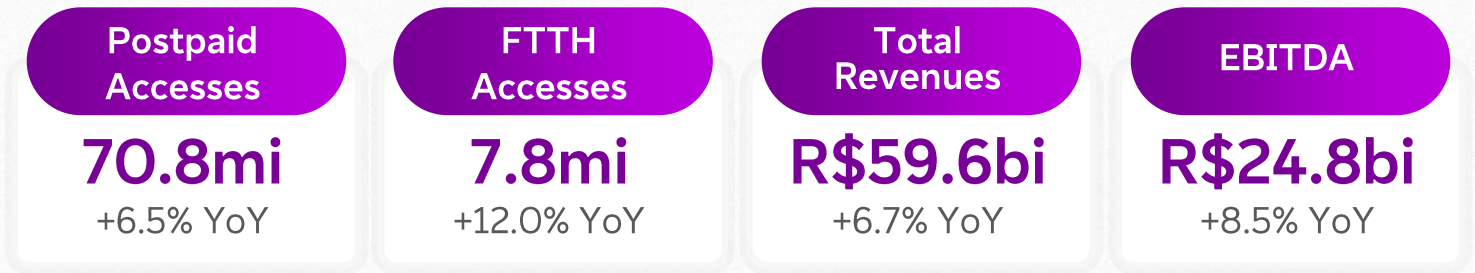
On the social front, we continue to work to reduce inequality in Brazil, with a focus on education and digital inclusion. alongside significant progress in developing digital skills for students and educators in the country’s public-school system, the Telefônica Vivo Foundation was selected by the Ministry of Education (MEC) to help expand and enhance digital training programs for teachers and administrators across the national public network. Through MEC’s AVAMEC platform, 24 courses developed by our Foundation are available to support the development of digital competencies. In our volunteer initiatives, we mobilized more than 10 thousand employees, impacting 45 thousand people in 34 Brazilian cities. A total of 52 projects were supported, including 26 carried out in public schools.

All of this is only possible because of our people, who are our greatest technology. Under the **Eu, Nós, Vivo** pillar, we value both the individual and the collective, fostering inclusion, health, and well-being. By year end 2025, our workforce included 35% women in leadership roles, 39.8% women in executive leadership, 44.8% Black and Brown employees, 34.1% Black and Brown leaders, 5.8% people with disabilities, and 10.1% self identified LGBTQI+ employees.

We end the year even more confident in our purpose of Digitalizing to Bring Closer. I am grateful for the dedication of our employees, the trust of our customers and partners, and the support of our shareholders. Together, we continue building a Vivo that is increasingly relevant to Brazil and prepared for the future.

Christian Mauad Gebara
CEO of Telefônica Brasil

Highlights 2025



At the end of 2025, we reached 116.7 million accesses (+0.6% YoY), **the largest customer base in the Company's history.**

Mobile Business

Mobile Net Revenue grew 6.5% YoY in 2025, driven by the performance of **Mobile Service Revenue (+6.6% YoY)** and **Electronics Revenue (+5.8% YoY)**. Postpaid Revenue represents 85.8% of mobile service revenue and increased 9.5% YoY due to the expansion of the customer base (+6.5% YoY), which totaled 70.8 million accesses, fueled by migrations from prepaid and the addition of new customers, as well as by annual price adjustments, which contributed to the 2.4% YoY increase in postpaid ARPU¹, reaching R\$53.3.

Prepaid Revenue declined 8.4% YoY, mainly due to customer migrations to postpaid.

Handset and Electronics Revenue increased 5.8% compared to 2024, as a result of the broad portfolio of devices, ranging from smartphones to smart home equipment. It now includes 118 models of 5G-certified smartphones and tablets, that account for 97% of sales in Vivo stores.

Fixed Business

Fixed Net Revenue grew 7.3% YoY, driven by the performance of **FTTH² (+10.4% YoY)** and **Corporate Data, ICT and Digital Services (+17.1% YoY)**.

Throughout 2025, we connected 834 thousand new customers to our fiber network, which now reaches 31.0 million homes passed across 453 municipalities. We already have **7.8 million FTTH accesses, of which 3.4 million are in Vivo Total (+40.9% YoY)**, our convergent offer that combines postpaid and fiber. The Company continues to reinforce convergence as a growth driver and an important contributor to the improvement of indicators such as customer tenure in Vivo's base and churn, which in Vivo Total stands at 0.72% per month, significantly lower than that observed among non-convergent customers.

Corporate Data, ICT and Digital Services Revenue grew 17.1% YoY in 2025, as a result of the Company's complete portfolio of products and services, which includes, in addition to connectivity, cloud solutions, IT, equipment, and cybersecurity, among others. During the year, fixed digital revenues for businesses totaled R\$3.8 billion (+29.5% YoY).

Digital Business

Vivo continues to advance in the development of an ecosystem, together with relevant partners, to support its consolidation as a hub of digital services.

B2C

Entertainment

Vivo offers its customers the leading music and video OTTs¹ in the market. In 2025, we reached 4.1 million content platform subscriptions (+34.9% YoY), generating revenue of R\$856.2 million (+18.1% YoY).

Financial Services

Vivo Pay is a digital platform that offers financial solutions such as personal loans, insurance, early access to FGTS, PIX installments, among others. Financial services revenues totaled R\$487.9 million in 2025, an increase of 5.9% YoY.

Health and Wellness

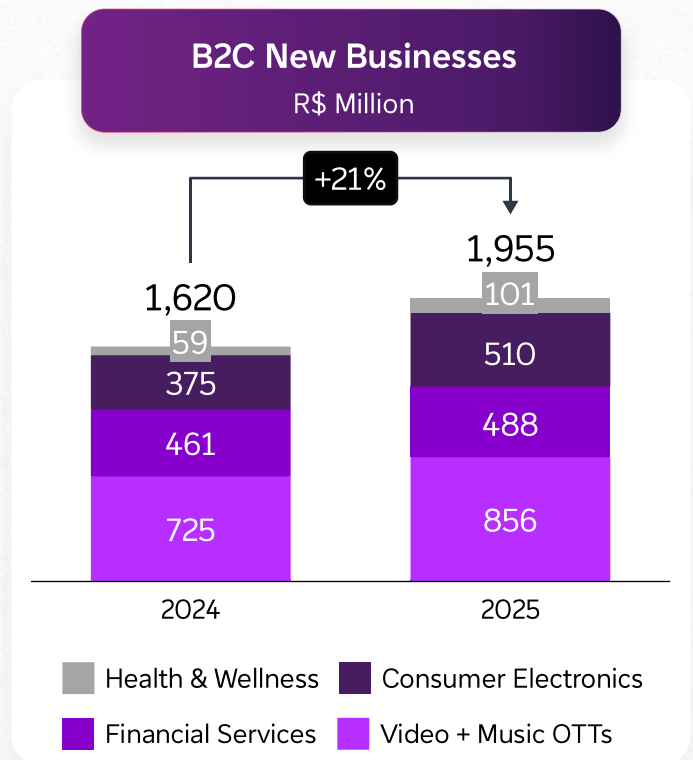
Vivo connects customers to clinics and laboratories across the country through Vale Saúde Sempre, also offers the Atma meditation app. In 2025, we reached 562 thousand health and wellness subscriptions, generating revenue of R\$100.6 million, an increase of 69.9% YoY. During this period, 69 thousand medical consultations, exams and procedures were carried out, and 2.2 million discounted items were purchased in pharmacies through Vale Saúde Sempre.

Consumer Electronics

Vivo also offers a wide range of electronics, from smartphones and tablets to smart home products such as robot vacuums and smart bulbs. Electronics revenue totaled R\$509.7 million in 2025, an increase of 36.0% YoY, underscoring Vivo’s consolidation as a reference in the technology products and accessories market.

B2C Products and Services

Considering all B2C products and services – both telecommunications and new business - **the average monthly revenue per RGU² reached R\$65.8 in 2025**, reinforcing Vivo’s services ecosystem as a value proposition that goes beyond connectivity.



1- OTT: Over-the-Top, streaming services for video, audio or communication that are delivered directly to users via the Internet.
2- 56.7 million RGUs.

Vivo Ventures

Vivo Ventures (VV), the Corporate Venture Capital fund created together with Telefónica Open Innovation, invests in startups focused on innovative solutions that can accelerate the growth of the Company's B2C ecosystem.

In 2025, VV made strategic investments in startups operating across different segments. In the financial sector, it invested in Asaas, a fintech that offers complete financial management solutions for small and medium-sized companies; in the insurance segment, it invested in 180 Seguros, an insurtech that enables the distribution of insurance products through digital channels; and in education, it invested in Ada and Apoia, edtechs that offer personalized learning journeys, among others.

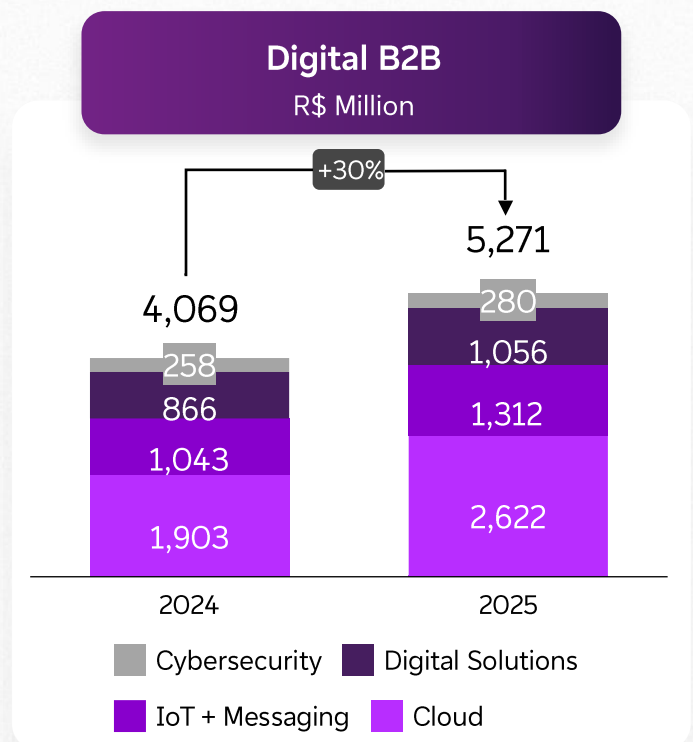
In December 2025, Vivo announced an expansion of R\$150 million to Vivo Ventures, increasing the fund to R\$470 million and consolidating it as one of the largest corporate venture capital funds in Brazil. This expansion enables Vivo Ventures to continue making consistent investments in innovative and scalable companies, with a primary focus on artificial intelligence (AI), as well as financial services, health, smart home and energy – key segments of Vivo’s innovation strategy.

B2B

The Company has been continuously investing in initiatives to consolidate itself as a hub of digital services, offering integrated solutions that go beyond connectivity for companies of all sizes across the country.

In 2025, B2B digital services generated R\$5,271 million in revenue (+29.5% YoY), representing 8.8% (+1.6 p.p. YoY) of Vivo’s total revenue for the period.

During the year, we signed important contracts, including the agreement with Sabesp, considered the largest IoT contract in the world, for the installation of 4.4 million smart meters for water consumption in the cities of São Paulo and São José dos Campos by 2029, in addition to the monitoring and processing of the data transmitted through the platform.



Costs

Operating costs and expenses, excluding depreciation and amortization, reached R\$34,773 million in 2025, an increase of 5.5% compared to 2024.

The Cost of Services and Products Sold increased, reflecting the growth in revenues from digital services, mainly in B2B, as well as the higher sale of handsets and electronics. There was also an increase in Costs from Operations, primarily due to higher Commercial and Infrastructure expenses, driven by intensified commercial activity, in addition to higher Personnel expenses, reflecting the annual salary and benefits adjustment, and higher General and Administrative expenses, given the increased spending on consulting services and systems maintenance.

EBITDA

EBITDA for 2025 totaled R\$24,822 million, an increase of 8.5% YoY (R\$22,880 million in 2024), with an EBITDA Margin of 41.7% (+0.7 p.p. YoY), reflecting strong operational performance, mainly in postpaid and FTTH, combined with efficient management of operating expenses.

Consolidated - in R\$ million	2025	2024
Operating profit before financial income and expenses and equity method	9,878	8,678
Depreciation and amortization expenses		
In cost of services	12,368	11,713
In service selling expenses	871	818
In general and administrative expenses	1,706	1,671
EBITDA	24,822	22,880
EBITDA Margin		
a) EBITDA	24,822	22,880
b) Net operating revenue	59,595	55,845
a) / b)	41.7%	41.0%

Net Income

Net Income¹ for 2025 reached R\$6,168 million, an increase of 11.2% YoY, with a net margin of 10.3%. Earnings per share (EPS)² grew 13.4% in the year, reflecting the Company's strong operational performance.

Consolidated - in R\$ million	2025	2024
a) Net income for the year	6,168	5,548
b) Net Operating Revenue	59,595	55,845
a) / b)	10.3%	9.9%

Investments

The Company invested R\$9,270 million in 2025, an increase of 1.1% compared to the amount invested in 2024, representing 15.6% of Net Operating Revenue, a reduction of 0.9p.p. in the period, demonstrating our ability to increase revenue while reducing capital intensity.

In 2025, we continued to expand the Company's fiber network at an accelerated pace, reaching 453 cities in Brazil and 31.0 million homes passed (+6.4% YoY).

The expansion of 5G coverage was also a focus of our investments and has already reached 716 municipalities (+37.7% YoY), covering 67.7% of the Brazilian population.

CONSOLIDATED - in R\$ million	2025	2024	Δ% a/a
Network	7,831	7,802	0.4 %
Technology, Information Systems and Others	1,440	1,365	5.5 %
Capex ex-IFRS 16	9,270	9,166	1.1 %
<i>Capex/Net Revenues</i>	<i>15.6%</i>	<i>16.4%</i>	<i>(0.9) p.p.</i>
IFRS 16 Leases	3,700	4,264	(13.2)%

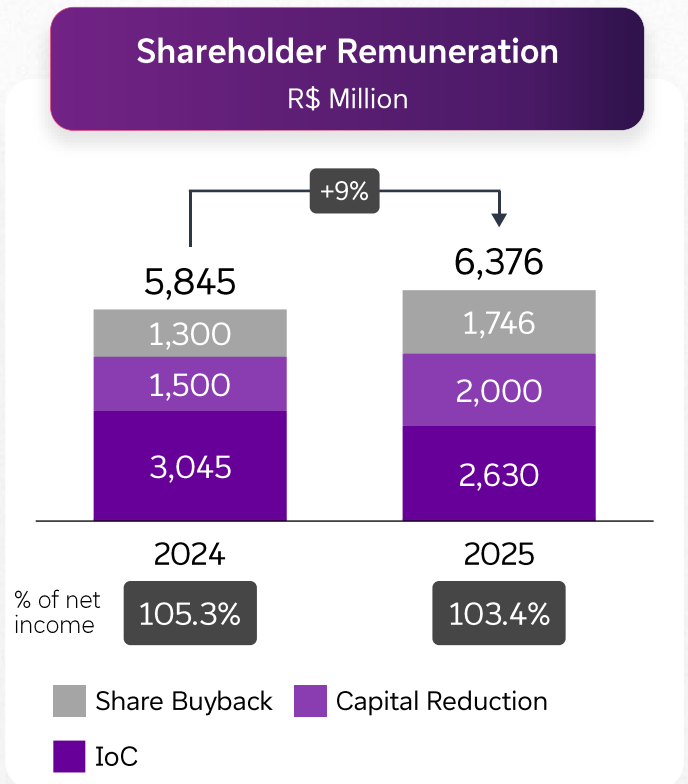
The Company's investments in controlled and associated companies, as well as the changes that occurred during the year, are reflected in the explanatory notes included in the 2025 Financial Statements.

Shareholder Remuneration

Telefônica Brasil continually reaffirms its commitment to maximizing shareholder returns. For the fiscal years 2024, 2025 and 2026, the Company has committed to distribute to its shareholders, through dividends, interest on capital, capital reductions and share buybacks, an amount equal to or greater than 100% of the net income of each of these fiscal years.

In 2025, we met this guidance by distributing to shareholders the amount of R\$6,376 million (+9.1% YoY), equivalent to a **payout of 103.4% of the net income**, of which R\$2,630 million were paid as interest on capital, R\$2,000 million as capital reduction, and R\$1,746 million in share buybacks.

For payment in 2026, the Company has already declared shareholder remuneration in the amount of R\$6,990 million, of which R\$2,990 million in interest on capital and R\$4,000 million¹ in capital reduction.



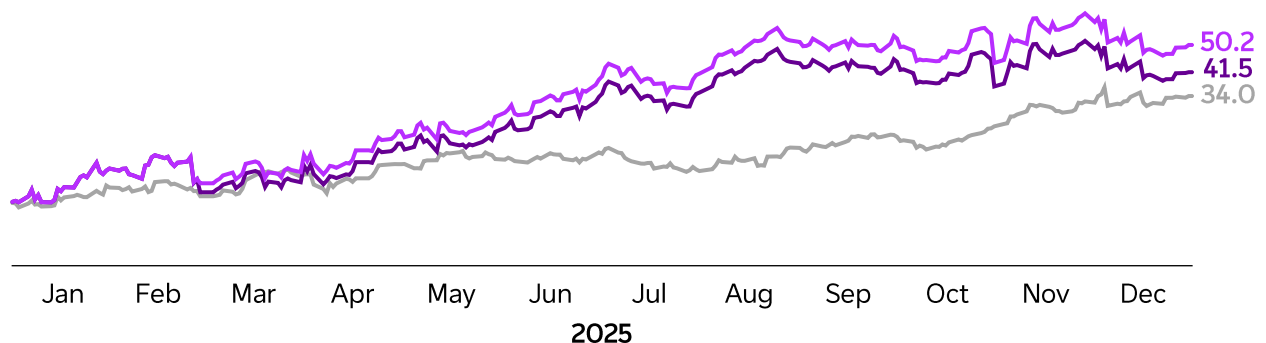
Capital Markets

The Company's stock (VIVT3) ended 2025 priced at R\$33.10, an appreciation of 41.5% in the year², outperforming the Ibovespa, which recorded a 34.0% increase. Considering the reinvestment of dividends, the stock's total return was even more significant, reaching 50.2% for the year.

Share Performance

(Base 100 as of 12/30/2024)

— IBOV — VIVT3 ex-dividends — VIVT3 adjusted by dividends



1 - Subject to approval by shareholders at the Extraordinary General Meeting to be held on March 12, 2026.
 2 - The price was adjusted due to the reverse split/split transaction carried out by the Company in April 2025.

Environmental, Social and Governance

In 2025, Telefônica Brasil continued to strengthen its purpose of “Digitalizar para aproximar” through its strategic pillars, including the “Futuro Vivo” pillar, which integrates digital transformation and sustainability. The ESG strategy is monitored by way of more than 100 indicators, consolidated and overseen by the Board of Directors via the Quality and Sustainability Committee, through the Responsible Business Plan (RBP), which contains goals for 2025–2027 aligned with the Sustainable Development Goals (SDGs).

This strategy enabled Telefônica Brasil to be included in the Dow Jones Best-in-Class World Index, recognized as the only Brazilian telecom in the index and the leader in the Americas, in addition to achieving the 5th best performance in the sector worldwide, according to the Corporate Sustainability Assessment (CSA). The Company also maintained its leadership position in the Corporate Sustainability Index (ISE) and was once again included in CDP’s A List for the sixth consecutive year, placing Vivo among the top 4% of global companies in climate-related transparency performance.

Within the ESG commitments, the following stand out:

- **Climate:** net-zero emissions target brought forward to 2035; reduction of more than 90% in Scope 1 and 2 emissions (compared to 2015); 100% renewable energy and expansion of the number of energy plants under the distributed generation project.
- **Circular Economy:** zero-waste operations target by 2030; collection of 375 tons of electronic waste by 2035 through the Vivo Recicle program.
- **Diversity:** by 2035, reach 40% women in senior leadership positions; 45% women in executive leadership roles; 40% Black individuals in leadership positions; and 45% Black employees.

At Telefônica Brasil, we incorporate diversity management as a key element of our strategy because we are convinced that fostering diverse teams and promoting an inclusive leadership style, in addition to aligning with principles of social justice, brings meaningful benefits to the business: it enables us to attract and retain the best talent, drive innovation, and strengthen our connection with a diverse and constantly evolving society. Furthermore, the Company’s compensation policy is based on merit and competencies relative to the requirements of each position. As part of our Responsible Business Principles, we are committed to reducing pay disparities by monitoring the evolution of salary differences between men and women.

In 2025, the representation of women in the Company’s workforce reached 44%, stable compared to 2024, as shown in the table below:

Organizational Level	2025			2024		
	Men	Women	% of women	Men	Women	% of women
Board of Directors	8	4	33%	8	4	33%
Statutory Executive Board	5	0	0%	5	0	0%
Senior Leadership	13	4	24%	13	4	24%
Directors	78	42	35%	74	40	35%
Other positions	19,420	15,465	44%	19,344	15,523	45%
Total	19,511	15,511	44%	19,431	15,567	44%

Annual compensation for the years 2025 and 2024, broken down by organizational levels, is presented in the table below:

Organizational Level	2025		2024	
	Men	Women	Men	Women
Board of Directors ₁	100.0%	100.0%	100.0%	100.0%
Statutory Executive Board	100.0%	N/A	100.0%	N/A
Directors	99.6%	100.8%	98.9%	102.0%
Other positions	111.1%	86.1%	111.3%	86.0%
Total	112.1%	84.7%	112.2%	84.8%

1- Compensation for Committees is not included.

Note: compensation calculated based on the weighted average percentage.

Social Commitment

Within the Telefônica Vivo Foundation, the Company invests in education, benefiting millions of people and strengthening the development of digital skills among educators and students in public schools, particularly by supporting State and Municipal Departments of Education in expanding policies and programs for the qualified adoption of technology in Elementary and High School education.

“Floresta Futuro Vivo” Project

Launched in 2025, the project marks a new commitment by Telefônica Brasil to biodiversity. In partnership with re.green, a reference in large-scale ecological restoration, the project provides for the recovery and protection of approximately 800 hectares of forest in the Mosaico Gurupi-Turiaçu, between the states of Maranhão and Pará, with the regeneration and conservation of 900 thousand trees from 30 native species over a 30-year period. The initiative aims to reconnect forest fragments, restore ecological functions and protect endangered species, such as the *cebus kaapori*.

The restoration involves applied science, natural regeneration, seed collection and the use of monitoring technologies to track seedling growth. In addition, the project is expected to generate around 116 thousand tons of carbon credits, reinforcing the Company’s decarbonization strategy.

Governance as of Foundation

All of the Company’s initiatives are supported by a solid governance framework that ensures ethics, transparency and integrity. To this end, Telefônica Brasil maintains certifications that reinforce its commitment to responsible practices: ISO 14001 (Environmental Management), ISO 26000 (Social Responsibility), ISO 45001 (Occupational Health and Safety), ISO 50001 (Energy), and DSC 10000 (Compliance). In information security, the Company expanded the scope of its ISO 27001 certification, which now encompasses seven strategic processes within the Vivo Segura program. This evolution strengthens the Company’s commitment to digital governance and data protection as essential pillars for customer trust.

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Telefônica Brasil S.A.**CONSOLIDATED BALANCE SHEETS**

On December 31, 2025 and 2024

(In thousands of Reais)

CONSOLIDATED BALANCE SHEETS

ASSETS	Note	12.31.2025	12.31.2024
Current assets		25,220,293	22,814,327
Cash and cash equivalents	3.b.	7,032,339	6,691,098
Financial investments	4	99,102	—
Trade accounts receivable	5.c.	10,619,617	9,471,592
Inventories	6.b.	1,475,998	1,097,238
Prepaid expenses	7	2,414,780	1,868,954
Income and social contribution taxes recoverable	8.c.	356,286	852,694
Taxes, charges and contributions recoverable	9	2,687,600	2,306,093
Judicial deposits and garnishments	10	107,565	150,993
Derivative financial instruments	32.c.	7,706	15,524
Other assets	11	419,300	360,141
Non-current assets		102,851,415	102,126,346
Long-term assets		7,105,040	6,485,934
Financial investments	4	41,308	42,619
Trade accounts receivable	5.c.	283,502	370,149
Prepaid expenses	7	2,495,725	2,085,201
Deferred taxes	8.e.	314,284	158,215
Taxes, charges and contributions recoverable	9	618,918	606,345
Judicial deposits and garnishments	10	2,856,753	2,852,730
Derivative financial instruments	32.c.	8,622	1,840
Other assets	11	485,928	368,835
Investments	12.c.	420,877	566,384
Property and equipment	13.c	47,357,040	46,812,381
Intangible assets	14.c	47,968,458	48,261,647
TOTAL ASSETS		128,071,708	124,940,673

Telefônica Brasil S.A.

CONSOLIDATED BALANCE SHEETS

On December 31, 2025 and 2024

(In thousands of Reais)

LIABILITIES AND EQUITY	Note	12.31.2025	12.31.2024
Current liabilities		25,246,147	24,257,939
Personnel, social charges and benefits	16.b.	1,346,202	1,238,452
Trade accounts payable	17.b.	9,861,294	9,230,624
Income and social contribution taxes payable	8.d.	130,866	9,898
Taxes, charges and contributions payable	18	1,516,170	1,585,936
Dividends and interest on equity	19.c.	2,774,544	2,237,090
Provision and contingencies	20.c.	1,607,456	1,770,997
Loans and financing, debentures, leases and other creditors	21.c.	5,348,864	6,447,958
Deferred income	22	1,076,293	1,019,134
Derivative financial instruments	32.c	53,044	866
Other liabilities	23	1,531,414	716,984
Non-current liabilities		33,822,835	30,883,239
Personnel, social charges and benefits	16.b.	113,173	75,461
Income and social contribution taxes payable	8.d	261,439	215,355
Taxes, charges and contributions payable	18	6,581,236	5,128,584
Deferred taxes	8.e	4,226,185	4,015,677
Provision and contingencies	20.c	5,623,903	5,368,788
Loans and financing, debentures, leases and other creditors	21.c	14,997,817	14,298,572
Deferred income	22	226,372	126,912
Derivative financial instruments	32.c	43,859	10,403
Other liabilities	23	1,748,851	1,643,487
TOTAL LIABILITIES		59,068,982	55,141,178
Equity		68,721,743	69,729,582
Capital	24.a	60,071,416	62,071,416
Capital reserves	24.c	(110,078)	63,095
Income reserves	24.d	8,735,352	7,523,216
Equity valuation adjustment	24.f	25,053	71,855
Non-controlling shareholders	24.g	280,983	69,913
TOTAL EQUITY		69,002,726	69,799,495
TOTAL LIABILITIES AND EQUITY		128,071,708	124,940,673

Telefônica Brasil S.A.**CONSOLIDATED STATEMENTS OF INCOME**

Years ended December 31, 2025, 2024 and 2023

(In thousands of Reais, except earnings per share)

CONSOLIDATED STATEMENTS OF INCOME

	Note	2025	2024	2023
Net operating revenue	25.b	59,595,000	55,845,048	52,100,151
Cost of sales	26	(32,925,368)	(31,352,158)	(29,415,400)
Gross profit		26,669,632	24,492,890	22,684,751
Operating (expenses) income		(16,810,354)	(15,819,378)	(14,766,926)
Selling expenses	26	(13,348,112)	(12,953,799)	(12,439,240)
General and administrative expenses	26	(3,771,605)	(3,205,014)	(2,957,296)
Other operating income, net	27	327,590	343,786	640,320
Share of results in investees – equity method	12.c.	(18,227)	(4,351)	(10,710)
Operating income		9,859,278	8,673,512	7,917,825
Financial expenses, net	28.b	(2,588,335)	(1,909,703)	(2,343,909)
Income before taxes		7,270,943	6,763,809	5,573,916
Income and social contribution taxes	8.f	(1,093,400)	(1,206,477)	(533,939)
Net income for the year		6,177,543	5,557,332	5,039,977
Attributable to:				
Controlling shareholders		6,167,906	5,547,948	5,029,389
Non-controlling shareholders	24.h	9,637	9,384	10,588
Basic and diluted results per common share (R\$)	24.i	1.91	1.69	1.52

Telefônica Brasil S.A.**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME**

Years ended December 31, 2025, 2024 and 2023

(In thousands of Reais)

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Note	2025	2024	2023
Net income for the year		6,177,543	5,557,332	5,039,977
Other comprehensive income that may be reclassified into income (loss) in subsequent years		(46,782)	25,159	(5,414)
Gains (losses) on derivative financial instruments	24.f.	(72,114)	898	(922)
Taxes	8.e.	24,519	(305)	314
Cumulative Translation Adjustments (CTA) on transactions in foreign currency	12.c.	813	24,566	(4,806)
Other comprehensive income (losses) not to be reclassified into income (losses) in subsequent years		10,042	367,275	(99,017)
Unrealized losses on financial assets at fair value through other comprehensive income	24.f.	(26)	(21)	(90)
Taxes	8.e.	6	8	30
Actuarial gains and limitation effect of the assets of surplus plan	31.c.	16,339	555,441	(147,882)
Taxes	8.e.	(6,277)	(188,153)	48,925
Other comprehensive income (losses)		(36,740)	392,434	(104,431)
Total comprehensive income for the year		6,140,803	5,949,766	4,935,546
Attributable to:				
Controlling shareholders		6,131,261	5,940,393	4,924,755
Non-controlling shareholders		9,542	9,373	10,791

Telefônica Brasil S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years ended December 31, 2025, 2024 and 2023

(In thousands of Reais)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Capital reserves				Income reserves				Retained earnings	Proposed additional dividends	Equity valuation adjustment	Non-controlling shareholders	Consolidated equity
		Capital	Special goodwill reserve	Treasury shares	Other capital reserves	Legal reserve	Treasury shares	Tax incentive reserve	Reserve for remuneration to shareholders and investments					
Balance on December 31, 2022		63,571,416	63,074	(607,443)	693,778	3,589,552	—	214,449	—	—	826,731	52,183	52,107	68,455,847
Payment of additional dividend for 2022	24.e	—	—	—	—	—	—	—	—	—	(826,731)	—	—	(826,731)
Unclaimed dividends and interest on equity	24.e	—	—	—	—	—	—	—	139,766	—	—	—	—	139,766
Adjustment – Tax incentives	24.d	—	—	—	—	—	—	99,132	—	(99,132)	—	—	—	—
Cancellation of the Company's common shares	24.a	—	—	693,586	(693,586)	—	—	—	—	—	—	—	—	—
Repurchase of the Company's common shares	24.a	—	—	(86,337)	—	—	(402,421)	—	—	—	—	—	—	(488,758)
Equity transactions	12.c	—	—	—	23	—	—	—	—	—	—	—	—	23
Effects of non-controlling shareholders on investments in Vivo Ventures	12.c	—	—	—	—	—	—	—	—	—	—	—	511	511
Other comprehensive income	24.f / 31.c	—	—	—	—	—	—	—	(99,160)	—	(5,474)	203	—	(104,431)
Net income for the year		—	—	—	—	—	—	—	5,029,389	—	—	—	10,588	5,039,977
Allocation of income:														
Legal reserve	24.d	—	—	—	—	251,470	—	—	—	(251,470)	—	—	—	—
Interim interest on equity (Company) and mandatory minimum dividends (subsidiary)	24.e	—	—	—	—	—	—	—	—	(2,586,000)	—	—	(2,884)	(2,588,884)
Share cancellation - share buyback program	24.e	—	—	—	—	—	402,421	—	—	(402,421)	—	—	—	—
Additional proposed dividends	24.e	—	—	—	—	—	—	—	1,730,972	(1,730,972)	—	—	—	—
Balance on December 31, 2023		63,571,416	63,074	(194)	215	3,841,022	—	313,581	1,730,972	—	—	46,709	60,525	69,627,320
Return of share capital - EGM 01/24/24	24.e	(1,500,000)	—	—	—	—	—	—	—	—	—	—	—	(1,500,000)
Unclaimed dividends and interest on equity	24.e	—	—	—	—	—	—	—	—	126,977	—	—	—	126,977
Adjustment – Tax incentives	24.d	—	—	—	—	—	—	113,352	—	(113,352)	—	—	—	—
Repurchase of the Company's common shares	24.a	—	—	—	—	—	(1,299,583)	—	—	—	—	—	—	(1,299,583)
Effects of non-controlling shareholders on investments in Vivo Ventures	12.c	—	—	—	—	—	—	—	—	—	—	—	1,990	1,990
Other comprehensive income	24.f. / 31.c	—	—	—	—	—	—	—	—	367,299	—	25,146	(11)	392,434
Net income for the year		—	—	—	—	—	—	—	5,547,948	—	—	—	9,384	5,557,332
Allocation of income:														
Legal reserve	24.d	—	—	—	—	277,397	—	—	—	(277,397)	—	—	—	—
Interim interest on equity (Company) and mandatory minimum dividends (subsidiary)	24.e	—	—	—	—	—	—	—	—	(3,105,000)	—	—	(1,975)	(3,106,975)
Share cancellation - share buyback program	24.a	—	—	—	—	—	1,099,584	—	—	(1,099,584)	—	—	—	—
Reserve for remuneration to shareholders and investments	24.d	—	—	—	—	—	—	—	1,446,891	(1,446,891)	—	—	—	—
Balance on December 31, 2024		62,071,416	63,074	(194)	215	4,118,419	(199,999)	426,933	3,177,863	—	—	71,855	69,913	69,799,495
Return of share capital - EGM 01/24/24	24.a	(2,000,000)	—	—	—	—	—	—	—	—	—	—	—	(2,000,000)

Telefônica Brasil S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years ended December 31, 2025, 2024 and 2023

(In thousands of Reais)

	Note	Capital reserves				Income reserves				Retained earnings	Proposed additional dividends	Equity valuation adjustment	Non-controlling shareholders	Consolidated equity
		Capital	Special goodwill reserve	Treasury shares	Other capital reserves	Legal reserve	Treasury shares	Tax incentive reserve	Reserve for remuneration to shareholders and investments					
Unclaimed dividends and interest on equity	24.e.	—	—	—	—	—	—	—	—	150,553	—	—	—	150,553
Adjustment – Tax incentives	24.d.	—	—	—	—	—	—	7,559	—	(7,559)	—	—	—	—
Repurchase of the Company's common shares	24.a.	—	—	—	—	—	(1,746,480)	—	—	—	—	—	—	(1,746,480)
Share cancellation - share buyback program	24.a.	—	—	30	(30)	—	928,892	—	(928,892)	—	—	—	—	—
Effects of non-controlling shareholders on investments in Vivo Ventures	12.c	—	—	—	—	—	—	—	—	—	—	—	1,833	1,833
Acquisition of equity stake in subsidiary - FiBrasil	1.c.3	—	—	—	—	—	—	—	—	—	—	—	199,695	199,695
Capital transaction for the acquisition of CyberCo Brasil by TIS.	1.c.7	—	—	—	(168,729)	—	—	—	—	—	—	—	—	(168,729)
Capital transactions - share consolidation and stock split processes	24.a.	—	—	—	(4,444)	—	—	—	—	—	—	—	—	(4,444)
Other comprehensive income	24.f. / 31.c.	—	—	—	—	—	—	—	—	10,157	—	(46,802)	(95)	(36,740)
Net income for the year		—	—	—	—	—	—	—	—	6,167,906	—	—	9,637	6,177,543
Allocation of income:														
Legal reserve	24.d.	—	—	—	—	308,395	—	—	—	(308,395)	—	—	—	—
Interim interest on equity	24.e.	—	—	—	—	—	—	—	—	(3,370,000)	—	—	—	(3,370,000)
Reserve for remuneration to shareholders and investments	24.d.	—	—	—	—	—	—	—	2,642,662	(2,642,662)	—	—	—	—
Balance on December 31, 2025		60,071,416	63,074	(164)	(172,988)	4,426,814	(1,017,587)	434,492	4,891,633	—	—	25,053	280,983	69,002,726

Telefônica Brasil S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2025, 2024 and 2023

(In thousands of Reais, unless otherwise stated)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	2025	2024	2023
Cash flows from operating activities				
Income before taxes		7,270,943	6,763,809	5,573,916
Adjustment for:				
Depreciation and amortization	26	14,944,404	14,202,285	13,389,573
Foreign exchange accruals on loans, financing and derivative instruments		102,020	(66,345)	57,836
Interest and indexation accruals on assets and liabilities		570,031	(61,273)	583,912
Share of results in investees – equity method	12.c.	18,227	4,351	10,710
Gains on write-off/sale of assets		(594,237)	(405,088)	(403,335)
Allowance for losses trade accounts receivable	26	1,581,337	1,523,263	1,362,678
Change in liability provision		167,696	93,049	24,320
Pension plans and other post-retirement benefits	31.c.	(39,988)	84,351	66,734
Provision for lawsuits	20.c.	731,863	321,936	661,743
Interest expenses (loans, financing, leases and derivative transactions)	21.c.	2,325,052	2,141,361	2,092,184
Dispute settlement agreement - Acquisition of Oi's mobile UPI	27	—	—	(244,229)
Reversal of provisions for fines for cancellation of lease and dismantling contracts	20.c.	(22,626)	(15,881)	(340,034)
Reversal of provisions for amounts to be refunded to customers	20.c.	(90,663)	—	—
Gain on remeasurement of equity interests on acquisition of control and other investment gains	12.c.	(134,904)	—	—
Other		68,019	43,100	28,858
Changes in assets and liabilities				
Trade accounts receivable		(2,446,687)	(1,661,763)	(1,943,089)
Inventories		(423,198)	(311,237)	(100,838)
Taxes recoverable		(797,300)	(444,717)	(376,330)
Prepaid expenses		(924,228)	(1,052,392)	(473,260)
Other assets		33,819	160,656	61,646
Personnel, social charges and benefits		38,897	24,494	169,537
Trade accounts payable		507,945	1,097,113	800,249
Taxes, charges and contributions		1,898,270	888,489	2,421,640
Provisions for legal claims, amounts to be refunded to customers and provision for fines for cancellation of lease contracts	20.c.	(988,197)	(861,325)	(1,742,676)
Other liabilities		125,871	348,417	60,147
		16,651,423	16,052,844	16,167,976
Cash generated from operations				
		23,922,366	22,816,653	21,741,892
Interest paid on loans, financing, debentures and leases	21.c.	(2,308,755)	(2,078,021)	(2,054,278)
Income and social contribution taxes paid		(896,209)	(862,064)	(901,688)
Net cash generated by operating activities				
		20,717,402	19,876,568	18,785,926
Cash flows from investing activities				
Additions to property and equipment, intangible assets and others		(9,457,557)	(9,324,123)	(8,811,346)
Proceeds from sale of property and equipment		436,542	376,591	434,446
Payments for acquisition of investments, net of cash acquired and capital contributions to invested companies	12.c.	(1,064,753)	(168,521)	(63,799)
Cash proceeds from sale of investments		—	161,057	196,057
Receipts net of judicial deposits		156,957	45,454	393,649
Net payments of receipts of financial investments		(88,708)	(5,302)	—
Receipt of dividends and interest on equity	19.b.	—	51	—
Net cash used in investing activities				
		(10,017,519)	(8,914,793)	(7,850,993)
Cash flows from financing activities				
Additions from loans and financing	21.c.	20,000	83,084	30,025
Payments of principal on loans and financing, debentures, leases and other creditors	21.c.	(5,232,024)	(3,495,039)	(4,451,943)
Receipts – derivative financial instruments	32.c.	48,330	105,240	27,484
Payments – derivative financial instruments	32.c.	(135,550)	(50,910)	(135,198)
Payments for repurchases of common shares - share repurchase program	24.b.	(1,746,480)	(1,299,583)	(488,758)
Payments of dividends and interest on equity	19.c.	(2,187,402)	(2,532,399)	(3,832,612)
Capital subscriptions made by non-controlling shareholders in subsidiaries	24.a.	1,833	21,933	511
Payments to shareholders for reduction of share capital	24.a.	(1,947,628)	(1,461,279)	—
Receipts from reverse stock split and stock split	24.a.	949,354	—	—
Payments for reverse stock split and stock split	24.a.	(124,631)	—	—
Payments of costs related to reverse stock split and stock split operations		(4,444)	—	—
Net cash used in financing activities				
		(10,358,642)	(8,628,953)	(8,850,491)
Increase (decrease) in cash and cash equivalents				
		341,241	2,332,822	2,084,442
Cash and cash equivalents at beginning of the year	3.b.	6,691,098	4,358,276	2,273,834
Cash and cash equivalents at end of the year	3.b.	7,032,339	6,691,098	4,358,276

Telefônica Brasil S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025, 2024 and 2023

(In thousands of Reals, unless otherwise stated)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. OPERATIONS

1.a. Background information

Telefônica Brasil S.A. (the “Company” or “Telefônica Brasil”) is a publicly traded company whose main activities are the operation of communications and telecommunications services; as well as the development of any and all activities necessary or useful for the execution of these services, including the leasing, sharing and assignment of infrastructure, and may also perform the following activities: (a) operation of value-added services, development, provision, distribution and marketing of digital services, as well as audio, video, image, text and application content over the internet in any medium, including advertising and publicity materials; and (b) operation of integrated solutions, management, provision of services and consulting related to: (i) data center, including hosting and colocation; (ii) storage, processing and management of data, information, texts, images, videos, applications and information systems and the like; (iii) connectivity, internet of things, information technology, networks, systems analysis and development, programming, configuration and the like; (iv) information and communication security; (v) communications and telecommunications; (vi) electronic security systems related to theft, intrusion, fire and others, surveillance, security, tracking and remote or non-remote monitoring; (vii) maintenance, repair, technical assistance and technical support in computer science and any machines and equipment; (viii) artificial intelligence and blockchain; and (ix) intelligence in data management (Big Data), among others.

The Company's principal offices are located at 1376, Engenheiro Luís Carlos Berrini Avenue, in the city and State of São Paulo, Brazil. It is a member of the Telefónica Group (“Group”), based in Spain which operates in several countries across Europe and Latin America.

On December 31, 2025, Telefónica S.A. (“Telefónica”), the Group holding company, held a total direct and indirect interest in the Company of 77.13% (76.30% on December 31, 2024) Note 24.a.

The Company is registered with the Brazilian Securities Commission (“CVM”) and its shares are traded on the B3. It is also registered with the U.S. Securities and Exchange Commission (“SEC”) and its American Depositary Shares (“ADSs”), backed by its common shares, are traded on the New York Stock Exchange (“New York Stock Exchange” – “NYSE”).

1.b. Operations

The Company renders the following services: (i) Fixed Switched Telephone Service Concession Arrangement (“STFC”); (ii) Multimedia Communication Service (“SCM”, data communication, including broadband internet); (iii) Personal Mobile Service (“SMP”); (iv) Conditioned Access Service (“SEAC” – Pay TV); (v) Private Limited Service (“SLP”) and (vi) Global Mobile Satellite Service (“SMGS”), throughout Brazil, through concessions and authorizations, in addition to other activities.

Service authorizations are granted by Brazil's Telecommunications Regulatory Agency (“ANATEL”), the agency responsible for the regulation of the Brazilian telecommunications sector under the terms of Law No. 9472 of July 16, 1997 – General Telecommunications Law (“*Lei Geral das Telecomunicações*” – LGT).

Although the Company has authorizations to provide various services regulated by ANATEL, certain modalities are subject to more specific regulatory frameworks, especially regarding the rules for granting and extending licenses. Due to these particularities, the following topics delve deeper into the regulatory aspects applicable to SMP and STFC.

Telefônica Brasil S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025, 2024 and 2023

(In thousands of Reais, unless otherwise stated)

Personal Mobile Service - SMP

Before Law no. 13.879 / 2019 came into effect, authorizations for the use of radio frequencies were commonly granted for fifteen years and could be extended only once, for the same term. Following the normative changes in the aforementioned Law, successive extensions of authorization grants were allowed, though the current terms were only clarified by Decree no. 10.402/2020 which detailed the requirements related to the new successive extension regime; the current authorizations are also covered by the new regime.

The Decree defined ANATEL's parameters for evaluating the scope of extension requests, such as ensuring the efficient use of radio frequencies, competitive aspects, meeting the public interest and fulfilling obligations already assumed with ANATEL.

According to the interpretation of the Federal Audit Court ("TCU"), requests for extension are assessed through a new spectrum bidding process; ANATEL can only approve the extension request if the provider proves compliance with the conditions set forth in the Decree.

For radio frequency usage authorizations acquired prior to the 5G auction held in 2021, every two years, after the first extension, the Company must pay a fee equivalent to 2% of the revenue earned through the provision of the SMP in the year prior to the payment, net of applicable taxes and social contributions (note 23.), and, for certain terms, in the 15th year the Company must pay the equivalent of 1% of its revenue in the previous year. The calculation will consider the net revenue resulting from the application of the Basic and Alternative Service Plans. In authorizations issued in the 700MHz, 2100MHz, 2500MHz sub-bands and in part of the 900/1800MHz authorizations, the calculation of the fee also applies to the remuneration for network use (interconnection). Although the radio frequency usage fee is, by regulatory mandate, charged biennially, the Company holds authorization agreements with expiration dates distributed between even and odd years. Consequently, even though each agreement generates an obligation only every two years, the set of agreements in force results in annual payments, concentrated in the month of April, due to the alternating expiration dates between the different authorization cycles.

In July 2018, ANATEL published Resolution No. 695 with a new regulation on public spectrum pricing. This Resolution established new criteria for the costs of extending licenses. The formula takes into account factors such as the length of the authorization, revenue earned in the region, and the amount of spectrum used by the provider. In addition, part of the payment may be converted into investment commitments. However, the applicability of the calculation methodology contained in the aforementioned Resolution in specific cases of authorization extensions depends on ANATEL's assessment. In this sense, it is important to clarify that ANATEL has been evaluating the definition of new criteria for applying the valuation calculation in extensions of authorizations. Still within this context, ANATEL submitted for public consultation, in November 2023, the revision of the Spectrum Usage Regulation ("RUE"), approved by Resolution No. 671, of November 3, 2016. The draft proposal submitted by ANATEL revokes Resolution No. 695/2018 and directly consolidates in the RUE the rules associated with the valuation of authorizations for the use of the radio frequency spectrum, also establishing as the standard methodology for this purpose the discounted cash flow method at net present value ("VPL").

Telefônica Brasil S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025, 2024 and 2023

(In thousands of Reals, unless otherwise stated)

The table below provides a summary of the authorizations held by the Company for each sub-range used in the SMP, along with the events that occurred in 2025 related to their respective renewals, where applicable.

Subband-Radio Frequency	Geographic coverage	Comments	Expiration of authorizations
700 MHz	National	—	2029
850 MHz(1)	National (except AL, CE, PB, PE, PI e RN)	GO (sector 24 of PGO); MS (sector 21 of the PGO); MG (PGO sector 2); RS (sector 29 of the PGO) and SP (except sector 33 of the PGO)	2028
900 MHz	MG, AM, RR, AP, PA, MA, BA, SE and SP (except area 11)	Authorizations arising from the acquisition of part of Oi's Mobile Assets UPI in 2022	2031-2032
	National (except MG)	—	2032
1.800 MHz	National (except area 43 - PR)	Authorizations arising from the acquisition of part of Oi's Mobile Assets UPI in 2022	2031-2032
900 MHz / 1.800 MHz	MG (sector 3 PGO)	—	2035
	MG (sector 2 PGO)	—	2032
	National	—	2038
2.100 MHz(2)	ES, MG, AM, AP, PA, MA, RR, AL, CE, PB, PE, PI, RN, AC, RO, MT, MS, TO, GO, DF, SP (except sector 33 of PGO), RS , PR and SC	Authorizations arising from the acquisition of part of Oi's Mobile Assets UPI in 2022	2038
2.300 MHz	RJ, SP, ES, MG, AM, AC, AP, RR, RO, TO, PA, MT, MS, GO and DF	SP (except sector 33 PGO); MG (sector 2 PGO); MS (sector 21 PGO) and GO (sector 24 PGO)	2041
2.500 MHz	National	—	2027-2031
3.500 MHz	National	—	2041
26 GHz	National	—	2041

(1) **850 MHz Authorizations renewal:** In accordance with the provisions of Ruling No. 618, of November 26, 2020, ANATEL extended, until November 29, 2028, the terms of authorization for use of the 850 MHz sub-bands held by the Company in the states of São Paulo, Mato Grosso, Acre, Rondônia and Mato Grosso do Sul (except sector 22), whose terms ended, respectively, in January, March, July, July and September 2024. As for the other authorizations in 850 MHz, ANATEL determined that the amount due for the extension should be calculated based on net present value (“NPV”) parameters, in order to reflect, according to ANATEL, the real economic value (market value) of the sub-bands.

(2) **2,100 MHz Authorizations renewal:** In April 2023, ANATEL decided to renew our current authorizations for the use of 2,100 MHz radio frequencies until April 2038 and submitted its decision to TCU review. As these were first-time renewal requests provided for in the contracts and bidding processes that originally granted these authorizations, TCU's technical division did not identify evidence of nonrational or inappropriate use of these bands by the Company that would justify denying the extensions. However, they highlighted the need to adapt Article 31 of Resolution No. 757/2022 to align with the new proposed maximum validity terms. On February 3, 2025, Resolution No. 757/2022 was revoked by Resolution No. 773/2025, which approved new Regulation for Radio Frequencies Conditions of Use. On February 5, 2025, TCU approved the renewal of 2,100 MHz authorizations, as originally proposed by ANATEL. This approval was formalized through Ruling No. 224/2025 (“Acórdão nº 224/2025 – TCU – Plenário”).

Switched Fixed Telephone Service (STFC)

The STFC concession model, adopted in 1998 with the signing of contracts resulting from the privatization of the telecommunications sector, brought about a true revolution in the provision of telecommunications services in Brazil. Over the course of more than twenty years, concessionaires promoted the expansion and universalization of fixed-line telephone service, which, before privatization, was expensive, elitist and left consumers waiting in long queues, lasting months or years.

Telefônica Brasil S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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On the other hand, on October 4, 2019, Law 13.879/2019 (resulting from PLC 79/2016) was published, introducing changes to the telecommunications regulatory framework by allowing fixed-line telephone concessionaires to migrate from a concession regime to an authorization regime subject to lower regulatory burdens, including those associated with the continuity and universalization of STFC in the concession area, as well as possible restrictions on the assets associated with its provision.

On November 27, 2024, the proposal for the Terms and Conditions of the Self-Composition Agreement for Adaptation of the STFC Concession Contracts (“Agreement”) to an authorization instrument was approved by the TCU Plenary, and the Agreement was signed on December 16, 2024. The Terms include, among others: (i) investments by the Company, in the manner, conditions and terms established in this Agreement, in exchange for the adaptation; (ii) maintenance of the STFC service in locations lacking adequate competition within the service area of the STFC Concession contracts that will be terminated, until December 31, 2028; (iii) termination of administrative and judicial proceedings directly related to the STFC concession (Note 20.); and (iv) withdrawal by the Company of the arbitration proceeding on the Concession.

The execution of projects related to items (i) and (ii) totals a NPV of R\$4.5 billion. The investments will be made in the manner established in the Agreement.

On April 11, 2025, the Company signed the Single Authorization Term with ANATEL. Concluding the final stage for the adaptation of the STFC Concession regime and thereby, transferring the Company to the private STFC Authorization regime.

Risks Relating to the Brazilian Telecommunications Industry and the Company

The Company's business is subject to extensive regulation, including any regulatory changes that may occur during the terms of the concession agreements and the Company's authorizations to provide telecommunication services in Brazil. ANATEL, oversees, among other matters: industry policies and regulations; licensing (including licensing of spectrum and bidding processes); fees and tariffs; competition, incentives and competitive aspects (including the Company's ability to grow by acquiring other telecommunications businesses); service, technical and quality standards; consumer rights; penalties and other sanctions related to interconnection and agreements; in addition to related obligations to the universalization of services.

The Brazilian telecommunications regulatory framework is continuously evolving. The interpretation and enforcement of regulations, the assessment of compliance with regulations and the flexibility of regulatory authorities are all marked by uncertainty. The Company operates under authorizations and a concession from the Brazilian government, and the ability to maintain these authorizations and concession is a precondition to the Company's success. However, because of the changing nature of the Brazilian regulatory framework, the Company cannot guarantee that ANATEL will not adversely modify the terms of the Company's authorizations and/or licenses. Accordingly, the Company's operating authorizations and licenses, must meet specific requirements and maintain minimum quality, coverage and service standards. Any failure to comply with these requirements may result in the imposition of fines, penalties and/or other regulatory responses, including the termination of the Company's operating authorizations and concession. Any partial or total termination of any of the Company's operating authorizations and licenses or the Company's concession would have a material adverse effect on the Company's business, financial condition, revenues, results of operations and prospects.

In recent years, ANATEL has been reviewing and introducing regulatory changes, especially with regard to asymmetric competition measures and interconnection fees charged between local telecommunications service providers. Asymmetric competition measures may include regulations aimed at rebalancing markets where one or more participants hold significantly different market power over other competitors.

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Under ANATEL's regulatory agenda for the 2023-2024 biennium, a Public Consultation was launched in November 2023 regarding the revision of the General Competition Goals Plan ("PGMC"), approved by the Resolution no. 600, of November 8, 2012 and updated by Resolution no. 694, of July 17, 2018, which concentrates, in a single normative instrument, a set of specific measures aims at promoting competition and establishes the milestones for future reassessments of the performance of sectoral competition. This review, which takes place every four years and began with the publication of public consultation no. 64, of November 6, 2023, is dedicated to the reassessment of relevant markets in the sector, asymmetric regulatory measures and power holders of Significant Market ("PMS"), previously established by the regulation itself.

After approval by ANATEL's Board of Directors, the new PGMC was published by Resolution No. 783, of September 3, 2025, meeting the deadline set out in ANATEL's regulatory agenda for the 2025-2026 biennium (discussed in Public Consultation No. 46, of September 11, 2024 and approved by ANATEL Internal Resolution No. 399/2024, of December 30, 2024), which indicated final approval for the second half of 2025.

As previously mentioned, also in November 2023, ANATEL submitted for public consultation the revised Spectrum Use Regulations ("RUE"), approved by Resolution No. 671 of November 3, 2016. The new wording proposed by ANATEL includes, among other changes, new rules for granting secondary spectrum use authorizations, as well as changes to ANATEL's procedures for assessing efficient spectrum use. The expectation is that the new RUE will be published in the first half of 2026.

It is important to highlight that the acquisition of the mobile assets of Oi Móvel S.A. by the leading operators in the Brazilian SMP market (Vivo, Claro and TIM), raised competition concerns by ANATEL and CADE, which imposed regulatory remedies in order to foster market competition, among which: (i) Reference Offer in the Relevant National Roaming Market; (ii) Reference Offer for developing Personal Mobile Service – SMP through Virtual Network MVNO – ("ORPA de MVNO"); (iii) Offer of Temporary and Onerous Assignment of Radio Frequency Use Rights; and (iv) Industrial Network Exploration Offer.

As to the Reference Offer of Wholesale National Roaming Products ("National Roaming ORPA"), the regulatory remedy uses as a reference the values approved and calculated by ANATEL, based on a new methodology for the roaming market cost model (LRIC + bottom-up model – Act No. 8822/2022). As a result of the change in the methodology, the new reference values were significant reduced (FAC-HCA top-down model – Act No. 9157/2018).

As to the Offers, as mentioned above, specifically the MVNO ORPA and the National Roaming ORPA ("ORPAs"), these were being debated within the scope of ANATEL for the following concepts: (i) Requirement of Exclusivity of Contracting Companies: ANATEL decided, for MVNO LTRO, that the exclusivity requirement violates Res. 550/2010 and therefore cannot be maintained as a condition. For the Roaming LTRO, exclusivity may only be required in cases of contracting (a) National Roaming under an Industrial Exploration regime and (b) conventional National Roaming (transitional use) only on the 5GSA network; and (ii) Collection of Minimum Monthly Deductible: ANATEL decided that in both LTROs the minimum monthly deductible cannot be charged for a period of five years.

The Company currently has contracts signed with the possibility of charging the minimum monthly franchise both in the National Roaming market and in the MVNO market, so that current contracts, depending on the contracting companies, can be migrated to the new updated offers.

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The maintenance of these remedies will be reassessed during the PGMC review process. They had been considered for inclusion in the new PGMC and were included in the draft regulation subject to public consultation No. 64/2023. However, the approved regulation does not consider the remedies related to MVNO ORPA and spectrum sharing, as the Board of Directors determined that there were no market failures or competition issues that would justify them. For the National Roaming ORPA, price control using the LRIC+ Bottom-Up Cost Model was maintained.

Generally, the adoption of disproportionately asymmetric measures and adoption by ANATEL of concepts, prices and remuneration models may impact remuneration and costs, with detrimental effects on the business, financial condition, revenues, results operations and the Company's prospects.

Regarding interconnection fees, these form the basis of the Company's revenue and costs. These fees are charged between telecommunications service providers to allow and compensate for the interconnected use of their networks. To the extent that changes in the rules on interconnection fees reduce the amount of fees the Company can receive or charge, the Company's business, financial condition, revenues, results of operations, and prospects could be adversely affected.

In addition, the Company may be affected by changes in rules and regulations aimed at preserving the rights of consumers of telecommunications services. ANATEL published, in November 2023, the new General Regulation on Consumer Rights ("RGC"), through Resolution No. 765/2023, which came into force on September 1, 2025, replacing Resolution No. 632/2014. This new Regulation changed some provisions such as the way in which telecommunications services are offered, in addition to updating/modernizing some customer service rules.

Therefore, the Company's business, results of operations, revenues and financial conditions could be negatively affected by the actions of the Brazilian authorities, including, in particular, the following: the introduction of new or less flexible operational and/or service requirements; the granting of operating licenses in the Company's areas; limitations on interconnection fees the Company can charge to other telecommunications service providers; imposition of significant sanctions or penalties for failure to comply with regulatory obligations; delays in the granting of, or the failure to grant, approvals for rate increases; and antitrust limitations imposed by ANATEL and CADE.

Finally, there is also the risk that the Company will not be successful in future tenders to be carried out by ANATEL regarding the acquisition of new authorizations for the use of radio frequencies. The Board of Directors of ANATEL, through Ruling No. 148/2024, determined that ANATEL's Superintendencies adopt the necessary measures for the publication, by December 31, 2025, of a new Notice for the bidding procedure regarding to the 700 MHz subband. A draft of the Bidding Notice was approved by the ANATEL Board of Directors in July 2025, and the matter is expected to be reviewed by the Federal Court of Accounts in February 2026. Therefore, a new bidding process for this sub-band is expected in 2026. Furthermore, through Resolution No. 785/2025, ANATEL approved a plan for conducting bidding processes for radio frequency usage authorizations, with different time horizons up to 2036.

1.c. Corporate events in 2025

1.c.1. *Business Combination - Acquisition of Samauma Brands Comércio, Importação e Exportação de Eletro-Eletrônicos Ltda. ("Samauma") by Terra Networks Brasil Ltda. ("Terra Networks")*

On March 21, 2025, Terra Networks, a direct subsidiary of the Company, completed the acquisition of all shares of Samauma for up to R\$66,451, subject to meeting agreed operational and financial metrics ("Transaction"). This amount includes a non-compete agreement that was recognized separately from the business combination at a fair value of R\$7,290. The remaining purchase price R\$59,161 was allocated to the net assets acquired, excluding the non-compete agreement, which was recognized as an intangible asset.

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Samauma was founded in 2012 and is engaged in marketing a broad portfolio of smartphone accessories and electronics under the "i2GO" brand with high-quality, high-performance and affordable products.

The Transaction documents contain terms and conditions common to this type of operation.

The Transaction is part of the Company's strategy to strengthen its presence in the market for accessories for smartphones and other electronic devices, operating with its own brand, OVVI, committed to offering innovative and high-quality products, strategically positioning to meet the needs of the constantly evolving market. Following the acquisition, the OVVI and i2GO brands will coexist complementing each other in terms of portfolio and market positioning.

With the completion of the Transaction, as of March 21, 2025, Terra Networks now has direct control of Samauma.

Pursuant to IFRS 3, business acquisitions are accounted for using the acquisition method in which the consideration transferred is measured at fair value comparing this to the fair values of the assets acquired and liabilities assumed and the equity interests issued.

At the date of these consolidated financial statements of the Company, Terra Networks had already completed the report for the purchase price allocation ("PPA"), through the analysis of the fair value determination of the identifiable assets acquired and liabilities assumed from Samauma.

The assumptions, critical judgments, methods and hypotheses used to determine these fair values were as follows:

Brand

The "royalty relief" approach was used to assess the brand ("i2GO"), which consists of estimating the cash flows that the Company would otherwise pay for royalties to third parties to use the brand, assuming that it was not owned by the Company. The projected flows correspond to the amounts that would be paid based on a royalty rate applied to i2Go's net revenue over the estimated useful life of the brand.

The main assumptions used in the assessment of the brand were: (i) Projected net revenue over 5.0 years (2025 to 2029); (ii) Royalty rate applied: 2.00%, according to maturity of the years; (iii) Discount rate (net WACC + Premium): 18.13% per year; (iv) Tax rate (tax factor): 34% and; (v) Estimated useful life: 5.0 years, with projections limited to the considered flow horizon.

The fair value of the brand was estimated at R\$5,460, with an amortization period of 5 years.

Commercial Relationship (Points of Sale)

For the evaluation of the commercial relationship, the MPEEM ("Multi-period Excess Earnings Method") was used, which estimates the value of the intangible asset based on the excess earnings specifically attributable to the points of sale, after deducting the returns from other contributing assets necessary to generate these cash flows, over its estimated useful life.

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The main assumptions used in the evaluation of the commercial relationship were: (i) revenues: for portfolio projection purposes, we considered the net recurring revenue for the year 2025. The average customer retention rate was calculated, as well as the evolution of average revenue per customer in the periods. The portfolio decline (“churn”) was estimated based on historical revenues (2021, 2022, 2023, 2024 e 2025) in an increasing manner. (ii) Deductions and Costs/Expenses: Deductions from gross revenue were projected according to actual applicable tax rates, substantially sales or service taxes. Costs/expenses were projected by comparing historical data and forecasting improvements in gross margin through actions to contain fixed costs over time; (iii) Tax rate: 34%, in accordance with Brazilian tax legislation; and (iv) Discount rate (“WACC”) after taxes: 18.13%.

As a result of the calculation described, the fair value of the business relationship was R\$14,000, with an amortization period of 8 years.

Contingent Liabilities

Pursuant to IFRS 3, the acquirer recognizes, on the acquisition date, contingent liabilities assumed in a business combination even if outflows of resources are not probable for settlement of the obligation, provided that it is a present obligation arising from past events and its fair value can be measured reliably. Contingent liabilities with a fair value of R\$2,462 were recognized for this acquisition, which were determined based on the estimated cash outflow for their settlement on the acquisition date.

Composition of the fair value of the net assets acquired

Below is a summary of the composition of the fair value of the net assets acquired in the amount of R\$20,571, as well as the goodwill generated on the acquisition date, is as follows:

Current assets	21,120	Current liabilities	13,513
Cash and cash equivalents	292	Loans and financing	9,736
Accounts receivable	10,295	Other liabilities	3,777
Other assets	10,533		
		Non-current liabilities	19,576
Non-current assets	32,540	Loans and financing	2,923
Other assets ⁽¹⁾	12,857	Income tax and social contribution and collection	238
Property, plant and equipment	217	Deferred income tax and social contribution ⁽⁴⁾	3,535
Intangible assets ⁽²⁾	19,466	Provisions for contingencies ⁽³⁾	7,819
		Other liabilities	5,061
		Fair value of liabilities assumed	33,089
		Fair value of net assets acquired	20,571
		Goodwill⁽⁵⁾	38,590
Fair value of assets acquired	53,660	Total consideration	59,161

(1) This refers to the allocation of the fair value attributed to the indemnification asset related to the liabilities, which is being updated by the SELIC rate.

(2) This includes the allocation of the fair value of R\$5,460 attributed to the brand, and R\$14,000 attributed to the Commercial Relationship.

(3) This includes the allocation of the fair value of R\$2,462 attributed to the contingent liability, which is being updated by the SELIC rate.

(4) This refers to deferred income tax and social contribution, net of deferred taxes, on allocations of indemnification assets and contingent liabilities.

(5) This refers to the premium value determined in the acquisition of Samauma, considering the expected future synergies from combining the acquired company's businesses, which may be used for tax purposes.

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Non-compete agreement

For the non-compete agreement, recognized separately from the business combination, the income approach was used, based on the “with and without” contract method (“with/without”). Potential losses of net revenue associated with the sellers' performance as competitors were considered, projecting two scenarios: one with the agreement in force and one without.

The main assumptions used in the assessment of the non-compete agreement were: (i) Revenue Reduction Capacity: from 15.0% (2025), 25.0% (2026) to 0.00% (2034); (ii) Probability of Competition: from 10.0% (2025), 50.0% (2026) to 0.00% (2034); (iii) Probable Revenue Loss: from 1.5% (2025), 12.5% (2026) to 0.00%, according to the intersection of the factors above; and (iv) Discount rate (WACC): 18.08% per year; and (v) Perpetual growth rate: 4.0%.

The fair value of the non-compete agreement was estimated at R\$7,290, with an amortization term of 4 years.

Other information

The adjusted total purchase consideration will not exceed R\$66,451, with payment made as follows: (i) R\$22,000 paid in cash, upon completion of the Transaction and; (ii) the balance of R\$44,451 will be paid in accordance with contractual clauses, accruing Interbank Deposit Certificate (“CDI”) interest rate between the closing date of the transaction and 10 days before the actual payment. Of this balance, R\$25,000 refers to the contingent consideration, conditional upon achieving performance targets, as per contractual clauses.

The fair value of accounts receivable totals R\$10,295, which does not differ from the book value, consisting of a gross amount of R\$11,081, net of estimated losses for impairment in the amount of R\$786.

From the acquisition date through to the date of these financial statements, Samauma contributed R\$41,996 for the Company's consolidated net operating revenue and a loss of R\$6,217 to the Company's results

1.c.2. Business Combination - Acquisition of controlling interest in Fibrasil Infraestrutura e Fibra Ótica S.A. (“FiBrasil”) by the Company

On July 10, 2025, the Company informed its shareholders and the market in general that it had entered into a Share Purchase Agreement (“SPA”) with Caisse de dépôt et placement du Québec (“La Caisse”, formerly “CDPQ”) and Fibre Brasil Participações S.A. (“Fibre Brasil” and, together with La Caisse, “Grupo La Caisse”), which governs the terms and conditions for the Company's acquisition of all shares issued by FiBrasil held by Grupo La Caisse, representing 50% of FiBrasil's total share capital, as well as subscription warrants issued by FiBrasil (“Transaction”).

FiBrasil operates in the wholesale neutral and independent fiber optic network sector in the Brazilian market. The Company will continue to expand its presence in the fiber market, focusing on improving the customer experience while contributing to the digitalization of the country.

The Transaction was subject to the satisfaction of certain usual conditions precedent for this type of operation, including prior approval by CADE and ANATEL. On October 14, 2025, ANATEL granted prior approval to the Transaction. On October 23, 2025, CADE approved the Transaction without restrictions. After obtaining the regulatory approvals and fulfilling the other precedent conditions, on November 12, 2025, the Transaction was completed.

The signing of the SPA, as well as the terms and conditions of the Transaction, were approved by the Company's Board of Directors. The Company submitted the ratification of the Transaction to the general shareholders' meeting, pursuant to article 256, II of the Brazilian Corporations Law. Consequently, the approval of the transaction by the General Meeting will also give rise to the right of withdrawal for the Company's shareholders who dissent from the resolution (note 36.a).

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The acquisition value of the Transaction, updated by the Interbank Deposit Certificate (“CDI”) rate on a pro rata daily basis, as provided in the SPA, was R\$858,002, paid on November 12, 2025, in a single installment by the Company to the La Caisse Group. The subscription warrants previously issued by FiBrasil were canceled upon the closing of the Transaction.

The Company already held a 25.01% stake in FiBrasil's capital and, with the completion of the Transaction, the Company became the direct controlling shareholder of FiBrasil, holding 75.01% of its total share capital. Telefônica Infra S.L. Unipersonal retains a 24.99% stake. According to IFRS 3, this acquisition qualifies as a business combination achieved in stages and, in turn, requires the fair value remeasurement of the previously held investment.

The fair value, on the acquisition date, of the equity interest that the Company held in FiBrasil was R\$372,251, determined based on the acquisition price adjusted for the control premium. Given that the recorded book balance was R\$243,501, the Company recorded a fair value remeasurement gain on the investment of R\$128,750, accounted for in the “Other Operating Revenues/Expenses” line item, note 27.

According to IFRS 3, the transferred consideration will be measured at fair value, which is calculated by summing the fair values of the transferred assets, the liabilities assumed on the acquisition date with the former controlling shareholders of the acquired entity, and the interests issued in exchange for control of the acquired entity.

For the allocation of non-controlling shareholders' interests, the Company opted, as permitted by IFRS 3, for the current proportional allocation conferred by equity instruments in the recognized amounts of FiBrasil's identifiable net assets.

Upon completion of the Transaction, effective November 12, 2025, the Company became the direct controlling shareholder of FiBrasil.

As of the date of these consolidated financial statements, the Company is in the final stages of preparing the appraisal report for the allocation of the purchase price (“PPA”), through the analysis of the fair value determination of the identifiable assets acquired and liabilities assumed from FiBrasil. It is estimated that this final analysis will be completed as soon as Management has all relevant information regarding the facts, not exceeding a maximum period of 12 months from the acquisition date.

As of December 31, 2025, the Company's consolidated financial statements includes the preliminary PPA allocations.

The assumptions, critical judgments, methods, and hypotheses used by the Company to determine these fair values were as follows:

Property, plant and equipment and intangible assets

The fair value of property, plant and equipment and intangible assets was assessed based on the application of the Direct Market Comparison Method (“DCDM”) and the Cost Quantification Method.

The DCDM method was used to assess movable and immovable property, as it allows for the estimation of fair value through comparison with recent sales and market prices of similar assets, adjusted for factors such as age, state of conservation, usability, type of sale and, in the specific case of real estate, the region in which they are located.

The Cost Quantification Method consisted of identifying the replacement cost or reproduction cost (“RCN”) of the assets, through the application of the direct and indirect methods.

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For movable assets, the RCN was considered based on investments estimated by FiBrasil's engineering department, while the indirect cost method was applied to assets not covered by the direct cost. The adjustment factors and price indices used in the estimates were derived from inflation indices published by the Brazilian Institute of Geography and Statistics ("IBGE").

As a result of the calculation described, the fair value of the fixed and intangible assets was R\$1,615,657, with depreciation and amortization periods that follow the useful life of the assets evaluated.

Contingent Liabilities

According to IFRS 3, the acquirer must recognize, on the acquisition date, contingent liabilities assumed in a business combination even if it is not probable that outflows of resources will be required to settle the obligation, provided that it is a present obligation arising from past events and its fair value can be reliably measured. Meeting the aforementioned requirements, contingent liabilities were recognized in this acquisition at a fair value of R\$24,065, which were determined based on the estimated cash outflow for their settlement on the acquisition date.

Composition of the fair value of the net assets acquired

Below is a preliminary summary of the fair value composition of the net assets acquired in the amount of R\$798,779, as well as the goodwill generated on the acquisition date, subject to further adjustments upon completion of the work:

Current assets	218,901	Current liabilities	182,541
Cash and cash equivalents	78,044	Debentures	199
Accounts receivable	104,694	Leases	77,551
Other assets	36,163	Personnel, charges and social benefits	47,271
		Suppliers	47,200
Non-current assets	1,853,812	Other liabilities	10,320
Deferred income tax and social security contributions ⁽¹⁾	61,199		
Other assets	10,291	Non-current liabilities	1,091,393
Property, plant and equipment⁽²⁾	1,735,838	Debentures	903,964
Intangible assets⁽³⁾	46,484	Leases	150,687
		Provisions for contingencies ⁽⁴⁾	25,593
		Personnel, charges and social benefits	9,987
		Other liabilities	1,162
		Net assets acquired	798,779
		Goodwill⁽⁵⁾	631,169
		Non-controlling interest	(199,695)
		Portion of the Company's previous holding, remeasured at fair value.	(372,251)
Fair value of assets acquired	2,072,713	Total consideration	858,002

(1) Includes R\$8,182 of deferred income tax and social contribution on the allocation of fair value attributed to the contingent liability, which is being updated by the SELIC rate.

(2) Includes R\$159,285 of the allocation of fair value attributed to fixed asset items. It also includes R\$166,665 in right of use assets.

(3) Includes R\$2,105 of the allocation of fair value attributed to intangible assets.

(4) Includes R\$24,065 of the fair value attributed to the contingent liability, which is being updated by the SELIC rate.

(5) Refers to the goodwill value determined in the acquisition of FiBrasil.

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Other Information

The fair value of accounts receivable totals R\$104,694, which does not differ from the book value, which consists of a gross value of R\$105,563, net of estimated impairment losses of R\$869.

From the acquisition date to the completion of these consolidated financial statements, FiBrasil contributed R\$4,620 for the Company's consolidated net operating revenue and a net income of R\$4,515 to the Company's consolidated results.

1.c.3. Business Combination - Acquisition / PPA and Merger of IPNET Serviços em Nuvem e Desenvolvimento de Sistemas Ltda. ("IPNET") and Acquisition of IPNET USA, LLC ("IPNET USA") by Telefônica Cloud e Tecnologia do Brasil S.A. ("CloudCo Brasil")

Acquisition / Purchase Price Allocation (PPA)

On July 22, 2024, CloudCo Brasil, a directly controlled subsidiary of the Company, entered into a share purchase agreement and other agreements for the acquisition of all issued shares of IPNET Serviços em Nuvem e Desenvolvimento de Sistemas Ltda. ("IPNET") and IPNET USA, LLC ("IPNET USA") ("Transaction"), for a value of up to R\$223,799, conditional upon the achievement of certain operational and financial metrics. This value includes a non-compete agreement that was recognized separately from the business combination at a fair value of R\$26,964. The remaining purchase price R\$196,835 was allocated to the net assets acquired, excluding the non-compete agreement, which was recognized as an intangible asset.

The IPNET Group engages in, among other activities, the resale of software and systems, as well as the provision of professional and managed services for adaptation, migration, and related support.

The Transaction documents contain terms and provisions common to this type of transaction, and its completion was subject to the fulfillment of certain precedent conditions, including obtaining authorization from CADE and implementing a corporate reorganization involving the incorporation of the companies Metarj Soluções em Geotecnologia e Desenvolvimento de Sistemas Ltda. ("Metarj") and XL Solutions Ltda. ("XL") by IPNET.

The aforementioned precedent conditions were met with the final and unappealable decision by CADE, dated September 3, 2024, which approved the Transaction without restrictions through Concentration Act No. 08700.005417/2024-69; and the corporate reorganization with the incorporations of Metarj and XL by IPNET, which occurred in September 2024.

With the completion of the Transaction, effective October 1, 2024, CloudCo Brasil became the direct controlling shareholder of IPNET.

The Transaction expanded CloudCo Brasil's product portfolio and strengthened its professional and managed services, enabling its acceleration and growth. The investment also reinforces the Company's digital ecosystem in the B2B business, with advancements in innovative solutions.

According to IFRS 3, business acquisitions are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated by summing the fair values of the assets transferred, the liabilities assumed at the acquisition date with the former controlling shareholders of the acquired company, and the interests issued in exchange for control of the acquired company.

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At the date of these consolidated financial statements of the Company, CloudCo Brasil had already completed the report for the purchase price allocation ("PPA"), through the analysis of the fair value determination of the identifiable assets acquired and liabilities assumed from IPNET.

The assumptions, critical judgments, methods, and hypotheses used by CloudCo Brasil to determine these fair values were as follows:

Brand

For brand valuation, a profitability approach ("Income approach") was used, employing the relief from royalties method. This method assumes that the intangible asset has a fair value based on royalty income and represents the savings of the asset owner – the owner does not need to pay royalties to a third party for the license to use the intangible asset. Management's intention at the time of acquiring the stake was to utilize the acquired company's know-how and its ability to implement the new business model.

The main assumptions used in the brand valuation were: (i) Revenue: the valuation of the intangible asset was based on net revenue projections supported by the entity's historical growth, without the synergy of the IPNET acquisition; (ii) Royalty rate: according to research conducted at the time, we observed that the internet services market used an average royalty rate of approximately 1% on net revenue; (iii) Costs and Expenses related to the brand: a percentage of 10% of net revenue was considered for royalties for brand maintenance, such as marketing expenses and others; (iv) Tax rate: 34%, according to Brazilian tax legislation; and (v) Discount rate ("WACC") after taxes: 18.23%.

As a result of the calculation described, the fair value of the brand was R\$10,099, with an amortization period of 5 years.

Customer Portfolio

The customer portfolio was valued using the Multi-period Excess Earnings Method ("MEEM"). This method for valuing the customer portfolio was used due to the possibility of directly attributing the generated cash flow to the identified asset.

The main assumptions used in the valuation of the customer portfolio were: (i) Revenue: for portfolio projection purposes, we considered the net recurring revenue for the year 2024. The average customer retention rate was calculated, as well as the evolution of average revenue per customer over the periods. The portfolio decline ("churn") was estimated at 20%; (ii) Deductions and Expenses: deductions from gross revenue were projected according to actual applicable tax rates, substantially sales or service taxes. Costs and expenses were projected by comparing historical data and forecasting improvements in gross margin through actions to contain fixed costs over time; (iii) Tax rate: 34%, according to Brazilian tax legislation; (iv) Discount rate ("WACC") after taxes: 18.23%.

As a result of the calculation described, the fair value of the customer portfolio was R\$28,619, with an amortization period of 5 years.

Contingent Liabilities

According to IFRS 3, the acquirer must recognize, on the acquisition date, contingent liabilities assumed in a business combination even if it is not probable that outflows of resources will be required to settle the obligation, provided that it is a present obligation arising from past events and its fair value can be reliably measured. Meeting the above requirements, contingent liabilities at a fair value of R\$8,964 were recognized in this acquisition, which were determined based on the estimated cash outflow for their settlement on the acquisition date.

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Composition of the fair value of the net assets acquired

Below is a summary of the composition of the fair value of the net assets acquired in the amount of R\$20,436, as well as the goodwill generated on the acquisition date:

Current assets	31,206	Current liabilities	35,867
Cash and cash equivalents	13	Loans and financing	3,063
Accounts receivable	27,177	Other liabilities	32,804
Other assets	4,016		
		Non-current liabilities	110,320
Non-current assets	135,417	Loans and financing	2,500
Other assets ⁽¹⁾	95,634	Income tax and social contribution and collection	38,123
Property, plant and equipment	1,065	Deferred income tax and social contribution ⁽³⁾	12,187
Intangible assets⁽²⁾	38,718	Provisions for contingencies ⁽⁴⁾	32,716
		Other liabilities	24,794
		Fair value of liabilities assumed	146,187
		Fair value of net assets acquired	20,436
		Goodwill⁽⁵⁾	176,399
Fair value of assets acquired	166,623	Total consideration	196,835

(1) This refers to the allocation of R\$95,634 of the fair value attributed to the indemnification asset related to the contingent liability, which is being updated by the SELIC rate.

(2) This refers to the allocation of fair value attributed to intangibles of R\$38,718, being: (i) brand (R\$10,099); and (ii) customer portfolio (R\$28,619).

(3) This refers to deferred income tax and social security contributions on the allocation of fair value attributed to the contingent liability, which is being updated by the SELIC rate.

(4) This includes the allocation of the fair value attributed to the contingent liability, which is being updated by the SELIC rate.

(5) This refers to the goodwill value determined in the acquisition of IPNET, considering the expected future synergies from combining the acquired company's businesses, which may be used for tax purposes.

Non-compete Agreement

For the non-compete agreement recognized separately from the business combination, the income approach was used, based on the "with/without" method. This method consists of projecting the expected cash flows for the two scenarios: one with the non-compete agreement and the other without the non-compete agreement. The cash flow without the non-compete agreement considers a revenue loss rate and a probability of the potential competitor effectively competing with the Company. The difference between the cash flows of the two scenarios, which corresponds to the loss avoided by the non-compete agreement, is brought to present value by the specific rate of return for this asset and compared with the present value of the original cash flow (without revenue loss).

The main assumptions used in the assessment of the non-compete agreement were: (i) Revenue Reduction Capacity: from 15.0% (2024), 25.0% (2025) to 10.0% (2033); (ii) Probability of Competition: from 10.0% (2024), 50.0% (2025) to 30.0% (2033); (iii) Probable Revenue Loss: from 1.5% (2024), 12.5% (2025) to 3.0% (2033), according to the intersection of the factors above; and (iv) Discount rate (WACC): 18.2% per year; and (v) Perpetual growth rate: 3.5%.

As a result of the calculation described, the fair value of the non-compete agreement was R\$26,964, with an amortization period of 6 years.

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The total consideration amount was R\$196,835, with payment made as follows: R\$33,043 paid in cash upon completion of the Transaction, and the remaining balance of R\$163,792 is being paid according to contractual clauses, updated by the variation in the IPCA/SELIC rate. Of this balance, R\$140,000 refers to the contingent consideration, conditional upon achieving performance targets, as per contractual clauses.

The fair value of accounts receivable totals R\$27,177, which does not differ from the book value, which consists of a gross value of R\$31,714, net of estimated impairment losses of R\$4,537.

Merger of IPNET by CloudCo Brasil

On November 3, 2025, the Company informed its shareholders and the market in general that, on November 1, 2025, CloudCo Brasil merged IPNET, which was consequently extinguished (“Merger”).

The Merger consisted of a corporate and operational reorganization aimed at promoting administrative and economic benefits through the simplification of operational structures, reduction of costs related to the operations and activities carried out by IPNET and CloudCo Brasil, and leveraging internal synergies. In addition, the Merger was carried out based on the book value of IPNET’s net assets and did not result in any changes to CloudCo Brasil’s share capital or to the Company’s equity interest in CloudCo Brasil.

Finally, as a consequence of the Merger, CloudCo Brasil succeeded IPNET in all of its assets, liabilities, rights, and obligations.

Since IPNET and CloudCo Brasil were already within the Company’s consolidation perimeter and there was no participation from any other company, this merger did not cause any impact on the Company’s consolidated financial statements.

1.c.4. Corporate Reorganization of Investees - VivaE and Vivo Ventures

On October 6, 2025, the Company informed its shareholders and the market in general that, on that same date, it concluded a corporate reorganization involving its stake in VivaE Educação Digital S.A. (“VivaE” and “Transaction”), a company jointly owned by the Company and Ânima Holding S.A. The Transaction consisted of the contribution of all of the Company’s VivaE shares to the Vivo Ventures Multistrategy Investment Fund for Foreign Investment - Limited Liability (“Vivo Ventures”), as a way of paying for part of the quotas already subscribed by the Company in said fund, representing, therefore, a contribution of R\$17,375, according to an independent valuation by a specialized company. Vivo Ventures is a private equity fund held by the Company, as the majority shareholder, together with Telefônica Open Innovation, S.L. The book value of the investment that the Company held in Vivo Ventures on the date of this corporate reorganization was R\$11,222, generating an investment gain of R\$6,153, Notes 12.c and 27.

Continuing the Operation, on November 25, 2025, VivaE entered into a business combination agreement with Ada Tecnologia e Educação S.A. (“Ada”), a company specializing in providing services and developing solutions focused on teaching programming and technology in the B2B business, thus allowing VivaE and Ada to generate synergies and be closer to strategic partnerships in this business.

As a result of this corporate reorganization, the Company ceased to hold a stake in VivaE and, after the necessary capital contributions to Vivo Ventures (98.00)%, retained the same stake in Vivo Ventures, Note 12.b.

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1.c.5. Structuring of the Vivo Pay III Investment Fund in Credit Rights Limited Liability ("Vivo Pay III")

On November 7, 2025, the automatic registration of Vivo Pay III was completed with the CVM, as a closed-end fund with an indefinite duration. Vivo Pay III may be liquidated by resolution of the general meeting in accordance with its regulations.

The purpose of Vivo Pay III is to provide its quota holders with the appreciation of their shares through the investment of its net assets in the acquisition of: (i) eligible credit rights, formalized by supporting documents that meet the eligibility criteria and assignment conditions, and (ii) financial assets, in compliance with all portfolio composition and diversification indexes of the fund.

The acquisition of eligible credit rights and other financial assets will originate from credit and financing transactions carried out electronically by the Company's customers under the Vivo Pay program, exclusively through the electronic platform made available by the Company.

Vivo Pay III began its operations on November 24, 2025, issuing 2,000 (two thousand) junior subordinated quotas with an initial unit nominal value of R\$1,000.00 (one thousand reais).

1.c.6. Acquisition of Telefônica Cibersegurança e Tecnologia do Brasil Ltda. ("CyberCo Brasil") by Telefônica Infraestrutura e Segurança Ltda. ("TIS"), an indirect subsidiary (Business Combination)

On December 9, 2025, the Company informed its shareholders and the market in general that, on that same date, its indirect subsidiary Telefônica Infraestrutura e Segurança Ltda. ("TIS") has completed, with Telefônica Cybersecurity & Cloud Tech, S.L. ("TTech"), company belonging to the Telefônica S.A. Group, the acquisition of all shares issued by Telefônica Cibersegurança e Tecnologia do Brasil Ltda. ("CyberCo Brasil").

CyberCo Brasil offers integrated cybersecurity and information security solutions, including devices, networks, cloud, identity management, incident and vulnerability response, as well as consulting, projects, and software and hardware resale.

The transaction aims to expand the portfolio of information security solutions, optimize service offerings, accelerate launches, integrate the sales force, and reinforce the growth strategy in customer-focused digital solutions.

The total price paid for the acquisition of all shares of CyberCo Brasil was R\$232,000, conditional upon the achievement of certain financial metrics.

The documents formalizing the transactions contain terms and provisions common to this type of operation and do not depend on obtaining any regulatory authorizations or approvals in addition to those already obtained in accordance with the Company's internal governance.

Considering that business combinations between entities under common control have not yet been specifically addressed by IFRS Accounting Standards, an entity is required to apply the hierarchy set forth in paragraphs 10-12 of IAS 8 to choose the accounting policy to be adopted.

An entity may therefore choose to account for combinations between entities under common control using the acquisition method based on IFRS 3 or the predecessor value method.

This Transaction, which, as described above, involves companies under common control, was accounted for at the carrying amount of the net assets acquired ("Predecessor Value Method"). Consequently, the difference between the consideration given in exchange for the equity interest obtained and the value of the net assets acquired was recorded in TIS's equity as "Other capital reserves".

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With the completion of the acquisition, as of December 9, 2025, CyberCo Brasil became directly controlled by TIS and indirectly controlled by the Company.

The results and statement of financial position of CyberCo Brasil are incorporated in this financial statements prospectively from the date on which the business combination between entities under common control occurred.

Below, we present the composition of the book value of the identifiable net assets acquired in the amount of R\$59,603.

Current assets	139,392	Current liabilities	96,083
Cash and cash equivalents	32,583	Suppliers	55,629
Accounts receivable	65,574	Provision for contingencies	1,821
Other assets	41,235	Other liabilities	38,633
Non-current assets	16,322	Non-current liabilities	28
Deferred income tax and social security contributions	3,656	Other liabilities	28
Other assets	6,283		
Property, plant and equipment	5,155		
Intangible assets	1,228		
Value of assets acquired	155,714	Value of identifiable net assets acquired	59,603

Other Information

The Transaction values were recognized in the TIS as follows: R\$59,603, for the initial recognition of the investment in CyberCo Brasil's equity and R\$168,729 in other capital reserves; offset by R\$16,332, for the present value of the financing with TTech (amount relating to the contingent consideration, conditional upon achieving performance targets, as per contractual clauses) and R\$212,000 in cash, for the payment made to TTech.

From the acquisition date to the completion of these consolidated financial statements, CyberCo Brasil contributed R\$442 for the Company's consolidated net operating revenue and a loss of (R\$3,875) to the Company's consolidated result.

The value of accounts receivable totals R\$65,574 and there are no estimated impairment losses provisioned.

1.c.7. Share buyback program / Capital Reductions / Reverse Stock Split and Stock Split

The corporate events relating to the Company's equity are described in notes 24.a.1 - Capital Reductions; 24.a.2 - Share Consolidation and Splitting; and 24.b - Share Repurchase Program.

1.d. Tax Reform on consumption

On December 20, 2023, Constitutional Amendment ("EC") No. 132 was enacted, establishing the Consumption Tax Reform ("Reform"). To initiate the process of regulating the constitutional amendment, Complementary Law No. 214/2025 ("LC") was sanctioned by the President of the Republic on January 16, 2025. Additionally, on January 13, 2026, Complementary Law No. 227/2026 was approved, which, among other topics, creates the IBS management committee, regulates tax litigation, and establishes rules for the administration of the new taxes.

The Reform model is based on a dual VAT divided into two jurisdictions, one federal (Contribution on Goods and Services - CBS) and one sub-national (Tax on Goods and Services - IBS), which will replace the PIS, COFINS, ICMS and ISS taxes.

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A Selective Tax ("IS") under federal jurisdiction, which will be levied on the production, extraction, marketing or import of goods and services that are harmful to health and the environment, under the terms of the LC, and there is an express provision that the IS will not apply to telecommunications services. There will be a transition period from 2026 to 2032, during which the two tax systems (old and new) will coexist.

In 2026, it will be necessary to highlight CBS (0.9%) and IBS (0.1%) for statistical purposes. Consequently, there will be no collection or financial impact. The Company is prepared to issue and receive tax documents highlighting IBS and CBS. Only from January 2027 onwards will the new taxes begin to financially impact the Company.

It is worth noting that the impacts of the Tax Reform will only be fully known after the other stages of legal and sub-legal regulation, which may include the enactment of new ordinary laws (federal, state and municipal), decrees, normative instructions and technical notes.

Since the changes will be applied prospectively, has not effect of the Reform on the financial statements as of December 31, 2025.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.a. Statement of compliance

The consolidated financial statements were prepared and are being presented in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board.

2.b. Basis of preparation and presentation

The financial statements were prepared on a historical cost basis (except where different criteria are required) and adjusted to reflect the valuation of assets and liabilities measured at fair value or considering the mark-to-market valuation when such valuations are required by IFRS Accounting Standards.

The Company prepared the consolidated financial statements based on the assumption of operational continuity.

An asset is classified as current when it meets any of the following criteria: (a) it is expected to be realized, or is intended to be sold or consumed, in the normal course of the entity's operating cycle; (b) it is held primarily for the purpose of being traded; (c) it is expected to be realized within twelve months after the balance sheet date; or (d) it is cash or a cash equivalent, unless its exchange or use to settle a liability is prohibited for at least twelve months after the balance sheet date.

A liability is classified as current when it meets any of the following criteria: (a) it is expected to be settled during the entity's normal operating cycle; (b) it is held primarily for the purpose of being traded; (c) it is expected to be settled within twelve months after the balance sheet date; or (d) the entity does not have the right, at the balance sheet date, to defer settlement of the liability for at least twelve months after that date.

The only exception relates to the balances of deferred tax assets and liabilities, which are classified and fully shown as non-current.

The Statements of Cash Flows were prepared in accordance with IAS 7 and reflect the changes in cash that occurred in the years presented, using the indirect method.

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Due to the reverse stock split and stock split processes that occurred in 2025, described in note 24.a.2), the comparative information as of December 31, 2024 and 2023, relating the number of shares presented in Note 24, as well as the calculation of basic and diluted earnings per share, disclosed in the income statements and in Note 24.i, has been adjusted.

The Board of Directors authorized the issuance of this consolidated financial statements at the meeting held on February 12, 2026.

2.c. Functional and reporting currency

The Company's financial statements for the years ended December 31, 2025, 2024 and 2023 are presented in thousands of Brazilian Real/Reais (R\$) (unless otherwise mentioned). The Company's functional and presentation currency is the Real (R\$).

Transactions in foreign currency are converted into the Real as follows: (i) assets, liabilities and equity (except share capital and capital reserves) are converted at the closing exchange rate on the balance sheet date; (ii) expenses and revenues are converted at the average exchange rate, except for specific operations that are converted at the rate on the date of the transaction; and (iii) share capital and capital reserves are converted at the rate on the date of the transaction.

Gains and losses resulting from the conversion of investments abroad are recognized in the statement of comprehensive income. Gains and losses resulting from the conversion of monetary assets and liabilities between the exchange rate in force on the date of the transaction and the end of the years (except the conversion of investments abroad) are recognized in the statement of income.

2.d. Basis of consolidation

In the financial statements, the investment and all asset and liability balances, income and expenses arising from transactions and equity interests in subsidiaries are eliminated in full. Investments in jointly controlled companies are maintained using the equity method in the consolidated financial statements.

Significant information on the investees is presented in Note 12.b.

2.e. Segment reporting

Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated on a regular basis by the chief operating decision maker in determining how to allocate resources to an individual segment and in evaluating the segment's performance. Considering that: (i) all decisions are made based on consolidated reports; (ii) the mission of the Company and its subsidiaries is to provide its customers with quality telecommunications services; and (iii) all decisions relating to strategic, financial planning, purchasing, investments and application of resources are made on a consolidated basis Management's conclusion is that the Company and its subsidiaries operate in a single operational segment providing services telecommunications.

2.f. Material accounting practices

Material accounting policies for the understanding of the basis of recognition and measurement applied in the preparation of the Company's financial statements are included in the respective notes to which they refer.

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The accounting policies adopted in the preparation of the consolidated financial statements for the year ended December 31, 2025 are consistent with those used in the preparation of the consolidated annual financial statements for the year ended December 31, 2024 except for the changes required by the new pronouncements, interpretations and amendments, approved by the International Accounting Standards Board (IASB), which are effective from January 1, 2025, as follows:

- Amendments to IAS 21 – Effects of changes in exchange rates and conversion of financial statements: In August 2023, the IASB amended IAS 21 – Effects of Changes in Exchange Rates and Translation of Financial Statements, adding new requirements to help entities determine whether a currency is convertible into another currency and, when it is not, what spot exchange rate should be used. Prior to these amendments, IAS 21 only specified the exchange rate to be used when the lack of convertibility was temporary.

The adoption of these amendments did not have any impact on the consolidated financial statements in the initial period of adoption (January 1, 2025).

New IFRS pronouncements, issuances, amendments, and IASB interpretations

The new standards and interpretations, as well as any amendments issued but not yet in effect as of the date of issuance of the Company's consolidated financial statements, are described below. The Company intends to adopt these new standards, interpretations, and amendments, if applicable, when they become effective.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7: On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 To address recent practical issues, improve understanding, and include new requirements applicable to companies in general and not just financial institutions, the amendments: (i) clarify the recognition and derecognition dates of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (ii) clarify and add further guidance for assessing whether a financial asset meets the criteria for exclusive principal and interest payments ("SPPI"), including situations where a contingent event occurs; (iii) add new disclosures for certain instruments with contractual terms that may alter cash flows (such as some financial instruments with features linked to compliance with environmental, social, and governance targets); and (iv) update disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").. Effective for annual periods beginning on or after 1 January 2026.
- Annual Improvements to International Financial Reporting Standards (IFRS) - Volume 11: The annual improvements are limited to changes that aim to clarify the wording of some international accounting standards (IFRS Accounting Standards) or correct relatively minor unintended consequences, omissions, or conflicts between the requirements of the international accounting standards (IFRS Accounting Standards). The changes relate to the following standards: (i) IFRS 1 - "Initial Adoption of International Financial Reporting Standards"; (ii) IFRS 7 - "Financial Instruments: Disclosure and Guidance on Implementation of IFRS 7"; (iii) IFRS 9 - "Financial Instruments"; (iv) IFRS 10 - "Consolidated Financial Statements"; (v) IAS 7 - "Statement of Cash Flows"

Effective for annual periods beginning on or after January 1, 2026. The Company does not expect these changes to have an impact on its financial statements.

- IFRS 18: Presentation and Disclosure in Financial Statements: In April 2024, the IASB issued IFRS 18, which replaces IAS 1. IFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals. In addition, entities are required to classify all income and expenses within the income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations.

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The standard also requires disclosure of management-defined performance measures, subtotals of income and expenses, and includes new requirements for the aggregation and disaggregation of financial information based on the identified “functions” of the primary financial statements (PFS) and the notes.

IFRS 18 will take effect for reporting periods beginning on or after January 1, 2027, with early application permitted and subject to disclosure, although early adoption is not permitted in Brazil. IFRS 18 will have retrospective application.

- IFRS 19: Subsidiaries without Public Accountability: Disclosures: In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, must not have a public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, that comply with IFRS accounting standards.

IFRS 19 will be effective for reporting periods beginning on or after 1 January 2027, with early application permitted and required to be disclosed, although in Brazil early adoption is not permitted.

The Company is currently working to identify the impacts that the new standards and amendments will have on the financial statements.

The Company did not early adopt any new accounting statements or interpretations, the application of which is not mandatory.

2.g. Significant accounting judgments estimates and assumptions

The preparation of the financial statements requires the use of certain critical accounting estimates and the exercise of judgment by the Company's Management in applying its accounting policies. These estimates are based on experience, best knowledge, information available at the year end date and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Actual results involving these estimates could differ in values from those recorded in the financial statements due to the criteria inherent in the estimation process. The Company reviews its estimates at least annually.

The significant and relevant estimates and judgments applied by the Company in the preparation of these financial statements are presented in the following notes: corporate events in 2025 (Business Combinations), trade accounts receivable; deferred income and social contribution taxes; property and equipment; intangible assets; impairment of non-financial assets; provision and contingencies; loans and financing, debentures, leases and other creditors; pension plans and other post-employment benefits; and financial instruments and risk and capital management.

3. CASH AND CASH EQUIVALENTS

3.a. Accounting policy

These are financial assets, measured at amortized cost, maintained in order to meet short-term cash commitments and not for investment or other purposes. The Company and its subsidiaries consider cash equivalents a short-term investment readily convertible into a known amount of cash and subject to insignificant risk of change in value and when redeemable within 90 days.

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3.b. Breakdown

	12.31.2025	12.31.2024
Short-term investments ⁽¹⁾	6,945,770	6,542,862
Cash and banks ⁽²⁾	86,569	148,236
Total	7,032,339	6,691,098

- (1) Highly liquid short-term investments basically comprise Bank Deposit Certificates ("CDB") and Repurchase Agreements held by top tier rated financial institutions, indexed to the Interbank Deposit Certificate ("CDI") rate, with original maturities of up to three months, and with immaterial risk of change in value. Income from these investments are recorded as financial income. On December 31, 2025, the average remuneration of these short-term investments corresponded to 100.04% of the CDI (99.66% on December 31, 2024).
- (2) On December 31, 2025 and 2024, the Consolidated balances included R\$16,694 and R\$18,308, respectively, related to the Financial Clearing House, with a Telefônica Group member company (Note 29.).

4. FINANCIAL INVESTMENTS

	12.31.2025	12.31.2024
Guarantee for legal proceedings ⁽¹⁾	41,308	42,619
Financial applications - LFT ⁽²⁾	99,102	—
Total	140,410	42,619
Current	99,102	—
Non-current	41,308	42,619

- (1) Refer to amounts of financial investments pledged as guarantees for legal proceedings (notes 20. e 34.b.).
- (2) Refer to financial investments in Treasury Financial Bills ("LFTs"), made by the subsidiaries Vivo Pay I Fundo de Investimentos em Direitos Creditórios and Vivo Pay Sociedade de Crédito Direto. They are financial assets measured at fair value through profit or loss.

5. TRADE ACCOUNTS RECEIVABLE

5.a. Accounting policy

These are financial assets measured initially at fair value and subsequently, at amortized cost and are evaluated by the value of the services provided and goods sold in accordance with the contracted conditions, net of estimated impairment losses. These include the services provided to customers, which were still not billed at the balance sheet date, as well as other trade accounts receivable related to the sale of cell phones, SIM cards, accessories, advertising and rent of IT equipment ("Vivo Tech" product) and credit rights of the Vivo Money FIDC.

The Company measures the provision for estimated impairment losses in an amount equal to the loss of credit expected for a lifetime.

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With regard to the Vivo Pay FIDCs, whose expected credit loss amounts represent 6.79% and 6.98% of the total consolidated expected credit losses as of December 31, 2025 and 2024, respectively, the assumptions include: (i) stop accrual: for the calculation of the present value of each credit right, interest related to credit operations that are in arrears equal to or greater than sixty days is no longer recognized; (ii) application of the rating cure methodology: the respective ratings of credit rights with higher risks than the AA level are positively impacted according to the number of days the credit right is in arrears; and (iii) application of the wagon effect: for credit rights of the same debtor, the provision for losses must be measured over the entire expected cash flow of that debtor, taking into account the nature of the transaction and the characteristics of the guarantees, such as sufficiency and liquidity. An impairment loss is calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss, and interest on the delinquent asset continues to be recognized for up to 60 days in arrears. When a subsequent event indicates a reversal of the impairment loss, the decrease in the loss is reversed and recorded in profit or loss.

5.b. Critical estimates and judgments

In determining whether the credit risk of a financial asset has increased significantly since the initial recognition and in estimating the expected credit losses, the Company considers reasonable and bearable information that is relevant and available. This includes quantitative and qualitative information and analysis, based on the Company's historical experience, customer profiles, business models, risk perception, guarantees and economic conditions in credit assessment and considering prospective information. Although the Company believes that the assumptions used are reasonable, the results of the estimates may be different.

5.c. Breakdown

	12.31.2025	12.31.2024
Services and goods ⁽¹⁾	12,250,210	11,001,308
Interconnection amounts ^{(1)/(2)}	634,221	632,033
Vivo Pay I - FIDC	348,848	360,411
Amounts from related parties (Note 29) ⁽¹⁾	50,292	63,240
Gross accounts receivable	13,283,571	12,056,992
Estimated impairment losses	(2,380,452)	(2,215,251)
Net accounts receivable	10,903,119	9,841,741
Current	10,619,617	9,471,592
Non-current	283,502	370,149

(1) The consolidated include R\$3,024,347 and R\$2,752,975 to be billed to customers on December 31, 2025 and 2024, respectively. It also includes the amounts of contractual assets (Note 25.a.), shown in item d), of this Note.

(2) Refer to billed amounts from other telecommunications operators.

The consolidated non-current balances refer to the present value receivable from: (i) resale installments of goods (B2B), with maturities of up to 24 months; (ii) Vivo Tech products, with maturities of up to 60 months; and (iii) the right to credits from the Vivo Pay I FIDC, with maturities of up to 36 months. These values are net of their estimated impairment losses.

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On December 31, 2025, and 2024, no customer represented more than 10% of trade accounts receivable, net.

The following are amounts receivable, by maturity:

	12.31.2025	12.31.2024
Falling due	9,252,301	7,951,826
Overdue – 1 to 30 days	1,070,093	1,134,436
Overdue – 31 to 60 days	266,390	261,861
Overdue – 61 to 90 days	127,779	212,887
Overdue – 91 to 120 days	63,929	147,320
Overdue – over 120 days	122,627	133,411
Total	10,903,119	9,841,741

5.d. Changes in contractual assets

	Contract assets, gross	Provision for losses	Contract assets, net
Balance on December 31, 2023	117,796	(24,690)	93,106
Additions	342,286	(4,787)	337,499
Write-offs	(311,114)	—	(311,114)
Balance on December 31, 2024	148,968	(29,477)	119,491
Additions	362,389	—	362,389
Write-offs / reversals	(345,775)	368	(345,407)
Balance on December 31, 2025	165,582	(29,109)	136,473

5.e. Changes in estimated losses for impairment

Balance on December 31, 2023	(2,437,845)
Supplement to estimated losses, net of reversal (Note 26.)	(1,523,263)
Write-off	1,750,394
Business combination - IPNET (Note 1.c.3.)	(4,537)
Balance on December 31, 2024	(2,215,251)
Supplement to estimated losses, net of reversal (Note 26.)	(1,581,337)
Write-off	1,417,791
Business combination - Samauma (Note 1.c.1)	(786)
Business combination - FiBrasil (Note 1.c.2)	(869)
Balance on December 31, 2025	(2,380,452)

6. INVENTORIES

6.a. Accounting policy

These are evaluated and presented at the lower of average acquisition cost and net realizable value, whichever is lower. These include resale materials such as cellphones, SIM cards, accessories, consumption materials and maintenance. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell.

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Estimated impairment losses are set up for materials and devices considered obsolete or whose carrying amounts are in excess of those usually sold within a reasonable period. Additions and reversals of estimated impairment losses and inventory obsolescence are included in cost of goods sold (Note 26.).

6.b. Breakdown

	12.31.2025	12.31.2024
Materials for resale	1,505,519	1,137,262
Materials for consumption	28,986	27,538
Other inventories	62,890	32,036
Gross inventories	1,597,395	1,196,836
Estimated losses from impairment or obsolescence	(121,397)	(99,598)
Net total	1,475,998	1,097,238

7. PREPAID EXPENSES

	12.31.2025	12.31.2024
Incremental costs in obtaining contracts with customers ⁽¹⁾	3,356,376	2,842,824
Network maintenance and use of third-party software.	893,514	610,902
Advertising and publicity	176,989	203,884
Personal	157,750	112,421
Financial charges	177,199	122,325
Rental, insurance and other	148,677	61,799
Total	4,910,505	3,954,155
Current	2,414,780	1,868,954
Non-current	2,495,725	2,085,201

(1) The incremental costs in obtaining contracts with customers are substantially represented by sales commissions paid to partners for securing customer contracts, according to IFRS 15 and deferred to profit or loss in accordance with the contract term and/or economic benefit to be generated, usually from 2 to 6 years.

Below, we present the movement of incremental costs in obtaining contracts with customers:

Balance on December 31, 2023	1,986,764
Additions	1,812,437
Write-offs (amortizations)	(956,377)
Balance on December 31, 2024	2,842,824
Additions	1,787,044
Write-offs (amortizations)	(1,273,492)
Balance on December 31, 2025	3,356,376

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8. INCOME AND SOCIAL CONTRIBUTION TAXES

8.a. Accounting policy

8.a.1. Current taxes

Current tax assets and liabilities are measured at the estimated amount recoverable from, or payable to, the tax authorities. The tax rates and laws used in calculating the amounts referred to above are those in effect, or substantially in effect, at year-end. In the balance sheet, current taxes are presented net of prepayments over the year.

Current income and social contribution taxes, related to items directly recognized in equity, are also recognized in equity. Management regularly assesses the tax position in circumstances in which tax regulation requires interpretation and sets up provision therefore when appropriate.

8.a.2. Deferred taxes

Deferred tax is generated by temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and losses, to the extent that taxable profit is likely to be available for realization of deductible temporary differences and unused tax credits and losses are likely to be used, except: (i) when the deferred tax asset related to the deductible temporary difference arises from initial recognition of an asset or liability in a transaction other than a business combination and does not impact, at the transaction date, the book profit, income or loss for tax purposes and does not give rise to equally taxable and deductible temporary differences; or (ii) on deductible temporary differences related to investments in subsidiaries that deferred tax assets are recognized only to the extent that it is probable that temporary differences will be reversed in the near future and taxable profit is likely to be available so that temporary differences can be used.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit shall be available to allow all or part of the deferred tax asset to be used. Derecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are recognized on all temporary tax differences, except: (i) when the deferred tax liability arises from initial recognition of goodwill, or an asset or liability in a transaction other than a business combination, and does not affect book profit or taxable profit or tax losses on the transaction date and does not give rise to equally taxable and deductible temporary differences; or (ii) on temporary tax differences related to investments in subsidiaries, in which the temporary difference reversal period can be controlled and temporary differences are not likely to be reversed in the near future.

Deferred tax assets and liabilities are measured at the tax rate expected to be applicable for the year the asset will be realized, or the liability will be settled, based on the rates provided in tax legislation and that were published as at year-end.

Deferred tax assets and liabilities are not discounted to present value and are classified in the balance sheet as non-current, irrespective of their expected realization.

The tax effects of items recorded directly in equity are also recognized in equity. Deferred tax items are recognized based on the transaction which gave rise to that deferred tax, in comprehensive income or directly in equity.

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Deferred tax assets and liabilities are presented net when there is a legal or constructive right to offset a tax asset against a tax liability and deferred taxes relate to the same taxpaying entity and are subject to the same tax authority.

8.a.3. New calculation rule ("Pillar II") - Organization for Economic Co-operation and Development ("OECD")

On December 27, 2024, Law 15.079/24 was enacted, establishing an additional Social Contribution on Net Income ("CSLL") as part of the process of adapting Brazilian legislation to the OECD Global Rules Against Base Erosion ("Pillar II"). According to this law, whenever the Company, adopting the calculation criteria provided therein, determines an effective combined rate of Income Tax and Social Contribution on Net Profit lower than 15%, it must make an additional payment until it reaches this minimum percentage. This rule has been in effect since January 2025, and the The Company will not experience a significant impact from this rule on tax payments as it already complies with the established limits.

Transfer Pricing Rules – Alignment with OECD Standards

On December 28, 2022, Law No. 14,596/2023 was published, later regulated by RFB Normative Instruction No. 2,161/2023, which established the new Brazilian Transfer Pricing regime, aligned with OECD guidelines. The new rules became mandatory as of January 1, 2024, and aim to ensure that intercompany transactions are carried out in accordance with the arm's length principle.

The Company is currently in the process of preparing the analysis for the corresponding fiscal year, including a comparability study, supporting documentation, and a review of applicable methods, as provided for in current legislation. Although the technical process is still under development, the Company does not expect significant impacts from the adoption of the new transfer pricing regime, given the nature of the transactions carried out and the history of compliance with international standards.

The Company will continue to monitor the application of the regulations and will keep its financial statements updated based on any adjustments identified upon completion of the formal transfer pricing analysis.

8.b. Critical estimates and judgments

There are uncertainties regarding the interpretation of complex tax regulations and the amount and timing of future taxable profits. The Company and its subsidiaries set up provision, based on estimates, for possible consequences of different interpretation by the tax authorities. The amount of this provision is based on various factors, such as previous tax audit experience and different interpretations of tax regulations by the taxable entity and by the relevant tax authority. Such differences in interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Company or those of its subsidiaries.

The Company and its subsidiaries evaluate the recoverability of deferred tax assets based on estimates of future profits. This recoverability ultimately depends on the ability to generate taxable profits over the period in which the deferred tax asset is deductible. The analysis considers the reversal period of deferred tax liabilities, as well as estimates of taxable profits, based on updated internal projections reflecting the latest trends.

Determining the proper classification of the tax items depends on several factors, including an estimate of the period and the realization of the deferred tax asset and the expected date of payments of these taxes. The actual flow of receipt and payment of income tax could differ from estimates made by the Company and its subsidiaries, as a result of changes in tax laws or of unexpected future transactions that may have an impact on tax balances.

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8.c. Income and social contribution taxes recoverable

	12.31.2025	12.31.2024
Income taxes recoverable	331,342	711,237
Social contribution taxes recoverable	24,944	141,457
Total	356,286	852,694

8.d. Income and social contribution taxes payable

	12.31.2025	12.31.2024
Income taxes payable	301,699	170,125
Social contribution taxes payable	90,606	55,128
Total	392,305	225,253
Current	130,866	9,898
Non-current	261,439	215,355

The amounts on December 31, 2025 and 2024, include R\$269,158 and R\$216,497, respectively, referring to taxes covered by IFRIC 23 (Note 8.g.).

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8.e. Deferred taxes

8.e.1. Breakdown and changes

Below, we present the composition and movement of the main components of deferred income tax ("IR") and social contribution ("CS").

	Balance on 12.31.2023	Income statement	Comprehensive income	IPNET Business Combination (Note 1.c.3)	Balance on 12.31.2024	Income statement	Comprehensive income	Samauma Business Combination (Note 1.c.1)	FiBrasil Business Combination (Note 1.c.2)	Cyber Business Combination (Note 1.c.6)	Balance on 12.31.2025
Deferred tax assets (liabilities)											
Income and social contribution taxes on tax losses⁽¹⁾	2,097,731	(376,950)	—	—	1,720,781	(362,749)	—	—	79,694	—	1,437,726
Income and social contribution taxes on temporary differences⁽²⁾	(5,339,226)	(77,430)	(149,400)	(12,187)	(5,578,243)	192,336	54,654	(3,535)	(18,495)	3,656	(5,349,627)
Provision for legal, labor, tax civil and regulatory contingencies	2,390,268	(321,522)	—	19,604	2,088,350	49,643	—	837	8,702	—	2,147,532
Trade accounts payable and other provision	1,895,643	465,563	—	—	2,361,206	606,736	—	—	2,454	369	2,970,765
Customer portfolio and trademarks	(178,158)	33,959	—	—	(144,199)	14,105	—	—	—	—	(130,094)
Estimated losses on impairment of accounts receivable	622,046	(623)	—	(1,542)	619,881	76,303	—	—	296	—	696,480
Estimated losses from modems and other P&E items	109,985	4,794	—	—	114,779	(1,466)	—	—	—	—	113,313
Pension plans and other post-employment benefits	364,335	30,067	(149,103)	—	245,299	(64,296)	30,138	—	—	—	211,141
Profit sharing	223,420	(13,590)	—	—	209,830	10,237	—	—	4,477	2,222	226,766
Licenses	(2,366,402)	157,762	—	—	(2,208,640)	157,760	—	—	—	—	(2,050,880)
Goodwill from incorporated companies (Spanish and Navytree, Vivo Part., GVTPart., Garliava and Vita IT)	(7,443,807)	(234,417)	—	—	(7,678,224)	(211,661)	—	—	(16,856)	—	(7,906,741)
Property and equipment of small value	(1,190,678)	(56,360)	—	—	(1,247,038)	12,475	—	—	—	—	(1,234,563)
Technological Innovation Law	(7,158)	1,440	—	—	(5,718)	1,422	—	—	—	—	(4,296)
On other temporary differences	241,280	(144,503)	(297)	(30,249)	66,231	(458,922)	24,516	(4,372)	(17,568)	1,065	(389,050)
Total deferred tax (Liabilities), non-current	(3,241,495)	(454,380)	(149,400)	(12,187)	(3,857,462)	(170,413)	54,654	(3,535)	61,199	3,656	(3,911,901)
Deferred tax assets	9,177,084				8,947,536						9,593,230
Deferred tax liabilities	(12,418,579)				(12,804,998)						(13,505,131)
Deferred tax liabilities, net	(3,241,495)				(3,857,462)						(3,911,901)
Represented in the balance sheet as follows:											
Deferred tax assets of subsidiaries	177,245				158,215						314,284
Deferred tax (Liabilities)	(3,418,740)				(4,015,677)						(4,226,185)

(1) Under Brazilian tax legislation these may be offset up to 30% of the annual taxable income but otherwise have no expiry date.

(2) Amounts that will be realized upon payment of provision, occurrence of impairment losses for trade accounts receivable, or realization of inventories, as well as upon reversal of other provision.

8.e.2. Unrecognized tax credits

On December 31, 2025 and 2024, there were unrecognized deferred tax assets for to income tax and social contribution carryforward losses of the Company's subsidiaries (in 2025: POP, Recicla V, TGLog and FiBrasil; and in 2024: POP, Recicla V, TGLog and CloudCo), of R\$95,922 and R\$12,602 on December 31, 2025 and 2024, respectively, as offset against future taxable profits is not assured.

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8.e.3. Expected realization

Below, we present the expected periods for the realization of net deferred taxes, based on projections that may change in the future.

Year	
2026	3,844,462
2027	609,619
2028	261,473
2029	92,491
2030	(332,578)
2031 onwards	(8,387,368)
Total	(3,911,901)

8.f. Reconciliation of income tax and social contribution expense

The Company and its subsidiaries recognize income and social contribution taxes on an accrual basis, and pay taxes based on estimates, recorded in a tax auxiliary ledger. Taxes calculated on profits at the balance sheet date are recorded in liabilities or assets, as applicable.

The statutory tax rate is 34% (income tax of 25% and social contribution tax of 9%) for the years ended December 31, 2025, 2024 and 2023.

	2025	2024	2023
Income before taxes	7,270,943	6,763,809	5,573,916
Income and social contribution tax expenses, at the tax rate of 34%	(2,472,121)	(2,299,695)	(1,895,131)
<u>Permanent differences</u>			
Tax benefit related to interest on equity allocated	1,145,800	1,055,700	881,202
IR and CS on interest SELIC update of undue debts	—	—	89,254
Non-deductible expenses, gifts, incentives	(147,708)	(128,670)	(95,677)
Exploration profit	32,412	85,369	90,258
Equity pickup	(6,197)	(1,479)	(4,623)
Unclaimed interest on equity	(14,169)	(19,182)	(19,253)
Deferred taxes on tax losses, negative basis and temporary differences recognized in subsidiaries	32,469	—	84,274
Other exclusions, net	336,114	101,480	335,757
Tax debits	(1,093,400)	(1,206,477)	(533,939)
Effective rate	15.0 %	17.8 %	9.6 %
Current income and social contribution taxes	(922,987)	(752,097)	(665,499)
Deferred income and social contribution taxes	(170,413)	(454,380)	131,560

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8.g. Uncertainties about Income tax treatments

The Company and its subsidiaries are contesting several assessments filed by the Brazilian Federal Tax Authority (“RFB”) for allegedly incorrect deductions of expenses, mainly related to the amortization of goodwill, at various administrative and judicial levels, of R\$40,297,796 and R\$36,939,312 on December 31, 2025 and 2024, respectively. The Administration, supported by the opinion of its legal advisors, believes that a large portion of these deductions will likely be accepted in final decisions by higher courts (probability of acceptance greater than 50%). These amounts are adjusted for inflation using the SELIC rate.

When the Company and its subsidiaries believe that the probability of loss is greater than 50%, a non-current tax and social contribution liability is recognized. The amount recognized was R\$269,158 and R\$216,497 on December 31, 2025 and 2024, respectively. These claims involve compensation for overpayment of income tax and social contribution not approved by the RFB.

9. TAXES, CHARGES AND CONTRIBUTIONS RECOVERABLE

	12.31.2025	12.31.2024
State VAT (ICMS) ⁽¹⁾	2,321,798	1,980,977
PIS and COFINS	558,973	517,616
Withholding taxes and contributions ⁽²⁾	334,941	326,802
Other taxes	90,806	87,043
Total	3,306,518	2,912,438
Current	2,687,600	2,306,093
Non-current	618,918	606,345

(1) Includes ICMS credits from the acquisition of property and equipment (available to offset in 48 months); requests for refund of ICMS paid on invoices that were subsequently cancelled; for the rendering of services; tax substitution; and tax rate difference; among others. Non-current consolidated amounts include credits arising from the acquisition of property and equipment of R\$568,579 and R\$563,895 on December 31, 2025 and 2024, respectively.

(2) Withholding income tax (“IRRF”) credits on short-term investments, interest on equity and others, which are used as deduction in operations for the period and social contribution tax withheld at source on services provided to public agencies.

10. JUDICIAL DEPOSITS AND GARNISHMENTS

Judicial deposits are made, and restrictions placed on bank accounts to ensure the continuity of legal processes through the courts or to suspend the enforceability of a tax notice.

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Judicial deposits are recorded at historical cost-plus legal indexation/interest accruals.

	12.31.2025	12.31.2024
Judicial deposits		
Tax	1,703,327	1,697,070
Civil	929,909	891,872
Regulatory	267,596	325,810
Labor	43,683	67,859
Total	2,944,515	2,982,611
Garnishments	19,803	21,112
Total	2,964,318	3,003,723
Current	107,565	150,993
Non-current	2,856,753	2,852,730

The table below presents the classified balances on December 31, 2025 and 2024 of the tax judicial deposits (classified by tax).

Tax	12.31.2025	12.31.2024
Universal Telecommunication Services Fund (FUST) ⁽¹⁾	656,567	622,820
State Value-Added Tax (ICMS) ⁽²⁾	411,581	432,253
Social Contribution Tax for Intervention in the Economic Order (CIDE) ⁽³⁾	355,555	338,694
Corporate Income Tax (IRPJ) and Social Contribution Tax (CSLL)	65,358	61,935
Telecommunications Inspection Fund (FISTEL)	58,912	55,801
Contribution tax on gross revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS)	30,225	29,425
Withholding Income Tax (IRRF)	6,720	45,360
Social Security, work accident insurance (SAT) and funds to third parties (INSS)	29,537	27,503
Other taxes, charges and contributions	88,872	83,279
Total	1,703,327	1,697,070

(1) The Company and/or its subsidiaries filed an injunction in order to represent its right not to include expenses with interconnection and industrial use of dedicated line in the FUST tax base, according to Abridgment No. 7, of December 15, 2005, as it does not comply with the provisions contained in the sole paragraph of article 6 of Law No. 9998/00. The amounts related to these expenses are deposited.

(2) The Company is party to legal proceedings related to: (i) ICMS on operations with payment based on estimates; (ii) ICMS FECPE; (iii) right to ICMS credit on the acquisition of property and equipment and electricity; (iv) ICMS on amounts given as discounts and (v) consignment in payment of ICMS amounts referring to part of pay TV operations.

(3) The Company is party to legal proceedings for the exemption of CIDE levied on offshore remittances of funds arising from agreements for the transfer of technology, brand and software licensing etc.

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11. OTHER ASSETS

	12.31.2025	12.31.2024
Related-party receivables (Note 29.)	26,471	115,400
Sale of real estate and other receivables	473,091	255,317
Advances to employees and suppliers	55,522	60,811
Surplus from post-employment benefit plans (Note 31) ⁽¹⁾	182,907	157,046
Compensation assets (IPNET and VSS acquisitions)	141,610	133,038
Assets held for sale ⁽²⁾	8,761	—
Subletting of assets and other amounts to be realized	16,866	7,364
Total	905,228	728,976
Current	419,300	360,141
Non-current	485,928	368,835

(1) On December 31, 2025 and 2024, it includes the amounts of R\$179,493 and R\$153,714, respectively, referring to the distribution of the PBS-A surplus.

(2) These refer to the residual cost of properties classified as available for sale in their current condition, in the process of formalizing the purchase and sale agreement. Depreciation of these properties ceased as of the date of reclassification of property and equipment.

12. INVESTMENTS

12.a. Accounting policy

The Company and its subsidiaries hold investments in subsidiaries and jointly controlled companies.

12.a.1. Subsidiary

The consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ends when the Company ceases to exercise said control. Assets, liabilities and results of a subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Company obtains control until the date on which the Company ceases to exercise control over the subsidiary.

Specifically, the Company controls an investee if, and only if, it has: (i) power over the investee (that is, existing rights that guarantee it the current ability to direct the relevant activities of the investee); (ii) exposure or right to variable returns arising from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the value of its returns.

There is usually a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting rights of an investee, the Company considers all relevant facts and circumstances when assessing whether it has power over an investee, including: (i) the contractual agreement between the investor and other holders of voting rights; (ii) rights arising from other contractual agreements; and (iii) the Company's voting rights and potential voting rights. The Company assesses whether it exercises control over an investee if facts and circumstances indicate that there are changes in one or more of the three aforementioned control elements.

The financial statements of investees are prepared for the same reporting period of the Company. Whenever necessary, adjustments are made so that the accounting policies are in accordance with those adopted by the Company.

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12.a.2. Joint control

Joint control is the contractually agreed sharing of control, existing only when decisions about relevant activities require the unanimous consent of the parties sharing control.

Based on the equity method, investments are recorded in balance sheets at cost plus changes after the acquisition of the equity interest. The statement of income reflects the portion of the results of operations of the investees.

Exchange rate variations in the equity of Aliança (joint control) are recognized in equity in other comprehensive income ("Effects of the translation of foreign investments", note 24.f.). The functional and presentation currency of Aliança, an investee of the Company based in the Netherlands, is the Euro.

When changes are directly recognized in the investees' equity, the Company will recognize its portion in variations occurred, and record these variations in the statements of changes in equity and in the statements of comprehensive income, where applicable.

The financial statements of investees are prepared for the same reporting period of the Company. Whenever necessary, adjustments are made so that the accounting policies are in accordance with those adopted by the Company.

After the equity method is applied, the Company determines whether there is any need to recognize additional impairment of its investment in investees. At each closing date, the Company determines whether there is objective evidence of impairment of investment in the affiliate. If so, the Company calculates the recoverable amount as the difference between the recoverable value of the investees and their carrying amount and recognizes the amount in the statement of incomes.

When there is loss of significant influence over the investees, the Company evaluates and recognizes the investment, at that moment, at fair value. Any difference between the investees' carrying amount by the time it loses significant influence and the fair value of the remaining investment and revenue from sale is recognized in the statement of incomes.

12.a.3. Business combination

Pursuant to IFRS 3, business acquisitions are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of assets acquired and liabilities assumed on the acquisition date from the acquiree's former controlling shareholders and any interests issued in exchange for control of the acquiree. Costs directly attributable to the acquisition are expensed as incurred.

Acquisitions involving companies under common control are accounted for at the carrying amount of the net assets acquired/identifiable net liabilities ("Predecessor Value Method"). Consequently, the difference between the consideration given in exchange for the equity interest obtained and the value of the net assets acquired/identifiable net liabilities will be recorded in equity as "Other capital reserves".

Any contingent consideration to be transferred by the acquirer shall be recognized at fair value on the acquisition date. Subsequent changes in the fair value of the contingent consideration considered as an asset or liability shall be recognized in accordance with IFRS 9 in the statement income .

Goodwill is initially measured as the excess of the consideration transferred over the net assets acquired (identifiable assets acquired, net and liabilities assumed). If the consideration is less than the fair value of the net assets acquired, the difference shall be recognized as a gain in the income statement.

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After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For impairment testing purposes, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquiree are attributed to those units.

When goodwill is part of a cash-generating unit and a portion of that unit is disposed of, the goodwill associated with the portion disposed of shall be included in the cost of the transaction when determining the gain or loss on disposal. Goodwill disposed of in such circumstances is determined based on the proportionate amounts of the portion disposed of in relation to the cash-generating unit retained.

In the parent company, the difference between the amount paid and the equity value of the acquired entities is recognized in investments. For the consolidated information, the amounts of fair values and goodwill are allocated according to their nature.

12.b. Information on investees

On December 31, 2025 and 2024, the Company held direct equity interests in subsidiaries and jointly controlled companies, as follows:

Investees	Type of investment	Equity interests		Country (Headquarters)	Core activity
		31.12.2025	31.12.2024		
Terra Networks Brasil Ltda ("Terra Networks")(1)	Controlled	100.00%	100.00%	Brasil	Portals, content providers and other information services on the internet
Telefônica Transportes e Logística Ltda ("TGLog")	Controlled	100.00%	100.00%	Brasil	Transports and logistics
POP Internet Ltda ("POP")(2)	Controlled	100.00%	100.00%	Brasil	Internet
Vivo Pay I Credit Rights Investment Fund (formerly Vivo Money I Credit Rights Investment Fund)	Controlled	100.00%	100.00%	Brasil	Credit Rights Investment Fund
Vivo Pay II Investment Fund in Credit Rights	Controlled	—%	100.00%	Brasil	Credit Rights Investment Fund
Vivo Pay III Investment Fund in Credit Rights (formerly Vivo Money III Investment Fund in Credit Rights)	Controlled	100.00%	—%	Brasil	Credit Rights Investment Fund
Vivo Pay Holding Financeira Ltda ("Vivo Pay")(3)	Controlled	100.00%	100.00%	Brasil	Equity participation in institutions authorized to operate by BACEN
Vivo Ventures Fundo de Investimento em Participações Multiestratégia ("Vivo Ventures")	Controlled	98.00%	98.00%	Brasil	Investment funds
Telefônica Cloud e Tecnologia do Brasil S.A. ("CloudCo Brasil")(4)	Controlled	50.01%	50.01%	Brasil	Consulting in information technology
Telefônica IoT, Big Data e Tecnologia do Brasil S.A. ("IoTCo Brasil")(5)	Controlled	—%	50.01%	Brasil	Consulting in information technology
Aliança Atlântica Holding B.V. ("Aliança")	Joint control	50.00%	50.00%	Holanda	Telecommunications sector holdings
Companhia AIX de Participações ("AIX")	Joint control	50.00%	50.00%	Brasil	Operation of underground telecommunications networks
Companhia ACT de Participações ("ACT")	Joint control	50.00%	50.00%	Brasil	Operation of underground telecommunications networks
VivaE Educação Digital S.A. ("VIVAE")(6)	Joint control	—%	50.00%	Brasil	Training in professional and managerial development
GUD Comercializadora de Energia S.A. ("GUD")	Joint control	50.00%	50.00%	Brasil	Generation and commercialization of customized solutions in renewable energy
FiBrasil Infraestrutura e Fibra Ótica S.A. ("FiBrasil")(7)	Controlled (2025)/Joint control (2024)	75.01%	25.01%	Brasil	Technical advice on telecommunications networks

(1) Terra Networks is the sole and direct controlling shareholder of TIS, TLF01, and Samauma. TIS has been the controlling shareholder of CyberCo Brasil since December 9, 2025.

(2) POP is the sole and direct controlling company of Recicla V and Vale Saúde Sempre.

(3) Vivo Pay Holding is the direct controlling company of Vivo Pay SCD.

(4) CloudCo Brasil was the sole and direct controlling company of IPNET and IPNET USA. On July 1, 2025, and November 1, 2025, it incorporated IoTCo Brasil and IPNET (note 1.c.3).

(5) IoTCo Brasil was merged by CloudCo Brasil on July 1, 2025.

(6) There was a corporate reorganization with Vivo Ventures (note 1.c.4).

(7) There was an acquisition of corporate control (note 1.c.2).

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The following table provides a summary of information regarding the Company's wholly-owned and jointly controlled subsidiaries:

Investees	12.31.2025				
	Assets	Liabilities	Equity	Net operating revenue	Net profit (loss)
Aliança	301,512	798	300,714	–	4,696
AIX	60,180	38,325	21,855	71,521	4,126
ACT	49	6	43	104	1
GUD	–	–	–	5,606	(3,169)
VIVAE	37,864	13,748	24,116	10,480	(13,025)

Investees	12.31.2024				
	Assets	Liabilities	Equity	Net operating revenue	Net profit (loss)
Aliança	297,309	2,917	294,392	–	6,968
AIX	49,834	32,105	17,729	67,521	(1,648)
ACT	46	4	42	96	–
GUD	23,460	7,664	15,796	–	(4,842)
VIVAE	21,070	3,957	17,113	6,152	(5,307)
FiBrasil	2,025,664	1,157,880	867,784	391,831	(7,745)

12.c. Changes in investments

	Joint control	Business combination (Note 1.c.3)	Other investments	Total investments
Balance on December 31, 2023	396,675	–	42,195	438,870
Equity income by results	(4,351)	–	–	(4,351)
Capital contribution - cash and cash equivalents (VivaE and GUD)	13,687	–	–	13,687
Investments by subsidiary Vivo Ventures	–	–	93,633	93,633
Other comprehensive income	24,566	–	(21)	24,545
Balance on December 31, 2024	430,577	–	135,807	566,384
Equity income by results	(18,227)	–	–	(18,227)
Capital contribution - cash and cash equivalents (VivaE e GUD)	14,923	–	–	14,923
Corporate reorganization of Vivo Ventures and VivaE - Investment in Vivo Ventures	(11,222)	–	–	–
Corporate reorganization of Vivo Ventures and VivaE - Gain on the remeasurement of equity interest (note 1.c.4)	6,153	–	–	6,153
Acquisition of controlling interest in FiBrasil	(372,251)	631,169	–	(372,251)
Gain on the remeasurement of the equity interest in the acquisition of control of FiBrasil (note 1.c.2)	128,750	–	–	128,750
Investments by subsidiary Vivo Ventures	–	–	94,358	94,358
Other comprehensive income	813	–	(26)	787
Balance on December 31, 2025	179,516	631,169	230,139	420,877

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13. PROPERTY AND EQUIPMENT

13.a. Accounting policy

It is measured at acquisition and/or construction cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the borrowing costs for long-term construction projects if the recognition criteria are met and is stated net of ICMS (State VAT) credits (Note 9.), which were recorded as recoverable taxes. The Company does not have loans that meet the criteria for recognition of cost capitalization.

Asset costs are capitalized until the asset becomes operational. Costs incurred after the asset becomes operational and that do not improve the functionality or extend the useful life of the asset are immediately recognized on an accrual basis. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation. Likewise, expenses that represent asset improvement (expanded installed capacity or useful life) are capitalized. All the other repair and maintenance costs are recognized in the statement of income as incurred.

The present value of the expected cost for the decommissioning of property and equipment items (towers and equipment on leased property) is capitalized at the cost of the respective asset matched against the provision for dismantling obligations (Note 20.) and depreciated over the useful lives of the related assets, which do not exceed the lease term.

Depreciation is calculated by the straight-line method over the useful lives of assets at rates that take into account the estimated useful lives of assets based on technical analyses.

The assets' residual values, useful lives and methods of depreciation are reviewed on a yearly basis, adjusted prospectively, if appropriate.

Property and equipment items are written off when sold or when no future economic benefit is expected from their use or sale. Any gains or losses arising from write-off (measured as the difference between the net disposal proceeds and the carrying amount) are recognized in the statement of income in the year in which the asset is written off.

Leases

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets, as permitted by IFRS 16. They recognize lease liabilities to make lease payments and assets rights of use representing the right of use of the underlying assets.

The Company recognizes the right-of-use assets on the lease start date (that is, on the date the asset is available for use). The rights of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any new remeasurement of lease liabilities.

The Company acts as a lessee in a significant number of lease agreements on different assets, such as structures (towers and rooftops) and the respective land where they are located; sites built in the Built to Suit ("BTS") modality for installing antennas and other equipment and means of transmission; computer equipment; offices, shops and commercial properties.

13.b. Critical estimates and judgments

The accounting treatment of investment in fixed assets includes estimating the useful life period for depreciation purposes, particularly for assets acquired in business combinations.

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Useful life determination requires estimates regarding the expected technological developments and alternative uses of assets, and these estimates are reviewed annually. The hypotheses related to the technological aspect and its future development imply a significant level of analysis, considering the difficulties in forecasting the time and nature of future technological changes.

Information on the recoverability of fixed assets is presented in Note 15.

13.c. Description, Breakdown and changes

We present a brief description of the main items that make up fixed assets.

- Switching and transmission media equipment: Includes switching and control centers, gateway, platforms, base radio station, microcells, minicells, repeaters, antennas, radios, access networks, concentrators, cables, TV equipment and other switching and transmission media equipment.
- Infrastructure: This includes buildings, elevators, central air conditioning equipment, towers, posts, containers, energy equipment, land piping, support and protectors, leasehold improvements, etc.
- Lending equipment: Includes cellphones and modems in the lending modality, made available to customers.
- Terminal equipment: Includes private telephone switching centers, public telephones and other terminal equipment.
- Other fixed asset items: These include vehicles, repair and construction tools and instruments, telesupervision equipment, IT equipment, testing and measurement equipment, fixtures and other goods for general use.

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	Switching and transmission equipment	Infrastructure	Lending equipment	Terminal equipment	Land	Other P&E	Assets and facilities under construction	Total
Balance on December 31, 2023	23,266,868	14,929,179	5,401,694	421,385	249,536	512,930	1,536,555	46,318,147
Additions ⁽¹⁾	162,171	4,707,950	85,285	32	—	117,026	6,002,568	11,075,032
Write-offs, net ⁽²⁾	(10,653)	(111,421)	(469)	(536)	(10,271)	—	(8,182)	(141,532)
Net transfers ⁽³⁾	3,266,774	358,091	2,185,708	36,752	—	12,947	(5,895,330)	(35,058)
Subletting	—	(65,290)	—	—	—	—	—	(65,290)
Business combination – IPNET (Note 1.c.3.)	—	533	—	—	—	532	—	1,065
Depreciation (Note 26.)	(3,914,354)	(3,829,001)	(2,162,005)	(245,147)	—	(189,476)	—	(10,339,983)
Balance on December 31, 2024	22,770,806	15,990,041	5,510,213	212,486	239,265	453,959	1,635,611	46,812,381
Additions ⁽¹⁾	140,156	3,636,211	90,341	590	—	171,553	6,069,736	10,108,587
Write-offs, net ⁽²⁾	(2,810)	(217,861)	(17)	—	(643)	(6,750)	(11,572)	(239,653)
Net transfers ⁽³⁾	3,235,811	547,154	1,961,984	17,612	—	(53,752)	(5,710,107)	(1,298)
Subletting	—	(4,873)	—	—	—	—	—	(4,873)
Assets held for sale (Note 11)	—	(7,399)	—	—	(1,362)	—	—	(8,761)
Business combination - Samauma (Note 1.c.1)	—	—	—	—	—	217	—	217
Business combination - FIBrasil (Note 1.c.2)	—	1,563,540	—	—	818	1,061	114,083	1,679,502
Business combination - Cyber (Note 1.c.6)	2,800	505	—	—	—	990	860	5,155
Depreciation (Note 26.)	(4,437,238)	(4,105,108)	(2,206,428)	(113,084)	—	(132,359)	—	(10,994,217)
Balance on December 31, 2025	21,709,525	17,402,210	5,356,093	117,604	238,078	434,919	2,098,611	47,357,040
Balance on December 31, 2024								
Cost	91,758,158	47,318,029	31,701,975	6,582,403	239,265	5,945,185	1,635,611	185,180,626
Accumulated depreciation	(68,987,352)	(31,327,988)	(26,191,762)	(6,369,917)	—	(5,491,226)	—	(138,368,245)
Total	22,770,806	15,990,041	5,510,213	212,486	239,265	453,959	1,635,611	46,812,381
Balance on December 31, 2025								
Cost	94,868,938	52,291,576	32,937,369	6,585,887	238,078	6,078,455	2,098,611	195,098,914
Accumulated depreciation	(73,159,413)	(34,889,366)	(27,581,276)	(6,468,283)	—	(5,643,536)	—	(147,741,874)
Total	21,709,525	17,402,210	5,356,093	117,604	238,078	434,919	2,098,611	47,357,040

(1) Additions from property and equipment mainly refers to: (i) in 2025 Investments were primarily directed towards expanding the 5G mobile network and strengthening FTTH to support the growth of connected customers. These investments demonstrate the Company's commitment to the quality of services provided, ensuring robust and consistent commercial performance throughout the year, in both B2C and B2B; (ii) in 2024: Investments were primarily directed towards accelerating the 5G mobile network, as well as strengthening transmission backhaul, backbone and network, and FTTH customers. These were some of the initiatives that boosted our commercial growth this year, reinforcing our commitment to the quality of our services and ensuring healthy and consistent growth.

(2) In infrastructure, includes the amounts of R\$213,077 and R\$74,258 in 2025 and 2024, respectively, referring to the cancellation of lease agreements.

(3) Total balances refer to transfers between classes of fixed and intangible assets (Note 14.c.).

13.d. Depreciation rates

In the years ended December 31, 2025 and 2024, the Company performed assessments of the useful lives of property and equipment using the direct comparative method of market data.

For the year ended December 31, 2025, the study did not indicate the need for changes in the useful lives and annual depreciation rates. For the year ended December 31, 2024, this study indicated the need for changes in the useful life and annual depreciation rates of some asset items. These changes in the accounting estimate increased depreciation expense by R\$432,091 in 2024 R\$864,182 in 2025)

Below is a summary of the annual depreciation rates for the years ended December 31, 2025 and 2024, excluding lease assets, which are disclosed in Note 13.e.

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Description	12.31.2025	12.31.2024
Switching and transmission equipment and media	2.50% to 66.67%	2.50% to 66.67%
Infrastructure	2.50% to 50.00%	2.50% to 50.00%
Lending equipment	20.00% to 50.00%	20.00% to 50.00%
Terminal equipment	10.00% to 50.00%	10.00% to 50.00%
Other P&E assets	10.00% to 50.00%	10.00% to 50.00%

13.e. Additional information on leases

13.e.1. Breakdown and changes

Below, we present the movement of leases, already included in the tables for the movement of fixed assets (Note 13.c.).

	Infrastructure	Switching and transmission equipment	Other	Total
Balance on December 31, 2023	11,862,992	203,519	13,606	12,080,117
Additions	4,634,552	139,125	702	4,774,379
Subletting (Note 13.c.)	(65,290)	—	—	(65,290)
Depreciation	(3,364,821)	(79,390)	(9,028)	(3,453,239)
Cancellation of contracts	(74,258)	(10,123)	(21)	(84,402)
Other changes	(3,947)	—	—	(3,947)
Balance on December 31, 2024	12,989,228	253,131	5,259	13,247,618
Additions	3,508,375	128,257	63,505	3,700,137
Subletting (Note 13.c.)	(4,873)	—	—	(4,873)
Depreciation	(3,615,053)	(89,852)	(18,513)	(3,723,418)
Cancellation of contracts	(213,077)	(1,050)	—	(214,127)
Business combination - FiBrasil (Note 1.c.2)	110,330	—	—	110,330
Business combination - Cyber (Note 1.c.6)	380	—	—	380
Balance on December 31, 2025	12,775,310	290,486	50,251	13,116,047
Balance on December 31, 2024				
Cost	29,418,847	520,634	130,315	30,069,796
Accumulated depreciation	(16,429,619)	(267,503)	(125,056)	(16,822,178)
Total	12,989,228	253,131	5,259	13,247,618
Balance on December 31, 2025				
Cost	32,014,344	638,473	193,117	32,845,934
Accumulated depreciation	(19,239,034)	(347,987)	(142,866)	(19,729,887)
Total	12,775,310	290,486	50,251	13,116,047

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13.e.2. Depreciation rates

Below, we present the annual depreciation rates for the years ended December 31, 2025 and 2024.

Description	12.31.2025	12.31.2024
Infrastructure	2.36% to 92.31%	2.36% to 92.31%
Switching and transmission equipment and media	10.00% to 66.67%	10.00% to 66.67%
Other P&E assets	26.09% to 37.50%	26.09% to 40.00%

13.f. Property and equipment items pledged in guarantee

On December 31, 2025, the consolidated values of property and equipment given as collateral in legal proceedings were R\$9,675 (R\$29,414 on December 31, 2024).

14. INTANGIBLE ASSETS

14.a. Accounting policy

Intangible assets acquired separately are measured at acquisition / formation cost upon their initial recognition. The cost of an intangible asset are capitalized until the asset becomes operational. The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date.

After initial recognition, intangible assets are stated at acquisition and/or buildup cost, net of amortization and accumulated provision for impairment, where applicable. Intangible assets generated internally, excluding capitalized development costs, are not capitalized, and the expense is reflected in the statement of income for the year in which it is incurred.

The useful lives of intangible assets are considered finite or indefinite.

- Intangible assets with finite useful lives are amortized over their economic useful lives under the straight-line method and are tested for impairment whenever there is any indication of impairment loss. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed on an annual basis.

Changes in the estimated useful life or the expected pattern of consumption of future economic benefits embodied in an asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income in the cost/expense category consistent with the function of the intangible assets.

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- Intangible assets with indefinite useful lives (goodwill) are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be justifiable. Otherwise, changes in useful life – from indefinite to finite - are carried out prospectively. Goodwill generated upon investment acquisition is treated as an intangible asset with indefinite useful lives.

When goodwill has been allocated to a CGU and part of the operation within that CGU is disposed that, the goodwill associated with that operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is allocated based on the relative fair values of the disposed operation and the portion of the CGU retained.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognized in the statement of income on disposal.

14.b. Critical estimates and judgments

The accounting treatment of the investment in intangible assets includes making estimates to determine the useful life for amortization purposes, particularly for assets acquired in business combinations.

The determination of the useful lives requires estimates in relation to the expected technological evolution and the alternative use of the assets. Hypotheses related to the technological aspect and its future development imply a significant degree of analysis, since the timing and nature of future technological changes are difficult to predict.

Information on the recoverability of fixed assets is presented in Note 15.

14.c. Breakdown and changes

A brief description of the key intangible asset items with finite useful lives, is as follows:

- Licenses: These include concession and authorization licenses, acquired from ANATEL for provision of telecommunication services. These also include licenses from business combinations.
- Software: This includes licenses for software used in the Company's operating, commercial and administrative activities.
- Brands, customer base and other intangibles: These comprise intangible assets acquired through a business combination. Other intangibles include non-compete agreements and relationships with customers and suppliers and service providers.

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	Indefinite useful life	Finite useful life					Other intangible assets	Software under development	Total
	Goodwill ⁽¹⁾	Licenses	Software	Trademarks	Customer portfolio				
Balance on December 31, 2023	26,390,696	14,887,059	6,056,999	571,902	205,800	48,021	802,498	48,962,975	
Additions ⁽²⁾	—	23,919	—	—	—	—	2,865,816	2,889,735	
Write-offs, net	—	—	(3,592)	—	—	—	(650)	(4,242)	
Net transfers ⁽³⁾	—	—	2,874,907	—	—	—	(2,839,849)	35,058	
Business combination – IPNET (Note 1.c.3.)	174,439	—	—	10,099	28,749	27,136	—	240,423	
Amortization (Note 26.)	—	(1,315,724)	(2,341,474)	(85,829)	(112,423)	(6,852)	—	(3,862,302)	
Balance on December 31, 2024	26,565,135	13,595,254	6,586,840	496,172	122,126	68,305	827,815	48,261,647	
Additions ⁽²⁾	—	—	52,185	—	—	—	2,857,630	2,909,815	
Net transfers ⁽³⁾	—	—	2,895,510	(80)	(102)	(205)	(2,893,825)	1,298	
Business combination – Samauma (Note 1.c.1)	38,590	—	6	5,460	—	21,290	—	65,346	
Business combination – IPNET (Note 1.c.3)	1,960	—	—	—	(130)	(172)	—	1,658	
Business combination – FiBrasil (Note 1.c.2)	631,169	—	42,203	445	3,836	—	—	677,653	
Business combination – Cyber (Note 1.c.6)	—	—	1,228	—	—	—	—	1,228	
Amortization (Note 26.)	—	(1,318,276)	(2,476,810)	(87,889)	(53,770)	(13,442)	—	(3,950,187)	
Balance on December 31, 2025	27,236,854	12,276,978	7,101,162	414,108	71,960	75,776	791,620	47,968,458	
Balance on December 31, 2024									
Cost	26,565,135	29,772,875	30,772,551	1,673,846	4,577,691	315,248	827,815	94,505,161	
Accumulated amortization	—	(16,177,621)	(24,185,711)	(1,177,674)	(4,455,565)	(246,943)	—	(46,243,514)	
Total	26,565,135	13,595,254	6,586,840	496,172	122,126	68,305	827,815	48,261,647	
Balance on December 31, 2025									
Cost	27,236,854	29,772,875	33,811,189	1,679,752	4,583,991	336,367	791,620	98,212,648	
Accumulated amortization	—	(17,495,897)	(26,710,027)	(1,265,644)	(4,512,031)	(260,591)	—	(50,244,190)	
Total	27,236,854	12,276,978	7,101,162	414,108	71,960	75,776	791,620	47,968,458	

(1) Refer to the operations of Santo Genovese Participações (2004); Spanish and Figueira (2006); Telefônica Televisão Participações (2008); Vivo Participações (2011); GVT Participações (2015), Garliava and Vita IT (2022), Vale Saúde Sempre (2023), IPNET (2024), Samauma and FiBrasil (2025).

(2) Licenses refer to the extension of authorization for the right to use radio frequencies for the operation of the SMP (Mobile Personal Service).

(3) Total balances refer to transfers between classes of property and equipment and intangible assets (Note 13.c.).

14.d. Amortization rates

Below, we present the annual amortization rates for the years ended December 31, 2025 and 2024.

Description	12.31.2025		12.31.2024	
Licenses	3.60%	to 24.00%	3.60%	to 24.00%
Softwares		20.00%		20.00%
Trademarks	5.13%	to 23.53%	5.13%	to 23.50%
Customer portfolio	10.00%	to 20.69%	9.52%	to 20.70%
Other intangible assets	6.67%	to 25.00%	6.67%	to 20.00%

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15. IMPAIRMENT OF NON-FINANCIAL ASSETS

15.a. Accounting policy

The Company annually reviews the net carrying amount of assets in order to evaluate events or changes in economic, operating or technological circumstances that may indicate impairment losses. When such evidence is found, and net carrying amount exceeds recoverable amount, a provision for impairment is recorded so as to adjust the net carrying amount to the recoverable amount. The recoverable amount of an asset or a Cash-Generating Unit ("CGU") is defined as the higher of value in use and net sales value.

Considering the convergence of product and service offerings, in addition, the Company's main operating asset is a single, broadly integrated network, which is used to provide all telecommunications services to its customers, the Company defines your business as a single CGU.

Upon estimation of the value in use of an asset or cash-generating unit, estimated future cash flows are discounted at present value using a discount rate Weighted Average Cost of Capital "WACC" which reflects the weighted rate between (i) the cost of capital (including specific risks) based on the Capital Asset Pricing Model; and (ii) the debt these components being applicable to the asset or CGU before taxes.

The net fair value of sales is determined, whenever possible, based on recent market transactions between knowledgeable and interested parties with similar assets. In the absence of observable transactions in this regard, an appropriate valuation methodology is used. The calculations provided in this model are corroborated by available fair value indicators, such as prices quoted for listed entities, among other available indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If the indication exists, the Company estimates the recoverable amount of the asset or the CGU.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine an asset's or CGU recoverable amount since the last impairment loss was recognized. Any reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

The following assets have specific characteristics for impairment testing:

- **Goodwill:** Goodwill is tested for impairment annually at the reporting date or earlier when circumstances indicate that the carrying amount may be impaired. Where the recoverable amount is lower than the carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.
- **Intangible assets:** Intangible assets with indefinite useful lives are tested for impairment annually at the reporting date either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying amount may be impaired.
- **Determination of value in use of property and equipment, goodwill and intangibles:** The key assumptions used to estimate value in use through the discounted cash flow methodology are: (i) revenues (projected considering the growth in customer base, growth in market revenue against GDP and the Company's share of this market); (ii) variable costs and expenses (projected in accordance with the dynamics of the customer base, and fixed costs are projected in line with the historical performance of the Company, as well as with revenue growth); and (iii) capital investments (estimated considering the technological infrastructure necessary to enable the provision of services).

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15.b. Critical estimates and judgments

An impairment loss exists when the carrying amount of an asset or CGU exceeds its recoverable amount, which is the greater of fair value net of selling expenses and value in use. The calculation of fair value net of selling expenses is based on information available from transactions for the sale of similar assets or market prices less selling expenses. The value in use calculation is based on the discounted cash flow model. Cash flows derive from the budget for the next five years and do not include reorganization activities to which the Company and its subsidiaries have not yet committed or significant future investments that will improve the asset base of the CGU, which is the object of testing. The recoverable amount is sensitive to critical estimates of the discount rate used in the discounted cash flow method, as well as revenue growth.

15.c. Assumptions used in the calculation of value in use:

The value in use is mainly impacted by the following assumptions:

- Revenue growth: based on observation of the historical behavior of each revenue line, as well as trends based on market analysis. Revenue projections differ significantly between product and service lines, with sustained growth driven by capturing greater value through customer convergence/totalization (postpaid + fiber) and the acceleration of B2C and B2B digital services, and a contraction in IPTV and voice reflecting market trends and technology/portfolio migrations.
- Discount rate: represents the assessment of risks in the current market. The calculation of the discount rate is based on the Company's specific circumstances and being calculated based on the WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by Company investors. The cost of debt is based on loans with interest income that the Company is obliged to honor. The specific risk business is incorporated by applying individual notably Beta factors.
- Growth rate in perpetuity: reflects the Company's ability to generate cash flow beyond the period covered by Management's forecasts or budgets. This rate reflects the expectation of long-term growth in the Company's normalized cash flow, considering results and investments with stable growth over the projected period.

15.d. Goodwill impairment testing

Annually, the Company assesses the recovery of the carrying value of goodwill using the concept of value in use.

The process of determining value in use involves the use of assumptions, judgments and estimates about cash flows, such as revenue growth rates, costs and expenses, estimates of future investments and working capital and discount rates. The assumptions regarding growth and cash flow projections are based on Management estimates, market studies and macroeconomic projections. Future cash flows are discounted based on the WACC.

Consistent with the economic analysis techniques, the assessment of value in use is made for a period of 5 years, and thereafter, considering the perpetuity of the assumptions based on the capacity of business continuity for an indefinite time. Management considered that the period of five years is adequate, based on its past experience in preparing cash flow projections.

The estimated future cash flows were discounted at a discount rate of 11.57% and 11.40%, which before taxes are 13.7% and 13.25% in 2025 and 2024, respectively, also in nominal values.

The nominal growth rate used to extrapolate projections beyond the 5 years period was 4.0% p.y. in 2025 and 2024.

The inflation rate for the period analyzed in the projected cash flows was 4.0% p.y. in 2025 and 2024.

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Key assumptions were based on the Company's historical performance and reasonable macroeconomic assumptions grounded on financial market projections, documented and approved by the Company's management.

Based on annual impairment testing of the Company's assets, prepared using projections considering the financial statements on December 31, 2025 and 2024, growth projections and operating results for the year ended December 31, 2025 and 2024, no impairment losses or evidence of losses were identified, as the value in use exceeds the net carrying amount as of the assessment date.

15.e. Sensitivity to changes in key assumptions:

The recoverable amount of the CGU represented a surplus in relation to the carrying amount, on December 31, 2025 and 2024, respectively. To ensure efficient control, the Company uses a sensitivity analysis in the recoverability test, taking into account possible variations in the main assumptions adopted in the test, individually, in order to assess their impact on the value in use.

The Company performed sensitivity analyses of the main assumptions used in the impairment test of the CGU for the fiscal year ended December 31, 2025, encompassing the variables WACC, perpetual growth rate (g), and projected Net Revenue, OpEx, and CapEx (operational assumptions). For WACC, a range between 11.07% and 12.07% was considered. For the growth rate (g), a range of 3.50% and 4.50% was considered. For the operational assumptions, reduction and growth ranges from -1.50% to +1.50% were considered. Therefore, based on the results presented in the sensitivity tests, the Company confirmed that there was no recognition of impairment losses in the carrying amount for the years ended December 31, 2025, and 2024.

16. PERSONNEL, SOCIAL CHARGES AND BENEFITS

16.a. Accounting policy

Salaries, remunerations and profit sharing are negotiated in collective bargaining agreements, with the corresponding social charges and contributions added by the accrual basis. The profit-sharing program for employees is based on the Company's operating and financial goals, and a provision is recognized when the assumptions for its accounting are satisfied.

Personnel costs and expenses, social charges and benefits are recorded as cost of services provided, commercial expenses or general and administrative expenses (Note 26.).

16.b. Breakdown

	12.31.2025	12.31.2024
Social charges and benefits	645,291	614,595
Profit sharing	533,219	514,902
Share-based payment plans (Note 30.)	154,736	126,019
Salaries and wages	94,518	46,747
Other	31,611	11,650
Total	1,459,375	1,313,913
Current	1,346,202	1,238,452
Non-current	113,173	75,461

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17. TRADE ACCOUNTS PAYABLE

17.a. Accounting policy

These are obligations to pay for goods or services that were acquired in the normal course of business. They are initially recognized at fair value and subsequently measured at amortized cost using the effective tax rate method, if applicable.

The Company and/or its subsidiaries do not have financing agreements with suppliers.

17.b. Breakdown

	12.31.2025	12.31.2024
Sundry suppliers (Opex, Capex, Services e Material)	9,020,559	8,194,196
Related parties (Note 29.)	319,751	546,069
Amounts payable (operators, cobilling)	291,670	246,659
Interconnection / interlink	229,314	243,700
Total	9,861,294	9,230,624

18. TAXES, CHARGES AND CONTRIBUTIONS PAYABLE

	12.31.2025	12.31.2024
Fistel ⁽¹⁾	6,147,772	4,713,786
ICMS	1,417,412	1,328,010
PIS and COFINS	233,775	370,312
Fust and Funttel	106,635	102,773
Other taxes	191,812	199,639
Total	8,097,406	6,714,520
Current	1,516,170	1,585,936
Non-current	6,581,236	5,128,584

(1) Refers to outstanding balances from 2020 to 2025 whose enforceability is suspended, according to decisions of the Federal Regional Court of the First Region, and there is no prospect of the judgment being concluded in the short term. The amount is classified as a non-current liability and is updated by the Selic rate.

19. DIVIDENDS AND INTEREST ON EQUITY ("IOE")

19.a. Accounting policy

19.a.1. Dividends

Minimum mandatory dividends are stated in the balance sheet as legal obligations (provision in current liabilities). Dividends in excess of such minimum amount, not yet approved in the Shareholders' Meeting, are recorded in equity as proposed additional dividends. After approval at the Shareholders' Meeting, the dividends in excess of the mandatory minimum are transferred to current liabilities and classified as legal obligations.

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19.a.2. Interest on equity

Brazilian legislation allows companies to pay interest on equity, which is similar to payment of dividends; however, this is deductible for income tax calculation purposes. In order to comply with Brazilian tax legislation, the Company and its subsidiaries provision, in its accounting records, the amount due to match against the financial expenses account in the statement of income for the year. For the presentation of these financial statements, that expense is reversed against a direct charge to equity, resulting in the same accounting treatment adopted for dividends. The distribution of interest on equity to shareholders is subject to withholding income tax at a 15% rate.

19.a.3. Unclaimed dividends and interest on equity

The rights to receive unclaimed interest on equity and dividends prescribe after three years from the initial date available for payment. When dividends and interest on equity expire, these amounts are reversed to retained earnings.

19.b. Dividends and interest on equity payable

19.b.1. Breakdown

	12.31.2025	12.31.2024
Telefônica, S.A.	1,002,973	742,819
Telefônica Latinoamérica Holding, S.L.	962,667	712,945
Telefônica Móviles Chile, S.A.	1,481	1,096
Telefônica IoT & Big Data Tech, S.A.	—	1,975
Non-controlling interest	807,423	778,255
Total	2,774,544	2,237,090

In 2024, the amount payable to Telefônica IoT & Big Data Tech refers to the interest on equity and dividends approved by IoTCo Brasil.

19.b.2. Changes

	12.31.2025	12.31.2024
Balance at the beginning of the fiscal year	2,237,090	2,247,884
Interim dividends and interest on equity (net of IRRF)	2,864,500	2,641,225
Unclaimed dividends and interest on equity	(150,553)	(126,977)
Payment of dividends and interest on equity	(2,187,402)	(2,532,399)
IRRF on shareholders exempt/immune from interest on equity	10,909	7,357
Balance at the end of the year	2,774,544	2,237,090

For the cash flow statement, the interest on equity (JSCP) and dividends paid to its shareholders are being allocated under the 'Financing Activities' group.

20. Provision and Contingencies

20.a. Accounting policy

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, when it is probable that economic benefits are required to settle the obligation and a reliable estimate of the value of the obligation can be made. Provision is restated at the balance sheet date considering the likely amount of loss and the nature of each provision.

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Provision amounts for contingencies are presented at their gross amount, less the corresponding judicial deposits, and are classified as provision for labor, tax, civil, and regulatory contingencies.

Judicial deposits are classified as assets given that the conditions required for their net presentation with provision do not exist.

The Company also discloses the contingencies in circumstances where management concludes (i) no loss is probable or reasonably estimable, but it is reasonably possible that a loss may be incurred; or (ii) in case of income tax pending litigations, it is probable that the taxation authority will accept the uncertain tax treatment.

20.b. Critical estimates and judgments

The obligation arising from the provisions can be legal or constructive, derived from, among other factors, regulations, contracts, customary practices or public commitments that expose third parties to a valid expectation that the Company or its subsidiaries will assume certain responsibilities. The determination of the provision is based on the best estimate of the disbursement required to settle the corresponding obligation, considering the information available as at the closing date, including the opinion of independent experts, such as legal advisors.

20.c. Information and changes of provisions and contingencies

Information on the composition and movement of provision, the unfavorable outcome of which is considered probable, in addition to contingent liabilities, provision for dismantling, amounts to be refunded to customers and provision for fines for cancellation of lease contracts, is presented below.

Provision for legal demands: The Company and its subsidiaries are party to administrative; labor, tax, civil and regulatory claims; accounting provision are recorded in respect of claims when the likelihood of loss is classified as probable. The assessment of the likelihood of loss includes an analysis of available evidence, the hierarchy of laws, available case law, the latest court decisions law and their relevance in the legal system, as well as the advice of outside legal counsel. Provisions are reviewed and adjusted for changes in circumstances, such as the applicable statute of limitations, tax audit conclusions, or additional exposures identified based on new matters or court decisions.

Contingent liabilities (Purchase Price Allocation – PPA): These refer to the amounts of contingent liabilities, recognized in a business combination, initially measured at fair value, arising from the PPAs generated in the acquisition of controlling stakes in Vivo Participações (2011), Global Village Participações (2015), Garliava and Vita IT (2022), VSS (2023), IPNET (2024), Samauma and FiBrasil (2025), related to civil, labor and tax litigation claims, as applicable, at their fair value in the business combination.

Provision for fines for canceling lease agreements: Refers to the provision for fines for canceling lease agreements arising from Garliava (company acquired by the Company in 2022), resulting from the sale or shutdown of sites.

Provision for decommissioning of assets: Refers to costs to be incurred due to returning sites to owners (locations intended for tower and equipment installation on leased property) to the same condition as the date of execution of the initial lease agreement. These costs are provisioned and discounted to present value for the amounts expected to settle the obligation using estimated cash flows and they are recognized as part of the cost of the corresponding asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to decommissioning of assets. The financial effect of the discount is recorded as incurred and recognized in the statement of income as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to, or deducted from, the cost of the asset.

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Amounts to be refunded to customers: On July 23, 2022, Complementary Law No. 194, was enacted, addressing taxes on various sectors considered by the respective Law as essential and indispensable goods and services, leading to a reduction in the tax rate ICMS on communications services and the respective refund of these amounts to customers. Three years after the enactment of the Law and the recognition of the provision, the Company assessed that there is no expectation of cash disbursements related to the matter and, in accordance with the criteria of IAS 37 / CPC 25, fully reversed the residual balance in 2025.

	Provision for contingencies				Contingent liabilities (PPA)	Provision for fines for canceling lease agreements	Provision for asset decommissioning	Amounts to be refunded to customers	Total
	Tax(1)	Regulatory(1)	Civil	Labor					
Balance on December 31, 2023	2,753,323	1,760,866	1,226,995	693,712	1,002,901	40,993	407,246	96,601	7,982,637
Additions (reversal), net (Note 27.)	40,063	(377,510)	251,429	420,471	(12,517)	(10,798)	(5,083)	—	306,055
Other additions (reversal)(1)	(489,082)	—	—	—	(410)	14,929	9,642	—	(464,921)
Write-offs due to payment	(70,922)	(16,299)	(340,327)	(423,720)	—	(4,119)	—	(5,938)	(861,325)
Business combination – IPNET (Note 1.c.3.)	55,001	—	—	31,669	8,964	—	—	—	95,634
Interest accruals (Note 28.)	(265,396)	(215,962)	273,044	213,409	76,201	—	409	—	81,705
Balance on December 31, 2024	2,022,987	1,151,095	1,411,141	935,541	1,075,139	41,005	412,214	90,663	7,139,785
Additions (reversal), net (Note 27)	106,581	16,042	257,986	377,994	(26,740)	3,296	(25,920)	(90,663)	618,576
Other additions (reversal)(1)	(75,119)	(172,320)	—	2	—	—	10,002	—	(237,435)
Write-offs due to payment	(62,457)	(10,162)	(392,614)	(519,069)	(1,544)	(2,351)	—	—	(988,197)
Business combination – IPNET (Note 1.c.3)	(38,123)	—	—	(24,795)	—	—	—	—	(62,918)
Business combination – Samauma (Note 1.c.1)	4,784	—	—	573	2,462	—	—	—	7,819
Business combination – FiBrasil (Note 1.c.2)	—	—	—	1,528	24,065	—	—	—	25,593
Business combination – Cyber (Note 1.c.6)	1,663	—	—	158	—	—	—	—	1,821
Net interest accruals (Note 28.)	144,755	89,307	158,152	206,620	113,253	—	14,228	—	726,315
Balance on December 31, 2025	2,105,071	1,073,962	1,434,665	978,552	1,186,635	41,950	410,524	—	7,231,359
Balance on December 31, 2024									
Current	160,947	195,063	573,679	701,300	5,075	41,005	3,265	90,663	1,770,997
Non-current	1,862,040	956,032	837,462	234,241	1,070,064	—	408,949	—	5,368,788
Total	2,022,987	1,151,095	1,411,141	935,541	1,075,139	41,005	412,214	90,663	7,139,785
Balance on December 31, 2025									
Current	89,274	55,651	749,193	662,626	8,166	41,950	596	—	1,607,456
Non-current	2,015,797	1,018,311	685,472	315,926	1,178,469	—	409,928	—	5,623,903
Total	2,105,071	1,073,962	1,434,665	978,552	1,186,635	41,950	410,524	—	7,231,359

- (1) In 2025 and 2024, relevant events occurred in the movements of tax and regulatory provisions, as follows: in 2025: (i) tax: due to the Company's adherence to tax amnesty programs in several states of the Federation with gains from the reversal of operating expenses for contingency provisions of R\$25,638 (note 27), gains from the reversal of financial expenses for monetary updating of contingency provisions of R\$65,990 (note 28), and assumption of debt of R\$75,119 (note 21); and (ii) regulatory: due to adherence to the Desenrola program. In 2024, relevant events occurred in the movements of provisions, namely: (i) Tax: write-off of R\$885,471 due to the Company's adherence to tax amnesty programs in the States of SP and PR, with gains from the reversal of operating expenses of provision for contingencies of R\$26,546 (note 27.), gains from the reversal of financial expenses of monetary updating of provisions for contingencies of R\$374,271 (Note 28.) and assumption of debt of R\$484,654 (Note 21.); and (ii) Regulatory: write-off of R\$792,378 as a result of the Commitment Term Related to the Self-Composition Negotiations for Adapting the STFC Concession Contracts to Authorization Instruments, with gains from the reversal of operating expenses for contingency provisions of R\$386,392 (Note 27.) and gains from the reversal of financial expenses for monetary updating of contingency provisions of R\$405,986 (Note 28.).

20.c.1. Tax provision and contingencies

Tax Amnesty Programs

Below is a summary of the participations in tax amnesty programs that impacted the Company's contingency and financing provisions (note 21.c.3.3.).

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State of São Paulo Amnesty Program – Law 17,843/2023

The Government of the State of São Paulo established, through Law 17,843/2023, a debt settlement and installment program to encourage the regularization of debts by offering discounts (“Amnesty and Refinancing Program”).

Based on the Law, the State Attorney General's Office (“PGE”) published notice no. 01/2024 enabling the transaction of ICMS debts, subject to late payment interest charges, higher than the SELIC, as long as in the courts with title executive (registration in Active State Debt).

The current discounts were 100% for late payment interest and 50% of the remaining balance, limited to the principal amount of the debt. Fees were charged to PGE on the total amount.

On April 22, 2024, the Company's Management, based on the opinion of its legal advisors, joined the Amnesty and Refinancing Program, for ICMS disputes, for the provisioned amount of R\$727,821, which under according to the rules of the Program was reduced to R\$371,052, which will be paid in up to 60 installments adjusted by the SELIC interest rate (Note 21).

State of Paraná Amnesty Program – Law 20,946/2021

The Government of the State of Paraná, through Law No. 20,946/2021, offered a debt settlement and installment program to taxpayers to encourage the regularization of debts with discounts (“Amnesty and Refinancing Program”).

Based on the Law, Decree No. 5,471/2024 was issued, allowing payment with a 70% reduction in fines and interest. Fees were levied on the total reduced amount for the PGE.

On September 20, 2024, the Company's Management, based as advised by its legal counsel, joined the Amnesty and Refinancing and Refinancing Program ICMS disputes, based on the provisioned amount of R\$157,650, which under the Program, was reduced to R\$113,602, which will be paid in up to 60 installments adjusted by the SELIC interest rate (Note 21).

State of Rio Grande do Sul

The Government of the State of Rio Grande do Sul established, through Decree No. 58,067/2025, a settlement and installment program offered to taxpayers to promote the regularization of debts with discounts (“Amnesty Program”).

On April 15, 2025, the Company's Management, based on the opinion of its legal advisors, joined the Amnesty Program for a process related to ICMS, which met the legal requirements, based on the provisioned amount of R\$163,528, which under the rules of the Amnesty Program was reduced to R\$73,593 (including legal fees).

The adherence to the Amnesty Program was through the installment modality and allowed the payment of the debt with a 70% reduction in fines and interest in up to 18 installments adjusted by SELIC (note 21).

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Nature/Degree of Risk	12.31.2025	12.31.2024
Provisions	2,105,071	2,022,987
Federal	835,180	809,765
State	496,594	466,590
Municipal	132,899	136,995
FUST	640,398	609,637
Possible losses	51,086,071	40,850,071
Federal	5,803,304	4,419,439
State	33,477,423	25,760,365
Municipal	808,770	682,468
FUST, FUNTTEL and FISTEL	10,996,574	9,987,799

20.c.1.1. Tax provisions

Management, under advice of legal counsel, believes that the following losses present a probable risk of loss for the federal, state, municipal and regulatory (FUST) tax proceedings:

Federal taxes

The Company and/or its subsidiaries are party to administrative and legal proceedings at the Federal level relating to: (i) claims for the non-ratification of compensation and refund requests formulated; (ii) CIDE on the remittance of funds abroad related to technical and administrative assistance services and similar services, as well as royalties; (iii) FINSOCIAL compensation; (iv) ex-tariff, revocation of the benefit of CAMEX Resolution No. 6, increase in the import tariff from 4% to 28%; and (v) INSS and occupational accident risk ("RAT").

State taxes

The Company and/or its subsidiaries are party to administrative and judicial proceedings at the State level for ICMS, regarding: (i) disallowance credits; (ii) non-taxation of alleged telecommunications services; (iii) tax credit for challenges/disputes over telecommunication services not provided or wrongly charged (Agreement 39/01); (iv) rate differential; (v) leasing of infrastructure for internet services (data); (vi) CIAP credit; (vii) tax substitution; (viii) monthly subscription, not covered by the modulation of effects arising from the STF judgment; and (ix) fine for non-compliance with ancillary obligation.

Municipal taxes

The Company and/or its subsidiaries are party to Municipal tax proceedings, at the judicial level, relating to: Services tax ("ISS") on equipment leasing services, non-core activities and supplementary activities and withholding of ISS on contractors' services.

FUST

The Company and/or its subsidiaries have judicial proceedings related to the non-inclusion of interconnection expenses and industrial exploitation of a dedicated line in the calculation basis of FUST.

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20.c.1.2. Possible losses – tax contingencies

Management, under advice of legal counsel, believes that the risk of loss for the following federal, state, municipal and regulatory (FUST, FUNTTEL and FISTEL) is possible:

Federal taxes

The Company and/or its subsidiaries are party to administrative and judicial proceedings, at the Federal level, which are awaiting decision at different court levels.

The more significant proceedings are: (i) contested non approval of requests for compensation submitted by the Company; (ii) INSS (a) SAT, social security amounts owed to third parties (INCRA and SEBRAE); (b) meals for employees, withholding of 11% (assignment of workforce); and (c) Stock Options – requirement of social security contributions on amounts paid to employees under the stock option plan; (iii) deduction of COFINS on swap operation losses; (iv) PIS and COFINS: (a) accrual basis versus cash basis; (b) levies on value-added services; and (c) monthly subscription services; (v) IPI levied on shipment of fixed access units from the Company's establishment; (vi) Financial transaction tax (IOF) – on loan transactions, intercompany loans and credit transactions; (vii) IRRF on capital gain on the sale of the GVT Group to the Company, (viii) exclusion of ICMS from the PIS and COFINS calculation base; and (ix) disallowance of PIS and COFINS credits.

State taxes

The Company and/or its subsidiaries are party to administrative and judicial proceedings, at the State level, related to ICMS, which are awaiting decision at different court levels: (i) rental of movable property; (ii) reversal of previously unused credits; (iii) service provided outside the State of São Paulo paid to the State of São Paulo; (iv) co-billing; (v) tax substitution with a fictitious tax base (tax guideline); (vi) use of credits on acquisition of electric power; (vii) secondary activities, value added and supplementary services; (viii) tax credits related to claims/challenges regarding telecommunications services not provided or mistakenly charged (Agreement 39/01); (ix) deferred collection of interconnection (“DETRAF” – Traffic and Service Provision Document); (x) credits derived from tax benefits granted by other states; (xi) disallowance of tax incentives related to cultural projects; (xii) transfers of assets among business units owned by the Company; (xiii) communications service tax credits used in provision of services of the same nature; (xiv) card donation for prepaid service activation; (xv) reversal of credit from return and free lease in connection with assignment of networks (used by the Company itself and exemption of public bodies); (xvi) CDR/DETRAF fine; (xvii) own consumption; (xviii) exemption of public bodies; (xix) discounts granted; (xx) monthly subscription with discussion about minutes allowance; and (xxi) fine for non-compliance with an accessory obligation.

Municipal taxes

The Company and/or its subsidiaries are party to administrative and judicial proceedings, at the Municipal level, which are awaiting decision at different court levels.

The more significant proceedings are: (i) ISS on: (a) non-core activity, value-added and supplementary services; (b) withholding at source; (c) call identification and mobile phone licensing services; (d) full-time services, provision, returns and cancelled tax receipts; (e) data processing and antivirus; (f) charge for use of mobile network and lease of infrastructure; (g) advertising services; and (h) services provided by third parties; (ii) IPTU; (iii) land use tax; and (iv) various municipal charges.

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FUST, FUNTTEL and FISTEL

Universal Telecommunications Services Fund ("FUST")

Writs of mandamus were filed seeking the right to exclude revenues from interconnection and Industrial Use of Dedicated Line ("EILD") in the FUST tax base, according to Abridgment No. 7 of December 15, 2005, as it does not comply with the provisions contained in the sole paragraph of Article 6 of Law No. 9,998/2000, which are awaiting a decision from Higher Courts.

Various administrative and judicial charges by ANATEL in administrative scope for the constitution of the tax credit related to interconnection, EILD and other revenues that do not originate from the provision of telecommunication services.

On December 31, 2025, the consolidated amount totaled R\$6,166,037 (R\$5,813,657 on December 31, 2024).

Fund for Technological Development of Telecommunications ("FUNTTEL")

Proceedings have been filed for the right not to include interconnection revenues and any others arising from the use of resources that are party of the networks in the FUNTTEL calculation basis, as determined by Law 10,052/2000 and Decree No. 3,737/2001, thus avoiding improper application of Article 4, paragraph 5, of Resolution 95/2013.

There are several notifications of charges from the Ministry of Communications in administrative actions for constitution of the tax credit related to the interconnection, network resources and other revenues that do not originate from the provision of telecommunication services.

On December 31, 2025, the consolidated amount totaled R\$2,344,915 (R\$2,085,332 on December 31, 2024).

Telecommunications Inspection Fund ("FISTEL")

There are judicial actions for the collection of TFI on: (i) extensions of the term of validity of the licenses for use of telephone exchanges associated with the operation of the fixed switched telephone service; and (ii) extensions of the period of validity of the right to use radiofrequency associated with the operation of the telephone service personal mobile service.

On December 31, 2025, the consolidated amount totaled R\$2,485,622 (R\$2,088,810 on December 31, 2024).

20.c.2. Regulatory provision and contingencies

Regulatory Amnesty - Approval by the Attorney General's Office ("AGU")

The Federal Attorney General's Office ("PGF") published Notice of Transaction by Adhesion No. 1/2024/PGF/AGU, supported by Law No. 14,973, of September 16, 2024, and by Normative Ordinance PGF No. 150, disclosing the possibility of extraordinary transaction of active debts with federal public agencies and foundations, which includes Regulatory Agencies.

On December 30, 2024, the Company's Management, based on the opinion of its legal advisors, submitted a request to adhere to the extraordinary transaction, the discount for which was approximately 55%. The total amount was subject to fees for the PGF.

The Company's application for membership was granted on February 12, 2025, and the transaction will be completed upon payment of the corresponding Federal Collection Guides.

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Nature/Degree of Risk	12.31.2025	12.31.2024
Provisions	1,073,962	1,151,095
Possible losses	3,237,934	3,066,637

20.c.2.1. Regulatory provisions

Management, under advice of legal counsel, believes the likelihood of loss of the following regulatory proceedings is probable, described below:

The Company is a party to administrative proceedings initiated mainly by ANATEL, which were initiated on the grounds of alleged non-compliance with obligations established in sectoral regulations, as well as in legal proceedings that discuss, in the vast majority, sanctions applied by ANATEL at the administrative level. The main themes of these processes are:

- **Burden:** Specifically in relation to the payment of burden applied to the Personal Mobile Service - SMP (SMP burden), there is a dispute that discusses which revenues should be considered in the payment of amounts due for the renewal of radio frequencies. On this subject, the Company, together with its legal advisors, assesses that there is a prognosis of probable loss in the SMP burden regarding data revenue, due to the existence of unfavorable decisions both at ANATEL in 2021 and in court, with an unlikely prospect of review, as well as the fact that the Company decided to prospectively collect such amounts in favor of ANATEL, starting in 2022.
- **General User Rights ("DGU"):** The Company and/or its subsidiaries maintain administrative and judicial discussions regarding the rights of users of telecommunications services, with regard to matters related to the General Regulation of Consumer Rights of Telecommunications Services ("RGC"), approved by Resolution No. 632/2014, especially regarding the provision of services, collection of amounts, disputes, reimbursement, among others.
- **Quality:** The Company and/or its subsidiaries maintain administrative and judicial discussions regarding telecommunications services arising from STFC, SMP, SeAC and SCM concessions, regarding compliance with the indicators that measure the quality of these services nationwide, based on the Telecommunications Services Quality Regulation ("RQUAL"), approved by Resolution No. 717/2019.
- **Relationship between Providers:** The Company and/or its subsidiaries maintain administrative and legal discussions affecting the regulatory relationship with other telecommunications service providers regarding interconnection, EILD, and the supply of other wholesale products.

The amounts consolidated in the topics highlighted above totaled R\$989,545 and R\$953,080 on December 31, 2025 and 2024, respectively.

Other cases:

- The Company and/or its subsidiaries are engaged in administrative and judicial discussions regarding other matters, such as service interruptions, various regulatory obligations, Public Civil Actions, among others.
- On October 1, 2024, the Company became aware of the establishment of a Monitoring and Control Procedure ("PAC") for Reimbursement to monitor compliance with the obligation to repair consumers identified in a Procedure for Determining Non-Compliance with Obligations ("PADO") that is in progress.

The amounts consolidated in the topics highlighted above totaled R\$84,417 and R\$198,015 on December 31, 2025 and 2024, respectively.

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20.c.2.2. Possible losses – regulatory contingencies

Management, under advice of legal counsel, believes the likelihood of loss of the following regulatory proceedings is possible, these being some of the relevant cases in this portfolio:

- Dispute regarding revenues that should be included in the calculation of the amount of the burden due due to the extension of radio frequencies associated with SMP (except for SMP data revenues, as reported in item c.1 of this note). In ANATEL's view, the calculation of the burden should consider the application of the percentage of 2% on all economic profits resulting from the provision of the SMP service. In the Company's view, however, revenues that are not part of the SMP service plans, such as interconnection, revenues earned in the 15th year of the licenses' validity and others, should not be considered in the calculation of the burden. As a result of this divergence of understanding, the Company filed administrative claims and lawsuits to challenge ANATEL's burden charges. In July 2024, ANATEL's Board of Directors ruled on the PAC regarding the calculation of the burden for the 2016 biennium, related to the extension of the radio frequency associated with the SMP, the result of which was favorable to the Company, as it decided to include the terms with lesser scope in the calculation methodology, resulting in a reduction in amounts. Other proceedings may be impacted by this decision, with pending recalculation by ANATEL. It is estimated that with a possible loss prognosis of the SMP burden, the amounts will be approximately R\$1,182,102 and R\$1,024,955 on December 31, 2025 and 2024, respectively.
- The Company's legal action seeks to annul the decision of CADE (Administrative Council for Economic Defense), which found that the operators (Claro, Oi Móvel, and the Company) engaged in anti-competitive conduct by forming the Rede Correios Consortium to compete in electronic auction no. 144/2015, conducted by the Brazilian Post and Telegraph Company; as well as alleged price discrimination by the Company in relation to services offered to BT Brasil Serviços de Telecomunicações Ltda ("BT"), imposing a fine of R\$28,394, whose updated amounts were R\$43,260 and R\$38,109 on December 31, 2025 and 2024, respectively. This action aims to seek the annulment of said sanction, based especially on (i) the absence of illegality in the formation of a consortium to participate in a public bidding process; (ii) the absence of typicality and the impossibility of sanctioning by analogy; (iii) absence of clear criteria for calculating the sanction and lack of reasonableness. The case is in the first instance awaiting judgment.
- The Administrative Disciplinary Proceeding (PADO) concerning coverage targets, which included a fine of R\$127,741 (updated amounts of R\$184,486 and R\$167,658 as of December 31, 2025 and 2024, respectively), could be converted into an obligation to act. This obligation consists of an alternative means of fulfilling the sanction to the fine, requiring investment in the installation of 4G radio base stations in 188 locations lacking this technology. The installation must occur within two and a half years, with maintenance costs equivalent to one year. The installation cannot result from RAN sharing agreements, swaps, network rentals, industrial exploitation contracts, or other contractual means. After acceptance and confirmation of approval by ANATEL, compliance within the determined timeframe will be monitored.
- On October 1, 2024, the Company became aware of the initiation of a Monitoring and Control Procedure ("PAC") for Reimbursement to monitor compliance with the obligation to compensate consumers identified in a Non-Compliance Investigation Procedure ("PADO") that is in progress, whose updated values were R\$40,524 and R\$35,968 as of December 31, 2025 and 2024, respectively.

The amounts consolidated in the topics highlighted above totaled R\$1,450,372 and R\$1,266,690 on December 31, 2025 and 2024, respectively.

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In addition to the specific cases above, the Company maintains administrative proceedings instituted mainly by ANATEL (other agents, including other operators, also have claims against the Company) based on alleged non-compliance with obligations established in the sectoral regulations, as well as ordinary legal proceedings and writs of mandamus that discuss, mainly, sanctions applied by ANATEL in the administrative sphere, mainly in relation to the same topics described in note 19.c.1., namely: General User Rights ("DGU"); Quality and Relationship between Providers. The consolidated amounts involved totaled R\$1,315,968 and R\$1,230,427 on December 31, 2025 and 2024, respectively.

Other cases:

- The Company and/or its subsidiaries are involved in administrative and legal discussions regarding other matters, such as coverage targets, service interruptions, various regulatory obligations, technical irregularities, payment of public prices for the acquisition of radio frequencies, compensation for the vacancy of frequency bands previously granted to the MMDS, Public Civil Actions, among others.
- The Company is a party to legal proceedings that discuss the nullity of contractual clauses and obligations to do and not to do linked to the suspension of services, non-increase of tariffs, repairs and maintenance of poles, and which do not involve a specific financial value, considering that, at the current procedural stage in which they are found, they are inestimable. These proceedings are still awaiting judgment in the respective courts.

The amounts consolidated in the matters highlighted above totaled R\$471,594 and R\$569,520 on December 31, 2025 and 2024, respectively.

20.c.3. Civil provision and contingencies

Nature/Degree of Risk	12.31.2025	12.31.2024
Provisions	1,434,665	1,411,141
Possible losses	1,815,801	2,000,926

20.c.3.1. Civil provisions

Management, under advice of legal counsel, believes that the following civil proceedings will result in probable losses:

- The Company is a party to proceedings involving rights to the supplementary amounts from shares calculated on community telephony plants and network expansion plans since 1996 (supplement of share proceedings). These proceedings are at different stages: lower courts, court of justice and high court of justice. On December 31, 2025 and 2024, the provision was R\$133,322 and R\$152,109, respectively.
- The Company and/or its subsidiaries are party to various civil proceedings of an to individual consumer level, relating to the non-provision of services and/or products sold. On December 31, 2025 and 2024, the provision was R\$250,015 and R\$293,571, respectively.
- The Company and/or its subsidiaries are party to various civil proceedings of a collective consumerist and non-consumer nature at administrative and judicial levels, all arising in the ordinary course of business. On December 31, 2025 and 2024, the provision was R\$1,051,328 and R\$965,461, respectively.

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20.c.3.2. Possible losses – civil contingencies

Management, under advice of legal counsel, believes that the risk of losses is possible for the following civil proceedings:

- The Company and its subsidiaries are party to other civil claims, at several levels, related to service rendering rights. Such claims have been filed by individual consumers, civil associations representing consumer rights of consumers or by the Consumer Protection (“PROCON”), as well as by the Federal and State Public Prosecutor’s Office. The Company is also party to other claims of several types related to the ordinary course of business.
- Intellectual Property: Lune Projetos Especiais Telecomunicação Comércio e Ind. Ltda. (“Lune”), a Brazilian company, filed lawsuits on November 20, 2001, against 23 wireless carriers claiming to own the patent for “Bina”, a caller ID. The purpose of the lawsuit was to interrupt provision of such service by carriers and to seek indemnification equivalent to the amount paid by consumers for using the service.

An unfavorable decision was handed down determining that the Company should refrain from selling mobile phones with the Bina ID service, subject to a daily fine of R\$10,000.00 (Ten thousand Reais) in the event of non-compliance. Furthermore, according to that decision, the Company must pay indemnification for royalties, to be calculated on settlement. Motions for Clarification were proposed by all parties and Lune's motions for clarification were accepted since an injunctive relief in this stage of the proceedings was deemed applicable. A bill of review appeal was filed in view of the current decision which granted a stay of execution suspending the unfavorable decision until final judgment. A bill of review was filed in view of the sentence handed down on June 30, 2016, by the 4th Chamber of the Court of Justice of the Federal District, in order to annul the lower court sentence and remit the proceedings back to the lower court for a new examination. The expertise was carried out and then the claims were dismissed. The parties filed an appeal. On February 1, 2023, the Court of Justice of the Federal District and Territories (“TJDFT”) judged the appeals filed and, unanimously, dismissed them, upholding the sentence of inadmissibility. Subsequently, a Special Appeal was filed by Lune, which was not heard by the Superior Court of Justice. An internal appeal was filed by Lune, which has not yet been judged. Management is unable to reasonably estimate a liability with respect to this claim currently.

- The Company, together with other operators providing telecommunications services, is a defendant in lawsuits challenging the practice adopted by operators of imposing a limited period for the use of prepaid minutes. That is, the claimant argues that the minutes in the prepaid package should not expire after a specific period, and should be available for use by the consumer at any time. With the creation of the 6th Regional Federal Court (TRF), the public civil action that originally proceeded in Uberlândia/MG was transferred to the new TRF, which denied the mandatory appeal, upholding the dismissal of the claims filed by the Federal Prosecutor’s Office (MPF), and the decision of the 6th Regional Federal Court has already become final. Regarding the public civil action, which originally proceeded in Belém/PA, the Federal Public Prosecutor's Office itself, the plaintiff in the action, recently expressed its agreement with the Company's request for the dismissal of the action due to res judicata formed in a previous collective action with an identical object, which was recognized by the court. The Company is monitoring the certification of the final judgment in this action. With respect to the public civil action filed by the OAB/SP (São Paulo Bar Association) against the Federal Government, ANATEL (National Telecommunications Agency), and operators, a judgment dismissing the action has been issued. The OAB/SP may still appeal.

20.c.4. Labor provisions and contingencies

Nature/Degree of Risk	12.31.2025	12.31.2024
Provision	978,552	935,541
Possible losses	1,151,825	1,346,257

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The labor provision and contingencies involve several labor claims of former employees and former outsourced employees (those claiming subsidiary obligor or joint liability), which claim, among others: differences in overtime pay, variable remuneration, salary parity, additional unhealthy or dangerous practices.

21. LOANS AND FINANCING, DEBENTURES, LEASES AND OTHER CREDITORS

21.a. Accounting policy

These are financial liabilities measured initially and recognized by fair value, net of costs incurred to obtain them and subsequently measured by amortized cost (plus pro-rata charges and interest), considering the effective interest rate of each operation, or by fair value through profit or loss.

Borrowing costs directly related to the acquisition, construction or production of an asset that necessarily requires more than 18 months to be completed for use or sale purposes are capitalized as part of the cost of the corresponding asset. The Company did not capitalize borrowing and financing costs and debentures due to the absence of qualifying assets.

Leases

On the lease start date, the Company and its subsidiaries recognize lease liabilities measured at the present value of lease payments to be made during the lease term. Lease payments substantially include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiaries and payments of fines for termination of the lease, for termination of the lease agreement.

When calculating the present value of lease payments, the Company and its subsidiaries use their nominal incremental borrowing rate on the start date because the interest rate implicit in the lease is not easily determinable. After the commencement date, the amount of the lease liability is increased to reflect accrued interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (for example, changes in future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the valuation of an option to call the underlying asset.

The present value of lease agreements is measured by discounting future fixed payment flows, which do not include projected inflation, at market interest rates, estimated using the Company's intrinsic risk spread.

The discount yield curves used are constructed based on observable data. Market interest rates were extracted from B3, and the Company's risk spread is estimated from debt securities issued by companies with comparable risk. The final discount curve reflects the Company's incremental loan interest rate.

21.b. Critical estimates and judgments – Leases

Determining the lease term of contracts that have renewal or termination option clauses. The Company and its subsidiaries determine the lease term as the non-cancellable contractual term, together with the periods included in a possible renewal option to the extent that such renewal is assessed as reasonably certain and with periods covered by an option to terminate the contract at to the extent that it is also assessed as reasonably certain. The Company and its subsidiaries have several lease agreements that include renewal and termination options.

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The Company and its subsidiaries apply judgment when assessing whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. In this assessment, it considers all relevant factors that create an economic incentive to exercise renewal or termination. After the initial measurement, the Company and its subsidiaries reassess the lease term if there is a significant event or change in circumstances that is within their control and will affect their ability to exercise or not exercise the option to renew or terminate (for example, carrying out significant improvements or customizations to the leased asset).

The Company and its subsidiaries are not able to readily determine the interest rate implicit in the lease. Accordingly, this assessment requires Management to consider estimates when observable rates are not available or when they need to be adjusted to reflect the terms and conditions of a lease. The Company and its subsidiaries estimate the incremental rate using observable data (such as market interest rates), when available, and considers in this estimate aspects that are specific to the Company and its subsidiaries.

21.c. Breakdown

	12.31.2025			12.31.2024		
	Current	Non-current	Total	Current	Non-current	Total
Leases (c.1)	4,883,176	10,549,678	15,432,854	4,520,626	10,725,980	15,246,606
Debentures (c.2)	161,453	2,905,512	3,066,965	1,695,214	2,000,000	3,695,214
Loans and financing (c.3)	304,235	1,542,627	1,846,862	232,118	1,572,592	1,804,710
5G Licences (c.3.1)	68,932	965,032	1,033,964	62,811	942,159	1,004,970
Liabilities for the acquisition of a company (c.3.2)	42,251	234,048	276,299	26,182	207,167	233,349
Tax Refinancing and Amnesty Program (c.3.3)	158,295	247,010	405,305	130,563	313,799	444,362
Financial institutions (c.3.4)	2,200	1,474	3,674	2,386	2,500	4,886
Other creditors (c.3.5)	32,557	95,063	127,620	10,176	106,967	117,143
Total	5,348,864	14,997,817	20,346,681	6,447,958	14,298,572	20,746,530

All liabilities shown in the table above were contracted in national currency (R\$), except for the loan agreement entered into on September 26, 2024, between the Company's subsidiary - CloudCo Brasil and Telefônica Cybersecurity & Cloud Tech (a Telefônica Group company), which was contracted in foreign currency (euros).

21.c.1. Leases

The Company and its subsidiaries have contracts classified as leases, referring to: (i) rental of structures (towers and rooftops), resulting from sale and leaseback operations; (ii) rental of sites built in the Built to Suit ("BTS") for the installation of antennas and other equipment and for transmission; (iii) rental of computer equipment; and (iv) rental of infrastructure and transmission means; offices, shops and commercial properties.

The weighted annual interest rate on lease contracts on December 31, 2025, is 12.92%, with an average maturity of 4.86 years (12.17% and 5.12 years on December 31, 2024, respectively).

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The balances of the lease payables are as follows:

	12.31.2025	12.31.2024
Nominal value payable	20,692,942	20,401,868
Unrealized financial expenses	(5,260,088)	(5,155,262)
Present value payable	15,432,854	15,246,606
Current	4,883,176	4,520,626
Non-current	10,549,678	10,725,980

21.c.2. Debentures

On July 14, 2022, the Company completed the full payment of the 7th issuance of simple debentures, not convertible into shares, of the unsecured type, in 2 series. 3,500,000 debentures were issued with a nominal unit value of R\$1,000.00 (one thousand reais), for a total nominal value of R\$3,500,000, and the settlement of the respective public offering with restricted efforts was completed, being: (i) 1st series, with a nominal value of R\$1,500,000, has a remuneration of CDI + 1.12% p.a. Interest was paid in semi-annual installments starting on January 12, 2023, and the principal at maturity, on July 12, 2025; and (ii) 2nd series, with a face value of R\$2,000,000, has a remuneration of CDI + 1.35% p.a. Interest is being paid in semi-annual installments starting on January 12, 2023, and the principal will be paid at maturity on July 12, 2027.

The debentures have a sustainability component (Debentures linked to Environmental, Social and Corporate Governance ("ESG") performance), which allows them to be classified as "Sustainability-linked", under the terms required by the International Capital Market Association in the Sustainability-Linked Bond Principles, June 2020 version.

The debentures are subject to early maturity events, standard for this type of offering, as set forth in clause 6.30 of "Early Maturity" of the Issuance Deed ("Deed"), automatically or not, such as: (i) failure by the Company to comply with any pecuniary or non-pecuniary obligation relating to the debentures and/or provided for in the Deed, not remedied within the periods provided for in the Deed; (ii) liquidation, dissolution or extinction of the Company as provided for in the Deed; (iii) spin-off, merger, incorporation, share incorporation or any form of corporate reorganization involving the Company, as provided for in the Deed; (iv) early maturity of any debts and/or financial obligations of the Company within the scope of the financial market and capital market operations, local or international, under the terms provided for in the Deed; (v) to distribute and/or pay dividends, interest on equity, or make any other payments to its shareholders if the Company is in default on any of its pecuniary obligations relating to the debentures; (vi) transfer, by the Company, in any form, assignment or promise of assignment to third parties, of the rights and obligations acquired or assumed in the documents relating to the debentures; (vii) reduction of the Company's share capital, as provided for in article 174, paragraph 3, of the Brazilian Corporations Law, except if for (a) absorption of losses or (b) distribution of resources to the Company's shareholders, up to a limit of 15% of the Company's share capital, individually or in aggregate, on the date of signing the Deed of Issuance; and (viii) disposal of, or creation of liens or encumbrances on, relevant operating assets of the Company, provided that they represent, individually or in aggregate, 15% or more of the Company's total assets, based on the Periodic Financial Statements immediately preceding the date of the event.

Failure to comply with any of the above covenants could result in default under the debenture indenture, which would have a material adverse effect on the Company's financial condition. These clauses are strictly monitored by the Company, aiming to ensure compliance with contractual obligations and guarantee the continuity of the debenture and maintenance of the Company's financial situation.

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On December 31, 2025 and 2024, all applicable covenants had been complied with by the Company.

On April 15, 2024, FiBrasil issued a single series of simple debentures in the amount of R\$865,000, not convertible into shares, of an unsecured nature, under the terms of the Issuance Deed and article 58 of the Brazilian Corporations Law, and without any additional real or personal guarantee. 865,000 debentures were issued with a nominal unit value of R\$1,000.00 (one thousand reais). The total term of the debentures is 10 years, maturing in April 2034, with the nominal value subject to monetary correction by the Broad National Consumer Price Index ("IPCA"). The payments of the updated amounts will be made in 5 consecutive annual installments, starting in April 2030 and ending in April 2034.

The interest on the debentures will accrue at a rate of 7.36% per year, calculated on a basis of 252 business days, on the updated nominal value of the debentures, adjusted for inflation (IPCA). Interest payments will be made semi-annually, in April and October of each year, with the first payment in October 2024 and the last payment on the maturity date of the debentures, in April 2034.

Regarding the covenants, as per the deed of this issuance, the financial indicator Net Debt/EBITDA must be less than or equal to 3.5x.

On December 31, 2025, the applicable covenants have been met by FiBrasil.

21.c.3. Loans and financing

21.c.3.1. 5G licenses

On December 3, 2021, Term authorizations were signed with ANATEL from its auctions for the implementation of 5G technology, the Company having presented successful bids. These authorizations are valid for 20 years associated with authorizations for the provision of SMP, renewable successively, for consideration, under the terms of Law No. 9,472/1997.

These amounts are being updated by the reference rate of the Special Settlement and Custody System ("SELIC") (14.33% and 10.88% in 2025 and 2024, respectively).

These Terms are guaranteed by insurance contracts.

21.c.3.2. Liabilities for the acquisition of a company

These refer to liabilities arising from the acquisitions of Vita IT, Vale Saúde Sempre, IPNET, Samauma and CyberCo Brasi, described below, whose balances were R\$276,299 and R\$233,349 as of December 31, 2025 and 2024.

Acquisition of Vita IT by TIS

The total consideration transferred for the acquisition in 2022 of Vita IT by TIS, an indirect subsidiary of the Company, was R\$110,220, adjusted by the IPCA from the transaction date until the actual payment. Of this amount, R\$42,000 was paid in cash upon completion of the transaction and the remainder will be paid in accordance with contractual clauses. The balances on December 31, 2025 and 2024 were R\$40,463 and R\$63,579, respectively.

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Acquisition of Vale Saúde Sempre by POP

The total consideration transferred for the acquisition of Vale Saúde Sempre by POP in 2023, including price adjustments agreed between the parties, was R\$62,033, updated by the variation in the DI rate between the transaction date and the respective payment. Of this amount, R\$37,029 was paid in cash upon completion of the transaction, and the remainder is being paid according to contractual clauses. The balances as of December 31, 2025 and 2024 were R\$4,090 and R\$3,578, respectively.

Acquisition of IPNET by CloudCo

The total consideration transferred for the acquisition of IPNET by CloudCo Brasil in 2024, including the price adjustments agreed between the parties, was R\$223,799, updated by the variation in the IPCA/SELIC rate that occurred between the date of the transaction and the respective payment. Of this amount, R\$60,007 was paid in cash upon completion of the transaction and the remainder will be paid in accordance with contractual clauses. The balance on December 31, 2025 and 2024 was R\$170,626 and R\$166,192, respectively.

Acquisition of Samauma by Terra

The total consideration amount for the acquisition of Samauma by Terra Networks in 2025, including the price adjustments agreed upon by the parties, is up to R\$66,451, subject to adjustment based on the variation of the DI rate between the closing date of the transaction and 10 days prior to the actual payment. Of this amount, R\$22,000 was paid upfront at the time of the transaction's closing, and in August 2025 an installment of R\$4,655 was paid. The remaining balance will be paid in accordance with contractual clauses. The outstanding balance as of December 31, 2025, was R\$44,629.

Acquisition of CyberCo Brasil by TIS

The total consideration for the acquisition of CyberCo Brasil by TIS in 2025, including price adjustments agreed between the parties, is up to R\$232,000. Of this amount, R\$212,000 was paid in cash upon completion of the transaction. The remainder will be paid according to contractual clauses. The balance as of December 31, 2025, was R\$16,491.

21.c.3.3. Tax amnesty program

As described in note 20.c), during fiscal years 2025 and 2024, the Company participated in Amnesty Programs for ICMS-related processes, financing the remaining balances of these participations as follows:

The balances were R\$405,305 and R\$444,362 in December 31, 2025 and 2024, respectively.

In 2025:

State of Rio Grande do Sul: remaining installment of R\$73,593, in 18 installments adjusted by the SELIC rate. The balance as of December 31, 2025 was R\$38,522.

State of Minas Gerais: relating to electricity bills totaling R\$54,646. To join this installment system, a payment of R\$2,732 was made, and the remaining balance of R\$51,913 would be paid in monthly installments adjusted by the Selic rate, with the final installment due in February 2026. In June 2025, the Company joined a Refis (tax amnesty program) for this installment plan, with an initial balance of R\$35,320 and a down payment of R\$2,943. The balance as of December 31, 2025, was R\$16,437.

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In 2024:

States of São Paulo and Paraná: the remaining installment of R\$484,654 was classified as financing, which will be partially paid off with the offsetting of a judicial deposit (only for the State of São Paulo), and the remainder will be paid in up to 60 installments adjusted by the SELIC rate. The balances as of December 31, 2025 and 2024 were R\$350,346 and R\$444,262, respectively.

21.c.3.4. Financial institutions

These refer to loans from financial institutions resulting from business combinations (IPNET and Samauma), described below, whose balances were R\$3,674 and R\$4,886 as of December 31, 2025 and 2024, respectively.

IPNET, a company acquired by CloudCo Brasil in 2024, has a bank loan with Caixa Econômica Federal, with a remuneration of CDI + 2.92% per year. Interest and principal are paid in monthly installments, with the final installment due on July 17, 2026. The balances as of December 31, 2025 and 2024 were R\$1,761 and R\$4,886, respectively.

Samauma, a company acquired by Terra Networks in 2025, has bank loans with financial institutions at fixed rates. The balance as of December 31, 2025 was R\$1,913.

21.c.3.5. Other creditors

They include information on transactions for the subscription of senior shares in the Vivo Money FIDCs, the loan agreement of the subsidiary CloudCo Brasil and Desenrola Program, described below, whose balances on December 31, 2025 and 2024 were R\$127,620 and R\$117,143, respectively.

Subscriptions for senior quotas in Vivo Pay FIDCs

In 2025 and 2024, contributions were made to the Vivo Pay FIDCs through the subscription of senior quotas, totaling R\$20,000 and R\$38,093 on December 31, 2025 and 2024, respectively.

These contributions mature on July 31, 2028, with a return of 100% of the CDI rate, a 252-day term, a spread of 3.75% p.a., and principal amortization starting on August 31, 2025.

The balances were R\$78,323 and R\$68,118 on December 31, 2025 and 2024, respectively.

Loan agreement between CloudCo Brasil and Telefônica Cybersecurity & Cloud Tech ("TCCT")

On September 26, 2024, the Company's subsidiary - CloudCo Brasil and TCCT (a Telefônica Group member company), entered into a loan agreement in the amount of €7,394 thousand (equivalent to R\$44,991, principal amount), providing CloudCo Brasil with the financial capacity to meet its obligations for the acquisition of IPNET.

The principal amount will be adjusted daily, until the date of effective settlement, by the Euribor 6M rate + 240 bps per year, from the date the principal is made available until the date of its effective payment ("interest"). Interest will be paid semi-annually starting on March 27, 2025 and the principal will be paid on September 27, 2027.

To mitigate risk exposure, a swap was contracted exchanging the exchange rate risk and fixed interest for CDI + 1.795% p.a.

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The balances were R\$49,297 and R\$49,025 on December 31, 2025 and 2024, respectively.

Desenrola Program

The Company joined the Desenrola Program in order to renegotiate regulatory debts totaling R\$173,796. This balance will be paid in monthly installments, adjusted at a rate of 1.43% per month, with full payment due in the third quarter of 2025.

21.d. Repayment schedule

Year	Leases	Debentures	5G Licences	Loans and financing				Total
				Liabilities for the acquisition of a company	Refinancing and Amnesty Program	Financial institutions	Other creditors	
2027	3,430,426	2,000,000	68,931	69,205	102,445	1,474	77,931	5,750,412
2028	2,681,027	—	68,931	36,816	102,159	—	17,132	2,906,065
2029	1,977,772	—	68,931	92,500	42,406	—	—	2,181,609
2030	1,111,681	181,102	68,931	35,527	—	—	—	1,397,241
2031 onwards	1,348,772	724,410	689,308	—	—	—	—	2,762,490
Total	10,549,678	2,905,512	965,032	234,048	247,010	1,474	95,063	14,997,817

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21.e. Changes

	Loans and financing							Total
	Leases	Debentures	5G Licences	Financial institutions	Liabilities for the acquisition of a company	Refinancing and Amnesty Program	Other creditors	
Balance on December 31, 2023	13,596,039	3,721,589	1,300,686	—	88,888	—	30,025	18,737,227
Income, with effects on cash and cash equivalents	—	—	—	—	—	—	83,084	83,084
Income, excluding cash and cash equivalents	4,774,379	—	—	—	—	484,654	—	5,259,033
Exchange variation (Note 28.)	—	—	—	—	—	—	2,598	2,598
Financial charges (Note 28.)	1,630,993	417,048	54,587	73	7,458	21,443	9,759	2,141,361
Business combination – IPNET (Note 1.c.3.)	—	—	—	5,563	163,792	—	—	169,355
Write-offs (cancellation of contracts)	(69,121)	—	—	—	—	—	—	(69,121)
Write-offs (payments), principal	(3,081,545)	—	(331,687)	(750)	(22,927)	(58,130)	—	(3,495,039)
Write-offs (payments), financial charges	(1,600,192)	(443,423)	(18,616)	—	(3,862)	(3,605)	(8,323)	(2,078,021)
Other changes	(3,947)	—	—	—	—	—	—	(3,947)
Balance on December 31, 2024	15,246,606	3,695,214	1,004,970	4,886	233,349	444,362	117,143	20,746,530
Income, with effects on cash and cash equivalents	—	—	—	—	—	—	20,000	20,000
Income, excluding cash and cash equivalents	3,700,137	—	—	—	—	129,766	166,215	3,996,118
Exchange variation (Note 28.)	—	—	—	—	—	—	243	243
Financial charges (Note 28.)	1,703,845	431,942	97,926	648	16,300	40,489	33,902	2,325,052
Settlement by offsetting judicial deposit (Note 10)	—	—	—	—	—	(38,745)	—	(38,745)
Business combination – Samauma (Note 1.c.1)	—	—	—	12,659	44,451	—	—	57,110
Business combination – FiBrasil (Note 1.c.2)	82,533	904,164	—	—	—	—	—	986,697
Business combination – CyberCo Brasil (Note 1.c.6)	—	—	—	—	16,332	—	—	16,332
Write-offs (cancellation of contracts)	(221,877)	—	—	—	—	—	—	(221,877)
Write-offs (payments), principal	(3,322,031)	(1,500,000)	(46,437)	(13,746)	(30,509)	(135,711)	(183,590)	(5,232,024)
Write-offs (payments), financial charges	(1,756,359)	(464,355)	(22,495)	(773)	(3,624)	(34,856)	(26,293)	(2,308,755)
Balance on December 31, 2025	15,432,854	3,066,965	1,033,964	3,674	276,299	405,305	127,620	20,346,681

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22. DEFERRED INCOME

	12.31.2025	12.31.2024
Contractual Liabilities (customers contracts) ⁽¹⁾	1,078,029	1,016,935
Sale of goods and fixed assets ⁽²⁾	56,130	61,919
Government grants	1,180	6,714
Other ⁽³⁾	167,326	60,478
Total	1,302,665	1,146,046
Current	1,076,293	1,019,134
Non-current	226,372	126,912

(1) Refers to the balance of contractual liabilities of customers, deferred to match performance obligations over time.

(2) Includes the net balances of the residual values from sale of non-strategic towers and rooftops, transferred to income as the conditions for recognition are met..

(3) The consolidated amounts include the resale of software licenses from the indirect subsidiary TIS.

Below, we present the changes in contractual liabilities (contracts with customers), mainly represented by the sale of prepaid credits.

	12.31.2025	12.31.2024
Balance at the beginning of the fiscal year	1,016,935	963,407
Additions	9,056,854	9,482,545
Write-offs, net	(8,995,760)	(9,429,017)
Balance at the end of the year	1,078,029	1,016,935

Below, we present the expected terms for the realization of contractual, non-current liabilities.

Year	
2026	1,011,297
2027	46,471
2028	4,735
2029	3,325
2030	3,946
2031 onwards	8,255
Total	1,078,029

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23. OTHER LIABILITIES

	12.31.2025	12.31.2024
Reduction of the Company's capital ⁽¹⁾	91,093	38,721
Reverse stock split and stock split ⁽²⁾	824,723	—
Surplus from post-employment benefit plans (Note 31.)	786,546	728,559
Liabilities with ANATEL ⁽³⁾	995,457	1,039,492
Third-party withholdings ⁽⁴⁾	229,176	218,244
Liabilities with related parties (Note 29.)	138,628	133,928
Obligations to customers – refund	108,166	126,867
Other liabilities	106,476	74,660
Total	3,280,265	2,360,471
Current	1,531,414	716,984
Non-current	1,748,851	1,643,487

(1) Refers to the Company's capital reduction processes (note 24.a).

(2) Refers to the Company's reverse stock split and stock split processes (note 24.a.).

(3) Includes amounts related to the cost of renewing STFC and SMP licenses.

(4) Refers to withholdings on payroll and taxes withheld at source on interest on equity and on the provision of services.

24. EQUITY

24.a. Capital

Brazilian Corporation Law No. 6,404, of December 15, 1976 (“Corporation Law”), Article 166, item IV, establishes that capital may be increased by an Extraordinary Shareholders' Meeting Resolution by modifying the Articles of Incorporation, if the authorized capital increase limit has been reached.

The shareholders will have preemptive rights to subscribe for a capital increase, in proportion to their number of shares. By resolution of the Board of Directors, the preemptive right in the issuance of shares, convertible debentures and subscription bonus, whose placement may be made through sale on the Stock Exchange or public subscription, exchange for shares in a public offer for acquisition may be excluded control, under the terms of articles 257 and 263 of the Corporation Law, as well as enjoy tax incentives, under the terms of special legislation, as provided for in article 172 of the Corporation Law.

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24.a.1) Company Capital Reductions

In accordance with and for the purposes of the provisions of article 157, paragraph 4, of the Brazilian Corporations Law, and the provisions of CVM Resolution No. 44, of August 23, 2021, during the fiscal years 2025 and 2024, the Company's Board of Directors approved capital reductions without the cancellation of shares, maintaining unchanged the number of shares and the percentage of shareholder participation in the Company's share capital, with the objective of improving the Company's capital structure, allowing for flexibility in the allocation of its capital, generating a balance between its need for resources and the generation of value for its shareholders, as described below:

- On January 24, 2024, the Company's Extraordinary General Meeting approved a reduction of R\$1,500,000 in its share capital, from R\$63,571,416 to R\$62,071,416. After all applicable legal requirements were met, the reduction in share capital became fully effective on April 4, 2024. The Company made the payment of this reduction in share capital, net of withholding income tax, in Brazilian currency, in the amount of R\$0.90766944153 per common share issued by the Company, to the shareholders listed in the Company's records at the end of the day on April 10, 2024.
- On December 18, 2024, the Company's Extraordinary General Meeting approved a reduction of R\$2,000,000 in its share capital, from R\$62,071,416 to R\$60,071,416. After all applicable legal requirements were met, the reduction in share capital became fully effective on February 17, 2025. The Company made a payment of this reduction in share capital net of withholding income tax, in Brazilian currency, in the amount of R\$1.23337023478 per common share issued by the Company, to the shareholders listed in the Company's records at the end of the day on February 27, 2025.

Of the capital reductions described above, as of the closing date of these consolidated financial statements, the Company had already paid R\$3,408,907 to the identified shareholders, with the remaining amount of R\$91,093 remaining to be available to these shareholders for the statutory limitation period.

On December 9, 2025, the Company's Board of Directors approved: (i) a proposal, to be considered and deliberated by the shareholders at an Extraordinary General Meeting (EGM), for a capital reduction operation of the Company in the amount of R\$4.0 billion, without the cancellation of shares and through the restitution of resources to shareholders in Brazilian currency, to be paid in a single installment by July 31, 2026, on a date to be determined in due course by the Company's Board of Directors; and (ii) the convening, at an opportune time, of an EGM to deliberate on the aforementioned capital reduction proposal and the consequent amendment to the Company's Bylaws. If approved at an extraordinary general meeting, the implementation of the proposed capital reduction will be subject to a period of 60 days from the publication of the respective minutes, as provided for in article 174 of the Brazilian Corporations Law.

24.a.2) Reverse stock split and stock split

On March 13, 2025, the Company informed its shareholders and the market in general that: (i) at the Company's Extraordinary General Meeting held on the same date, the proposal to group all of the Company's common shares was approved, in the proportion of 40 shares for 1 share, and to subsequently split the shares, so that 1 grouped share would correspond to 80 shares, without altering the value of the Company's share capital, but only its total number of shares, with the consequent amendment to its Articles of Association ("Transaction"); (ii) at a meeting of the Company's Statutory Board held on the same date following the Extraordinary General Meeting, it was approved that the procedures for implementing the Transaction would begin on the same date, and the period between March 14, 2025 (inclusive) and April 14, 2025 (inclusive) was defined for shareholders holding common shares of the Company to, if applicable, compose their shareholdings in whole lots in multiples of 40, at their sole and exclusive discretion, in order to ensure ownership of a whole number of shares as a result of the Transaction ("Free Position Adjustment Period").

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As approved at the Extraordinary General Meeting, the Transaction did not imply any change in the total number of the Company's securities traded on the American market (American Depositary Receipt - "ADR").

The objective of the Transaction was to provide greater liquidity to the Company's shares and, consequently, improve the price formation process, by increasing the number of shares in circulation effectively traded and adjusting their price. Furthermore, the Operation aimed to: (i) reduce operational and administrative costs arising from the current configuration of the Company's shareholder base; (ii) provide greater efficiency in the management of its shareholder base; (iii) increase the efficiency of the book-entry share registration and custody systems; (iv) improve the provision of information and communication, enhancing service to shareholders; and (v) provide greater efficiency in the distribution of dividends to the Company's shareholders.

Execution of the Transaction

The Transaction was executed on the business day following the end of the Free Position Adjustment Period, i.e., on April 15, 2025, at which time the Company's share capital was divided into 3,261,287,392 common shares without par value, and shareholders had their shareholdings adjusted. Once the Free Position Adjustment Period ended, shareholders holding fractional shares resulting from the Transaction would be subject to the procedure set out in the item "Remaining Fractional Shares," described below.

From April 15, 2025, inclusive, the shares began trading on an ex-share consolidation and ex-share split basis.

Remaining Fractional Shares

After the end of the Free Position Adjustment Period, fractional shares held by shareholders who did not adjust their position to multiples of 40 shares were grouped into whole numbers and sold at auction, held on the B3 stock exchange in the name of the fractional shareholders ("Auction"). The net proceeds from the sale of these shares were allocated and distributed proportionally among all holders of fractional shares as follows: (i) for shareholders with complete registration data, the amounts were deposited into the current account indicated in the respective shareholder's registration; (ii) for shareholders with shares deposited with the B3 Central Depository, the amounts were credited directly to the Central Depository, which was responsible for transferring them to the respective shareholder through its custodian agent; and (iii) for other unidentified shareholders or those without complete registration data: the amounts are available at the Company, for the legal period, for receipt by the respective holder upon provision of complete registration data.

The funds allocated to investors (residents and non-residents) were subject to income tax on any gains, which were taxed as "net gains," in accordance with current legislation.

The Transaction (i) was applied to all shareholders of the Company; (ii) did not result in a change in the value of the Company's share capital; (iii) did not modify the rights conferred by the Company's shares to their holders; and (iv) implied a change, in parallel with the completion of the Transaction, in the number of shares that make up each ADR, with 1 ADR now representing 2 ordinary shares issued by the Company, while the total number of ADRs in circulation remained unchanged.

On May 19, 2025, the Company informed its shareholders and the market in general that the aforementioned auction had been held for the sale of 35,633,792 common shares, formed from the aggregation of fractional shares resulting from the reverse stock split of all common shares issued by the Company, in the proportion of 40 shares for 1 share, with subsequent stock splitting, so that 1 grouped share became equivalent to 80 shares, without altering the value of the Company's share capital, but only its total number of shares.

The result of the auction, totaling R\$949,354, net of costs and fees, equivalent to R\$26.64196300439 per common share, was made available to the holders of fractional shares, in the respective proportions, until May 28, 2025.

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From the reverse stock split and stock split described above, the closing date of these consolidated financial statements, the Company had already paid R\$124,631 to the identified fractional shareholders, leaving an amount of R\$824,723 available to unidentified shareholders or those with incomplete registration data. These values are not subject to monetary adjustment.

Company Capital Structure

The subscribed and paid-in share capital was R\$60,071,416 and R\$62,071,416 as of December 31, 2025 and 2024, respectively, represented by shares, all common, book-entry and without par value, distributed as follows:

Shareholders	12.31.2025		12.31.2024	
	Number	%	Number (Adjusted)	%
Controlling Group	2,488,480,640	77.13%	2,488,480,640	76.30%
Telefônica, S.A.	1,268,797,680	39.33%	1,268,797,680	38.90%
Telefônica Latinoamérica Holding, S.L.	1,217,810,000	37.74%	1,217,810,000	37.34%
Telefônica Móviles Chile, S.A.	1,872,960	0.06%	1,872,960	0.06%
Other shareholders (Free Float)	707,125,712	21.91%	764,884,568	23.46%
Treasury Shares	30,940,270	0.96%	7,922,184	0.24%
Total shares	3,226,546,622	100.00%	3,261,287,392	100.00%
Treasury Shares	(30,940,270)		(7,922,184)	
Total shares outstanding	3,195,606,352		3,253,365,208	

Book value per outstanding share:

On 12.31.2025	R\$	21.51
On 12.31.2024 - Adjusted	R\$	21.43

The number of shares and the book value per share outstanding for the comparative period (December 31, 2024), originally presented as 1,626,682,604 and R\$42.87, respectively, have been adjusted to reflect retrospective adjustments resulting from share consolidation and stock split processes, as described in Note 24.a.

24.b. Company's share buyback program

On February 25, 2025, the Company's Board of Directors, in accordance with article 15, item XV of the Company's Bylaws and CVM Resolution No. 77/2022, approved a new share buyback program for shares issued by the Company, which aims to acquire common shares issued by the Company for maintenance in treasury, subsequent cancellation or sale, without reducing the share capital, in order to increase shareholder value through the efficient application of available cash resources, optimizing the Company's capital allocation.

The share buyback will be carried out using resources available in the statutory profit reserve, and the result obtained in the current fiscal year may also be used, pursuant to article 8, § 1, items I and II of CVM Resolution No. 77/2022. As a result of the share consolidation and subsequent stock split of its own shares, effective April 15, 2025, the maximum number of shares that can be acquired under the Company's current share buyback program, approved on February 25, 2025, was automatically adjusted. The maximum amount to be used in the program is R\$1.75 billion.

This program began on February 26, 2025 and will end on February 25, 2026.

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Treasury shares are equity instruments that, when repurchased, are recognized at cost and deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issuance or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in other capital reserves.

In the fiscal year ended December 31, 2025, the Company repurchased 57,758,856 common shares, already adjusted after the completion of the share consolidation and stock split processes (note 24.a.), totaling R\$1,746,480.

At a meeting held on July 24, 2025, the Company's Board of Directors approved the cancellation of 34,740,770 common, book-entry shares with no par value issued by the Company and held in treasury, equivalent to 1.07% of the share capital, without reducing the value of said capital, which were acquired in the context of the Company's Share Buyback Program. The amount of this share cancellation was R\$928,922. As a result of the approved share cancellation, the Company's share capital is now divided into 3,226,546,622 common, book-entry shares with no par value.

Below, we present the movements of treasury shares, described in items c) and d) of this Note.

	Number of shares			Values		
	Capital reserves	Income reserves	Total	Capital reserves	Income reserves	Total
Equity on December 31, 2023 (adjusted)	8,712	—	8,712	(194)	—	(194)
Share buybacks (adjusted)	—	51,802,800	51,802,800	—	(1,299,583)	(1,299,583)
Share cancellations (adjusted)	—	(43,889,328)	(43,889,328)	—	1,099,584	1,099,584
Equity on December 31, 2024 (adjusted)	8,712	7,913,472	7,922,184	(194)	(199,999)	(200,193)
Share buybacks	—	57,758,856	57,758,856	—	(1,746,480)	(1,746,480)
Share cancellations	(1,122)	(34,739,648)	(34,740,770)	30	928,892	928,922
Equity on December 31, 2025	7,590	30,932,680	30,940,270	(164)	(1,017,587)	(1,017,751)

24.c. Capital reserves

The balances for this item were R\$(110,078) and R\$63,095 as of December 31, 2025 and 2024, respectively, subdivided into:

- **Special premium reserve:** Refers to the tax benefit generated by the incorporation of Telefônica Data do Brasil Ltda., which will be capitalized in favor of the controlling shareholders (Telefônica and TLH) after the realization of the tax credit. The balances of this item were R\$63,074 on December 31, 2025 and 2024.
- **Treasury shares:** Refers to the repurchases of common shares, using capital reserves. In 2025, 1,122 treasury shares were cancelled, totaling R\$30. The balances of this item were R\$164 and R\$194 on December 31, 2025 and 2024, respectively.
- **Other capital reserves:** This refers to the effects of capital transactions that occurred in the acquisition, sale, and incorporation of companies by the Company and/or its subsidiaries, and other capital transactions. In 2025, the following events occurred: (i) cancellation of 1,122 treasury shares totaling R\$30; (ii) capital transaction related to reverse stock split and stock split processes in the amount of (R\$4,444) (Note 23.a.2.); and (iii) Capital transaction in the acquisition of CyberCo Brasil by TIS in the amount of (R\$168,729) (Note 1.c.6). The balances of this item were (R\$172,988) and R\$215. on December 31, 2025 and 2024, respectively.

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24.d. Income reserves

The balances for this item were R\$8,735,352 and R\$7,523,216 as of December 31, 2025 and 2024, respectively, subdivided into:

- **Legal reserve:** A statutory reserve, under corporate law, formed by appropriating 5% of the net profit for the year, until it reaches 20% of the paid-in share capital. The legal reserve may only be used to increase share capital and to offset accumulated losses.. The balance of this item on December 31, 2025 was R\$4,426,814 (R\$4,118,419 December 31, 2024).
- **Treasury shares:** This refers to the balance of 30,940,270 common shares resulting from repurchases and cancellations that occurred in 2025 and 2024, through the use of part of the reserve for shareholder remuneration and investments in 2025 and the result of the 2024 fiscal year. The balances of this item were R\$1,017,587 and R\$199,999 on December 31, 2025 and 2024, respectively.
- **Tax incentives:** This refers to the tax benefits that the Company possesses related to: (i) ICMS (State VAT) in the states of Minas Gerais and Espírito Santo, referring to credits granted by the competent bodies of said states, linked to investments in the installation of SMP (Mobile Personal Service) support equipment, in full operation and functioning, in accordance with the regulations in force, which ensure that the locations listed in the tender are included in the SMP coverage area; and (ii) a 75% reduction in IRPJ (Corporate Income Tax) levied on profits earned in the states of the North and Northeast regions of the country (SUDAM and SUDENE areas). The balances of this item were R\$434,492 and R\$426,933 on December 31, 2025 and 2024, respectively.
- **Reserve for remuneration to shareholders and investments:** A statutory reserve created by the Company pursuant to Article 194 of the Brazilian Corporations Law, to which up to 50% of the net profit for the fiscal year will be allocated, as proposed by Management, provided that the total balance of said reserve does not exceed 20% of the Company's share capital, in order to ensure resources for: (i) repurchase, redemption, reimbursement or amortization of shares issued by the Company itself; (ii) distribution of dividends to shareholders, including interim or special dividends or in the form of interest on equity; and (iii) investments related to the Company's activities. On July 24, 2025, 34,740,770 common, book-entry shares without par value issued by the Company and held in treasury were cancelled, amounting to R\$928,922, through the partial use of this reserve. Regarding the remaining amount of net profit available for distribution for the year ended December 31, 2025, in the amount of R\$2,642,662, it was proposed to allocate it to this reserve, to be deliberated at the Company's EGM to be held on 2026. The balances of this item were R\$4,891,633 and R\$3,177,863 on December 31, 2025 and 2024, respectively.

24.e. Dividend and interest on equity

24.e.1. Allocation of dividends and interest on equity for the 2025 and 2024

The amounts of IOE are calculated and presented net of Withholding Income Tax ("IRRF"). Exempt shareholders received the full IOE amount, without withholding income tax at source.

The amount per share, net of interest on equity declared for the fiscal years 2024 and 2025 (as of February 13, 2025, March 13, 2025, and April 1, 2025) has been recalculated and is presented taking into account the effects of the share consolidation and stock split of the Company carried out on April 15, 2025, Note 24.a.

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In 2025

At meetings of the Company's Board of Directors, interest on equity was declared, in accordance with article 26 of the Company's Bylaws, article 9 of Law No. 9,249/1995 and CVM Resolution No. 143/2022. As provided for in article 26 of the Company's Bylaws, such interest will be attributed to the mandatory dividend for the year ending on December 31, 2025, ad referendum of the Shareholders' AGM to be held in 2026, as follows:

Dates					
Deliberation	Credit	Payment date	Gross Amount	Net Value	Amount per Share, Net
02.13.2025	02.24.2025	12.02.2025	180,000	153,000	0.04714626133
03.13.2025	03.24.2025	12.02.2025	200,000	170,000	0.05246778188
04.01.2025	04.11.2025	04.30.2026	240,000	204,000	0.06296133934
05.12.2025	05.22.2025	04.30.2026	500,000	425,000	0.13116945695
06.12.2025	06.23.2025	04.30.2026	200,000	170,000	0.05264314492
07.14.2025	07.25.2025	04.30.2026	330,000	280,500	0.08715426995
08.14.2025	08.25.2025	04.30.2026	250,000	212,500	0.06624319750
09.11.2025	09.22.2025	04.30.2026	400,000	340,000	0.10608541339
10.14.2025	10.27.2025	04.30.2026	380,000	323,000	0.10078114272
11.13.2025	11.24.2025	04.30.2026	340,000	289,000	0.09035622247
12.16.2025	12.29.2025	04.30.2026	350,000	297,500	0.09309657299
Total			3,370,000	2,864,500	

In 2024

At the Annual General Meeting held on April 25, 2025, the administrators' accounts were approved, and the Management Report and Financial Statements, accompanied by the Independent Auditors' Report, the Audit and Control Committee's Opinion, and the Fiscal Council's Opinion, relating to the fiscal year ended December 31, 2024, as well as the proposal for the allocation of the result of said fiscal year 2024, were examined, discussed and voted on.

During the 2024 fiscal year, the Company allocated interim interest on equity, which was imputed to mandatory dividends, as follows:

Dates					
Deliberation	Credit	Payment date	Gross Amount	Net Value	Amount per Share, Net
03.14.2024	03.28.2024	12.17.2024	300,000	255,000	0.07715190253
04.16.2024	04.29.2024	12.17.2024	380,000	323,000	0.09779002985
06.14.2024	06.26.2024	12.17.2024	175,000	148,750	0.04514626499
07.15.2024	07.26.2024	04.30.2025	650,000	552,500	0.16814026479
08.14.2024	08.26.2024	04.30.2025	400,000	340,000	0.10376995616
12.12.2024	12.26.2024	04.30.2025	1,200,000	1,020,000	0.31352151843
Total			3,105,000	2,639,250	

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24.e.2. Unclaimed dividends and interest on equity

Pursuant to Article 287, paragraph II, item "a" of Law No. 6404, of December 15, 1976, the dividends and interest on equity unclaimed by shareholders are subject to the statute of limitation 3 years, as from the initial payment date. The Company reverses the amounts of unclaimed dividends and IOE to equity once the statute of limitation occurred.

For the years ended December 31, 2025 and 2024, the Company reversed unclaimed dividends and interest on equity amounting to R\$150,553 and R\$126,977, respectively, which were included in calculations for decisions on Company dividends.

24.e.3. Remuneration to shareholders

The dividends are calculated in accordance with the Company Articles of Incorporation and the Corporation Law.

The table below shows the calculation of dividends and interest on equity for 2025 and 2024:

	2025	2024
Net income for the year	6,167,906	5,547,948
(-) Allocation to legal reserve	(308,395)	(277,397)
(-) Tax incentives – not distributable	(7,559)	(113,352)
Adjusted net income	5,851,952	5,157,199
IOE allocated for the year (gross)	(3,370,000)	(3,105,000)
Interim interest on equity (gross)	(3,370,000)	(3,105,000)
Unallocated net profit balance	2,481,952	2,052,199
(+) Unclaimed dividends and interest on equity	150,553	126,977
(+) Actuarial gains recognized and effect of limitation of surplus plan assets, net of taxes and other changes	10,157	367,299
(-) Share buyback and cancellation - share buyback programs	—	(1,099,584)
Income available for allocation	2,642,662	1,446,891
Proposal for allocation:		
Reserve for shareholder remuneration and investments	2,642,662	1,446,891
Total	2,642,662	1,446,891
Mandatory minimum dividend – 25% of adjusted net income	1,462,988	1,289,300

The proposal to management of the 2025 financial year that is presented above will be submitted to the annual general meeting to be held in 2026.

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24.f. Equity valuation adjustment

Currency translation effects for foreign investments: This refers to currency translation differences arising from the translation of financial statements of Aliança (joint venture).

Financial assets at fair value through other comprehensive income: Refers to changes in the fair value of equity instruments (shares).

Derivative financial instruments: These refer to the effective part of cash flow hedges up to the balance sheet date.

The changes in equity valuation adjustments, net of gains or losses and of taxes, when applicable, were as follows:

	Currency translation effects – foreign investments	Financial assets at fair value through other comprehensive income	Derivative transactions	Total
Balance on December 31, 2023	56,576	(9,274)	(593)	46,709
Translation losses	24,566	—	—	24,566
Losses from derivatives	—	—	593	593
Losses on financial assets at fair value through other comprehensive income	—	(13)	—	(13)
Balance on December 31, 2024	81,142	(9,287)	—	71,855
Translation gains	813	—	—	813
Losses from derivatives	—	—	(47,595)	(47,595)
Losses on financial assets at fair value through other comprehensive income	—	(20)	—	(20)
Balance on December 31, 2025	81,955	(9,307)	(47,595)	25,053

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24.g. Non-controlling shareholders

	IoTCo Brasil	Vivo Ventures	FiBrasil	CloudCo Brasil	Total
Equity on December 31, 2023	96,607	43,055	—	22,746	162,408
Company	48,313	42,195	—	11,375	101,883
Non-controlling shareholders	48,294	860	—	11,371	60,525
Company	6,316	92,651	—	1,184	100,151
Capital contributions in investees	—	97,449	—	—	97,449
Movements in equity	(2,001)	—	—	15	(1,986)
Movements in the statements of income	8,317	(4,798)	—	1,169	4,688
Non-controlling shareholders	6,313	1,892	—	1,183	9,388
Capital contributions in investees	—	1,990	—	—	1,990
Movements in equity	(2,000)	—	—	14	(1,986)
Movements in the statements of income	8,313	(98)	—	1,169	9,384
Equity on December 31, 2024	109,236	137,598	—	25,113	271,947
Company	54,629	134,846	—	12,559	202,034
Non-controlling shareholders	54,607	2,752	—	12,554	69,913
Company	(54,629)	109,803	1,233,653	62,635	1,351,462
Capital contributions in investees	—	89,828	—	—	89,828
Business combination - FiBrasil - Fair Value	—	—	1,230,252	—	1,230,252
Movements in equity	—	—	15	(100)	(85)
Movements in result	1,490	19,975	3,386	6,616	31,467
Merger of IoTCo Brasil by CloudCo Brasil	(56,119)	—	—	56,119	—
Non-controlling shareholders	(54,607)	2,241	200,829	62,607	211,070
Capital contributions in investees	—	1,833	—	—	1,833
Business combination - FiBrasil - Fair Value	—	—	199,695	—	199,695
Movements in equity	—	—	5	(100)	(95)
Movements in result	1,489	408	1,129	6,611	9,637
Merger of IoTCo Brasil by CloudCo Brasil	(56,096)	—	—	56,096	—
Equity on December 31, 2025	—	249,642	1,434,482	150,355	1,834,479
Company	—	244,649	1,233,653	75,194	1,553,496
Non-controlling shareholders	—	4,993	200,829	75,161	280,983

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24.h. Earnings per share

Basic and diluted earnings per share were calculated by dividing profit attributed to the Company's shareholders by the weighted average number of outstanding common and preferred shares. The Company does not hold any potential dilutive shares outstanding that could result in the dilution of earnings per share.

	2025	2024	2023
Net profit for the year attributed to shareholders holding shares	6,167,906	5,547,948	5,029,389
Weighted average of common shares outstanding (in thousands) - (2024 and 2023 - adjusted)	3,223,658	3,286,264	3,317,207
Basic and diluted results per common share (R\$) - (2024 and 2023 - adjusted)	1.91	1.69	1.52

In accordance with accounting standard IAS 33 – “Earnings per share”, if the number of common shares increases as a result of a stock split or decreases as a result of a reverse stock split, the calculation of basic and diluted earnings per share for all periods presented must be adjusted retrospectively. In this context, the weighted average number of shares outstanding and the basic and diluted earnings per share outstanding for the comparatives periods: (i) December 31, 2024, originally presented as 1,643,132 and R\$3.38, respectively; and (ii) December 31, 2023, originally presented as 1,658,604 and R\$3.03, respectively, are being adjusted for the application of the retrospective adjustments of the assumptions of the reverse stock split and reverse stock split processes described in note 24.a.2).

25. NET OPERATING REVENUE

25.a. Accounting policy

Revenues correspond substantially to the provision of telecommunication services, communications, sales of goods, advertising and other revenues, and are presented net of taxes, discounts and returns (in the case of sale of goods), levied on them.

Total revenues from packages that combine several products or services (fixed, mobile, data, internet or television) are allocated to each performance obligation based on their independent selling prices in relation to the total consideration for the package and recognized when (or as soon as) the obligation is satisfied. When packages promote some discount on equipment or services, an accounting adjustment is made to allocate the sale price between them based on their fair price, constituting a contractual asset or liability, which is appropriated to income over subsequent periods.

Revenues from sales of prepaid cellular recharge credits, as well as the respective taxes due, are deferred and recognized in income as the services are effectively provided.

Revenues from equipment leasing contracts, classified as leasing (Vivo TECH product), are recognized when the equipment is installed, when the effective transfer of control. Revenues are recognized at the present value of future minimum contract payments.

Revenue from the sale of devices to dealers is recorded at the time of delivery, when control is transferred to the authorized agents.

The Company's revenue recognition process is complex, due to the large volume of transactions and wide range of goods/services that can be sold/provided separately or in aggregate, under different commercial conditions. Besides, there is the complexity of the process used by management for estimating recognized revenue rendered and not yet billed, given the diversity of data sources, revenue streams and the number of systems involved.

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Revenues from services and goods are basically subject to the following indirect taxes: ICMS or ISS, as the case may be, PIS and COFINS.

25.b. Breakdown

	2025	2024	2023
Gross operating revenue	82,365,221	76,772,414	71,229,553
Services ⁽¹⁾	74,099,399	68,930,886	63,727,415
Sale of goods ⁽²⁾	8,265,822	7,841,528	7,502,138
Deductions from gross operating revenue	(22,770,221)	(20,927,366)	(19,129,402)
Taxes	(11,601,278)	(11,011,448)	(10,654,728)
Services	(10,001,223)	(9,585,332)	(9,078,822)
Sale of goods	(1,600,055)	(1,426,116)	(1,575,906)
Discounts granted and return of goods	(11,168,943)	(9,915,918)	(8,474,674)
Services	(9,003,472)	(7,594,079)	(6,373,301)
Sale of goods	(2,165,471)	(2,321,839)	(2,101,373)
Net operating revenue	59,595,000	55,845,048	52,100,151
Services	55,094,704	51,751,475	48,275,292
Sale of goods	4,500,296	4,093,573	3,824,859

(1) These include telephone services, use of interconnection network, data and SVA services, cable TV and other services.

(2) These include sale of goods (handsets, SIM cards and accessories) and equipment of "Vivo Tech".

No single customer contributed more than 10% of gross operating revenue for the years ended December 31, 2025, 2024 and 2023.

26. OPERATING COSTS AND EXPENSES

	2025			Total
	Cost of sales and services	Selling expenses	General and administrative expenses	
Third-party services ⁽¹⁾	(11,275,654)	(6,327,480)	(1,289,582)	(18,892,716)
Depreciation and amortization ⁽²⁾	(12,367,635)	(1,705,498)	(871,271)	(14,944,404)
Personnel ⁽³⁾	(1,414,603)	(3,504,659)	(1,450,316)	(6,369,578)
Cost of goods sold	(4,555,544)	—	—	(4,555,544)
Taxes, charges and contributions ⁽⁴⁾	(1,995,405)	(34,409)	(59,600)	(2,089,414)
Rental, insurance, condominium and connection means ⁽⁵⁾	(1,242,310)	(73,616)	(56,275)	(1,372,201)
Estimated impairment losses on accounts receivable (Note 5)	—	(1,581,337)	—	(1,581,337)
Materials and other operating costs and expenses	(74,217)	(121,113)	(44,561)	(239,891)
Total	(32,925,368)	(13,348,112)	(3,771,605)	(50,045,085)

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	2024			
	Cost of sales and services	Selling expenses	General and administrative expenses	Total
Third-party services ⁽¹⁾	(10,294,946)	(5,994,001)	(1,170,535)	(17,459,482)
Depreciation and amortization ⁽²⁾	(11,713,054)	(1,671,280)	(817,951)	(14,202,285)
Personnel ⁽³⁾	(1,366,540)	(3,532,543)	(1,083,338)	(5,982,421)
Cost of goods sold	(4,468,045)	—	—	(4,468,045)
Taxes, charges and contributions ⁽⁴⁾	(2,029,196)	(39,086)	(42,710)	(2,110,992)
Rental, insurance, condominium and connection means ⁽⁵⁾	(1,383,815)	(73,696)	(50,490)	(1,508,001)
Estimated impairment losses on accounts receivable (Note 5)	—	(1,523,263)	—	(1,523,263)
Materials and other operating costs and expenses	(96,562)	(119,930)	(39,990)	(256,482)
Total	(31,352,158)	(12,953,799)	(3,205,014)	(47,510,971)

	2023			
	Cost of sales and services	Selling expenses	General and administrative expenses	Total
Third-party services ⁽¹⁾	(9,419,794)	(5,889,946)	(1,070,918)	(16,380,658)
Depreciation and amortization ⁽²⁾	(10,997,645)	(1,541,485)	(850,443)	(13,389,573)
Personnel ⁽³⁾	(1,302,479)	(3,415,532)	(895,751)	(5,613,762)
Cost of goods sold	(4,301,092)	—	—	(4,301,092)
Taxes, charges and contributions ⁽⁴⁾	(2,060,261)	(29,492)	(40,364)	(2,130,117)
Rental, insurance, condominium and connection means ⁽⁵⁾	(1,241,597)	(72,742)	(49,765)	(1,364,104)
Estimated impairment losses on accounts receivable (Note 5)	—	(1,362,678)	—	(1,362,678)
Materials and other operating costs and expenses	(92,532)	(127,365)	(50,055)	(269,952)
Total	(29,415,400)	(12,439,240)	(2,957,296)	(44,811,936)

- (1) Includes costs and expenses for interconnection and use of networks, advertising and publicity, plant maintenance, electricity, security, cleaning, TV content purchase, commercial brokerage and intermediation, partnerships, call center, back office, logistics and storage, preparation and posting of telephone bills, banking services, among others.
- (2) Includes the consolidated amounts of R\$3,723,418 and R\$3,453,239 and R\$3,049,570 in the years ended December 31, 2025, 2024 and 2023, respectively, related to the leases depreciation (Note 13.e.).
- (3) Includes costs and expenses with fees, salaries, social charges and benefits, profit sharing, stock-based compensation plans, pension plans and other post-employment benefits, training, transportation, health and nutrition.
- (4) Includes costs and expenses with FISTEL, FUST, FUNTTEL, liens for renewal of licenses and other taxes, fees and contributions.
- (5) Includes costs and expenses of infrastructure, real estate, equipment, vehicles, insurance and means of connection. Includes low-value lease amounts of R\$6,616, R\$7,066 and R\$12,425 in December 31, 2025, 2024 and 2023, respectively.

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27. OTHER OPERATING INCOME, NET

	2025	2024	2023
Recovered expenses and fines	805,776	606,088	1,097,797
Provisions for legal claims and contingent liabilities ^{(1) (2)}	(731,863)	(321,936)	(661,743)
Other operating income, net ⁽³⁾	253,677	59,634	204,266
Total	327,590	343,786	640,320
Other income	1,059,453	665,722	1,302,063
Other expenses	(731,863)	(321,936)	(661,743)
Other operating income, net	327,590	343,786	640,320

(1) In 2024, it includes the amounts of: (i) R\$386,392 relating to the reversal of regulatory provisions as a result of the Commitment Agreement Linked to the Negotiations for Self-Composition for the Adaptation of STFC Concession Contracts to Authorization Instruments (Note 20.).

(2) In 2025 and 2024, it includes the amounts of R\$41,402 and R\$26,546, respectively, relating to the reversal of provision expenses for legal claims as a result of participation in tax amnesty programs (Note 20.).

(3) In 2023, includes R\$244,229 related to the reversal of part of the remaining 50% resulting from the agreement regarding the Post-Closing Adjustment between the Company and Oi. S.A. – In Judicial Recovery. It also includes the amounts of net gains on the sale of assets (real estate, scrap, etc.) and expenses with taxes on other operating income. In 2025, this includes gains from the remeasurement of equity interests. R\$128,750 and R\$6,153, resulting from the transactions for the acquisition of control of FiBrasil (note 1.c.2) and the corporate reorganization of VivaE and Vivo Ventures (note 1.c.4).

28. FINANCIAL EXPENSES, NET

28.a. Accounting policy

These include interest, monetary and exchange variations arising from short-term investments, derivative transactions, loans, financing, debentures, present value adjustments of transactions that generate monetary assets and liabilities and other financial transactions. These are recognized on an accrual basis when earned or incurred by the Company.

For all financial instruments measured at amortized cost and interest-yielding financial assets classified as financial assets at fair value through other comprehensive income, interest income or expense is recognized using the effective interest method, which discounts estimated future cash payments or receipts over the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

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28.b. Breakdown

	2025	2024	2023
Financial Income			
Other income with foreign exchange and monetary variation (judicial deposits, taxes and others)	226,241	227,961	531,227
Interest income	932,481	642,278	536,420
Gain on derivative transactions	247,534	327,315	512,698
Interest receivable (customers, taxes and other)	238,944	223,797	165,212
Exchange rate variations on loans and financing, debentures, leases and other creditors (Note 21.e)	—	—	52,254
Other financial income	195,706	122,922	244,357
Total	1,840,906	1,544,273	2,042,168
Financial Expenses			
Charges and fair value on loans, financing, debentures, leases and other creditor (Note 21.e) ⁽¹⁾	(2,325,052)	(2,141,361)	(2,092,184)
Expenses with monetary variations of provision for contingencies (Note 20.c) ^{(2) (3)}	(712,087)	(81,296)	(784,427)
Loss on derivative transactions	(349,310)	(258,307)	(622,787)
Interest payable (financial institutions, trade accounts payable, taxes and other)	(792,803)	(577,229)	(560,195)
Foreign exchange variation on loans and financing (Note 21.e.)	(243)	(2,598)	—
Other expenses with exchange and monetary variations (suppliers, taxes and others)	(66,233)	(234,608)	(162,544)
Other financial expenses	(183,513)	(158,577)	(163,940)
Total	(4,429,241)	(3,453,976)	(4,386,077)
Financial income (expenses), net	(2,588,335)	(1,909,703)	(2,343,909)

(1) Includes the consolidated amounts of R\$1,703,845, R\$1,630,993 and R\$1,392,570 for the years ended December 31, 2025, 2024 and 2023, respectively, related to lease charges.

(2) In 2024, it includes the amount of R\$405,986, related to the reversal of the monetary adjustment of regulatory provisions due to the Commitment Agreement Linked to the Negotiation for Self-Composition for the Adaptation of STFC Concession Contracts to Authorization Instruments (Note 20.).

(3) In 2025 and 2024, it includes the amounts of R\$88,321 and R\$374,271, respectively, related to the reversal of provisions for legal claims expenses due to participation in tax amnesty programs (note 19.b).

29. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

29.a. Balances and transactions with related parties

The main balances of assets and liabilities with related parties arise from transactions with companies related to the controlling group, which were carried out at prices and other commercial conditions as agreed in a contract between the parties and refer to:

- a) Fixed and mobile telephone services, provided to Telefônica Group companies.
- b) Fiber optic network construction consultancy service.
- c) Values referring to installments receivable as a result of the sale of equity interests and capital contributions, as well as the updating of these values.
- d) Shared services, passed on at the cost actually incurred.
- e) Right to use certain software licenses and contracted maintenance and support services.

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- f) International transmission infrastructure for various contracted data circuits and connection services.
- g) Adquira Sourcing Platform, an online solution for negotiating the purchase and sale of various types of goods and services.
- h) Cost Sharing Agreement, reimbursement of expenses related to the digital business.
- i) Financial Clearing House Roaming, inflows of funds for payments and receipts arising from the roaming operation.
- j) Data communication services and integrated solutions.
- k) Long-distance calling and international roaming services
- l) Disposal of assets
- m) Brand Fee, for the assignment of use of brand rights.
- n) Rental of buildings, data circuit or infrastructure.
- o) Factoring operations, financing line for services provided by Telefônica Group suppliers.
- p) Contracts for the assignment of rights to use the pipeline network, duct rental services for fiber optics and right-of-way occupation contracts with various highway concessionaires.

The Company and its subsidiaries sponsor pension plans and other post-employment benefits for its employees with Visão Prev and Sistel (Note 31.).

Telefônica Corretora de Seguros (“TCS”) acts as an intermediary in transactions between insurance companies and the Company and its subsidiaries in the acquisition of insurance for cell phones, operational risks, general liability, guarantee insurance, among others. There are no balances arising from insurance intermediation between TCS and the Company and its subsidiaries.

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The following table summarizes the consolidated balances with related parties:

Companies	Type of transaction	Balance Sheet – Assets					
		12.31.2025			12.31.2024		
		Cash and cash equivalents	Accounts receivable	Other assets	Cash and cash equivalents	Accounts receivable	Other assets
Parent Companies							
Telefônica Móviles Chile, S.A.	k)	—	1,647	—	—	1,415	—
Telefônica Latinoamérica Holding, S.L.	d)	—	—	2,199	—	—	2,389
Telefônica, S.A.	d)	—	4,369	111	—	—	66
		—	6,016	2,310	—	1,415	2,455
Other Group companies							
Telefônica Global Solutions Participações, Ltda	a) / d) / e) / f) / j) / n)	—	1,430	354	—	3,331	317
Telefônica Venezuelana, C.A.	d) / k)	—	10,537	5,197	—	11,857	5,821
Terra Networks Mexico SA de CV	e)	—	1,174	—	—	551	—
Telefônica Global Solutions, S.L.U.	f) / k)	—	23,441	—	—	25,626	—
Telefônica Innovación Digital, S.L.	d)	—	—	9,608	—	—	3,581
Telefônica Móviles Argentina, S.A.	k)	—	—	—	—	6,183	—
Telfisa Global B.V.	i)	16,694	—	—	18,308	—	—
Telxius Cable Brasil Ltda	a) / d) / f)	—	2,539	321	—	6,644	411
Telefônica Cibersegurança e Tecnologia do Brasil Ltda	a) / d) / e) / n)	—	—	—	—	131	18,270
Celular De Telefonía SA de CV	d)	—	—	2,582	—	—	2,759
FiBrasil Infraestrutura e Fibra Ótica S.A.	a) / e) / f) / j) / n) / p)	—	—	—	—	958	74,991
Telefônica IoT & Big Data Tech, S.A.	c) / d)	—	—	1,598	—	—	1,292
Telefônica Hispanoamérica, S.A.	d)	—	—	2,077	—	—	3,168
Telefônica Móviles del Uruguay, S.A.	k)	—	—	—	—	1,137	—
Other		—	5,155	2,424	—	5,407	2,335
		16,694	44,276	24,161	18,308	61,825	112,945
Total		16,694	50,292	26,471	18,308	63,240	115,400
Current assets							
Cash and cash equivalents (Note 3.)		16,694	—	—	18,308	—	—
Trade accounts receivable (Note 5.)		—	50,292	—	—	63,240	—
Other assets (Note 11.)		—	—	26,317	—	—	72,641
Non-current assets							
Other assets (Note 11.)		—	—	154	—	—	42,759

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Companies	Type of transaction	Balance Sheet – Liabilities			
		12.31.2025		12.31.2024	
		Trade accounts payable	Other liabilities and leases	Trade accounts payable	Other liabilities and leases
Parent Companies					
Telefónica Móviles Chile, S.A.	k)	900	—	979	—
Telefónica Latinoamérica Holding, S.L.	d)	—	1,205	—	1,199
Telefónica, S.A.	d) / e) / m)	11,490	124,541	8,585	128,304
		12,390	125,746	9,564	129,503
Other Group companies					
Telefónica Global Solutions Participações, Ltda	d) / e) / f) / k)	60,099	318	31,843	318
Telefónica Compras Eletrônicas, S.L.	g)	31,253	—	29,952	—
Telefónica Innovación Digital, S.L.	h)	38,503	—	40,613	—
Telefónica Venezolana, C.A.	d) / k)	11,037	1,742	12,310	1,961
Telefónica Global Solutions, S.L.U.	e) / f) / j) / k)	54,769	—	55,623	—
Telxius Cable Brasil Ltda	d) / f) / l)	44,993	10,354	50,965	1,572
Companhia AIX Participações Ltda	p)	2,867	60,481	2,691	80,549
Telefónica IoT & Big Data Tech, S.A.	h)	33,477	—	31,315	—
Telefónica Cibersegurança e Tecnologia do Brasil Ltda	e)	—	—	111,819	—
FiBrasil Infraestrutura e Fibras Ótica S.A.	d) / f)	—	—	121,887	13
Other		30,363	468	47,487	561
		307,361	73,363	536,505	84,974
Total		319,751	199,109	546,069	214,477
Current liabilities					
Trade accounts payable and other payables (Note 17.)		319,751	—	546,069	—
Leases (Note 21.)		—	25,608	—	24,335
Other liabilities (Note 23.)		—	138,026	—	133,290
Non-current liabilities					
Leases (Note 21.)		—	34,873	—	56,214
Other liabilities (Note 23.)		—	602	—	638

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Companies	Type of transaction	Income statement								
		2025			2024			2023		
		Operating revenues	Operating revenues (cost and other expenses)	Financial income (expenses)	Operating revenues	Operating revenues (cost and other expenses)	Financial income (expenses)	Operating revenues	Operating revenues (cost and other expenses)	Financial income (expenses)
Parent Companies										
Telefônica Móviles Chile, S.A.	k)	2,966	(4,739)	32	2,852	(3,549)	(11)	2,446	(2,444)	26
Telefônica Latinoamérica Holding, S.L.	d)	—	936	1,680	—	1,099	(38)	—	4,534	(775)
Telefônica, S.A.	d) / e) / m)	—	(546,756)	32,792	—	(532,139)	(47,364)	—	(486,147)	7,572
		2,966	(550,559)	34,504	2,852	(534,589)	(47,413)	2,446	(484,057)	6,823
Other Group companies										
Telefônica Global Solutions Participações, Ltda	a) / d) / e) / f) / j) / k) / n)	5,975	(76,307)	—	6,047	(87,976)	(21)	11,242	(95,885)	—
Telefônica Móviles Argentina, S.A	k)	4,226	(2,603)	482	3,204	(7,260)	(1,167)	2,304	(6,194)	132
Telefônica Innovación Digital, S.L.	d) / h)	—	(235,400)	9,583	—	(222,662)	(23,180)	—	(209,100)	10,724
Telefônica Global Technology S.A.	e)	—	(72,935)	1,054	—	(77,779)	(5,847)	—	(64,435)	2,555
Telefônica Global Solutions, S.L.U.	e) / f) / j) / k)	35,747	(99,341)	1,109	41,586	(100,807)	2,213	40,095	(78,611)	(2,547)
Telxius Cable Brasil Ltda	a) / d) / f) / l)	9,406	(234,803)	3,616	9,350	(250,233)	(9,884)	8,257	(215,062)	4,579
Telefônica Cibersegurança e Tecnologia do Brasil Ltda	a) / d) / e) / n)	588	(244,920)	—	351	(278,898)	—	817	(200,290)	—
Telefônica IoT & Big Data Tech, S.A.	c) / d) / h)	—	(132,306)	4,755	—	(121,052)	(5,732)	—	(114,302)	6,307
Fibrasil Infraestrutura e Fibra Ótica S.A.	a) / d) / e) / f) / j) / n) / p)	5,470	(285,415)	9,514	11,331	(385,680)	12,727	8,658	(215,377)	5,238
Companhia AIX Participações Ltda	a) / p)	104	—	(9,066)	45	—	(2,946)	70	—	(5,474)
Telefônica Factoring do Brasil Ltda.	d) / o)	11	2,494	—	12	1,477	699	23	2,966	—
Others		5,939	(110,075)	(37)	7,954	(107,137)	(2,791)	8,503	(97,078)	9,195
		67,466	(1,491,611)	21,010	79,880	(1,638,007)	(35,929)	79,969	(1,293,368)	30,709
Total		70,432	(2,042,170)	55,514	82,732	(2,172,596)	(83,342)	82,415	(1,777,425)	37,532

29.b. Management compensation

Consolidated key management compensation paid by the Company to its Board of Directors and Statutory Officers for the years ended December 31, 2025, and 2024 totaled R\$79,300 and R\$67,496, respectively. Of this amount, R\$40,632 (R\$36,179 on December 31, 2024) for salaries, benefits and social charges and R\$38,668 (R\$31,317 on December 31, 2024) for variable compensation.

These were recorded as personnel expenses in General and administrative expenses.

For the years ended December 31, 2025, 2024 and 2023, the Directors and Officers received no pension, retirement or similar benefits.

30. SHARE-BASED PAYMENT PLANS

Plan liabilities are recognized at the fair value of the cash-settled transaction. Fair value is measured initially and at each year-end date up to and including the settlement date, with the change in fair value recognized as employee benefit expense (Note 25.) in the statement of income. Fair value is recognized as an expense over the period to the acquisition date, with a corresponding liability recognized.

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The Company's parent company, Telefônica, maintains different compensation plans based on the quoted value of its shares (Talent for the Future Share Plan ("TFSP") and Performance Share Plan ("PSP"), which were also offered to directors and employees of its subsidiaries, including the Company and its subsidiaries.

The Company approved an incentive plan (Performance Share Plan ("PSP VIVO") via performance units, with cash settlement ("Plan"). Participants in the Plan will be entitled to the grant of a certain number of units representing one share issued by the Company (VIVT3) ("Unit" and "Share"). Each Unit represents the expectation of the right to receive the full value of 01 (one) Share, which will serve as a basis, taking into account the number of Units received, to determine the value of the incentive to be paid by the Company in cash to participants.

Delivery of shares and/or incentives is subject to: (i) maintaining an active employment relationship with the Telefônica Group on the consolidation date of the cycle; and (ii) the achievement of results that represent the fulfillment of the objectives established for the plan.

The level of success is based on comparing the evolution of shareholder remuneration, considering price and dividends (Total Shareholder Return - TSR) of the share of Telefônica or the Company, in relation to the evolution of the TSRs of the companies in the pre-defined Comparison Group, the achievement of the FCF (Free Cash Flow) of the Telefônica Group or the Company the neutralization or compensation of CO2 emissions (from the 2021 Cycle) and gender equality – presence of women in management positions (from the 2024 Cycle).

On December 31, 2025, the quoted value of Telefônica's shares was 3.4930 euros.

The main plans in effect as of December 31, 2025 were:

Plans	Public (Officers and Employees)	Potential of Company shares to be received
Talent for the Future Share Plan ("TFSP") - global level	Senior Managers, Managers and Specialists	
Cycle 2023-2025 (January 1, 2023 to December 31, 2025)	139 active executives	280,500
Cycle 2024-2026 (January 1, 2024 to December 31, 2026)	139 active executives	256,000
Cycle 2025-2027 (January 1, 2025 to December 31, 2027)	132 active executives	236,500
Performance Share Plan ("PSP") – global level	Vice Presidents and Directors	
Cycle 2023-2025 (January 1, 2023 to December 31, 2025)	90 active executives (including 5 executives appointed pursuant to the Company's Articles of Association)	870,984
Cycle 2024-2026 (January 1, 2024 to December 31, 2026)	107 active executives (including 5 executives appointed pursuant to the Company's Articles of Association)	980,665
Cycle 2024-2026 (January 1, 2024 to December 31, 2026)	119 active executives (including 5 executives appointed pursuant to the Company's Articles of Association)	1,007,632
Performance Share Plan ("PSP VIVO") - local level	Vice Presidents and Directors	
Cycle 2023-2025 (January 1, 2023 to December 31, 2025)	89 active executives (including 5 executives appointed pursuant to the Company's Articles of Association)	810,838
Cycle 2024-2026 (January 1, 2024 to December 31, 2026)	106 active executives (including 5 executives appointed pursuant to the Company's Articles of Association)	780,530
Cycle 2025-2027 (January 1, 2025 to December 31, 2027)	118 active executives (including 5 executives appointed pursuant to the Company's Articles of Association)	1,043,205

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The expenses of the Company and its subsidiaries with the share-based compensation plans described above, when applicable, are recorded as personnel expenses, segregated in the Cost of Services Rendered, Selling Expenses and General and Administrative Expenses groups (Note 26.), in the amounts of R\$53,792 and R\$41,843. For the years ended December 31, 2025 and 2024, respectively.

On December 31, 2025 and 2024, the consolidated liability balances of the share compensation plans were R\$154,736 and R\$126,019, respectively, including taxes.

31. PENSIONS PLANS AND OTHER POST-EMPLOYMENT BENEFITS

31.a. Accounting policy

The Company and its subsidiaries individually sponsor pension funds of post-retirement benefits for active and retired employees, in addition to a multisponsor supplementary retirement plan and health care plan for former employees. Contributions are determined on an actuarial basis and recorded on an accrual basis. Liabilities relating to defined benefit plans are determined based on actuarial evaluations at each year-end, in order to ensure that sufficient reserves have been set up for both current and future commitments.

The Company and its subsidiaries manage and individually sponsors a health care plan for retired employees and former employees with fixed contributions to the plan, in accordance with Law No. 9656/1998 (which provides for private health care and health insurance plans). As provided for in Articles 30 and 31 of said law, participants shall have the right to the health care plan in which they participated while they were active employees.

Actuarial liabilities related to defined benefit plans were calculated using the projected unit credit method. Actuarial gains and losses are recognized immediately in equity (in other comprehensive income).

For plans with defined contribution characteristics, the obligation is limited to the contributions payable, which are recognized in the P&L in the respective accrual periods.

The asset or liability related to defined benefit plan to be recognized in the financial statements corresponds to the present value of the obligation for the defined benefit (using a discount rate based on long-term National Treasury Notes – “NTNs”), less the fair value of plan assets that will be used to settle the obligations. Plan assets are assets held by a privately held supplementary pension plan entity. Plan assets are not available to the Company’s creditors or those of its subsidiaries and cannot be paid directly to the Company or its subsidiaries. The fair value is based on information on market prices and, in the case of securities quoted, on the purchase price disclosed. The value of any defined benefit asset then recognized is limited to the present value of any economic benefits available as a reduction in future plan contribution from the Company.

Actuarial costs recognized in the statement of income are limited to the service cost and cost of interest on the defined benefit plan obligation. Any changes in the measurement of plan assets and obligations are initially recognized in other comprehensive income, and immediately reclassified to retained earnings in P&L.

31.b. Critical estimates and judgments

The cost of pension plans with defined benefits and other post-employment health care benefits and the present value of the pension obligation are determined using actuarial valuation methods. Actuarial valuation involves use of assumptions about discount rates, future salary increases, mortality rates and future increases in pension and annuity benefits. The obligation for defined benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed on an annual basis.

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The mortality rate is based on publicly available mortality tables in the country. Future salary increases, and pension increases are based on expected future inflation rates for the country.

31.c. Information on pension plans and other post-employment benefits

The plans sponsored by the Company and its subsidiaries and the related benefit types are as follows:

Plan	Type	Entity	Sponsor
PBS-A	Defined benefit (DB)	Sistel	Telefônica Brasil, jointly with other telecoms resulting from privatization of the Sistema Telebrás
PAMA / PCE	Defined benefit (DB)	Sistel	Telefônica Brasil, jointly with other telecoms resulting from privatization of the Sistema Telebrás
Healthcare – Law No. 9656/98	Defined benefit (DB)	Telefônica Brasil	Telefônica Brasil, Terra Networks, TGLog, TIS, CloudCo Brasil and FiBrasil
CTB	Defined benefit (DB)	Telefônica Brasil	Telefônica Brasil
Telefônica BD	Defined benefit (DB)	VisãoPrev	Telefônica Brasil
VISÃO	Defined contribution (DC) / Hybrid	VisãoPrev	Telefônica Brasil, Terra Networks, TGLog, TIS, CloudCo Brasil, CyberCo Brasil and FiBrasil

The Company has participation in the decisions that directly affect the governance of the plans, with members nominated for both the Deliberative Council and the Fiscal Council of the administrators Visão Prev Sociedade de Previdência Complementar (“Visão Prev”) and Fundação Sistel de Seguridade Social (“Sistel”).

The defined benefit obligation is made up of different components, according to the pension characteristic of each plan, and may include the actuarial liabilities of supplementary pension liabilities, health care benefits to retirees and dependents or compensation for death or disability of members. This liability is exposed to economic and demographic risks, such as: (i) increases in medical costs that could impact the cost of health care plans; (ii) salary growth; (iii) long-term inflation rate; (iv) nominal discount rate; and (v) life expectancy of members and pensioners.

The fair value of plan assets is primarily comprised of fixed income investments (NTN's, LFT's, LTN's, repurchase agreements, CDBs, debentures, letters of guarantee and FIDC shares) and equity investments (highly liquid, well regarded, large company shares and investments in market indices).

Due to the concentration of fixed income and floating rate investments plan assets are mainly exposed to the risks inherent in the financial market and economic environment such as: (i) market risk in the economic sectors where variable income investments are concentrated; (ii) risk events that impact the economic environment and market indices where variable income investments are concentrated; and (iii) the long-term inflation rate that may erode the profitability of fixed income investments at fixed rates.

The companies that administer post-employment benefits plans sponsored by the Company (Visão Prev and Sistel) seek to meet the flows of assets and liabilities through the acquisition of fixed income securities and other long-term assets.

With the exception of the Companhia Telefônica Brasileira (“CTB”) and the healthcare plan under Law No. 9656/98, generally all benefit plans that have funds constituted present a surplus position. The economic benefit recorded in the Company's assets or that of its subsidiaries does not reflect the total surplus determined in these plans, as it only considers only the portion of the surplus which presents a real possibility of recovery. The means of plan surplus recovery is solely through reductions in future contributions and given that not all plans currently receive enough contributions for full recovery of surpluses, the economic benefit recorded under assets is limited to the total possible recovery amount in accordance with projected future contributions.

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The position of plan assets is on December 31, 2025 and 2024, respectively, and plan assets were apportioned based on the Company's actuarial liabilities in relation to the total actuarial liabilities of the plan.

The actuarial gains and losses generated in each year are immediately recognized in equity (in other comprehensive income).

The following is a summary of the pension plans and other post-employment benefits:

31.c.1. Post-Employment Health Benefits Plans

The actuarial valuation made for the PAMA health plan used the registration of the participants with a base date of August 31, 2025, while the actuarial valuation made for the health plan Law No. 9,656/98 used the registration of the participants with a base date of September 30, 2025, both plans projected for December 31, 2025.

For comparative exercises, the actuarial valuation made for the PAMA health plan used the registration of the participants with a base date of August 31, 2024, while the actuarial valuation made for the health plan Law No. 9,656/98 used the registration of the participants with a base date of September 30, 2024, both plans projected for December 31, 2024.

In September 2025, changes occurred in the health plan for employees and retirees (Law No. 9,656): the Company carried out a review and adjustments to the methodology used for calculating medical costs for active employees and retirees (eligible under Law No. 9,656), including a review of assumptions such as: discount rates for actuarial liabilities, aging factor (increase in the use of medical services during the period), and take-up (percentage of terminated/retired employees eligible for the benefit under Law No. 9,656). The consolidated accounting effects of these changes were: (i) R\$105,841 in pension plan and other post-employment benefit liabilities (note 23); (ii) R\$24,223 in other comprehensive income (equity), net of taxes; (iii) R\$13,178 in deferred income tax and social contribution (note 8.e); and (iv) R\$68,440 in general and administrative expenses (personnel expenses, charges, and social benefits) (note 26).

31.c.1.1. Healthcare Plan to Retirees and Special Coverage Program (PAMA and PAMA-PCE)

The Company, together with other companies of the former Telebrás System, at shared cost, sponsor health care plans (PAMA and PAMA-PCE) to retirees. These plans are managed by Fundação Sistel and are closed plans, not admitting new members.

Contributions to the plans are determined based on actuarial valuations prepared by independent actuaries, in accordance with the rules in force in Brazil. The funding procedure is the capitalization method and the sponsor's contribution are at the fixed percentage of payroll of employees covered by the Telefônica BD plan.

31.c.1.2. Health care plan – Law No. 9656/1998

The Company manages and together with its subsidiaries sponsors a health care plan to retired employees and former employees with fixed contributions to the plan, in accordance with Law No. 9656/98.

As provided for in Articles 30 and 31 of said law, participants shall have the right to the health care plan in which they participated while they were active employees. Benefitted participants are classified as (i) retirees and their dependents; and (ii) dismissed employees and their dependents.

Retirees and dismissed employees, in order to keep their right to the benefits, must make contributions to the plan in accordance with the contribution tables by age bracket established by carriers and/or insurance companies.

31.c.2. Post-employment Social Security Plans

Post-employment pension plans include: PBS Assistidos ("PBS-A"), CTB, Telefônica BD and Visão.

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The actuarial assessment carried out for the CTB, PBS-A, Telefônica BD and Plano Visão pension plans used the participant registry with a base date of July 31, 2025, projected to December 31, 2025, and the participant registry with a base date of July 31, 2024, projected to December 31, 2024.

31.c.2.1. PBS Assisted Plan (PBS-A)

The PBS-A plan is a defined benefit private pension plan managed by Sistel and sponsored by the Company jointly with the other telecommunications companies originating in the privatization of the Telebrás System. The plan is subject to funding by sponsors in the case of any asset insufficiency to ensure pension supplementation of participants in the future.

The PBS-A plan comprises assisted participants of the Sistel Benefit Plan who were already retirees on January 31, 2000, from all the participating sponsors, with joint liability of all sponsors to the plan and Sistel.

According to PREVIC Ordinances No. 249/23 and No. 926/24, dated March 14, 2023 and November 8, 2024, and published in the Official Gazette on April 13, 2023 and November 14, 2024, respectively, Sistel approved distributions of part of its surplus, in the form of a special PBS-A reserve, with reversion of amounts to sponsors and improvement of benefits, in the form of temporary income, to beneficiaries. The Company's share in the distribution of this reserve was calculated at R\$89,130 for the distribution approved in 2023 and R\$114,852 for the distribution approved in 2024, with distributions expected in the form of 36 monthly payments, adjusted by the plan's income (Note 11).

According to Ordinance No. 753 of the National Superintendency of Complementary Pensions ("PREVIC"), published in the Official Gazette on August 20, 2025, the distribution by Sistel of the PBS-A plan surpluses for the years 2022 and 2023 was approved, with the reversal of amounts to the sponsors and temporary additional income to the beneficiaries. The Company's share in the distribution of these surpluses was calculated at R\$107,077, with distributions scheduled in the form of 36 monthly payments, adjusted by the plan's yield. The consolidated accounting effects of this distribution were: (i) R\$107,077 in assets (surplus) of post-employment benefit plans (Note 11); (ii) R\$70,671 in other comprehensive income (equity), net of taxes; and (iii) R\$36,406 in income tax and social contribution payable (Note 8.d).

Even considering the distribution of the reserve approved by PREVIC, PBS-A still has assets in excess of actuarial obligations as of December 31, 2025 and 2024. These surpluses were not recognized due to the lack of legal provision for their reimbursement and, as they are not a contributory plan, no deduction is possible in future contributions.

31.c.2.2. CTB Plan

Contributions to the CTB plan are determined based on actuarial valuations prepared by independent actuaries, in accordance with the rules in force in Brazil. The funding procedure is the capitalization method and the sponsor's contribution are a fixed percentage of payroll of employees covered by the plan.

The Company also individually manages and sponsors the CTB plan, originally provided to former employees of CTB who were in the Company in 1977, with whom an individual retirement concession agreement was executed to encourage their resignation. This is an informal pension supplementation benefit paid to former employees directly by the Company. These plans are closed, and no other members are admitted.

31.c.2.3. Telefônica DB Plan

The Company individually sponsors the defined benefit retirement, Telefônica DB plan.

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In order to improve allocation of Telefônica DB plan assets and analyze the coverage ratio of plan obligations in future years, a stochastic *Application Lifecycle Management (“ALM”)* study was prepared by Visão Prev and Willis Towers Watson. This ALM study aimed at projecting the ratio between coverage of liabilities (solvency ratio) and the risk of mismatching measured by the standard deviation of the solvency ratio. The study concluded that the plan presents sustainable projection of their coverage ratio with the current investments’ portfolio.

At the time of the concession, a benefit is calculated which will be paid in a lifelong form and updated by inflation. This plan is not open to new accessions.

The contributions are defined according to the costing plan, which is calculated considering financial, demographic and economic hypotheses in order to accumulate enough resources to pay the benefits to the participants who are already receiving them, and to the new pensions.

31.c.2.4. VISÃO Plans

The Visão Telefônica and Visão Multi plans, due to their similarity, are now shown together under the name Visão.

The Company and its subsidiaries sponsor defined contribution plans with defined benefit components (hybrid plans) and pension benefits, the Visão plans, managed by Visão Prev. The contribution is attributed to each subsidiary in the economic and demographic proportion of its respective obligation to the plan.

The contributions made by the Company and subsidiaries related to defined contribution plans totaled R\$65,641 and R\$60,106 on December 31, 2025 and 2024, respectively.

The contributions to the Visão Telefônica and Visão Multi plans are: (i) basic and additional contribution, with contributions made by the participant and sponsor; and (ii) additional, sporadic and specific contribution, with contributions made only by the participant.

In addition, the participant has the possibility to choose one of five investment profiles to apply to their balance, and they are: Super Conservative, Conservative, Moderate, Aggressive and Aggressive Fixed Income Long-Term.

31.c.3. Consolidated information on pension plans and other post-employment benefits

31.c.3.1. Reconciliation of net liabilities (assets)

	12.31.2025			12.31.2024		
	Post-retirement pension plans	Post-retirement health plans	Total	Post-retirement pension plans	Post-retirement health plans	Total
Present value of DB plan obligations	1,988,953	1,567,671	3,556,624	1,954,418	1,548,742	3,503,160
Fair value of plan assets	2,971,714	846,635	3,818,349	3,158,617	885,337	4,043,954
Net liabilities (assets)	(982,761)	721,036	(261,725)	(1,204,199)	663,405	(540,794)
Asset limitation	865,364	—	865,364	1,112,307	—	1,112,307
Current assets	(85,323)	—	(85,323)	(73,314)	—	(73,314)
Non-current assets	(97,584)	—	(97,584)	(83,732)	—	(83,732)
Current liabilities	8,890	18,435	27,325	8,678	22,349	31,027
Non-current liabilities	56,620	702,601	759,221	56,476	641,056	697,532

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31.c.3.2. Total expenses recognized in the statement of income

	2025			2024			2023		
	Post-retirement pension plans	Post-retirement health plans	Total	Post-retirement pension plans	Post-retirement health plans	Total	Post-retirement pension plans	Post-retirement health plans	Total
Current service cost	1,836	(78,414)	(76,578)	2,037	15,806	17,843	1,747	9,378	11,125
Net interest on net actuarial assets/liabilities	(11,101)	70,454	59,353	71	91,769	91,840	5,903	68,825	74,728
Total	(9,265)	(7,960)	(17,225)	2,108	107,575	109,683	7,650	78,203	85,853

31.c.3.3. Amounts recognized in other comprehensive income (loss)

	2025			2024			2023		
	Post-retirement pension plans	Post-retirement health plans	Total	Post-retirement pension plans	Post-retirement health plans	Total	Post-retirement pension plans	Post-retirement health plans	Total
Actuarial losses (gains)	279,120	77,882	357,002	(73,304)	(425,490)	(498,794)	352,011	352,974	704,985
Asset limitation effect	(373,341)	—	(373,341)	(56,647)	—	(56,647)	(431,071)	(126,032)	(557,103)
Total	(94,221)	77,882	(16,339)	(129,951)	(425,490)	(555,441)	(79,060)	226,942	147,882

Income tax and social contribution levied on the total amounts recognized in other comprehensive income were:(i) in 2025: R\$6,277, with R\$30,129 in deferred income tax and social contribution and R\$36,406 in current income tax and social contribution (ii) in 2024: R\$188,153, of which R\$149,103 was deferred income tax and social contribution and R\$39,050 was current income tax and social contribution; an (iii) in 2023: (R\$48,925), of which (R\$79,229) was deferred income tax and social contribution and R\$30,304 was current income tax and social contribution.

31.c.3.4. Changes in amount net of liability (asset) of defined benefit, net

	12.31.2025			12.31.2024		
	Post-retirement pension plans	Post-retirement health plans	Total	Post-retirement pension plans	Post-retirement health plans	Total
Net defined benefit liability (asset) at the beginning of the year	(91,892)	663,405	571,513	5,971	997,064	1,003,035
Expenses	(9,265)	(7,960)	(17,225)	2,108	107,575	109,683
Sponsor contributions	(9,310)	(13,453)	(22,763)	(9,588)	(15,744)	(25,332)
Amounts recognized in OCI	(94,220)	77,882	(16,338)	(129,951)	(425,490)	(555,441)
Distribution of reserves	87,290	1,162	88,452	39,568	—	39,568
Net defined benefit liability (asset) at the end of the year	(117,397)	721,036	603,639	(91,892)	663,405	571,513
Actuarial assets per balance sheet	(182,907)	—	(182,907)	(157,046)	—	(157,046)
Actuarial liabilities per balance sheet	65,510	721,036	786,546	65,154	663,405	728,559

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31.c.3.5. Changes in defined benefit liability

	12.31.2025			12.31.2024		
	Post-retirement pension plans	Post-retirement health plans	Total	Post-retirement pension plans	Post-retirement health plans	Total
Defined benefit liability at the beginning of the year	1,954,418	1,548,742	3,503,160	2,167,726	1,917,650	4,085,376
Current service costs	1,836	(78,414)	(76,578)	2,037	15,806	17,843
Interest on actuarial liabilities	209,624	164,466	374,090	186,004	172,297	358,301
Benefits paid	(203,926)	(87,101)	(291,027)	(196,336)	(82,107)	(278,443)
Member contributions paid	233	—	233	182	—	182
Actuarial losses (gains) adjusted by experience	1,910	(27,572)	(25,662)	94,337	(67,734)	26,603
Actuarial losses (gains) adjusted by financial assumptions	24,858	46,388	71,246	(299,532)	(407,170)	(706,702)
Business combination	—	1,162	1,162	—	—	—
Defined benefit liability at the end of the year	1,988,953	1,567,671	3,556,624	1,954,418	1,548,742	3,503,160

31.c.3.6. Changes in the fair value of plan assets

	12.31.2025			12.31.2024		
	Post-retirement pension plans	Post-retirement health plans	Total	Post-retirement pension plans	Post-retirement health plans	Total
Fair value of plan assets at the beginning of the year	3,158,617	885,337	4,043,954	3,233,947	920,586	4,154,533
Benefits paid	(195,914)	(73,700)	(269,614)	(188,315)	(66,412)	(254,727)
Participants contributions paid	233	—	233	182	—	182
Sponsor contributions paid	1,297	52	1,349	1,566	49	1,615
Interest income on plan assets	347,122	94,012	441,134	282,696	80,528	363,224
Return on plan assets excluding interest income	(252,351)	(59,066)	(311,417)	(131,891)	(49,414)	(181,305)
Distribution of reserves	(87,290)	—	(87,290)	(39,568)	—	(39,568)
Fair value of plan assets at the end of the year	2,971,714	846,635	3,818,349	3,158,617	885,337	4,043,954

31.c.3.7. Changes in asset limitation

	12.31.2025			12.31.2024		
	Post-retirement pension plans	Post-retirement health plans	Total	Post-retirement pension plans	Post-retirement health plans	Total
Asset Limitation at the beginning of the year	1,112,307	—	1,112,307	1,072,192	—	1,072,192
Interest on the asset limitation	126,398	—	126,398	96,762	—	96,762
Changes in the assets limitation, except interest	(373,341)	—	(373,341)	(56,647)	—	(56,647)
Asset Limitation at the end of the year	865,364	—	865,364	1,112,307	—	1,112,307

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31.c.3.8. Results projected for 2026

	Post- retirement pension plans	Post- retirement health plans	Total
Current service cost	1,789	6,068	7,857
Net interest on net defined benefit liability/asset	(13,578)	77,642	64,064
Total	(11,789)	83,710	71,921

31.c.3.9. Sponsoring company contributions projected for 2026

	Post- retirement pension plans	Post- retirement health plans	Total
Sponsor contributions	1,480	—	1,480
Benefits paid directly by the sponsor	8,890	18,605	27,495
Total	10,370	18,605	28,975

31.c.3.10. Average weighted duration of defined benefit liability

	Post- retirement pension plans	Post- retirement health plans
In 2025	6.8 years	11.6 years
In 2024	6.9 years	11.8 years

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31.c.3.11. Actuarial assumptions

12.31.2025		
	Post-retirement pension plans	Post-retirement health plans
Discount rate to present value of defined benefit liability	10.96% to 11.49%	10.79% to 10.96%
Future salary growth rate	4.57% to 6.60%	N/A
Medical expense growth rate	N/A	6.61%
Nominal annual adjustment rate of pension benefits	3.50%	N/A
Medical service eligibility age	N/A	59 to 63 years
Estimated retirement age	57 to 60 years	59 to 63 years
Mortality table for nondisabled individuals	AT-2000 Basic segregated by gender, down-rated by 10% and 50%	AT-2000 Basic segregated by gender, down-rated by 10%
Mortality table for disabled individuals	RP-2000 Disabled Male, down-rated by 60%	RP-2000 Disabled Male, down-rated by 60%
Disability table	Light-Forte, Álvaro Vindas (down-rated by 50%) and Light-Fraca, down rated by 50%	Light-Forte
Turnover	Turnover experience in VISÃO plans (2018 to 2022)	Turnover experience in VISÃO plans (2020 to 2022)
12.31.2024		
	Post-retirement pension plans	Post-retirement health plans
Discount rate to present value of defined benefit liability	11.07% to 11.67%	11.07% to 11.20%
Future salary growth rate	4.57% to 6.60%	N/A
Medical expense growth rate	N/A	6.61%
Nominal annual adjustment rate of pension benefits	3.50%	N/A
Medical service eligibility age	N/A	59 to 63 years
Estimated retirement age	57 to 60 years	59 to 63 years
Mortality table for nondisabled individuals	AT-2000 Basic segregated by gender, down-rated by 10% and 50%	AT-2000 Basic segregated by gender, down-rated by 10%
Mortality table for disabled individuals	RP-2000 Disabled Male, down-rated by 60%	RP-2000 Disabled Male, down-rated by 60%
Disability table	Light-Forte, Álvaro Vindas (down-rated by 50%) and Light-Fraca, down rated by 50%	Light-Forte
Turnover	Turnover experience in VISÃO plans (2018 to 2022)	Turnover experience in VISÃO plans (2020 to 2022)

In addition to the assumptions presented in the tables above, for 2025 and 2024 other assumptions common to all plans were adopted, as follows: (i) long-term inflation rate: 3.50% in 2025 and 2024; and (ii) annual increase in the use of medical services according to age: 4.0% in 2025 and 2024.

31.c.3.12. Changes in actuarial assumptions in relation to the prior year

In order to adjust some actuarial assumptions to the economic and demographic reality, a study was conducted for the plans administered by Visão Prev and Sistel, which adopted the definition of the assumptions in their Deliberative Councils.

The main economic and financial assumptions that have changed in relation to the previous fiscal year and that interfere with the defined benefit liability are: (i) rates for discount to present value of the defined benefit liability; (ii) long-term inflation rate; (iii) rate of future wage growth; (iv) rate of growth of medical costs; and (v) annual nominal index of adjustment of social security benefits.

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The impacts on the plans' defined benefit liabilities due to the new definition of the actuarial assumptions are as follows:

	Post-retirement pension plans	Post-retirement health plans	Total
Defined benefit liability, based on current actuarial assumptions	1,988,953	1,567,671	3,556,624
Defined benefit liability, based on prior-year actuarial assumptions	1,964,095	1,521,283	3,485,378
Difference from change in actuarial assumptions	24,858	46,388	71,246

31.c.3.13. Sensitivity analysis for actuarial assumptions

The Company believes that the significant actuarial assumptions with reasonable likelihood of variation due to financial and economic scenarios, which could significantly change the amount of the defined benefit obligation, are the discount rate used to adjust the defined benefit liability to present value and the rate of growth of medical costs.

Below, we present a sensitivity analysis on the defined benefit obligation for scenarios of a 0.5% increase and a 0.5% reduction in the discount rate used to adjust the defined benefit liability to present value.

	Post-retirement pension plans	Post-retirement health plans	Total
Defined benefit liability, discounted to present value at current rate	1,988,953	1,567,671	3,556,624
Considering a rate increased by 0.5%	1,934,970	1,488,710	3,423,680
Considering a rate decreased by 0.5%	2,046,299	1,654,287	3,700,586

Below, we present a sensitivity analysis on the defined benefit obligation for scenarios of a 1% increase and a 1% reduction in the medical cost growth rate used to adjust the defined benefit liability to present value.

	Post-retirement pension plans	Post-retirement health plans	Total
Defined benefit liability, projected by the current medical cost growth rate	1,988,953	1,567,671	3,556,624
Considering a rate increased by 1%	1,988,953	1,748,904	3,737,857
Considering a rate decreased by 1%	1,988,953	1,415,154	3,404,107

31.c.3.14. Allocation of plan assets

	12.31.2025			12.31.2024		
	Post-retirement pension plans	Post-retirement health plans	Total	Post-retirement pension plans	Post-retirement health plans	Total
Investments with market value quoted in active market:						
Fixed income investments						
National Treasury Note (NTN)	2,363,931	840,454	3,204,385	2,417,123	850,897	3,268,020
Treasury Financial Letter	329,017	4,572	333,589	605,490	12,041	617,531
Repurchase operations	176,606	—	176,606	14,203	—	14,203
Debentures	12,478	—	12,478	14,148	—	14,148
Financial Letter	1,226	—	1,226	1,309	—	1,309
FIDC/CDB Quotas / Others	3,626	85	3,711	3,370	—	3,370
National Treasury Notes (LTN)	—	1,524	1,524	4,629	22,399	27,028
Variable income investments						
Investments linked to funds and market indexes	4,189	—	4,189	4,509	—	4,509
Real estate investments	63,987	—	63,987	75,862	—	75,862
Loans to participants	14,498	—	14,498	15,654	—	15,654
Structured and overseas investments	2,156	—	2,156	2,320	—	2,320
Total	2,971,714	846,635	3,818,349	3,158,617	885,337	4,043,954

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32. FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT

32.a. Accounting policy

32.a.1. Financial assets

32.a.1.1. Initial recognition and measurement

On initial recognition, a financial asset is classified in the following measurement categories: (i) at fair value through profit or loss; (ii) at amortized cost; or (iii) at fair value through other comprehensive income, depending on the situation.

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial asset and the business model for the management of these assets.

For a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive income, it needs to generate cash flows that are “exclusively payments of principal and interest” on the principal amount outstanding. This assessment is carried out at the level of each financial instrument.

Financial assets with cash flows that are not exclusively payments of interest principal are classified and measured at fair value through profit or loss, regardless of the business model adopted.

The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from the collection of contractual cash flows, the sale of financial assets or both. Financial assets classified and measured at amortized cost are maintained in a business plan with the objective of maintaining financial assets in order to obtain contractual cash flows while financial assets classified and measured at fair value against other comprehensive income are maintained in a business model with the objective of obtaining contractual cash flows and for the purpose of sale.

The Company's consolidated financial assets include cash and cash equivalents, financial investments, accounts receivable, derivative financial instruments, amounts receivable from the sale of properties and others and credits with related parties.

32.a.1.2. Subsequent measurement

The subsequent measurement of financial assets depends on their classification, which may be as follows: (i) financial assets at fair value through profit or loss: are subsequently measured at fair value. Net income, including interest, is recognized directly in profit or loss; (ii) financial assets at amortized cost: are subsequently measured at amortized cost using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired; and (iii) financial assets at fair value through other comprehensive income: are subsequently measured at fair value. Interest income, foreign exchange and impairment losses or reversals are recognized in the statement of income and calculated in the same manner as for financial assets measured at amortized cost. Remaining changes in fair value are recognized in other comprehensive income. At the time of derecognition, the cumulative change in fair value recognized in other comprehensive income is reclassified to profit or loss.

32.a.1.3. Derecognition

A financial asset (or, whenever the case, a part of a financial asset, or a part of a group of similar financial assets) is derecognized when:

- the rights to receive the cash flows from the asset have expired; or

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- the Company has transferred its rights to receive cash flows from it has assumed obligation to pay the received cash flows in full without material delay to a third part under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

32.a.1.4. Impairment of financial assets

The Company and its subsidiaries apply an impairment model for financial assets based on expected credit losses, using a simplified method for certain short and long-term assets (commercial receivables, lease receivables and contractual assets).

Under this simplified approach, credit impairment is recognized by reference to expected credit losses over the life of the asset. For this purpose, the Company and its subsidiaries use matrices based on historical bad debt experience by geographical area on a portfolio segmented by customer category according to credit pattern. The matrix for each category has a defined time horizon divided into intervals in accordance with the collection management policy and is fed with historical data that covers at least 24 collection cycles. This data is updated on a regular basis. Based on the information observable at each close, the Company and its subsidiaries assess the need to adjust the rates resulting from these matrices, considering current conditions and future economic forecasts.

32.a.2. Financial liabilities

32.a.2.1. Initial recognition and measurement

Upon initial recognition, a financial liability is classified into the following measurement categories: (i) at fair value through profit or loss; (ii) at amortized cost; or (iii) derivatives designated as hedge instruments in an effective hedge, as appropriate.

Financial liabilities are initially recognized at fair value plus, in the case of loans and financing, transaction cost directly attributable thereto.

The Company's consolidated financial liabilities include accounts payable to suppliers, loans, financing, debentures, leases and other creditors, derivative financial instruments, obligations to ANATEL, amounts to be refunded to customers, capital reduction, reverse stock split and stock split, and obligations with related parties.

32.a.2.2. Subsequent measurement

Measurement of financial liabilities depends on their classification, as follows: (i) Financial liabilities at fair value through profit or loss: financial liabilities are designated at initial recognition at fair value through profit or loss. This category also includes derivative financial instruments contracted, except those designated as derivative financial instruments of cash flow hedge. Interest, monetary and exchange variations and changes arising from the valuation at fair value, when applicable, are recognized in the statement of income when incurred; and (ii) Financial liabilities at amortized cost: after initial recognition, loans and financing subject to interest are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of income at the time of write-off of liabilities, as well as during the amortization process using the effective interest rate method.

Amortized cost is calculated taking into account any discount or goodwill on acquisition and fees or costs that are an integral part of the effective interest rate method. Amortization using the effective interest rate method is included as a financial expense in the income statement.

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32.a.2.3. Derecognition

A financial liability is derecognized when the obligation has been revoked, cancelled or expired. When an existing financial liability is replaced by another of the same lender, and the terms of the instruments are substantially different, or when the terms of an existing debt instrument are substantially modified, this replacement or modification is treated as derecognition of the original liability and recognition of a new liability, and the difference in the corresponding carrying amounts is recognized in the statement of income.

32.a.3. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability will take place (i) in the principal market for the asset or liability; or (ii) in the absence of a principal market, in the most advantageous market for that asset or liability. The Company and or its subsidiaries must have access to the principal (or most advantageous) market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing an asset or liability, assuming that market participants act in their best economic interests.

Fair value measurement of a non-financial asset takes into consideration the capacity of a market participant to generate economic benefits through the best use of the asset or selling it to another market participant that would also make the best use of the asset.

The Company and its subsidiaries use adequate valuation techniques in the circumstances and for which there is sufficient data to measure the fair value, which maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The fair values of all assets and liabilities are classified within the fair value hierarchy described below, based on the lowest level of information that is significant to the fair value measurement as a whole: (i) Level 1: quoted market prices (unadjusted) in active markets for identical assets or liabilities; (ii) Level 2: valuation techniques for which there is a significantly lower level of information to measure the fair value directly or indirectly observable; and (iii) Level 3: valuation techniques for which the lowest and significant level of information to measure the fair value is not available.

For assets and liabilities recognized in the financial statements on a recurring basis, the Company and its subsidiaries determine whether transfers have occurred between levels of the hierarchy, reassessing the categorization (based on information at the lowest and most significant level for measuring the fair value as a whole) to each year end.

The Company and its subsidiaries assessed their financial assets and liabilities in relation to market values using available information and appropriate valuation methodologies. Both the interpretation of market data and the selection of valuation methods require considerable judgment and reasonable estimates to produce the most adequate realization value. As a result, the estimates shown do not necessarily indicate amounts that could be realized in the current market. The use of different assumptions for the market and/or methodologies may have a material effect on estimated realization values.

In the years ended December 31, 2025 and 2024, there were no transfers of fair value assessments between the aforementioned levels.

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32.a.4. Financial instruments – net

Financial assets and liabilities are presented net in the balance sheet if, and only if, there is a current enforceable legal right to offset the amounts recognized and if there is an intention to offset or realize the asset or settle the liability simultaneously.

32.a.5. Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as currency and interest rate swaps and currency forward contracts to provide protection against the risk of changes in exchange rates.

For hedge accounting purposes, they can be classified as: cash flow hedges and fair value hedges. The Company's contracts are classified as cash flow hedges when they provide protection against changes in cash flows that are attributable to a particular risk associated with a recognized liability that may affect the result, and fair value hedges when they provide protection against exposure to changes in the fair value of an identified portion of certain liabilities that are attributable to a particular risk (exchange rate variation) and may affect the result.

At the beginning of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the objective and risk management strategy for carrying out the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Company assesses whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of sources of hedge ineffectiveness and how to determine the hedge ratio). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements: (i) there is an economic relationship between the hedged item and the hedging instrument; (ii) the effect of credit risk does not influence the changes in value that result from that economic relationship; and (iii) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity effectively hedges and the quantity of the hedging instrument that the Company effectively uses to hedge that quantity of the hedged item.

Any gains or losses resulting from changes in the fair value of derivative financial instruments during the period are recognized directly in the statement of income, except for the effective portion of cash flow hedges, which is recognized directly in equity in other comprehensive income and subsequently reclassified to profit or loss when the hedged item affects profit or loss.

32.a.5.1. Cash flow hedges

Cash flow hedges meeting the recording criteria are accounted for as follows: (i) the portion of gain or loss from the hedge instrument determined as an effective hedge shall be recognized directly in equity (other comprehensive income), and (ii) the ineffective portion of gain or loss from the hedge instrument shall be recognized in the statement of income.

When the Company's documented risk management strategy for any given hedge relationship excludes from the hedge effectiveness evaluation any particular component of gain or loss or the corresponding cash flows from the hedge instrument, that gains or loss component is recognized in financial income (expenses).

Amounts recorded in other comprehensive income are immediately transferred to the statement of income when the hedged transaction affects P&L. When a hedged item is the cost of a non-financial asset or liability, amounts recorded in equity are transferred at the initial carrying amount of the non-financial assets and liabilities. In situations where the anticipated transaction is no longer expected, the accumulated gain or loss and deferred hedging costs, previously recognized in equity, are immediately reclassified to profit or loss in the income statement.

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If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge fails to meet the hedge accounting criteria, any cumulative gain or loss previously recognized in other comprehensive income remains separately in equity until the forecast transaction occurs or the firm commitment is fulfilled.

The migration from the STFC Concession regime to the private STFC Authorization regime (note 1.b) enabled the Company to begin replacing its copper cable network with a fiber optic network.

The Company maintains derivatives designated as cash flow hedges to protect future copper revenue projected for the next 24 months.

The hedge ratio at the initial date was 1:1. Considering changes in the value of the hedged item (copper price) and the value of derivative instruments used as hedging, the weighted average hedged rate for the year was R\$66,923.

The hedge effects recognized in equity are transferred to profit or loss as the hedged revenue impacts financial performance.

The main source of ineffectiveness is the risk of not extracting copper on the projected dates. There was no ineffectiveness during 2025 in relation to the cash flow hedge.

32.a.5.2. Fair value hedges

Fair value hedges meeting the accounting criteria are accounted for as follows: (i) gain or loss from changes in fair value of a hedge instrument shall be recognized in the statement of income as finance costs; and (ii) gain or loss from a hedged item attributable to the hedged risk shall adjust the recorded amount of the hedged item to be recognized in the statement of income, as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustments to carrying value are amortised through profit or loss over the remaining term of the hedge using the effective interest method. Amortisation of the effective interest rate may begin as soon as an adjustment occurs and, at the latest, when the hedged item ceases to be adjusted by changes in its fair value attributable to the hedged risk.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in the statement of income.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

The Company does not hold any derivatives designated as fair value hedge accounting in its active portfolio.

32.a.5.3. Classification between current and non-current

Derivative financial instruments are classified as current and non-current or segregated into short and long-term portions based on an evaluation of the contractual cash flows.

When the Company maintains a derivative as an economic hedge (and does not apply hedge accounting), for a period exceeding 12 months after the balance sheet date, the derivative is classified as non-current (or segregated into current and non-current portions), in line with the classification of the corresponding item.

The derivative instrument is segregated into current and non-current portions only when amounts can be reliably allocated.

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Derivative instruments that are designated as effective hedging instruments are classified consistently with the classification of the underlying hedged item.

32.b. Critical estimates and judgments

When the fair value of financial assets and liabilities stated in the balance sheet cannot be obtained in active markets, it will be determined using valuation techniques, including the discounted cash flow method. Data for these methods is based on those adopted in the market, whenever possible. However, when this is not feasible, a certain level of judgment is required for fair value determination. Judgment includes consideration of the inputs used, such as liquidity risk, credit risk and volatility. Changes in the assumptions about these factors could affect the reported fair value of financial instruments.

32.c. Derivative transactions

The Company enters into derivative financial instrument contracts with the primary objective of protecting itself against inflation risks in lease agreements indexed to the IPCA (Brazilian Consumer Price Index), as well as against exchange rate risks related to liabilities in foreign currency. Derivative instruments are not used for speculative purposes, and existing exchange rate risks are duly hedged.

Furthermore, the Company implemented a hedging program to mitigate cash flow volatility resulting from fluctuations in the price of copper. These operations were carried out through NDF contracts with monthly maturities until 2027, aiming to protect part of the projected sales volume. Considering the characteristics of these operations and their adherence to the requirements of the applicable standard, the Company adopted the hedge accounting methodology, in the cash flow hedge modality, for these operations (Note 32.a.5.1).

Management believes that the Company's internal controls for its derivatives are adequate to control risks associated with each strategy for the market. Gains/losses obtained or sustained by the Company in relation to its derivatives show that its risk management has been appropriate.

Whilst these derivative contracts qualify for hedge accounting, the hedged item is adjusted to fair value, offsetting the result of the derivatives, pursuant to the rules of hedge accounting. This hedge accounting applies both to financial liabilities and probable cash flows in foreign currency.

Derivatives contracts include specific penalties for breach of contract. Breach of contract provided for in agreements made with financial institutions leads to the anticipated liquidation of the contract.

On December 31, 2025 and 2024, the Company held no embedded derivatives contracts.

32.c.1. Fair value of derivative financial instruments

The valuation method used to calculate the fair value of financial liabilities (if applicable) and derivative financial instruments was the discounted cash flow method, based on expected settlements or realization of liabilities and assets at market rates prevailing at the balance sheet date.

The fair values of the positions in **Reais** are calculated by projecting future inflows from transactions using B3 yield curves and discounting these flows to present value using market DI rates for swaps announced by B3.

The market values of foreign exchange derivatives were obtained using the market exchange rates in effect at the balance sheet date and projected market rates obtained from the currency's coupon-rate yield curves. The linear convention of 360 calendar days was used to determine coupon rates of positions indexed in foreign currencies, while the exponential convention of 252 business days was used to determine coupon rates for positions indexed to CDI rates.

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Consolidated derivatives financial instruments shown below are registered with B3 and classified as swaps, usually, that do not require margin deposits.

Description	Notional Value		Accumulated effects from fair value	
	12.31.2025	12.31.2024	Amount receivable (payable) 12.31.2025	12.31.2024
Swap contracts				
Assets position	1,945,120	899,522	118,083	104,300
Foreign Currency	626,540	594,886	1,406	7,782
US\$(¹)	509,245	493,087	1,406	6,526
EUR(¹)	117,295	101,799	—	1,256
NDF US\$(³)	—	—	—	—
Floating rate	221,461	259,259	—	2,938
CDI(¹)	176,470	214,268	—	1,098
Euribor(⁴)	44,991	44,991	—	1,840
Pre-rate	1,048,500	—	—	—
NDF Copper(⁵)	1,048,500	—	—	—
Inflation rates	48,619	45,377	116,677	93,580
IPCA(²)	48,619	45,377	116,677	93,580
Liabilities position	(1,945,120)	(899,522)	(198,658)	(98,205)
Floating rate	(720,150)	(685,254)	(122,069)	(97,353)
CDI(¹)(²)	(720,150)	(685,254)	(122,069)	(97,353)
Commodities	(1,048,500)	—	(72,868)	—
NDF Copper(⁵)	(1,048,500)	—	(72,868)	—
Foreign Currency	(176,470)	(214,268)	(3,721)	(852)
US\$(¹)	(154,230)	(214,268)	(3,434)	(852)
EUR(¹)	(22,240)	—	(287)	—
	Long position		16,328	17,364
	Current		7,706	15,524
	Non-current		8,622	1,840
	Short position		(96,903)	(11,269)
	Current		(53,044)	(866)
	Non-current		(43,859)	(10,403)
	Amounts receivable (payable), net		(80,575)	6,095

(1) Foreign currency swap (euro and CDI x euro) (R\$95,055) and (dollar and CDI x dollar) (R\$355,055) – swap transactions contracted with maturities up to February 23, 2026, with the objective of protecting against exchange rate variation risks of net amounts payable (book value of R\$1,664 payable and R\$5,432 payable, respectively).

(2) IPCA x CDI Swap (R\$48,619) – swap transactions contracted with maturities in 2033 with the objective of protecting against the risk of variation of the IPCA (book value of R\$5,345 to receive).

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- (3) Forward operations contracted (NDF dollar x R\$), closed on December 11, 2025, had the objective of protecting against exchange rate variation risks of service contracts.
- (4) Swap Euribor x CDI (R\$44,991) – swap transactions contracted with maturities in 2027 with the objective of protecting against the risk of Euribor variation (accounting value of R\$5,956 to be payable)
- (5) NDF Copper x Pre (R\$1,048,500 - LME in Reais * Tons contracted) – Copper NDF transactions contracted to protect future sales revenues against variations in the price of copper on the LME relative to the Real. (book value R\$72,868 payable) The transaction is designated for cash flow hedging.

32.c.2. Net changes of derivative financial instruments

	12.31.2025	12.31.2024
Balance at the beginning of the fiscal year	6,095	(9,415)
Payments	137,956	34,285
Receipts	(43,164)	(92,079)
Effects on the financial result of fair value adjustments	(101,776)	68,944
Effects on equity of fair value adjustments	(79,686)	4,360
Balance at the end of the year	(80,575)	6,095

32.c.3. Aging of derivative financial instruments (net)

Swap contract	Maturing in						2031 onwards	Amount receivable (payable) on 12.31.2025
	2026	2027	2028	2029	2030			
IPCA x CDI	5,983	5,353	5,465	4,943	4,678	(21,077)	5,345	
Euribor x CDI	—	(5,956)	—	—	—	—	(5,956)	
Foreign currency x CDI	(3,375)	—	—	—	—	—	(3,375)	
NDF Copper x Pre	(44,225)	(28,643)	—	—	—	—	(72,868)	
CDI x Foreign Currency	(3,721)	—	—	—	—	—	(3,721)	
Total	(45,338)	(29,246)	5,465	4,943	4,678	(21,077)	(80,575)	

For the preparation of these financial statements, the Company adopts the fair value measurement methodology for foreign currency x CDI and IPCA x CDI swaps used to hedge financial debts. In this approach, only the derivative instruments are measured at fair value, while the related financial debts remain recorded at amortized cost.

Additionally, in copper NDF transactions, the Company applies a cash flow hedging strategy. Changes in the fair value of these derivatives are recorded in Other Comprehensive Income and, as sales are realized, are reclassified to "Other Operating Income, net" in the income statement.

On December 31, 2025, and 2024, the derivatives financial instruments generated net results consolidated of negative R\$101,776 and positive R\$69,008, respectively (Note 28.).

32.c.4. Sensitivity analysis of the Company's risk variables

Publicly-held companies must disclose a sensitivity analysis table for each type of market risk considered relevant by Management, arising from financial instruments, to which the entity is exposed at the closing date of each period, including all operations with derivative financial instruments.

Each financial instrument derivative transaction was assessed, and assumptions included a probable base scenario and a further two stressed scenarios that could adversely impact the Company.

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For the probable base scenario, at the maturity dates for each of the transactions, the market rates sourced from B3 yield curves (currencies and interest rates) were used plus data from the IBGE, Central Bank, FGV, among others. In the probable scenario, there is no impact on the fair value of the above-mentioned derivatives. For scenarios II and III, as per the CVM rule, risk variables were stressed by 25% and 50%, respectively.

Since the Company only holds derivatives to hedge its foreign currency assets and liabilities, other scenarios are not applicable. For these transactions, the Company reported the consolidated net exposure in each of the above-mentioned three scenarios on December 31, 2025.

Transaction	Risk	Company / Consolidated		
		Probable	25% depreciation	50% depreciation
Hedge (assets position)	Derivatives (depreciation risk EUR)	141,493	176,866	212,239
Payables in EUR	Debt (appreciation risk EUR)	(140,174)	(175,217)	(210,260)
Receivables in EUR	Debt (depreciation risk EUR)	869	1,086	1,304
	Net Exposure	2,188	2,735	3,283
Hedge (assets position)	Derivatives (depreciation risk US\$)	351,379	439,224	527,069
Payables in US\$	Debt (appreciation risk US\$)	(432,197)	(540,246)	(648,296)
Receivables in US\$	Debt (depreciation risk US\$)	79,236	99,045	118,854
	Net Exposure	(1,582)	(1,977)	(2,373)
Copper Hedge (liabilities position)	Derivatives (High Copper Risk)	(72,868)	(91,084)	(136,627)
Future Copper Revenue	Debts (Risk of a fall in copper prices)	72,868	91,084	136,627
	Net Exposure	—	—	—
Hedge (assets position)	Derivatives (Risk of IPCA fall)	37,528	25,925	16,072
Debt indexed to the IPCA (Brazilian inflation index)	Debts (Risk of increased inflation)	(37,528)	(25,925)	(16,072)
	Net Exposure	—	—	—
Hedge (active position)	Derivatives (Risk of Euribor drop)	5,956	7,445	11,168
Debt in Euribor	Debts (Risk of Euribor increase)	(5,956)	(7,445)	(11,168)
	Net Exposure	—	—	—
Hedge (CDI position)				
Hedge US\$ and EUR (liabilities position)	Derivatives (risk of decrease in CDI)	3,721	3,728	3,737
Hedge IPCA (liabilities position)	Derivatives (risk of increase in CDI)	(32,183)	(40,228)	(48,274)
	Net Exposure	(28,462)	(36,500)	(44,537)
Total net exposure in each scenario		(27,856)	(35,742)	(43,627)
Net effect on changes in current fair value		—	(7,886)	(15,771)

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The fair values shown in the table above are based on the portfolio position on December 31, 2025, but do not contemplate other changes to market variables which are constantly monitored by the Company. The use of different assumptions could significantly affect the estimates.

For calculation of the net exposure for the sensitivity analysis, all derivatives were considered at market value and hedged items designated for hedges for accounting purposes were also considered at fair value.

The assumptions used by the Company for the sensitivity analysis on December 31, 2025, were as follows:

Risk Variable	Probable	25% depreciation	50% depreciation
US\$	5.50	6.88	8.25
EUR	6.47	8.09	9.70
IPCA	4.87%	6.12%	7.39%
IGPM	1.05%	1.31%	1.58%
CDI	14.90%	18.63%	22.35%
Euribor	1.96%	2.46%	2.95%
Price of Copper (Ton) - US\$	12,504	15,630	18,756

32.d. Classification of financial assets and liabilities by category and fair value hierarchy

For the purposes of disclosing fair value, the Company and its subsidiaries determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

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Below, we present the composition and classification of financial assets and liabilities as of December 31, 2025 and 2024.

	Classification by category	Fair value hierarchy	Book value		Fair value	
			12.31.2025	12.31.2024	12.31.2025	12.31.2024
Financial Assets						
Current						
Cash and cash equivalents (Note 3.)	1		7,032,339	6,691,098	7,032,339	6,691,098
Financial investments (Note 4.)	2	Level 2	99,102	—	99,102	—
Trade accounts receivable (Note 5.)	1		10,619,617	9,471,592	10,619,617	9,471,592
Derivative transactions (Note 32.)	2	Level 2	7,706	15,524	7,706	15,524
Sale of real estate and other receivables (Note 11.)	1		192,472	134,963	192,472	134,963
Related-party receivables (Note 11.)	1		26,317	72,641	26,317	72,641
Non-current						
Financial investments (Note 4.)	1		41,308	42,619	41,308	42,619
Trade accounts receivable (Note 5.)	1		283,502	370,149	283,502	370,149
Derivative transactions (Note 32.)	2	Level 2	8,622	1,840	8,622	1,840
Sale of real estate and other receivables (Note 11.)	1		280,619	120,354	280,619	120,354
Related-party receivables (Note 11.)	1		154	42,759	154	42,759
Total financial assets			18,591,758	16,963,539	18,591,758	16,963,539
Financial Liabilities						
Current						
Trade accounts payable, net (Note 17.)	1		9,861,294	9,230,624	9,861,294	9,230,624
Loans and financing (Note 21.)	1		2,200	232,118	2,200	232,118
Leases (Note 21.)	1		4,883,176	4,520,626	4,883,176	4,520,626
Debentures (Note 21.)	1		161,453	1,695,214	161,453	1,695,214
Derivative transactions (Note 32.)	2	Level 2	5,449	866	5,449	866
Derivative transactions (Note 32.)	3	Level 2	47,595	—	47,595	—
Liabilities with ANATEL (Note 23.)	1		83,558	146,844	83,558	146,844
Reduction of capital of the Company (Note 22)	1		91,093	38,721	91,093	38,721
Reverse stock split and stock split (Note 23.a)	1		824,723	—	824,723	—
Amounts to be refunded to customers (Note 23.)	1		108,166	126,867	108,166	126,867
Liabilities with related parties (Note 23.)	1		138,026	133,290	138,026	133,290
Non-current						
Loans and financing (Note 21.)	1		1,474	1,572,592	1,474	1,572,592
Leases (Note 21.)	1		10,549,678	10,725,980	10,549,678	10,725,980
Debentures (Note 21.)	1		2,905,512	2,000,000	2,905,512	2,000,000
Derivative transactions (Note 32.)	2	Level 2	43,859	10,403	43,859	10,403
Liabilities with ANATEL (Note 23.)	1		911,899	892,648	911,899	892,648
Liabilities with related parties (Note 23.)	1		602	638	602	638
Total financial liabilities			30,619,757	31,327,431	30,619,757	31,327,431

Classification by category

- (1) Amortized cost
- (2) Measured at fair value through profit or loss
- (3) Measured at fair value through OCI

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32.e. Capital management

The purpose of the Company's capital management is to ensure maintenance of a high credit rating and an optimal capital ratio to support the Company's business and maximize shareholder value.

The Company manages its capital structure by making adjustments and adapting to current economic conditions. In seeking such equilibrium, the Company may pay dividends, obtain new loans, issue debentures and contract derivatives. For the year ended December 31, 2025, there were no changes in capital structure objectives, policies or processes.

The Company includes in the net debt structure the balances of loans, financing, debentures, leases, and other creditors and derivative financial instruments, net of cash and cash equivalents, financial investments (FIDC Vivo Pay and SCD), and accounts receivable from credit rights (FIDC Vivo Pay).

The Company's ratio of consolidated debt to shareholders' equity consists of the following:

	12.31.2025	12.31.2024
Cash and cash equivalents	7,032,339	6,691,098
Financial investments	99,102	—
Accounts receivable – FIDC Vivo Pay (net of estimated losses)	187,142	205,832
Loans and financing, debentures, leases and other creditors, net of judicial deposit (2024)	(20,346,681)	(20,705,984)
Derivative transactions, net	(80,575)	6,095
Net debt	(13,108,673)	(13,802,959)
Net equity	69,002,726	69,799,495
Net debt-to-equity ratio	19.00%	19.78%

32.f. Risk management policy

The Company and its subsidiaries are exposed to several market risks as a result of its commercial operations, debts contracted to finance its activities and debt-related financial instruments.

32.f.1. Currency Risk

The Company is exposed to the foreign exchange risk for financial assets and liabilities denominated in foreign currencies, which may reduce receivables or increase payables depending on the exchange rate in the period.

Hedging transactions were executed to minimize the risks associated with exchange rate changes on financial assets and liabilities in foreign currencies. This balance is subject to daily changes due to the dynamics of the business. However, the Company intends to cover the net balance of these assets and obligations (US\$64,147 thousand, €21,529 thousand and £5 thousand paid by December 31, 2025, and US\$40,295 thousand, €15,988 thousand and £71 thousand paid by December 31, 2024) to mitigate its foreign exchange risks.

32.f.2. Interest and Inflation Risk

This risk may arise from an unfavorable change in the domestic interest rate, which may adversely affect financial expenses from the portion of debentures referenced to the CDI and liability positions in derivatives (currency hedge and IPCA) pegged to floating interest rates (CDI).

To reduce exposure to the floating interest rate (CDI), the Company and its subsidiaries invested cash equivalents of R\$6,945,770 and R\$6,542,862 on December 31, 2025, and 2024, respectively, mostly in short-term CDI-based financial investments (CDBs). The carrying amounts of these instruments approximate their fair values, as they may be redeemed in the short term.

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32.f.3. Liquidity Risk

Liquidity risk consists of the possibility that the Company might not have sufficient funds to meet its commitments due to the different timing and settlement terms of its rights and obligations.

The Company structures the maturities of financial instruments so as not to affect their liquidity.

The Company's cash flow and liquidity are managed on a daily basis by the operating departments to ensure that cash flows and contracted funding, when necessary, are sufficient to meet scheduled commitments in to mitigate liquidity risk.

The maturity profile of consolidated financial liabilities includes future principal and interest amounts up to the maturity date. For fixed rate liabilities, interest was calculated based on the indices established in each contract. For floating rate liabilities, interest was calculated based on the market forecast for each period.

In order to minimize liquidity risk and ensure compliance with obligations, the Company's cash investment policy prioritizes instruments indexed to the CDI (post-fixed rate), with daily liquidity and counterparties whose credit rating and/or balance scorecard indicate low credit risk. In addition, the investment policy establishes diversification limits for counterparties, which provides greater confidence in the Company's ability to honor its payment commitments.

32.f.4. Credit Risk

The credit risk arises from the possibility that the Company may incur losses resulting from the difficulty in receiving billed amounts related to the provision of services and the sale of handsets and equipment to its B2C and B2B customers, in addition to the sale of handsets and pre-activated prepaid cards to the distributor network.

Credit risk with accounts receivable is diversified and minimized through strict control of the customer base and constant risk analysis. The Company constantly monitors the level of accounts receivable and limits the risk of overdue accounts by cutting off access to the telephone line if the invoice is past due. For the prepaid mobile customer base, which requires advance loading, there is no credit risk.

Credit risk on sales of pre-activated prepaid handsets and cards is managed through a prudent policy for granting credit, using modern credit scoring methods, analyzing financial statements and consultations to commercial databases, in addition to requesting guarantees.

The Company and its subsidiaries are also subject to credit risk arising from their investments, letters of guarantee received as collateral for certain transactions and receivables from derivative transactions. The Company and its subsidiaries control the credit limits granted to each counterparty and diversify this exposure across first-tier financial institutions as per current credit ratings of financial counterparties.

32.f.5. Exchange rate and commodity risk

The Company is exposed to exchange rate fluctuations linked to commodity risk arising from future revenue from copper sales, since both the international price of the metal and the exchange rate of the foreign currency can impact the amount to be received. Adverse variations in these markets can reduce revenue in reais and increase the volatility of results.

To mitigate these risks, hedging operations with financial derivatives were contracted, designed to simultaneously protect against currency exposure and exposure to the price of copper. These operations aim to maintain greater predictability in the project's cash flow and minimize the impacts of market fluctuations.

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The amount covered, corresponding to 16 thousand tons, is adjusted according to the dynamics of projected sales and the evolution of market conditions, ensuring continuous alignment between the protected volume and the Company's effective exposure.

32.f.6. Insurance Coverage

The policy of the Company and its subsidiaries, as well as the Telefônica Group, is to contract insurance coverage for all significant assets and liabilities of high-risk based on Management's judgment and following Telefônica corporate program guidelines.

On December 31, 2025, the maximum limits of claims (established pursuant to the agreements of each entity consolidated by the Company) for significant assets, liabilities or interests covered by insurance and their respective total R\$900,000 for operational risks (including business interruption) and R\$75,000 for general civil liability.

The Company's Management considers the insurance coverage to be sufficient to cover any possible claims.

33. Additional Information on Cash Flows

The following is a reconciliation of the consolidated cash flow financing activities for the year ended December 31, 2025, and 2024.

	Cash flows from financing activities			Cash flows from operating activities	Financing activities not involving cash and cash equivalents				Balance on 12.31.2025
	Balance on 12.31.2024	Additions	Write-offs (payments)	Write-offs (payments)	Financial charges, fair value, monetary and exchange rate updates, write-offs and reversals	Additions (cancellations) of leases contracts	Business combination	Interim and unclaimed dividends and interest on equity	
Interim dividends and interest on equity	2,237,090	—	(2,187,402)	—	—	—	—	2,724,856	2,774,544
Loans and financing	1,804,710	20,000	(409,993)	(88,041)	189,508	273,568	57,110	—	1,846,862
Leases	15,246,606	—	(3,322,031)	(1,756,359)	1,703,845	3,478,260	82,533	—	15,432,854
Debentures	3,695,214	—	(1,500,000)	(464,355)	431,942	—	904,164	—	3,066,965
Reverse stock split and stock split	—	949,354	(124,631)	—	—	—	—	—	824,723
Reduction of the Company's capital	38,721	—	(1,947,628)	—	—	—	—	2,000,000	91,093
Derivative financial instruments	(6,095)	—	(87,220)	(7,572)	181,462	—	—	—	80,575
Total	23,016,246	969,354	(9,578,905)	(2,316,327)	2,506,757	3,751,828	1,043,807	4,724,856	24,117,616

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	Cash flows from financing activities			Cash flows from operating activities	Financing activities not involving cash and cash equivalents				
	Balance on 12.31.2023	Additions	Write-offs (payments)	Write-offs (payments)	Financial charges, fair value, monetary and exchange rate updates, write-offs and reversals	Additions (cancellations) of leases contracts	Business combination	Interim and unclaimed dividends and interest on equity	Balance on 12.31.2024
Interim dividends and interest on equity	2,247,884	—	(2,532,399)	—	—	—	—	2,521,605	2,237,090
Loans and financing	1,419,599	83,084	(413,494)	(34,406)	95,918	484,654	169,355	—	1,804,710
Leases	13,596,039	—	(3,081,545)	(1,600,192)	1,630,993	4,701,311	—	—	15,246,606
Debentures	3,721,589	—	—	(443,423)	417,048	—	—	—	3,695,214
Reduction of the Company's capital	—	—	(1,461,279)	—	—	—	—	1,500,000	38,721
Derivative financial instruments	9,415	—	54,331	3,463	(73,304)	—	—	—	(6,095)
Total	20,994,526	83,084	(7,434,386)	(2,074,558)	2,070,655	5,185,965	169,355	4,021,605	23,016,246

34. Contractual Commitments

34.a. Contractual Commitments

The Company has unrecognized contractual commitments arising from the purchase of goods and services, which mature on several dates, with monthly payments.

On December 31, 2025, the total consolidated nominal values equivalent to the full contract period were:

Year	
2026	938,432
2027	838,722
2028	860,588
2029	840,328
2030	360,794
2031 onwards	1,574,467
Total⁽¹⁾	5,413,331

(1) Includes R\$1,181,762, referring to contracts for the provision of security services with Telefônica Cybersecurity Tech, S.L.U. ("CyberCo") and its subsidiaries, companies of the Telefônica Group.

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34.b. Guarantees

On December 31, 2025, the Company had guarantees for several commitments with ANATEL, suppliers and legal proceedings:

Insurance of guarantee(1)	30,925,675
Letters of guarantee(2)	9,884,006
Judicial deposits and garnishments (Note 10.)	2,964,318
Property and equipment (Note 13.f.)	9,675
Financial investments in guarantee of lawsuits (Note 4.)	41,308
Total	43,824,982

(1) They refer to insurance amounts contracted to ensure the continuity of the discussion of legal proceedings (note 19).

(2) Includes R\$4 billion was contracted related to the Self-Composition Agreement for the Adaptation of STFC Concession Contracts.

35. Other matters

35.a. Environmental Risks

The Company's operations and properties are subject to various environmental laws and regulations that govern environmental licenses and registrations, protection of fauna and flora, atmospheric emissions, waste management and remediation of contaminated areas, among others. If the Company or its business partners are unable to comply with current and future legal requirements, or identify and manage new or existing environmental liabilities, it will have to incur significant costs, which include investigation and remediation costs, indemnities, compensation, adjustment of conduct, fines, suspension of activities and other penalties, investments to improve facilities or change operations, in addition to damage to the Company's reputation in the market.

The identification of new relevant environmental issues, changes in assessment criteria by regulatory agencies, entry into force of more restrictive laws and regulations or other unforeseen events may result in significant environmental liabilities and their respective costs. The occurrence of any of these factors could have a material adverse effect on the Company's business, results of operations and financial condition. According to article 75 of Law No. 9,605/1998, the maximum fine for non-compliance with the environmental law is R\$50,000 plus losses related to embargoes or administrative sanctions, in addition to indemnities and repairs for damages caused to the environment.

Climate change poses a number of potential systemic risks (environmental, financial and socioeconomic) to telecommunications operators, such as the Company, from both a regulatory and physical perspective. Increased intensity and frequency of extreme events, such as storms, cyclones, floods, fires and heat waves, may damage, suspend or interrupt the Company's transmission operations for an indefinite period. Should a succession of extreme weather events occur, the Company may not have sufficient resources to repair its infrastructure in a timely and cost-effective manner.

In a quantitative analysis, it is noted that the increase in temperature directly affects the operating conditions of the Company's network equipment, which can cause failures, accelerated wear and loss of assets and, therefore, increase the probability of service interruptions, generating reputational and financial risks. For this reason, cooling the equipment is essential to ensure the proper operation of the Company. In more serious cases, the risk of fires can also increase. As a result, global warming can increase our demands for cooling and energy use, increasing our operating costs.

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The telecommunications sector is not particularly dependent on fossil fuels, but it is dependent on electricity consumption for its networks, so variations in electricity prices are sensitive to the sector and can have a significant impact on the Company's operating expenses related to energy. The estimated economic impact of this risk classifies it as substantive, on the horizon of 2030.

To manage climate risks, the Company performs diagnostics on physical and transition risks, promotes energy efficiency programs and renewable energy and distributed energy generation plans, in addition to having a dedicated business continuity area, guided by the Global Business Continuity Regulation ("GBC"), which prescribes preventive risk management, ensuring the resilience of its operations before any possible interruption.

35.b. Compliance

The Company is subject to compliance with Brazilian legislation related to combating corruption, in particular Law No. 12,846/2013 and Decree No. 11,129/2022, as well as foreign legislation in the jurisdictions in which it operates as a securities issuer and securities, more specifically the US Foreign Corrupt Practice Act – FCPA of 1977.

Violations of legislation aimed at combating corruption may result in financial penalties, damage to reputation and other legal consequences that may negatively affect the Company's activities, the results of its operations or its financial condition.

The Company has internal policies and procedures designed to prevent, detect, and remedy non-compliance with these laws by the Company's board members, directors, partners, executives, representatives, and service providers; and develops and implements initiatives to ensure the continuous improvement of its Compliance Program, through a robust organizational and governance structure that guarantees actions based on ethics, transparency, and respect for applicable laws and regulations.

As a result of its commitment to maintaining a robust Compliance Program, since 2020 the Company has annually obtained the DSC 10,000 certification, currently valid until December 12, 2026. In 2023, it was recognized as a Pro-Ética company, an initiative of the Office of the Comptroller General of Brazil (CGU) and the Ethos Institute to encourage the voluntary adoption of integrity measures by companies and to recognize those committed to implementing actions aimed at preventing, detecting, and remedying acts of corruption and fraud. In 2024, it received the award for best Compliance department in the Telecom and Technology sector at the Leaders League Compliance Summit & Awards Brazil, and in 2025 it was highlighted as "Compliance Program of the Year", by the same organization.

36. Subsequent Events

36.a. Approval by the Extraordinary General Meeting - Acquisition of Control of FiBrasil (note 1.c.3)

On January 9, 2026, the Company's Extraordinary General Meeting ("EGM"), among other matters, approved (i) the ratification of the acquisition by the Company of 24.99% of the shares and 1 subscription warrant issued by Fibrasil, previously held by CDPQ, as well as 25.01% of the shares and 1 subscription warrant issued by Fibrasil, previously held by Fibre Brasil; and (ii) the amendment of Article 2 of the Company's Bylaws, which deals with the corporate purpose, to include additional activities aimed at updating and complementing the Company's scope of activities in light of its positioning and business opportunities related to its strategy.

Due to the approval of the matters mentioned above, shareholders holding shares issued by the Company who dissent from said resolutions will have the right to withdraw from the Company by receiving reimbursement for the value of their shares, under the terms and conditions described below ("Right of Withdrawal"), without prejudice to the possibility of reconsideration provided for in § 3 of article 137 of the Brazilian Corporations Law.

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The Extraordinary General Meeting was held in compliance with §1 of article 256 of the Brazilian Corporations Law for the purpose of ratifying the acquisition of control of Fibrasil, which was completed and has legal effects since the closing date, November 12, 2025.

36.b. Declaration of Interest on Equity

At a meeting held on February 12, 2026, the Company's Board of Directors approved a proposal for distribution of interest on equity ("IOE"), in accordance with Article 26 of the Company's Bylaws, Article 9 of Law No. 9,249/1995, and CVM Resolution No. 143/2022, in the gross amount of R\$325,000, equivalent to R\$0.10170213856 per common share, with withholding tax at a rate of 17.5%, resulting in an estimated net amount of R\$268,125, equivalent to R\$0.08390426431 per common share, determined based on the balance sheet as of January 31, 2026.

As provided for in Article 26 of the Company's Bylaws, the interest distribution will be treated as a prepayment to the mandatory dividend for the year ending December 31, 2026. ad referendum of the Annual General Shareholders' Meeting to be held in 2027.

This distribution will be paid by April 30, 2027, on a date to be determined by the Company's Board of Directors, and will be credited individually to each shareholder, based on the shareholding position recorded in the Company's records at the end of February 23, 2026.

The IOE per share amounts may be adjusted considering the Company's shareholder base to be verified on February 23, 2026, due to any share acquisitions under the Company's current Share Buyback Program.

STATEMENT OF THE OFFICER ON THE FINANCIAL STATEMENTS

In compliance with Article 27, paragraph 1, item VI, of CVM Resolution No. 80 of March 29, 2022, the Chief Financial Officer and Investor Relations Officer of Telefônica Brasil S.A. (“Company”), undersigned, hereby declares that he has reviewed, discussed, and agrees with the Company’s Financial Statements for the fiscal year ended December 31, 2025.

São Paulo, February 12, 2026.

David Melcon Sanchez-Friera

CFO and Investor Relations Officer

OPINION OF THE FISCAL COUNCIL

The members of the Fiscal Council of Telefônica Brasil S.A. ("Company" or "Telefônica Brasil"), in the exercise of their legal duties and responsibilities, as provided for in Article 163 of Law No. 6,404 of December 15, 1976 ("Brazilian Corporations Law"), and in compliance with Article 27, paragraph 1, item III of CVM Resolution No. 80 of March 29, 2022, have examined and analyzed (i) the Company's Financial Statements and Annual Management Report, both relating to the fiscal year ended December 31, 2025 ("2025 Financial Statements"), accompanied by the respective Independent Auditors' Report, as well as (ii) Management's proposal for the allocation of the results for the fiscal year ended December 31, 2025 ("Results Allocation Proposal"). Considering the information provided by Telefônica Brasil's Executive Board and by PricewaterhouseCoopers Auditores Independentes Ltda., the Company's independent auditors, the members unanimously issue a favorable opinion on the 2025 Financial Statements and on the Results Allocation Proposal, and recommend their submission to the Ordinary Shareholders' Meeting of Telefônica Brasil, pursuant to the Brazilian Corporations Law.

São Paulo, February 12, 2026.

Gabriela Soares Pedercini
Fiscal Council Member
(effective)

Luciana Doria Wilson
Fiscal Council Member
(effective)

Stael Prata Silva Filho
Fiscal Council Member
(effective)

OPINION OF THE BOARD OF DIRECTORS

The members of the Board of Directors of Telefônica Brasil S.A. (“Company” or “Telefônica Brasil”), in the exercise of their legal duties and responsibilities, as provided for in Law No. 6,404 of December 15, 1976 (“Brazilian Corporations Law”), and in the Company’s Bylaws, have examined and analyzed (i) the Company’s Financial Statements and the Annual Management Report, both relating to the fiscal year ended December 31, 2025 (“2025 Financial Statements”), accompanied by the Independent Auditors’ Report, as well as (ii) Management’s Proposal for the allocation of the results for the fiscal year ended December 31, 2025 (“Results Allocation Proposal”). Considering the information provided by Telefônica Brasil’s Executive Board, by PricewaterhouseCoopers Auditores Independentes Ltda., and the favorable opinions issued by the Fiscal Council and by the Audit and Control Committee, the Board unanimously issues a favorable opinion on the 2025 Financial Statements and on the Results Allocation Proposal, and submits them for consideration at the Ordinary Shareholders’ Meeting of Telefônica Brasil, pursuant to the Brazilian Corporations Law.

São Paulo, February 12, 2026.

Eduardo Navarro de Carvalho
Chairman of the Board of Directors

Cesar Mascaraque Alonso
Member of the Board of Directors

Cristina Presz Palmaka de Luca
Member of the Board of Directors

Francisco Javier de Paz Mancho
Member of the Board of Directors
(represented by Eduardo Navarro de Carvalho through voting delegation)

Ignácio Maria Moreno Martínez
Member of the Board of Directors

Marc Xirau Trias
Member of the Board of Directors

Andrea Capelo Pinheiro
Member of the Board of Directors

Christian Mauad Gebara
Member of the Board of Directors

Denise Soares dos Santos
Member of the Board of Directors

Gregorio Martínez Garrido
Member of the Board of Directors

Jordi Gual Solé
Member of the Board of Directors

Solange Sobral Targa
Member of the Board of Directors

MANAGEMENT COMPOSITION

Christian Mauad Gebara

Chief Executive Officer

David Melcon Sanchez-Friera

CFO and Investor Relations Officer

Breno Rodrigo Pacheco de Oliveira

General Secretary and Legal Officer

Ricardo Guillermo Hobbs

Vice-President of Strategy and Regulatory

Alex Martins Salgado

Chief Operating Officer

Marcos Antônio Martins

Accountant – CRC – SP 350904/0-9