

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2025
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
 SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report

For the transition period from _____ to _____

Commission file number: 001-14475

TELEFÔNICA BRASIL S.A.

(Exact name of Registrant as specified in its charter)

TELEFÔNICA BRAZIL S.A.

(Translation of the Registrant's name into English)

Federative Republic of Brazil

(Jurisdiction of incorporation or organization)

Avenida Engenheiro Luis Carlos Berrini, 1,376, 32° floor

São Paulo, State of São Paulo, Brazil, Zip Code 04571-936

(Address of principal executive offices)

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Avenida Engenheiro Luis Carlos Berrini, 1,376, São Paulo, State of São Paulo, Brazil, Zip Code 04571-936

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, without par value	VIVT3	New York Stock Exchange*
American Depositary Shares (as evidenced by American Depositary Receipts), each representing two Common Shares	VIV	New York Stock Exchange

*Not for trading purposes, but only in connection with the registration on the New York Stock Exchange of American Depositary Shares representing those Common Shares.

Securities registered or to be registered pursuant to Section 12 (g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15 (d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

The number of outstanding shares of each class (excluding treasury shares) as of December 31, 2025 was:

Title of Class	Number of Shares Outstanding (excluding treasury shares)
Common Shares	3,195,606,352

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13 (a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report

Yes No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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INTRODUCTION

References in this annual report to “Telefônica Brasil,” “Telefônica,” “we,” “our,” “us” and “the Company” are to Telefônica Brasil S.A. are to Telefônica Brasil S.A. and its consolidated subsidiaries (unless the context otherwise requires). All references in this annual report to:

- “ADRs” are to the American Depositary Receipts evidencing our ADSs;
- “ADSs” are to our American Depositary Shares, each representing two of our common shares;
- “ANATEL” are to *Agência Nacional de Telecomunicações*, the Brazilian telecommunications regulatory agency;
- “B3” are to *B3 S.A. – Brasil, Bolsa, Balcão*, the São Paulo stock exchange and a Brazil-based financial market infrastructure provider;
- “BNDES” are to the *Banco Nacional de Desenvolvimento Econômico e Social*, the Brazilian Development Bank;
- “Brazil” are to the Federative Republic of Brazil;
- “Brazilian Corporate Law” are to Law No. 6,404 of December 15, 1976, as amended;
- “CADE” are to the *Conselho Administrativo de Defesa Econômica*, the Brazilian antitrust and competition authority;
- “CDI rate” are to *Certificado de Depósito Interbancário*, the Certificate for Interbank Deposits;
- “Central Bank” are to the *Banco Central do Brasil*, the Brazilian Central Bank;
- “Claro” are to *Claro S.A.* and its affiliates, a telecommunications service provider in Brazil and our competitor;
- “CMN” are to the *Conselho Monetário Nacional*, the Brazilian Monetary Council;
- “Common shares” are to the common shares of Telefônica Brasil;
- “COPOM” are to the Monetary Policy Committee of the Central Bank (*Comitê de Política Monetária do Banco Central do Brasil*);
- “CTBC Telecom” are to *Companhia de Telecomunicações do Brasil Central*;
- “CVM” are to the *Comissão de Valores Mobiliários*, the Brazilian Securities Commission;
- “Federal District” are to *Distrito Federal*, the federal district where Brasília, the capital of Brazil, is located;
- “FGV” are to the *Fundação Getúlio Vargas*, a private higher education institution;
- “General Telecommunications Law” are to Law No. 9,472/1997, or *Lei Geral de Telecomunicações*, as amended, the law that regulates the telecommunications industry in Brazil;
- “GVT” are to Operating GVT and GVTPar, collectively, formerly wholly-owned subsidiaries of Telefônica Brasil prior to our 2016 corporate restructuring;
- “GVTPar” are to GVT Participações S.A., a formerly wholly-owned subsidiary of Telefônica Brasil prior to our 2016 corporate restructuring;
- “IASB” are to International Accounting Standards Board;
- “IBGE” are to *Instituto Brasileiro de Geografia e Estatística*, the Brazilian Institute of Geography and Statistics;
- “IFRS Accounting Standards” are to International Financial Reporting Standards, as issued by the IASB;

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- “IGP-DI” are to the *Índice Geral de Preços – Disponibilidade Interna*, an inflation index developed by the FGV;
- “IGP-M” are to the *Índice Geral de Preços ao Mercado*, an inflation index developed by the FGV;
- “IOF Tax” are to *Imposto sobre Operações de Crédito, Câmbio e Seguros*, a tax on credit, exchange and insurance transactions;
- “IPCA” are to *Índice Nacional de Preços ao Consumidor Amplo*, the consumer price index, published by the IBGE;
- “New General Telecommunications Law” are to Law No. 13,879/2019, which amended and reformed the General Telecommunications Law;
- “NYSE” are to the New York Stock Exchange;
- “Oi” or the “Oi Group” are to *Oi Móvel S.A. – Em Recuperação Judicial*, *Oi S.A. – Em Recuperação Judicial* and *Oi S.A. – Em Recuperação Judicial* and their affiliates, a telecommunications service provider in Brazil and our competitor;
- “Oi Agreement” means that certain share purchase agreement dated January 28, 2021, by and among *Oi Móvel S.A. – Em Recuperação Judicial*, as seller, and the Company, TIM and Claro, as Buyers, and *Oi S.A. – Em Recuperação Judicial* and *Telemar Norte Leste S.A. – Em Recuperação Judicial*, as intervening parties and guarantors of the seller’s obligations.
- “Operating GVT” are to Global Village Telecom S.A., a formerly wholly-owned subsidiary of Telefônica Brasil prior to our 2016 corporate restructuring;
- “Preferred shares” or “preferred stock” are to the shares of non-voting preferred stock of Telefônica Brasil, which were all converted into common shares of Telefônica Brasil effective as of after market close on November 20, 2020. Our preferred shares ceased to trade on November 23, 2020;
- “Real,” “reais” or R\$ are to the Brazilian *real*, the official currency of Brazil;
- “SEC” are to the U.S. Securities and Exchange Commission;
- “SELIC rate” are to Brazil’s benchmark interest rate (*Sistema Especial de Liquidação e de Custódia*), as set by the COPOM;
- “SP Telecom” are to *SP Telecomunicações Participações Ltda.*;
- “STF” are to the Brazilian Federal Supreme Court (*Supremo Tribunal Federal*);
- “TCU” are to the Brazilian Federal Court of Accounts (*Tribunal de Contas da União*);
- “TData” are to *Telefônica Data Ltda.*, a formerly wholly-owned subsidiary of Telefônica Brasil prior to our 2018 corporate restructuring;
- “Telecom Italia” are to Telecom Italia S.p.A.;
- “Telefónica” are to *Telefónica S.A.*, our parent company;
- “Telefónica LATAM” are to *Telefónica Latinoamérica Holding, S.L.*;
- “Terra” are to *Terra Networks Brasil Ltda.* (formerly known as *Terra Networks Brasil S.A.* prior to the change in its corporate form as of September 30, 2020), a wholly-owned subsidiary of Telefônica Brasil; Terra provides digital and advertising services;
- “TIM” are to *TIM S.A.*, *TIM Participações S.A.*, and their affiliates, a telecommunications service provider in Brazil and our competitor;
- “TJLP” are to *Taxa de Juros de Longo Prazo*, or long-term interest rate;

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- “U.S. dollar,” “U.S. dollars” or “US\$” are to U.S. dollars, the official currency of the United States;
- “Vivo” are to *Vivo S.A.*, a formerly wholly-owned subsidiary of Telefônica Brasil, which conducted cellular operations including SMP (as defined in the Glossary of Telecommunication Terms), nationwide;
- “*Vivo Participações*” are to Vivo Participações S.A. (formerly TELESP Celular Participações S.A.) and its consolidated subsidiaries (unless the context otherwise requires); and
- “WHO” means the World Health Organization.

Unless otherwise specified, data relating to the Brazilian telecommunications industry included in this annual report was obtained from ANATEL.

The “Glossary of Telecommunications Terms” that begins on the following page defines certain technical terms used in this annual report.

GLOSSARY OF TELECOMMUNICATION TERMS

The following explanations are not intended as technical definitions, but to assist the reader in understanding certain terms as used in this annual report.

5G standalone: The standard technology defined by the 3rd Generation Partnership Project (3GPP) to deliver 5G services. 5G standalone core architecture is completely independent from prior technologies (2G, 3G and 4G) and was conceived to support the streaming of ultra-low latency broadband.

Analog: A mode of transmission or switching that is not digital, e.g., the representation of voice, video or other modulated electrical audio signals, which are not in digital form.

Digital: A mode of representing a physical variable such as speech using digits 0 and 1 only. The digits are transmitted in binary form as a series of pulses. Digital networks allow for higher capacity and higher flexibility through the use of computer-related technology for the transmission and manipulation of telephone calls. Digital systems offer lower noise interference and can incorporate encryption as protection from external interference.

DTH: A special type of service that uses satellites for the direct distribution of television and audio signs for subscribers (“direct to home”).

EILD: *Exploração Industrial de Linha Dedicada*, or the industrial exploration of dedicated service lines, which are regulated by ANATEL.

FISTEL: The Fund for Telecommunication Regulation (*Fundo de Fiscalização das Telecomunicações*).

FTTC: Internet access through Fiber Optic (“Fiber to the Curb”).

FTTH: Internet access through Fiber Optic (“Fiber to the Home”).

FUNTTEL: The Fund for Telecommunication Technological Development (*Fundo para o Desenvolvimento Tecnológico das Telecomunicações*).

FUST: The Fund for Universal Access to Telecommunication Services (*Fundo de Universalização dos Serviços de Telecomunicações*).

GSM: Global System for Mobile Communications, a service rendered by concession from ANATEL for a specific frequency range.

IMS: IP Multimedia Core Network Subsystem, an architectural framework that standardizes alternative methods of delivering VoIP or other multimedia services to mobile phones across the industry.

Interconnection fee: Amount paid per minute charged by network operators for the use of their network by other network operators.

Internet: A collection of interconnected networks spanning the entire world, including university, corporate, government and research networks from around the globe. These networks all use the IP (Internet Protocol) communications protocol.

IoT: Internet of things, a term that describes physical objects embedded with sensors, processing ability, software, and other technologies that connect and exchange data with other devices and systems over the Internet or other communications network.

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IP (internet protocol): An interconnection protocol for sub-networks, in particular for those with different physical characteristics used by the Internet.

IPTV: Pay TV with video broadcasting offered through the use of the IPs.

IST: *Índice de Serviços de Telecomunicações*, or the inflation index of the telecommunications sector.

LTE: Long Term Evolution, a standard for wireless broadband communication for mobile devices and data terminals.

M2M: Machine-to-machine communications.

Measured services: all calls that originate and terminate within the same area code within our concession region.

MTR: *Tarifa de Terminação Móvel*, an interconnection fee for the use of our mobile services network.

MVNO (Mobile Virtual Network Operator): Wireless communications services provider that does not own the wireless network infrastructure over which the MVNO provides services to its customers.

Network: An interconnected collection of elements. In a telephone network, these consist of switches connected to each other and to customer equipment. The transmission equipment may be based on fiber optic or metallic cable or point-to-point radio connections.

NR: New Radio, a new radio access technology for the 5G mobile network.

OTT: An over-the-top service, which offers media service offered directly to viewers via the Internet and bypasses cable, broadcast, and satellite television platforms.

PGMC: *Plano Geral de Metas de Competição*, or the General Competition Targets Plan, as amended.

PGO: *Plano Geral de Outorgas*, or the General Plan of Grants.

PGMU: *Plano Geral de Metas de Universalização*, or the General Universal Service Targets Plan.

PMS: A telecom service provider with significant market power (*poder de mercado significativo*) under ANATEL regulations.

RAN: Radio Access Network, the part of a telecommunications system that connects individual devices to other parts of a network through radio connections.

RQUAL: *Regulamento de Qualidade dos Serviços de Telecomunicações*, or the ANATEL service quality regulations.

SBC: Session border controller, a network element deployed to protect SIP-based VoIP networks.

SCM: *Serviço de Comunicação Multimídia* or multimedia communication services.

SeAC: *Serviço de Acesso Condicionado* or Conditional Access Service, a service rendered pursuant to an authorization granted by ANATEL to provide Pay TV service throughout all regions of Brazil.

SIP: a VoIP-based signaling protocol used for initiating, maintaining, and terminating real-time sessions that include voice, video and messaging applications.

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SMP or “mobile” services: *Serviço Móvel Pessoal* or Personal Mobile Service, a service rendered pursuant to an authorization granted by ANATEL to provide mobile service in a specific frequency range.

SMS: Text messaging services for wireless devices, which allow customers to send and receive alphanumeric messages.

STFC, “fixed” or “fixed-line” services: *Serviço de Telefonia Fixo Comutado*, or the transmission of voice and other signals between determined fixed points.

Switch: Devices used to set up and route telephone calls either to the number called or to the next switch along the path. They may also record information for billing and control purposes.

TDD: Time-division duplex, one of the two mobile data transmission technologies of the technology standard.

TU-RIU: The *Tarifa de Uso de Rede Interurbana*, an interconnection fee for the use of our long-distance, fixed-line service network.

TU-RL: The *Tarifa de Uso de Rede Local*, an interconnection fee for the use of our local, fixed-line service network.

Universal service: The obligation to supply basic service to all users throughout a national territory at reasonable prices.

VoIP: Voice over Internet Protocol, a technology for transmitting voice using the Internet.

VoD: Video-on-demand systems allow users to select and watch/listen to video or audio content on demand.

WCDMA: Wide-Band Code-Division Multiple Access, a technology for wideband digital radio communications of Internet, multimedia, video and other bandwidth-demanding applications.

Wireless devices: wireless appliances that we sell, including cellular handsets, wireless handheld devices and wireless broadband cards.

xDSL: A technology that allows high-speed transmission of text, audio and video, generally over standard telephone lines (“Digital Subscriber Line”).

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this Annual Report can be identified, in some instances, by the use of words such as “will,” “expect,” “aim,” “hope,” “anticipate,” “intend,” “believe” and similar language or the negative thereof or by the forward-looking nature of discussions of strategy, plans or intentions. These statements appear in a number of places in this Annual Report including, without limitation, certain statements made in “Item 3. Key Information—D. Risk Factors,” “Item 4. Information on the Company,” “Item 5. Operating and Financial Review and Prospects” and “Item 11. Quantitative and Qualitative Disclosures about Market Risk” and include statements regarding our intent, belief or current expectations with respect to, among other things:

- general economic, political, demographic and business conditions and uncertainties in Brazil, in emerging markets and in the world (including geopolitical conflicts and related sanctions, such as the wars in Ukraine and the Middle East) affecting demand for and pricing of our services, including, for example, inflation, interest rates, exchange rates, levels of employment, population growth, consumer confidence and liquidity in the credit, financial and capital markets;
- the size and growth rate of the Brazilian telecommunications market;
- our ability to successfully execute our strategic initiatives and capital expenditure plans and to accurately estimate demand forecasts;
- our ability to secure, renew and maintain telecommunications spectrum and infrastructure licenses, rights-of-way and other regulatory approvals;
- our ability to comply with the terms of our authorizations and any decisions by applicable regulatory authorities to terminate, modify or renew our authorizations or the terms thereof;
- new telecommunications regulations or changes to existing regulations;
- technological advancements in our industry and our ability to successfully implement them in a timely manner;
- network completion and product development schedules;
- the possible requirement to record impairment charges relating to goodwill and long-lived assets;
- increased competition in the Brazilian telecommunications sector and the relative success of competing networks, products and services;
- the cost and availability of financing;
- the availability, cost and timely delivery of equipment and services from key suppliers and contractors, including risks associated with third-party service providers;
- our expansion into new business segments (including financial services) and our ability to comply with applicable regulations and achieve expected returns;
- inflation and government measures to fight inflation;
- the Brazilian government’s policies regarding the telecommunications industry and regulatory and legal developments affecting the telecommunications industry in Brazil;
- the Brazilian government’s tax policy, including government intervention resulting in changes to the economy, taxes and tariffs, including the effects of a possible tax reform in Brazil;

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- cyberattacks, security incidents or data breaches that could disrupt operations, compromise customer or company data and damage our reputation;
- extreme weather or climate-related events, which may disrupt infrastructure, increase costs or impact operations;
- adverse decisions in ongoing litigation; and
- other risk factors discussed under “Item 3. Key Information—D. Risk Factors.”

We undertake no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise. Because of these risks and uncertainties, the forward-looking information, events and circumstances discussed in this annual report might not occur. Our actual results and performance could differ substantially from those anticipated in our forward-looking statements.

PRESENTATION OF FINANCIAL INFORMATION

We maintain our books and records in reais. Our consolidated financial statements as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 were prepared and are being presented in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). Our financial consolidated financial statements have also been filed with the CVM, the local securities regulator in Brazil, and made publicly available.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies.

The significant and relevant estimates and judgments applied by the Company in the preparation of the financial statements are presented in the following notes to our audited consolidated financial statements included elsewhere in this annual report: 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.

We have made rounding adjustments to reach some of the figures included in this annual report. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved.]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

This section is intended to be a summary of more detailed discussions contained elsewhere in this annual report. You should carefully read and consider the following risks, along with the other information included in this annual report. The risks described below are not the only ones we face. Additional risks that we do not presently consider material, or of which we are not currently aware, may also affect us. Our business, results of operations or financial condition could be impacted if any of these risks materialize and, as a result, the market price of our common shares and our ADSs could be affected. The risks described below are organized by risk category and these categories are not presented in order of importance. However, within each category, the risk factors are presented in descending order of importance, as determined by us as of the date of this annual report. We may change our vision about their relative importance at any time, especially if new internal or external events arise.

Summary of Risk Factors

Summary of Risks Relating to Financial Matters

- The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. This influence, as well as Brazilian political and economic conditions, could adversely affect us and the trading price of our common shares and ADSs.
- Political instability may materially adversely affect the Brazilian economy, our business, and the market price of our common shares and ADSs.
- Inflation and government efforts to curb inflation may contribute to economic uncertainty in Brazil, adversely affecting our business and results of operations.
- Political, economic and social developments and the perception of risk in other developed and emerging countries may adversely affect the Brazilian economy, our business, and the market price of Brazilian securities, including our common shares and ADSs.

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- Any downgrading of Brazil's credit rating could reduce the trading price of our common shares and ADSs.
- Changes in taxes and other assessments or changes in the interpretation of tax laws or regulations may adversely affect us and our shareholders.
- Fluctuations in exchange rates may adversely affect our ability to meet liabilities denominated or linked to foreign currencies or reduce our income in foreign currency, and may have a material adverse effect on the market value of our common shares and ADSs.
- Geopolitical conflicts, instability and related sanctions may have a material adverse effect on the global and Brazilian economies as well as on us.
- Potential global or national events related to health, including contagious disease outbreaks, epidemics or pandemics, may significantly affect our operations.
- Some of our debt agreements may contain covenants, key performance indicators and targets; as such, any default or failure to reach such targets under such debt agreements may have a material adverse effect on our financial condition and cash flows.

Summary of Risks Relating to Operational Matters

- Information technology is key to our business and we could be subject to cybersecurity risks.
- Companies operating in the telecommunication industry, including us, may be harmed by restrictions regarding the deployment and maintenance of network infrastructure.
- Man-made or natural disasters, including extreme weather conditions due to climate change (high temperatures, floods, thunderstorms) or other unexpected events could adversely affect networks, systems, infrastructure and service continuity.
- We are subject to environmental laws and regulations. Failure to comply with governmental laws and regulations could subject us to penalties that could have an adverse effect on our business and reputation.

Summary of Risks Relating to Our Business and Industry

- We are dependent on key personnel and the ability to hire and retain additional personnel.
- We are subject to liabilities relating to third-party contractors, which may have a material adverse effect on our business and results of operations.
- We make investments based on demand forecasts that may become inaccurate due to economic volatility and may result in revenues that are lower than expected.
- Our current radio frequency licenses may not be renewed for additional periods.
- Consolidation in the telecommunications market may increase competition in the near future and may change Brazilian market dynamics.
- We face significant competition in the Brazilian market.
- Extensive government regulation of the telecommunications industry may limit, in some cases, our flexibility in responding to market conditions, competition and changes in our cost structure or impact our fees.
- Failure to comply with the conditions set forth in our Self-Composition Agreement may materially and adversely affect our results of operations.
- We depend on key suppliers to obtain the necessary equipment and services for our business.

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- Our operating results may be negatively affected by changes to the rules applicable to STFC and SMP authorizations.
- ANATEL has the authority to issue new regulations affecting many of our areas of operations.
- The industry in which we conduct our business is continually changing and evolving technologically, which demands adequate changes in the regulatory environment.
- We are subject to certain risks related to conditions and obligations imposed by ANATEL for the use of the spectrum needed for the 4G and 5G services we offer.
- Our sales could be suspended as a result of issues with the quality of our services.
- We are subject to the risk of noncompliance with data privacy and protection laws, which may lead to sanctions, including financial penalties.
- Our expansion into new business sectors may expose us to operational and regulatory risks.

Summary of Risks Relating to Legal and Compliance Matters

- We face risks associated with litigation.
- We are exposed to risks in relation to compliance with anti-corruption laws and regulations and economic sanctions programs.
- Internet regulation in Brazil is still limited and several legal issues related to the Internet are uncertain.

Summary of Risks Relating to the Common Shares and the ADSs

- Holders of our ADSs may face difficulties in serving process on or enforcing judgments against us and other persons.
- Holders of our ADSs are not entitled to directly attend shareholders' meetings and may only vote through the depository.
- Holders of our ADSs or common shares might be unable to exercise preemptive rights with respect to the common shares unless there is a current registration statement in effect which covers those rights or unless an exemption from registration applies.
- An exchange of ADSs for common shares risks the loss of certain foreign currency remittance and Brazilian tax advantages.
- Holders of our common shares will be subject to, and holders of our ADSs could be subject to, Brazilian income tax on capital gains from sales of common shares or ADSs.
- Our controlling shareholder has power over the direction of our business.

Risks Relating to Financial Matters

The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. This influence, as well as Brazilian political and economic conditions, could adversely affect us and the trading price of our common shares and ADSs.

The Brazilian federal government frequently exercises significant influence over the Brazilian economy and occasionally makes significant changes in policy and regulations. The Brazilian government's actions to control inflation and other policies and regulations have often involved, among other measures, changes in tax policies, wage and price controls, foreign exchange controls, currency devaluations, capital controls and limits on imports. Our financial condition, as well as our business and results of operations and the market price of our common shares and ADSs, may be adversely affected by changes in government policies, especially those related to our sector, such as changes in telephony fees and competitive conditions, as well as general economic factors, including:

- exchange rates and currency fluctuations;
- inflation;
- energy policy;
- interest rates and monetary policies;
- liquidity of domestic capital and lending markets;
- fiscal policies and changes in tax laws;
- labor and social security policies, laws and regulations;
- exchange controls and restrictions on remittances abroad (including with regards to the payment of dividends); and
- other political, diplomatic, social and economic developments in or affecting Brazil.

Uncertainty over whether the Brazilian federal government will implement changes to the policies, regulations or standards affecting these or other factors in the future may affect economic performance, which may have an adverse effect on us and the trading price of our common shares and ADSs. Past economic and political instability has led to a negative perception of the Brazilian economy and higher volatility in the Brazilian securities markets, which has adversely affected us and the trading price of our common shares and ADSs.

These issues may be exacerbated by the upcoming Brazilian elections and the natural uncertainties as to what policies will be adopted by any new government. We cannot assure the maintenance of policies designed to promote macroeconomic stability, fiscal discipline and domestic and foreign investments, and failure to do so may adversely impact Brazil's economy, the prices of securities issued by Brazilian issuers such as us and ultimately our business, financial condition and results of operations.

Political instability may materially adversely affect the Brazilian economy, our business, and the market price of our common shares and ADSs.

Brazil's political environment has historically influenced and continues to influence the performance of Brazil's economy, as well as investor and general public confidence, resulting in economic slowdowns and an increase in the volatility of securities issued by Brazilian companies.

Governing bodies have the power to determine policies and issue government measures relating to the Brazilian economy and, as a result, affect the operations and financial performance of companies, including us. We cannot predict what policies will be established or whether such policies or changes in existing policies will have an adverse effect on the Brazilian economy or our business, results of operations, financial condition and the market price of our common shares and ADSs.

In addition, any changes in the relationship between the Brazilian government and the Brazilian Congress could result in a government impasse and/or political unrest, that could materially adversely affect our operations. Uncertainties about the implementation of changes in monetary, tax and social security laws and policies, may contribute to economic instability. These uncertainties and any new measures may increase volatility in the Brazilian securities market.

Inflation and government efforts to curb inflation may contribute to economic uncertainty in Brazil, adversely affecting our business and results of operations.

In the past, Brazil has recorded high inflation rates, which, combined with measures taken to fight inflation, has materially adversely affected the Brazilian economy. The COPOM often adjusts interest rates in Brazil in order to achieve the inflation targets established by the National Monetary Council (CMN). The measures taken to curb inflation, such as the increase of interest rates, as well as expectations of any future measures, may have adverse effects on the Brazilian economy, contributing to higher economic uncertainty, reduced economic growth and volatility in the Brazilian capital markets and may adversely affect our business and results of operations.

Periods of higher inflation coupled with higher interest rates and other measures to combat inflation may lead to reduced demand for our products. Inflation is also likely to increase some of our costs and expenses, which we may not be able to fully pass on to customers and could adversely affect our operating margins and operating income. In addition, inflation affects our financial liquidity and financial capital resources primarily by exposing us to variations in our floating-rate loans. Rising interest rates may also impact the costs of our fundraising and indebtedness, increasing our financial expenses. Such an increase could adversely affect our ability to pay our obligations to the extent it reduces cash on hand.

According to the IPCA index, Brazil's inflation rates stood at 4.8%, 4.6% and 5.8% in the years ended on December 31, 2024, 2023, and 2022, respectively. In the year ended on December 31, 2025, inflation, as measured by the IPCA, stood at 4.3%, above the target of 3%. Inflation has been driven by factors such as exchange rate fluctuations, amid a tight labor market and solid domestic demand. These elements underscore the persistent challenges in managing price stability in the Brazilian economy.

In response to inflationary pressures and macroeconomic volatility, the Central Bank of Brazil has historically implemented monetary policies characterized by elevated interest rates. The Central Bank of Brazil sets the SELIC rate, guiding the broader banking system based on its scenario for inflation, economic growth and other key indicators. In August 2023, the Central Bank started cutting the SELIC rate as a result of a slowdown in inflation and the SELIC rate was set to 10.50% as of May 2024. Nevertheless, renewed inflationary pressures prompted the Central Bank to reverse course and resume hiking rates in September 2024, with the SELIC rate reaching 15.00% by June 2025. In its January 2026 meeting statement, the COPOM indicated that it intends to initiate the loosening of its monetary policy stance in March 2026 if the expected scenario is confirmed, however highlighting that it will keep monetary policy at a contractionary level to ensure convergence to the inflation target. As of the date of this annual report, the SELIC rate stands at 15.00% per annum.

Moreover, fixed broadband and mobile service providers, including us, use the IGP-DI to adjust their prices and television and cable service providers use the IGP-M. The IGP-DI and IGP-M are inflation indexes developed by the FGV, a private organization. Since 2006, telephone fees for fixed-line services have been indexed to the IST, as adjusted by a productivity factor, or X Factor, which is defined by ANATEL Resolution No. 507/2008.

The IST is an index composed of other domestic price indexes (including the IPCA, IGP-DI and IGP-M, among others) that is intended to reflect the telecommunications industry's operating costs. As a result, this index serves to reduce potential discrepancies between our industry's revenue and costs, and thus reduce the apparent adverse effects of inflation on our operations.

Political, economic and social developments and the perception of risk in other developed and emerging countries may adversely affect the Brazilian economy, our business, and the market price of Brazilian securities, including our common shares and ADSs.

The market for securities issued by Brazilian companies may be influenced, to varying degrees, by economic conditions in both developing and developed economies. The reaction of investors to developments in other countries may have an adverse impact on the market value of securities of Brazilian companies. The prices of shares traded on the B3, for example, have historically been sensitive to fluctuations in interest rates in the United States, as well as variations of the main U.S. stock exchanges. Additionally, crises in other emerging countries or the economic policies of other countries may reduce investor demand for securities of Brazilian companies, including our common shares and ADSs. Any of the foregoing developments may adversely affect the market value of our common shares and ADSs and hinder our ability to access the capital markets and finance our operations in the future on acceptable terms and costs, or at all.

To the extent that economic problems in emerging market countries or elsewhere adversely affect Brazil, our business and the market value of our common shares and ADSs could be adversely affected. Furthermore, we cannot assure you that, in the event of adverse developments in emerging market economies, the international capital markets will remain open to Brazilian companies or that the resulting interest rates in such markets will be advantageous to us. Decreased foreign investment in Brazil may negatively affect growth and liquidity in the Brazilian economy, which in turn may have a negative impact on our business. Disruption or volatility in the global financial markets could further increase negative effects on the financial and economic environment in Brazil, which could have a material adverse effect on us.

Moreover, in recent periods, the United States has announced and implemented tariff measures affecting imports into the United States, including the imposition of a broadly applicable additional tariff that began being collected in April 2025, and additional duties on certain Brazil-origin articles that were later modified or removed for certain products. We cannot assure you that further tariffs, export controls, sanctions, restrictions on technology or services, or other trade measures will not be adopted, expanded or re-imposed in the future. Increased tariffs and the potential for further trade restrictions may lead to a slowdown in global trade and economic activity, create supply chain disruptions and contribute to increased market volatility and uncertainty. For us, such developments could adversely affect our business and results of operations, including by: (i) adversely affecting the Brazilian economy (including through reduced export activity, currency volatility, inflation and interest rates), which may reduce demand for certain services, increase churn and bad debt expense and constrain consumer and enterprise spending; (ii) increasing the cost of, or disrupting the availability of, network equipment, devices, components, software and services that we procure directly or indirectly through global supply chains (including where suppliers pass through tariff- or compliance-related costs or face restrictions on technology transfers); (iii) increasing our capital expenditure requirements and operating costs, delaying network deployment and modernization, and requiring changes to procurement strategies, suppliers or contractual terms; and (iv) increasing volatility in the market price and liquidity of securities of Brazilian issuers, including our common shares and ADSs.

Any downgrading of Brazil's credit rating could reduce the trading price of our common shares and ADSs.

We may be harmed by investors' perceptions of risks related to Brazil's sovereign debt credit rating. Brazil's sovereign credit rating affects the cost and other terms upon which we are able to obtain funding. Rating agencies regularly evaluate Brazil and its sovereign ratings, which are based on a number of factors including macroeconomic trends, fiscal and budgetary conditions, indebtedness metrics and the perspective of changes in any of these factors.

Brazil was downgraded to non-investment grade status by S&P in September 2015, by Fitch Ratings in December 2015, and by Moody's in February 2016. Brazil was further downgraded by S&P in February 2016 and January 2018 and by Fitch in May 2016 and February 2018. As of the date of this annual report, Brazil's sovereign rating is currently rated by the three major risk rating agencies as follows: BB by S&P and Fitch Ratings and Ba1 by Moody's—ratings which remain below investment grade. Consequently, the prices of securities issued by Brazilian companies are negatively affected. A possible deceleration of growth rates of the Brazilian economy, among other factors, could lead to ratings downgrades. Any further downgrade of Brazil's sovereign credit ratings could heighten investors' perception of risk and, as a result, cause the market price of our common shares and ADSs to decline.

Changes in taxes and other assessments or changes in the interpretation of tax laws or regulations may adversely affect us and our shareholders

The legislatures and tax authorities in the tax jurisdictions in which we operate regularly enact reforms to the tax and other assessment regimes to which we and our customers are subject. Such reforms include changes in tax rates and, occasionally, enactment of temporary taxes. In addition, the interpretation of tax laws by courts and taxation authorities is constantly evolving. In Brazil, the tax system is highly complex and tax laws and regulations are commonly subject to controversial interpretation by tax authorities. In the event that tax authorities interpret tax laws in a manner that is inconsistent with our interpretations, we may be adversely affected. The effects of these changes and any other changes that result from the enactment of additional tax reforms or changes to the manner in which current tax laws are applied cannot be quantified and there can be no assurance that any such reforms or changes would not have an adverse effect upon our business.

For more information, see "Item 4. Information on the Company—B. Business Overview—Significant changes in tax legislation."

Fluctuations in exchange rates may adversely affect our ability to meet liabilities denominated or linked to foreign currencies or reduce our income in foreign currency, and may have a material adverse effect on the market value of our common shares and ADSs.

The Brazilian currency has been historically volatile and has been devalued frequently over the past three decades. Throughout this period, the Brazilian government has implemented various economic plans and used various exchange rate policies, including sudden devaluations, periodic mini-devaluations (during which the frequency of adjustments has ranged from daily to monthly), exchange controls, dual exchange rate markets and a floating exchange rate system. Although long-term depreciation of the real is generally linked to the rate of inflation in Brazil, depreciation of the real occurring over shorter periods has resulted in significant variations in the exchange rate between the real, the U.S. dollar and other currencies. The exchange rate between the U.S. dollar and the Brazilian real has experienced significant fluctuations in recent years. The real/U.S. dollar exchange rate reported by the Brazilian Central Bank was R\$4.8413 per US\$1.00 on December 31, 2023, which reflected a 7.4% appreciation in the real against the U.S. dollar during the year. The real/U.S. dollar exchange rate reported by the Brazilian Central Bank was R\$6.1923 per US\$1.00 on December 31, 2024, which reflected a 27.9% depreciation in the real against the U.S. dollar during the year. The real/U.S. dollar exchange rate reported by the Brazilian Central Bank was R\$5.5084 per US\$1.00 on December 31, 2025, which reflected an 11% appreciation in the real against the U.S. dollar during the year, influenced in part by higher Brazilian interest rates relative to the U.S., attracting capital inflows, alongside improving global risk sentiment and solid commodity exports. As of February 23, 2026, the real/U.S. dollar exchange rate reported by the Brazilian Central Bank was R\$5.17 per US\$1.00. There can be no assurance that the real will not again depreciate against the U.S. dollar or other currencies in the future.

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As of December 31, 2025, 99.8% of our total indebtedness, which includes current and non-current loans and financing, debentures, leases and other creditors of R\$ 20.3 billion was denominated in Brazilian reais. In the year ended December 31, 2025, approximately 10.8% of our operating costs and expenses were payable or linked to payment by us in U.S. dollars or Euros. Additionally, in the same year, 99.7% of our revenue was generated in reais, except income derived from hedging transactions, international long-distance interconnection fees and services to customers outside of Brazil. To the extent that the value of the real decreases relative to the U.S. dollar or the Euro, our commitments payable or linked to payment by us in foreign currencies become more expensive. Although our accounts receivable denominated in foreign currencies would also appreciate, the net effect could adversely affect our revenue and expenses. In addition, the IST inflation index does not adequately reflect the true effect of exchange rate fluctuations. Thus, our revenue, when translated to U.S. dollars, does not adequately reflect the true effect of exchange rate fluctuations, which may affect our results of operations.

We use derivative instruments to limit our exposure to exchange rate risk. Since September 1999, we have hedged all of our foreign currency-denominated bank debt using swaps and other derivative instruments. Since May 2010, the company began using net balance coverage, which is the hedging of net positions in foreign exchange exposures, or assets (issued invoices) minus liabilities (received invoices) for foreign exchange exposures, substantially reducing our risk to fluctuations in exchange rates. We could still continue to face exchange rate exposure with respect to our planned capital expenditures however, as a small part of our planned capital expenditures are denominated or indexed in foreign currencies (mostly U.S. dollars). We systematically monitor the amounts and time of exposure to exchange rate fluctuations and may hedge positions when deemed appropriate.

In addition, in 2025, the Company also became exposed to exchange rate fluctuations and commodity price risk arising from the future revenue associated with copper sales expected through 2029, since both the international price of the metal and the foreign currency exchange rate may affect the amounts to be received. Adverse variations in these markets may reduce revenue in Brazilian reais and increase the volatility of our results. To mitigate these risks, we entered into hedge transactions, accounted for through hedge accounting, with financial derivatives designed to simultaneously protect our exposure to foreign exchange risk and to copper price fluctuations, with the objective of maintaining greater predictability in the project's cash flows and minimizing the impacts of market volatility. These hedge transactions, accounted for through hedge accounting, are adjusted in line with the dynamics of projected sales and evolving market conditions, ensuring continuous alignment between the protection contracted and the Company's actual exposure. For more information, please see "Note 32. Financial Instruments and Risk and Capital Management".

Geopolitical conflicts, instability and related sanctions may have a material adverse effect on the global and Brazilian economies as well as on us.

Geopolitical conflicts, instability and heightened tensions in various regions—including, for example, the war between Russia and Ukraine, conflicts in the Middle East, and heightened tensions in Latin America, including involving Venezuela—have provoked strong reactions from the United States, the UK, the EU and various other countries around the world. While the precise effect of these developments remains uncertain, they have already resulted in significant volatility in financial markets and an increase in energy and commodity prices globally. The potential consequences of these conflicts for us include, without limitation:

- The U.S. dollar may appreciate sharply, which could increase the price of goods and services on which we depend for which we are required to pay in U.S. dollars, as well as increase the pressure on our margins and prices generally.
- Inflation originating from these conflicts makes it more difficult for us to conduct our financial planning, and increases the capital needed to fund our activities and our credit risk exposure. Measures by the Brazilian government and the Central Bank to contain inflation, such as raising the basic interest rate, could materially impact the cost of debt and third-party capital for our financing and investing activities.

- A recession of the Brazilian and/or global economies as a result of the aforementioned developments could also have a material adverse effect on our business.

While as of the date of this annual report there have not been any material impacts from these wars on our business, we are continuously monitoring the developments to assess any potential future impacts that may arise as a result of these conflicts. Nonetheless, the adverse effects—global or localized—of these conflicts, and their adverse effects on the wider global economy and market conditions could have a material adverse effect on our business, financial condition and results of operations.

Potential global or national events related to health, including contagious disease outbreaks, epidemics or pandemics, may significantly affect our operations.

Potential global or national events related to health, including contagious disease outbreaks, epidemics or pandemics, may significantly affect our operations. Such events may cause, among other things, supply chain delays due to issues with factories or logistics; impacts on employees or third-party contractors due to quarantine periods or infection; as well as effects on global economic growth and, therefore, the growth of the national economy, which could have a variety of adverse impacts on supply (paralysis of integrated production chains, freezing of productive resources) and demand (deterioration of confidence and expectations, negative effects on income and wealth) caused by a substantial deterioration in financial markets, unprecedented drops in commodity prices, strong slowdown in business activity or severe transportation restrictions.

Some of our debt agreements may contain covenants, key performance indicators and targets; as such, any default or failure to reach such targets under such debt agreements may have a material adverse effect on our financial condition and cash flows.

The agreements governing most of our outstanding loans and financing may contain certain standard restrictive covenants, including financial covenants. These agreements can provide an acceleration of the full balance of our obligations in the event of default. In general, such agreements are subject to the acceleration of maturity over: (i) the inclusion in the agreement of our shareholders, bylaws or articles of incorporation or of the companies that control us of conditions that lead to restrictions or loss of ability to pay financial obligations arising from these agreements; or (ii) liquidation, dissolution, insolvency, bankruptcy, judicial or extrajudicial recovery to any creditor or class of creditors. Failure to comply with or fulfill any of these restrictions, covenants, financial metrics or financial tests could result in a default under these agreements, which would have a material adverse effect on our financial condition.

Risks Relating to Operational Matters

Information technology is key to our business and we could be subject to cybersecurity risks.

Information technology is essential for conducting our business and providing our services. Consequently, we are exposed to various operational risks related to cybersecurity, system reliability, and information protection. Despite ongoing efforts to modernize our technological infrastructure and replace legacy systems, we operate in an environment characterized by increasing digitization, interconnectivity, and technological complexity, which may amplify our exposure to cyber threats and operational failures.

We may be subject to information security incidents arising from, among other factors, cyberattacks, unauthorized access, the introduction of malicious software, ransomware, system failures, human errors, misuse of credentials, or internal malicious acts. Such incidents can result in the loss, disclosure, corruption, or unavailability of information, including customer data, business partner information, and confidential corporate information, as well as the total or partial disruption of our operations and services.

Additionally, our operations rely, in various ways, on third parties, including suppliers, partners, and service providers, as well as cloud computing environments. Vulnerabilities, operational failures, or cybersecurity incidents involving these third parties, even if outside our direct control, can adversely affect our systems, processes, operations, and the continuity of our services.

The telecommunications sector, in particular, is subject to an ever-evolving cybersecurity threat landscape, driven, among other factors, by increased digitization, growing dependence on computer networks and cloud services, as well as the use of advanced technologies that may increase the sophistication, scale, and frequency of attacks. The occurrence of significant cybersecurity incidents may result in severe adverse impacts, including, but not limited to, operational disruptions, financial losses, regulatory sanctions, legal obligations, litigation, reputational damage, customer loss, and negative effects on our financial results, cash flows, and competitive position.

The management of cybersecurity risks is conducted continuously and is integrated into our corporate governance structure, with involvement from management. However, due to the nature of cyber threats, the complexity of our systems, reliance on third parties, and the ever-evolving nature of attack techniques, we cannot assure that such measures will be sufficient to fully prevent, detect, or mitigate all information security incidents or their impacts. Any significant failure in our controls or processes could adversely affect our operations, financial condition, and results. For more information, please see “Item 4. Company Information—B. Business Overview—Technology.”

Companies operating in the telecommunication industry, including us, may be harmed by restrictions regarding the deployment and maintenance of network infrastructure.

Currently, hundreds of municipal laws in Brazil limit the installation of new antennas for mobile service. This scenario has been a barrier to the expansion of mobile networks. Those laws are meant to regulate issues related to zoning and the alleged effects of the radiation and radio frequencies of the antennas.

Antenna installation is limited because of concerns that radio frequency emissions from base stations may cause health problems and other environmental impacts. These concerns could have an adverse effect on the wireless communications industry and, possibly, expose wireless providers, including us, to litigation. The regulations may hinder the expansion of our network should we encounter difficulties in proceeding with the deployment of infrastructure in locations most suitable for signal efficiency or, alternatively, in identifying new sites, which, in turn, may delay expansion and adversely affect the quality of our services.

New laws and regulations may also create additional restrictions on our transmission infrastructure, which in turn, could have an adverse effect on our business. In this sense, a new regulation regarding the use of electricity poles infrastructure by telecommunication companies is expected to be published by ANATEL and ANEEL (the national Brazilian electricity regulatory agency) by the end of 2026. The new regulation can set forth changes in pricing and other conditions related to the access and maintenance of telecommunication equipment in light poles that may affect our ability to make use of such infrastructure, deemed vital to our current and future operations.

Additionally, health concerns regarding the effects of radio frequency emissions may also discourage the use of mobile telephones and may result in the adoption of new measures by governments or any other regulatory interventions, any of which could materially and adversely affect our business, results of operations and financial condition.

Man-made or natural disasters, including extreme weather conditions due to climate change (high temperatures, floods, thunderstorms) or other unexpected events could adversely affect networks, systems, infrastructure and service continuity.

Our operations may be suspended or interrupted for an indeterminate period in case of adverse events that are likely to damage our transmission bases. These events include natural disasters, storms, cyclones, climate change-related impacts, environmental events and man-made disasters, including fires, explosions, and geopolitical disruptions, as well as civil unrest or health crises (such as the COVID-19 pandemic), or any other unexpected events.

Climate change represents systemic risks that, when realized, can result in socioeconomic, financial and environmental impacts potentially affecting the fulfillment of Telefônica Brasil's business strategy and objectives. Climate change related risks can be categorized as physical risks (chronic and acute) and transition risks.

Physical risks include, the increasing frequency of extreme weather events such as storms, cyclones, heatwaves, and wildfires, which can lead to significant damage to our infrastructure causing failures in our wired and mobile networks.

Rising means temperatures could increase our operating costs due to greater refrigeration needs for network equipment. High temperatures can also affect the telecommunication equipment, causing failures, write-offs and early retirement, thereby increasing the risk of severe disruption; therefore, cooling is essential.

Transition risks include an increased cost of energy (electricity operating expenses), which stands out for having the most substantial financial impact. This is largely due to our high consumption of electricity (an average of 1,800 GWh per year) and the significant dependence of the Brazilian electricity matrix on hydroelectric power, where prolonged periods of drought can adversely impact energy prices.

Although, the telecom sector is not heavily dependent on fossil fuels, it is highly dependent on electricity consumption for its networks, so an increase in electricity prices due to a shortage of natural resources could have a significant impact on our energy related operating expenses.

If we are unable to mitigate or prevent any such damage in the event of a natural or man-made disaster and any other unexpected events, the suspension or interruption of our operations could have an adverse effect on the continuity of our operations, our financial results and compliance with applicable regulations.

We are subject to environmental laws and regulations. Failure to comply with governmental laws and regulations could subject us to penalties that could have an adverse effect on our business and reputation.

Our operations and properties are subject to a wide range of environmental laws and regulations governing, among other aspects, environmental licensing and certifications, protection of flora and fauna, air emissions, waste management and remediation of contaminated areas. Failure by us or our business partners to comply with current and future legal requirements, or to identify and manage new or existing environmental liabilities, could result in substantial costs, including investigation and remediation expenses, indemnification, compensation, conduct adjustments, fines, suspension of activities and other penalties, as well as investments required to upgrade our facilities or modify our processes. In addition, such failures could cause significant damages to the company's reputation. The identification of presently unknown environmental issues, change in evaluation criteria by regulatory authorities, enactment of more restrictive laws and regulations or other unforeseen events may arise in the future and result in material environmental liabilities and related costs. The occurrence of any of these factors could have a material adverse effect on our business, results of operations, assets and financial condition.

Risks Relating to Our Business and Industry

We are dependent on key personnel and the ability to hire and retain additional personnel.

We believe that our success will depend on the continued services of our senior management team and other key personnel. Our management team is comprised of highly qualified professionals, with extensive experience in the telecommunications industry. The loss of the services of any of our senior management team or other key employees could adversely affect our business, financial condition and results of operations. We also depend on the ability of our senior management and key personnel to work effectively as a team.

Our future success also depends on our ability to identify, attract, hire, train, retain and motivate highly skilled technical, managerial, sales and marketing personnel. Competition for such personnel is intense, and we cannot guarantee that we will successfully attract, assimilate or retain a sufficient number of qualified personnel. Failure to retain and attract the necessary technical, managerial, sales and marketing and administrative personnel could adversely affect our business, financial condition and results of operations.

We are subject to liabilities relating to third-party contractors, which may have a material adverse effect on our business and results of operations.

We are exposed to contingent liabilities resulting from our contracting structure, which includes third-party service providers. Such potential liabilities may involve labor claims by third-party providers that are treated as direct employees as well as joint liability claims relating to wage or overtime pay complaints and workplace injury claims. If a significant portion of these contingent liabilities is decided against us and for which we have not made adequate provisions, our financial condition and results of operation may be adversely affected.

Furthermore, if the contracting of third-party services is considered to involve the main activities of the company, it may be characterized as direct employment, which would significantly increase our costs and, as a result, we may be subject to administrative proceedings by the relevant labor regulators and may be required to pay fines to the third-party service providers.

We make investments based on demand forecasts that may become inaccurate due to economic volatility and may result in revenues that are lower than expected.

We make certain investments, such as the procurement of materials and the development of physical sites, based on our forecasts of the amount of demand that customers will have for our services at a later date (generally several months later). However, any major changes in the Brazilian economic scenario may affect this demand and therefore our forecasts may turn out to be inaccurate. For example, economic crises may restrict credit to the population, and uncertainties related to employment may result in a delay in the decision to acquire new products or services (such as broadband or Pay TV). As a result, it is possible that we may make larger investments based on demand forecasts that were necessary given actual demand at the relevant time, which may directly affect our cash flow.

Furthermore, improvements in economic conditions may have the opposite effect. For example, an increase in demand not accompanied by our investment in improved infrastructure may result in a possible loss of opportunity to increase our revenue or result in the degradation of the quality of our services.

Our current radio frequency licenses may not be renewed for additional periods.

Generally, current spectrum authorizations are valid for 15 years. Although the New General Telecommunications Law admits successive spectrum renewals, we cannot guarantee that our existing licenses will be renewed. According to the New General Telecommunications Law and Decree No. 10,402/2020, ANATEL must consider, in renewal processes, conditions such as efficient spectrum use, competitive aspects, public interest, and the completion of investment commitments.

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In November 2020, ANATEL decided to renew our current authorizations for the use of radio frequencies in band A (850 MHz) on a primary basis until November 29, 2028. However, the specific conditions for renewal, including those related to economic valuation criteria and associated obligations, were challenged by the affected service providers, including us. Following ANATEL's rejection of these complaints, the final determination regarding these specific conditions remains pending and will require a decision by the TCU.

In April 2023, ANATEL determined that our authorizations in the 900 MHz band would not be extended—except in the state of Minas Gerais, as explained below—on the grounds that efficient use of this spectrum had not been properly demonstrated given the low capacity associated with this band (2.5 + 2.5 MHz), which imposes limitations on its effective use. However, the non-renewal of these 900 MHz licenses does not affect the services currently provided by the Company. Also in April 2023, ANATEL decided to renew our 1,800 MHz licenses until 2032. In August 2023, ANATEL further renewed our 900 MHz and 1,800 MHz licenses in part of the state of Minas Gerais (PGO sector 2) until 2032. It is worth noting that our licenses in the remaining parts of the state of Minas Gerais (PGO sector 3) had already been renewed by ANATEL in April 2020 and are set to expire in 2035.

Furthermore, in April 2023, ANATEL decided to renew our current license authorizations for the use of 2,100 MHz radio frequencies until April 2038.

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 non-rational 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 TCU Ruling No. 224/2025. If the licenses mentioned above are not renewed, we may be required to compete for new licenses in a spectrum auction. The loss or non-renewal of spectrum licenses could significantly impact the coverage of our mobile services, potentially rendering our services unavailable in certain regions. This would be particularly problematic in areas where we fail to renew or secure licenses for ongoing operations. Any of these circumstances could materially and adversely affect our business, financial condition, revenues, results of operations, and future prospects.

Consolidation in the telecommunications market may increase competition in the near future and may change Brazilian market dynamics.

Mergers and acquisitions may change market dynamics, create competitive pressures, force small competitors to find partners and impact our financial condition; and may require us to adjust our operations, marketing strategies (including promotions), and product portfolio.

The entry of a new market participant with significant financial resources or potential changes in strategy by existing telecommunications service providers can change the competitive environment in the Brazilian market. We may be unable to keep pace with these changes, which could affect our ability to compete effectively and have a material adverse effect on our business, financial condition and results of operations.

Additional joint ventures, mergers and acquisitions among telecommunications service providers are possible in the future. If such consolidation occurs, it may result in increased competition within our market. We may be unable to adequately respond to pricing pressures resulting from consolidation in our market, adversely affecting our business, financial condition and results of operations. We may also consider engaging in merger or acquisition activity in response to changes in the competitive environment, which could divert resources away from other aspects of our business.

We face significant competition in the Brazilian market.

Telecommunications operators continued to focus on improving their base of accesses by attracting customers to higher-value products. On the mobile side of the business, market participants mostly sought to sell hybrid plans (*planos controle*) and pure postpaid plans to consumers to increase overall ARPUs and profitability. On the fixed-line side of the business, we have seen competition both from large and small players to capture customers for fiber connectivity or upgrades for higher internet speeds, mostly driven by increased demand and the increased supply of high-quality broadband given the expansion in the rollout of fiber optic networks. In addition, customers are demanding higher quality services and greater mobile data availability, which require higher investments in the development, modernization, expansion and continuous improvement of the quality of our services and the experience of our customers.

As a result, we continue to face significant competition, mainly driven by the following factors: (1) commercial and pricing pressures from new portfolios launched by competitors; (2) increased 4G, 4.5G, 5G and fiber optic network coverage and improved service quality by our competitors; (3) low-cost alternative services, such as voice and text services provided over IPs, and IPTV/VoD services; and (4) favorable market conditions for MVNO operators, which may affect our competitive position in the market. We continuously monitor market conditions to anticipate future competitive challenges and opportunities and analyze how to address them. Nevertheless, our operational results, market position, competitiveness in the market and margins may be adversely affected if we are unable to keep the same pace as our competitors.

Extensive government regulation of the telecommunications industry may limit, in some cases, our flexibility in responding to market conditions, competition and changes in our cost structure or impact our fees.

Our business is subject to extensive regulation, including any regulatory changes that may occur during the terms of our authorizations to provide telecommunication services in Brazil. ANATEL, the Brazilian telecommunications industry regulator, regulates, among other things:

- industry policies and regulations;
- licensing (including licensing of spectrum and bidding processes);
- fees and tariffs;
- competition incentives and restrictions (including our ability to grow by acquiring other telecommunications businesses);
- service, technical and quality standards;
- consumer rights;
- penalties and other sanctions;
- interconnection and settlement arrangements;
- cybersecurity; and
- fraud prevention actions.

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. We operate under authorizations from the Brazilian government, and our ability to maintain these authorizations is a precondition to our success. However, because of the changing nature of our regulatory framework, we cannot provide assurances that ANATEL will not adversely modify the terms of our authorizations and/or licenses. According to our operating authorizations and licenses, we must meet specific requirements and maintain minimum quality, coverage and service standards. Our failure to comply with such requirements may result in the imposition of fines, penalties and/or other regulatory responses, including the termination of our operating authorizations. Any partial or total termination of any of our operating authorizations and licenses would have a material adverse effect on our business, financial condition, revenues, results of operations and prospects.

In recent years, ANATEL has been reviewing and introducing regulatory changes, especially regarding asymmetric competition measures and interconnection fees charged among local providers of telecommunications services. Asymmetric competition measures can include regulations intended to rebalance markets in which a market participant has distinct market power over other competitors. The adoption of disproportionately asymmetric measures could have a material adverse effect on our business, financial condition, revenues, results of operations and prospects.

With respect to interconnection fees, these are part of our revenue and cost bases. Such fees are charged by telecommunications service providers to each other in order to allow interconnected use of each other's networks. To the extent that changes to the rules governing interconnection fees reduce the amount of fees we can receive, or our ability to collect such fees, our businesses, financial conditions, revenues, results of operations and prospects could be materially adversely affected.

Therefore, our 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 stricter operational and/or service requirements;
- the granting of operating authorizations in our areas;
- limitations on interconnection fees that we may charge from other telecommunications service providers;
- imposition of significant fines or penalties regarding failures to comply with regulatory obligations; and
- antitrust limitations imposed by ANATEL and CADE.

Failure to comply with the conditions set forth in our Self-Composition Agreement may materially and adversely affect our results of operations

Telefónica Brasil currently offers telecommunications services throughout the national territory, including local, international and long-distance STFC, personal mobile service (SMP), multimedia communication broadband services (including the provision of fixed broadband connection) and pay television services, all under the private regime.

On December 16, 2024, Telefônica Brasil, ANATEL, the TCU and the Brazilian Ministry of Communications signed an agreement on the terms and conditions for the adaptation of our STFC concession contracts to an authorization instrument (the “Self-Composition Agreement”). The Self-Composition Agreement includes several key conditions that we are required to comply with: (i) Telefônica Brasil is required to make specific investments on terms established under the Self-Composition Agreement; (ii) Telefônica Brasil must maintain the provision of fixed-line telephone services in certain locations without adequate competition, within the concession area until December 31, 2028; (iii) all pending administrative and judicial proceedings related to our concession pending before ANATEL or any courts must be settled, and Telefônica Brasil must withdraw any cases filed against ANATEL; and (iv) Telefônica Brasil must commit to fulfilling public interest pledges for up to 10 years as part of the transition process. On April 11, 2025, Telefônica Brasil signed the unified authorization term with ANATEL that compiled all previous licenses into a single title, thereby finalizing the transaction to the authorization regime.

If we are unable to satisfy the conditions of the Self-Composition Agreement on a timely basis, or at all, ANATEL may, as set forth in the agreement’s terms and conditions, apply fines and/or enforce guarantees related to the investments undertaken by Telefônica Brasil.

We depend on key suppliers to obtain the necessary equipment and services for our business.

We depend on certain key suppliers of equipment and services, especially telecommunications network equipment and handsets, for the execution and development of our business. These suppliers may delay delivery, alter prices and limit supply as a result of problems related to their own businesses, over which we have no control. If these suppliers are not able to deliver equipment and services regularly, we may face problems with the continuity of our business activities, which may have an adverse effect on our business and results of operations.

Our results of operations may be negatively affected by changes to the rules applicable to STFC and SMP authorizations.

We receive payments for the interconnection of calls in our fixed-line and mobile networks. Interconnection fees were set by ANATEL in March 2023 for both STFC and SMP networks. See “Item 4. Information on the Company—B. Business Overview—Rates, Taxes and Billing—Interconnection fees.” However, we cannot assure that new mobile service plans will not be suspended by ANATEL, that current fixed-line or mobile interconnection fees remain the same, or that future negotiations on fixed-line or mobile interconnection rates will result in favorable terms or rates. If current fixed-line or mobile interconnection fees are canceled, or if fixed-line or mobile interconnection fees in the future are changed, our business, financial condition, revenues, results of operations and prospects may be adversely affected.

ANATEL has the authority to issue new regulations affecting many of our areas of operations.

ANATEL has the authority to issue new regulations affecting many of our areas of operations. Such new regulations could have an adverse effect on our operating results because: (1) ANATEL could significantly reduce the interconnection fees we are able to charge, thereby reducing our revenues (see “—Our results of operations may be negatively affected by changes to STFC or SMP rules”); (2) ANATEL may allow more favorable conditions for economic groups without significant market power; (3) the granting of new licenses may increase competition in our area from other operators, which could adversely affect our prices and/or market share, thereby reducing our revenues; (4) ANATEL may require that revenue received for the usage of the SMP network must be included in the calculation of renewing licenses costs; and (5) ANATEL’s general plan of updating the regulations targets several areas of vital importance for our business (including both our fixed-line telephony and mobile businesses), which may cause either an increase in operating costs, an increase in competitive pressure, or a decrease in our revenues, among other adverse effects.

For a detailed description of the regulations issued by ANATEL and their impact on our business, see “Item 4. Information on the Company—B. Business Overview—Regulation of the Brazilian Telecommunications Industry.”

The industry in which we conduct our business is continually changing and evolving technologically, which demands adequate changes in the regulatory environment.

The telecommunications industry is subject to rapid and significant technological changes. Our future success depends on our ability to anticipate and adapt in a timely manner to technological changes. We expect that new products and technologies will emerge and that existing products and technologies will be further developed.

The advent of new products and technologies could have a variety of consequences. These new products and technologies may reduce the price of our services by providing lower-cost alternatives and the creation of new digital services, such as the example of over-the-top (OTT) service providers that provide voice and messaging services over IP. Also, new products and technologies may become superior to, and render obsolete, the products and services we offer and the technologies we use, thus requiring our constant investment in new technology and innovation.

Such new technologies will demand changes in the regulatory environment, challenging both governmental agencies and telecommunication companies. Companies that provide OTT services, which have characteristics similar to telecommunications services, are currently not subject to the same rules as the telecommunications operators. This gap can bring additional challenges to the telecommunications industry, as current developments in the regulatory framework for OTTs are inconsistent and still unclear.

We are subject to certain risks related to conditions and obligations imposed by ANATEL for the use of the spectrum needed for the 4G and 5G services we offer.

In November 2021, ANATEL held the largest spectrum auction in its history, which included 4G and, for the first time, 5G blocks, with 700MHz, 2.3GHz, 3.5GHz and 26GHz lots. On that occasion, we acquired 3.5GHz and 26GHz national licenses (100MHz and 600MHz bandwidths, respectively). We also won regional 2.3GHz licenses, with 50MHz bandwidth in the southeast region of Brazil (except São Paulo state and PGO Sector 3) and 40MHz bandwidth in São Paulo state and in the north and mid-west regions of Brazil (except PGO Sectors 22 and 25). These acquired licenses, which we purchased for a total of R\$4.45 billion, of which R\$0.9 billion is related to licenses and the remaining amount is related to the obligation described below. The licenses ensure we have the required spectrum to provide 5G services, and are valid for 20 years (renewable under the then-existing legal conditions at the expiration of this term).

ANATEL also set forth obligations to be fulfilled by the winners of the 5G spectrum auction. For the 2.3GHz and 3.5GHz spectrum bands, these obligations include coverage commitments, the deployment of fiber optic backbone networks in locations with little or no connectivity infrastructure, the implementation of the Integrated and Sustainable Amazon Program (Plano Amazônia de Integração e Sustentabilidade), and devising a project for a private communications network reserved for the Brazilian federal government, as well as the funding activities related to the migration of satellite TV services from the C-band to the Ku-band. Winners of the 26GHz spectrum bands, in turn, will have to invest in connectivity projects aimed at selected public schools throughout Brazil.

The ambitious targets established by ANATEL for the rapid implementation of networks pose several risks to our ability to comply. These include: (1) potential delays in obtaining licenses for the construction of new sites, which could impede our ability to meet coverage deadlines; (2) challenges with our suppliers' capacity to deliver the necessary equipment at the required scale and speed, which could also lead to increased equipment costs; and (3) a potential shortage of qualified personnel needed to support the accelerated pace of network implementation.

In this context, ANATEL announced in December 2024 that the cleaning of the 3.5GHz band in all 5,570 Brazilian municipalities had been completed, enabling these bands to receive 5G standalone technology 14 months ahead of the original schedule outlined in the obligations from the 5G auction notice. Failure to meet the targets and obligations set forth in the bid documents could result in significant consequences. ANATEL may execute our bank guarantees, impose fines, or even revoke our licenses to operate the frequencies. Additionally, inefficient use of any frequency could lead to the loss of the corresponding usage license. Furthermore, ANATEL may impose new or unforeseen targets, conditions, or obligations on us, which could further strain our resources or impact our operations. Any of these factors, whether delays in meeting targets, financial penalties, loss of licenses, or new regulatory obligations, could have a material adverse effect on our operations, financial condition, and business performance.

Our sales could be suspended as a result of issues with the quality of our services.

ANATEL and other judicial and administrative agencies have the authority to suspend our sales in an attempt to improve the overall quality of telecommunications services. Sales suspensions are generally applied to the services for which there have been complaints by consumers and the consumer protection agencies. When applied, the suspension is temporary and usually lifted once the company presents an action plan for improvement. In July 2012, ANATEL suspended mobile service sales by our competitors, Oi, Claro and TIM, as a result of a considerable increase in consumer complaints. The suspensions lasted about 20 days and ANATEL requested that all telecommunications companies, including us, present an action and investment plan to improve the mobile network. Although our action plan was approved by ANATEL in September 2012, if a similar increase in customer complaints occurs in the future we may face suspension of one or more of our services until a new plan can be presented to and approved by ANATEL, which may materially affect our business and results of operations.

We are subject to the risk of noncompliance with data privacy and protection laws, which may lead to sanctions, including financial penalties.

Law No. 13,709/2018, known as the General Personal Data Protection Law (*Lei Geral de Proteção de Dados*), came into force on September 18, 2020. This comprehensive data protection law establishes general principles and obligations applicable across all economic sectors and contractual relationships. To oversee and enforce its application at the time, the National Data Protection Authority (*Autoridade Nacional de Proteção de Dados*), or the ANPD, was created and, since 2023, has operated under the administration of the Ministry of Justice. In 2025, following a decree that designated the ANPD as the autonomous administrative authority for the protection of children and adolescents in digital environments, it was transformed into a regulatory agency, which in change granted it greater functional, technical, decision-making, administrative, and financial autonomy, while expanding its supervisory powers. Certain aspects of the LGPD are still subject to further regulation by the ANPD, as outlined in Ordinances No. 11/2021, No. 35/2022, and Resolution No. 23/2024, in accordance with its biennial regulatory schedule.

The LGPD sets forth detailed requirements for the collection, use, processing, and storage of personal data across all economic sectors, regardless of whether the data is collected in digital or physical environments. Many of our services and processes rely on the use of personal data, and we are required to ensure compliance with the LGPD in how we collect, store, and manage such data. The administrative sanctions provided under the LGPD (articles 52, 53, and 54) became enforceable on August 1, 2021, pursuant to Law No. 14,010/2020. Additionally, the ANPD has issued 10 regulations to date, including key rules such as the Administrative Sanctions and Dosimetry Regulation (Resolution No. 4/2023), the Security Incident Communication Regulation (Resolution No. 15/2024), and the International Data Transfer and Standard Contractual Clauses Regulation (Resolution No. 19/2024).

Given that the ANPD continues to publish resolutions and guidelines throughout the year, there may be potential impacts or a need to adjust our internal data privacy governance workflows and processes. In addition to oversight by the ANPD, other administrative bodies, such as Brazilian National Consumer Secretariat (*Secretaria Nacional do Consumidor*), or the SENACON, the various state consumer defense and protection departments (*órgãos de proteção e defesa do consumidor*), or the PROCONs, or the various state and federal public prosecutor's offices (*Ministério Público*), may invoke the LGPD in their inquiries. In some cases, these administrative bodies are authorized to apply sanctions. Furthermore, data subjects themselves can initiate individual or collective legal actions alleging noncompliance with the law.

In the event of a violation of the LGPD, we may be subject to (1) legal notices and the required adoption of corrective measures, (2) fines of up to 2% of our or our economic group's revenues up to a limit of R\$50.0 million per infraction (which can be cumulative), (3) publication of the infraction following confirmation of its occurrence, (4) the blocking and erasing of personal data involved in the infraction, (5) partial or complete suspension of the infringing processing activities for up to one year and (6) partial or complete prohibition to engage in processing activities.

We may be held liable for material, punitive, individual or collective damages to the data subjects due to the processing of their personal data and could be held individually or jointly liable for material, punitive, individual or collective damages caused by us, our subsidiaries, service providers that may process personal data on our behalf or our affiliates due to non-compliance with the obligations set forth by the LGPD and other laws and regulations in force that address data protection, which may adversely affect our reputation and results and, consequently, the value of our shares.

Failure or insufficiency to adopt efficient measures to protect personal data or failure to maintain compliance with the LGPD may lead to the application of fines, obligation to disclose relevant incidents to the market, obligation to eliminate personal data from relevant databases and suspension of access to our databases and prohibition of our activities related to the processing of compromised data. We also may be subject to sanctions not related to the supervision of the ANPD, since consumer protection authorities and the Public Prosecutor's Office have already been active in pursuing data privacy violations even before the LGPD became effective. Accordingly, failure to protect personal data processed by us, or any failure to implement adequate data protection measures in response to applicable legislation, may subject us to additional costs such as the payment of fines and indemnities, implementation of adjustment measures, and loss of business, in addition of civil sanctions, which may adversely affect our reputation and results.

In addition, the application of administrative sanctions under other laws dealing with privacy and data protection issues might be possible, such as the Consumer Protection Code and the Brazilian Civil Rights Framework for the Internet. These administrative sanctions may be imposed by other public authorities, such as the Public Prosecutors' Offices, the National Consumer Secretariat and consumer protection agencies. We may also be subject to liability in the civil sphere for violation of these laws. Sanctions imposed against us by these authorities may also adversely affect our reputation and results and, consequently, the value of our ADSs and common shares.

Our expansion into new business sectors may expose us to operational and regulatory risks.

As part of our strategy to diversify our business, we have entered and may continue to enter into new business segments such as energy, education, and financial services, each of which is subject to distinct regulatory frameworks and competitive dynamics. See "Item 4. Information on the Company—B. Business Overview." Entering these markets exposes us to regulatory uncertainties, operational challenges, and potential difficulties in achieving profitability. We may encounter well-established competitors with significant market share, brand recognition, and financial resources, which could make it difficult for us to establish a competitive position or achieve the expected returns on our investments in these new ventures.

Additionally, our expansion into regulated industries, including financial services, introduces new legal and compliance obligations. With our recently obtained authorization to operate as a financial institution, we must comply with the regulations and resolutions imposed by the Central Bank of Brazil including capital adequacy requirements, operational risk management, and cybersecurity, fraud prevention, and anti-money laundering (AML). Although we have implemented governance models from day zero, failure to meet these obligations could result in regulatory sanctions, financial penalties, reputational damage, or, in extreme cases, the revocation of our authorization to operate as a financial institution.

Furthermore, regulatory and tax regimes in these new business segments may change over time, potentially increasing compliance costs or imposing additional operational restrictions. Any adverse regulatory developments could impact our ability to operate efficiently, limit our growth prospects, or require us to make significant adjustments to our business strategy. If we are unable to successfully navigate these regulatory and competitive challenges, our financial performance and long-term growth could be negatively affected.

Risks Relating to Legal and Compliance Matters

We face risks associated with litigation.

We are party to a number of lawsuits and other proceedings. An adverse outcome in, or any settlement of, these or other lawsuits could result in significant costs to us. In addition, our senior management may be required to devote substantial time to these lawsuits, which they could otherwise devote to our business. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings.”

We are exposed to risks in relation to compliance with anti-corruption laws and regulations and economic sanctions programs.

We are required to comply with anti-corruption laws and regulations in Brazil and in jurisdictions where our securities are traded. In particular, we are subject, in Brazil, to Law No. 12,846/2013, and in the United States, to the U.S. Foreign Corrupt Practices Act of 1977. Additionally, our operations may be subject to, or otherwise affected by, economic sanctions programs and other forms of trade restrictions (hereinafter referred to as sanctions), including those administered by the United States, including the U.S. Treasury Department’s Office of Foreign Assets Control.

Although we have internal policies and procedures designed to ensure compliance with such anti-corruption laws and sanctions regulations (to the extent applicable), there can be no assurance that such policies and procedures will be sufficient or that our employees, directors, officers, partners, agents and service providers will not take individual actions in violation of our policies and procedures (or otherwise in violation of the relevant anti-corruption and sanctions laws and regulations) for which we, our subsidiaries or such employees, directors, officers, partners, agents and service providers may be ultimately responsible. Violations of such laws and regulations could lead to sanctions, reputational harm, or other legal consequences that could have a material adverse effect on our business, results of operations and financial condition.

Internet regulation in Brazil is still limited and several legal issues related to the Internet are uncertain.

In 2014, Brazil enacted a law, which we refer to as the Brazilian Civil Rights Framework for the Internet (Marco Civil da Internet), setting forth principles, guarantees, rights and duties for the use of the Internet in Brazil, including provisions about internet service provider liability, internet user privacy and internet neutrality. In May 2016, further regulations were passed in connection with the referred law. The administrative penalties imposed by the Brazilian Civil Rights Framework for the Internet include notification, fines (up to 10% of the revenues in Brazil of the relevant entity's economic group in the preceding fiscal year) and suspension or prohibition from engaging in data processing activities. The Brazilian Civil Rights Framework for the Internet also determines joint and several liability between foreign parent companies and local Brazilian subsidiaries for the payment of fines that may be imposed for breach of its provisions. Administrative penalties may be applied cumulatively. Daily fines may be imposed in judicial proceedings, as a way to compel compliance with a Brazilian court order. If for any reason a company fails to comply with the court order, the fine can reach significant amounts. We may be subject to liability under these laws and regulations should we fail to adequately comply with the Brazilian Civil Rights Framework.

However, unlike in the United States, little case law exists around the Brazilian Civil Rights Framework for the internet and existing jurisprudence has not been consistent. Legal uncertainty arising from the limited guidance provided by current laws in force allows for different judges or courts to decide very similar claims in different ways and establish contradictory jurisprudence. This legal uncertainty allows for rulings against us and could set adverse precedents, which individually or in the aggregate could seriously harm our business, results of operations and financial condition. In addition, legal uncertainty may harm our customers' perception and use of our service.

Risks Relating to the Common Shares and the ADSs

Holders of our ADSs may face difficulties in serving process on or enforcing judgments against us and other persons.

We are organized under the laws of Brazil, and all of our executive officers and our independent public accountants reside or are based in Brazil. Also, four of our 12 board members reside or are based in Brazil. Substantially all of our assets are located in Brazil. As a result, it may not be possible for holders of the ADSs to effect service of process upon us or these other persons within the United States or other jurisdictions outside Brazil or to enforce any judgments obtained in the United States or other jurisdictions outside Brazil against us or such other persons. Because judgments of U.S. courts for civil liabilities based upon the U.S. federal securities laws may only be enforced in Brazil if certain conditions are met, holders may face greater difficulties in protecting their interests due to actions by us, our board members or executive officers than would shareholders of a U.S. corporation.

Holders of our ADSs are not entitled to directly attend shareholders' meetings and may only vote through the depositary.

Under Brazilian law, only shareholders registered as such in our corporate books may attend shareholders' meetings. All common shares underlying our ADSs are registered in the name of the depositary. A holder of ADSs, accordingly, is not entitled to directly attend shareholders' meetings. Holders of our ADSs may exercise their limited voting rights with respect to our common shares represented by the ADSs indirectly, and only in accordance with the deposit agreement relating to the ADSs. There are practical limitations on the ability of ADS holders to exercise their voting rights due to the additional steps involved in communicating with ADS holders. For example, we are required to publish a notice of our shareholders' meetings in a Brazilian newspaper published in the same city as our headquarters, and the same newspaper's website must provide digital certification for all the documents kept on such website. Holders of our shares can exercise their right to vote at a shareholders' meeting by attending the meeting in person or voting by proxy and/or remote voting. By contrast, holders of our ADSs will receive notice of a shareholders' meeting by mail from the ADR depositary following our notice to the ADR depositary requesting the ADR depositary to do so. To exercise their voting rights, ADS holders must instruct the ADR depositary on a timely basis. This voting process will take longer for ADS holders than for direct holders of our shares.

We cannot assure you that holders will receive the voting materials in time to ensure that such holders can instruct the depositary to vote the shares underlying their respective ADSs. In addition, the depositary and its agents are not responsible for failing to carry out holder's voting instructions or for the manner of carrying out your voting instructions. This means that holders may not be able to exercise their right to vote and may have no recourse if our shares held by such holders are not voted as requested.

Holders of our ADSs or common shares might be unable to exercise preemptive rights with respect to the common shares unless there is a current registration statement in effect which covers those rights or unless an exemption from registration applies.

Under Brazilian law, if we issue new shares for cash as part of a capital increase, we must grant our shareholders the right to purchase a sufficient number of shares to maintain their existing ownership percentage. Rights to purchase shares in these circumstances are known as preemptive rights. Holders of our ADSs or common shares in the United States will not be able to exercise any preemptive rights unless a registration statement under the U.S. Securities Act of 1933, as amended, or the Securities Act, is effective with respect to that future issuance of shares, or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement. Unless we file a registration statement or an exemption from registration applies, holders of our ADSs may receive only the net proceeds from the sale of their preemptive rights by the depositary, or if the preemptive rights cannot be sold, they will lapse and they will not receive any value for them. For more information on the exercise of these rights, see "Item 10. Additional Information—B. Memorandum and Articles of Association—Description of our Bylaws—Preemptive Rights."

An exchange of ADSs for common shares risks the loss of certain foreign currency remittance and Brazilian tax advantages.

The different forms of foreign portfolio investments in Brazil, including investments via depositary receipts, are regulated by (i) Joint Resolution No. 13/2024, or Resolution No. 13, enacted by the CVM and the Central Bank—which, effective January 1, 2025, revoked the rule that had been in effect for the preceding 10 years (i.e., CMN Resolution No. 4,373/2014)—, and (ii) by Law No. 14,286/2021, which, effective December 31, 2022, significantly amended the prior legislation on the matter (i.e., Law No. 4,131/1962).

Resolution No 13/2024 regulates the issuance of depositary receipts in foreign markets in respect of shares of Brazilian issuers. Pursuant to this regulation, the ADSs benefit from a certificate of foreign capital registration, which permits Citibank N.A., as depositary, to convert dividends and other distributions with respect to common shares into foreign currency and to remit these proceeds abroad. Holders of ADSs who exchange their ADSs for common shares will then be entitled to rely on the depositary's certificate of foreign capital registration for five business days from the date of exchange. Thereafter, if acting as an individual investor, they will not be able to remit non-Brazilian currency abroad unless they obtain their own certificate of foreign capital registration, constituting a Brazilian financial institution as representative, or unless they qualify under the applicable CMN rules, which entitles certain investors to buy and sell shares on Brazilian stock exchanges without obtaining separate certificates of registration. Further rules may be issued by CVM and by the Central Bank to regulate foreign investments in ADSs, including with regard to the exchange of ADSs for common shares and the remittance of funds arising from the sale of these common shares.

If holders of ADSs do not qualify under the applicable CMN rules, they will generally be subject to less favorable tax treatment with respect to our common shares. There can be no assurance that the depositary's certificate of registration or any certificate of foreign capital registration obtained by holders of ADSs will not be affected by future legislative or regulatory changes, or that additional Brazilian law restrictions applicable to their investment in the ADSs may not be imposed in the future.

Holders of our common shares will be subject to, and holders of our ADSs could be subject to, Brazilian income tax on capital gains from sales of common shares or ADSs.

Law No. 10,833/2003, or Law No. 10,833, provides that gains on the disposition of assets located in Brazil by nonresidents of Brazil, whether to other nonresidents or to Brazilian residents, will be subject to Brazilian taxation. The common shares are expected to be treated as assets located in Brazil for purposes of the law, and gains on the disposition of common shares, even by nonresidents of Brazil, are expected to be subject to Brazilian taxation.

Based on the fact that the ADSs are issued and registered abroad, we believe that gains on the disposition of ADSs made outside of Brazil by nonresidents of Brazil to another non-Brazilian resident would not be subject to Brazilian taxation, since they would not fall within the definition of assets located in Brazil for purposes of Law No. 10,833. However, considering the generic and unclear scope of Law No. 10,833 and the absence of judicial/administrative court rulings in respect thereto, we cannot be assured that such an interpretation of this law will prevail in the courts of Brazil.

In case of any assessment by the Brazilian tax authorities, the gains arising from the disposal of ADSs made are subject to capital gain tax in Brazil at (i) progressive rates ranging from 15% to 22.5%, or (ii) 25%, if the non-Brazilian holder is located in a tax haven jurisdiction. See “Item 10. Additional Information—E. Taxation—Brazilian Tax Considerations.”

Our controlling shareholder has the power to control and direct our business.

As of December 31, 2025, Telefônica S.A., our controlling shareholder, together with its affiliates owned, directly and indirectly, approximately 77.1% of our total capital stock. See “Item 7.A. Major Shareholders.” As a result of their share ownership, Telefônica and its affiliates have the power to control us and our controlled subsidiaries and will be able to cast a majority of the votes in our general shareholders meetings.

Item 4. Information on the Company

A. History and Development of the Company

General

We were incorporated on May 22, 1998, as a corporation (*sociedade anônima*) organized under the laws of the Federative Republic of Brazil, as a result of the restructuring and privatization of Telecomunicações Brasileiras S.A. and its operating subsidiaries, or Telebrás, which monopolized the provision of public telecommunications services in virtually all areas of Brazil prior to 1998. We were incorporated under the name Telesp Participações S.A. and after subsequent reorganizations, we were named Telecomunicações de São Paulo S.A. – TELESP. After our merger with Vivo Participações in October 2011, we changed our corporate name to Telefônica Brasil S.A.

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On September 18, 2014, we entered into a stock purchase agreement with Vivendi S.A. to acquire all of the shares of GVT Participações S.A., or GVT, the controlling shareholder of Global Village Telecom S.A., or Operating GVT, which was approved by our board of directors on the same date. Pursuant to Brazilian law, the transaction required approval by both ANATEL and CADE. On December 22, 2014, ANATEL approved the transaction and imposed certain obligations, that included (1) the maintenance of current GVT services and plans within the same geographic scope in which GVT previously operated, requiring, in addition, that the successor company expand its operations to at least ten new municipalities within three years beginning on January 26, 2015; and (2) the waiver of the STFC license held by GVT within 18 months of ANATEL's decisions, since the same economic group cannot hold more than one STFC license in the same geographic area. Telefônica has satisfied both obligations. On March 25, 2015, CADE provisionally approved the GVT acquisition, subject to a series of obligations imposed to prevent any undesired concentration effects of the merger. Such obligations require that we:

- Maintain, for at least three years, the current geographical coverage for STFC, SCM and SeAC services;
- Maintain, for at least three years, the current average broadband speed for GVT's customers on a nationwide basis. The reference as of December 2014 was 15.1 Mbps;
- Maintain, for at least three years, the current average broadband speed for GVT's customers in São Paulo. The reference as of December 2014 was 18.25 Mbps; and
- Do not exchange, directly or indirectly, classified information, strategic or competitively sensitive information with any other company or between management and representative responsible for subsidiaries of Vivendi group, the Telefônica group and the Telecom Italia group related to its operations in the Brazilian market.

In November 2015, ANATEL consented to our corporate reorganization involving Telefônica Brasil S.A., GVT Participações S.A. and its subsidiaries. The approval was subject to certain conditions such as the end of overlap licenses of STFC, SCM and SeAC within 18 months and the obligation to present a list of all assets from the companies incorporated in our STFC (Sector 31, Region III) concession area, confirming the absence of reversible assets burdened judicially (by means of a negative certificate), or in case of attachment, present the appropriate requests for replacement. On March 14, 2016, the corporate reorganization was approved by our board of directors and was completed on April 1, 2016, after the approval by an extraordinary shareholders' meeting of the relevant companies.

On July 3, 2017, Telefônica Data S.A., or TData, a wholly-owned subsidiary of the Company, acquired all the shares of capital stock of Terra Networks Brasil Ltda., or Terra, from SP Telecom, one of the controlling shareholders of the Company. The purpose of the Terra Networks Transaction was to expand and integrate our offering of digital services, in order to provide additional value to our customer base and TData's. Effective as from December 1, 2018, TData was merged into the Company as part of a corporate restructuring. See “—Historical Background—Restructuring Involving TData” for more information.

In March 2020, the Company expressed interest in acquiring, jointly with TIM S.A. and Claro S.A., part of the UPI mobile assets of Oi S.A., an acquisition that would reach its closing on April 20, 2022. On that date, all the shares of Garliava RJ Infraestrutura e Redes de Telecomunicações S.A. were acquired by the Company.

We are registered with the CVM as a publicly held company and our stock is traded on the B3 under the ticker “VIVT3”. We are also registered with the SEC in the United States and our ADSs are traded on the NYSE under the ticker “VIV” (formerly “TSP”). Our headquarters are located at Avenida Engenheiro Luis Carlos Berrini, 1376, 04571-936, São Paulo, SP, Brazil. Our e-mail is ir.br@telefonica.com and our website is <https://ri.telefonica.com.br/en>. The information on our website is not included or incorporated by reference in this annual report on Form 20-F.

As of December 31, 2025, we had 3,195,606,352 outstanding common shares (excluding treasury shares), with no par value per share. As of December 31, 2025, our shareholders' equity amounted to R\$69.0 billion as presented in our audited consolidated financial statements included elsewhere in this annual report.

Historical Background

Corporate Restructuring Involving the Company and Vivo Participações

On July 28, 2010, our parent company, Telefónica, reached an initial agreement with Portugal Telecom for the acquisition of 50% of the share capital of Brasilcel, N.V., or Brasilcel. As a result of this transaction, Telefónica held 100% of Brasilcel's share capital. At the time, Brasilcel held approximately 60% of Vivo Participações' share capital. On December 21, 2010, Brasilcel was incorporated into Telefónica.

Due to the acquisition of control of Vivo Participações, on February 16, 2011, Telefónica, through its subsidiary SP Telecom, launched a public offer for the common shares of Vivo Participações (its only voting shares) held by minority shareholders. As a result of the public offer, on March 18, 2011, SP Telecom acquired 10,634,722 common shares of Vivo Participações, representing 2.66% of its shares, resulting in the Telefónica group's participation of 62.1% of Vivo Participações.

On December 27, 2010, the boards of Directors of Vivo Participações and Telefônica Brasil approved the terms and conditions of a corporate restructuring, which provided for the merger of the shares issued by Vivo Participações in Telefônica Brasil. The corporate restructuring was approved by ANATEL on March 24, 2011, and on April 27, 2011, the shareholders of Vivo Participações and Telefônica Brasil approved the merger of the shares issued by Vivo Participações in Telefônica. On June 14, 2011, the board of directors of both companies approved a second corporate restructuring, in which Vivo Participações became our wholly-owned subsidiary. The terms and conditions of the second corporate restructuring were unanimously approved by the shareholders of both companies on October 3, 2011. Vivo Participações was incorporated into us, and the holders of Vivo Participações' merged shares received new shares of the company.

Due to the merger of Vivo Participações into us, our capital was increased by R\$31.2 billion, reflecting the economic value of the shares issued as a result of the merger. The merger did not change the identity of the controlling shareholders of the companies.

In addition, as a result of this merger, on July 6, 2011, Vivo Participações submitted a statement to the SEC to cancel the registration of its American Depositary Shares, or ADS, program, since all its ADSs were converted into ADSs of Telefônica Brasil. The SEC approved the deregistration on July 7, 2011.

A third stage of the corporate restructuring was approved by ANATEL on August 16, 2011. On October 3, 2011, our shareholders approved the merger of Vivo Participações in the USA and Telefônica Brasil absorbed the assets of Vivo Participações, extinguishing Vivo Participações, which simplified and further rationalized our cost structures. On the same date, we changed our telecommunications name from Telecomunicações de São Paulo S.A. – TELESP to Telefônica Brasil S.A., to reflect our national operations. On October 18, 2011, ANATEL approved the transfer of the authorization for the provision of SMP services in the state of Minas Gerais from Vivo Participações to Vivo.

As a result of this name change, the ticker symbols for our shares were also changed from October 6, 2011 (including), from TLPP3, for common shares, and TLPP4, for preferred shares, to VIVT3 and VIVT4, respectively, with the subsequent change of our trading name to TELEF BRASIL. Our ticker symbol for ADRs on the NYSE was changed to VIV, from TSP.

Acquisition of GVT

On September 18, 2014, we signed a share purchase agreement with Vivendi and some of its subsidiaries, or collectively, Vivendi, and with GVTPar, Telefônica, S.A. and GVT Operacional, under which we agreed to buy all shares of GVTPar, the controlling shareholder of GVT. This acquisition was approved by our board of directors on September 18, 2014.

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As consideration for the acquisition, we agreed to pay a portion of the price in cash, and a portion in the form of our common and preferred shares, as follows: (1) €4,663,000,000 to be paid in cash on the closing date, as adjusted under the terms of the share purchase agreement, and (2) our common and preferred shares in the amount of 12% of our total capital after the capital increase contemplated in the share purchase agreement and the merger of GVTPar shares in us. The full consideration was paid upon completion of (A) a capital increase, the proceeds of which were used to pay the cash consideration described in (1) above, and (B) the merger of GVTPar shares in us.

On December 22, 2014, ANATEL approved the transaction and imposed certain obligations, which we believe did not compromise the terms of the acquisition of GVT or its value. On March 25, 2015, CADE's administrative court approved the transaction on the basis of certain confidential commitments offered by us and Vivendi S.A. Commitments include the execution of two merger control agreements: the first between CADE and the second between CADE and Vivendi S.A.

On March 25, 2015, our board of directors approved the public offering of shares, including shares in the form of ADSs, in accordance with a capital increase of R\$15,812,000,038.03, by issuing 121,711,240 common shares, at the price of R\$38.47 and 236,803,588 preferred shares, at the price of R\$47.00, as well as 6,282,660 preferred shares according to the exercise of the excessive allotment option. On May 28, 2015, our shareholders approved the ratification of the Share Purchase Agreement and Other Agreements, signed by the Company, as Buyer, and Vivendi S.A. and its subsidiaries, Société d'Investissements et de Gestion 108 SAS and Société d'Investissements et de Gestion 72 S.A., as Sellers, for which all shares issued by GVTPar, a shareholder of Global Village Telecom S.A., were acquired by us.

Therefore, as provided for in the share purchase agreement, we paid a portion of GVT's spot acquisition price with cash, receiving shares of GVTPar and GVT Operator, and another portion in shares, to FrHolding108 as a result of the merger of GVTPar's shares in us, representing 12% of our share capital after the merger.

On June 24, 2015, the transaction for the exchange of shares between Telefônica and Société d'Investissements et de Gestion 108 SAS, a company controlled by Vivendi S.A. was completed, through which FrHolding108 transferred to Telefônica 76,656,559 shares representing 4.5% of our share capital, including 68,597,306 common shares representing 12% of this class of shares and 8,059,253 preferred shares representing 0.72% of this class of shares, in exchange for 1,110,000,000 shares representing 8.2% of the common shares of Telecom Italia, S.p.A., previously held by Telco TE, S.p.A., a subsidiary of Telefônica.

On July 29, 2015, Vivendi S.A. sold 67.9 million preferred shares, representing 4% of our share capital. On the same day, Telefônica S.A. announced that it had signed an agreement with Vivendi's subsidiary, Société d'Investissements et de Gestion 108 SAS, through which Telefônica undertook to deliver 46.0 million of its treasury shares, representing 0.95% of its share capital, in exchange for 58.4 million preferred shares of Telefônica Brasil S.A., (received by Société d'Investissements et de Gestion 108 SAS. in the context of the acquisition of GVT Participações, S.A.). On September 16, 2015, the stock exchange was completed. Consequently, Telefônica S.A.'s interest in the Company increased 5.2% in relation to the total preferred shares of the Company and 3.5% in relation to the company's total capital. On the other hand, SIG108's shareholding in the Company was reduced by the same proportion. Therefore, as of that date, SIG108 has no interest in the Company.

On March 14, 2016, our board of directors approved a corporate restructuring to simplify our organizational structure. In the previous corporate structure, GVT Participações S.A. ("GVTPart") was 100% owned by Telefônica Brasil. On the date of the merger, GVT was divided and its net assets were transferred in part to GVTPart and partly to POP. GVT's share of equity related to assets, rights and obligations related to telecommunications activities was transferred to GVTPart and other installments, related to assets, rights and obligations related to other non-telecommunications activities, were transferred to POP. GVTPart was later merged into Telefônica Brasil. The corporate restructuring did not result in an increase in capital or a change in the company's shareholders' participation and was ratified by an extraordinary general meeting on April 1, 2016.

Acquisition of Telefônica Transporte e Logística Ltda. by TData

On October 28, 2015, TData, as a buyer, and Telefônica Gestão de Serviços Compartidos Espanha S.A., as a seller, signed a Share Purchase agreement that resulted in the acquisition of Telefônica Transporte e Logística Ltda., a Brazilian-based company that, among other activities, provides logistics services.

Acquisition of Terra by TData

On July 3, 2017, we announced that our wholly-owned subsidiary, TData, acquired all shares in the share capital of Terra Networks Brasil S.A. (“Terra”) from SP Telecom, one of our controlling shareholders (the “Transaction”). Terra is a provider of digital services (own and third-party services of value added (“VAS”) and carrier billing, as well as mobile channels for sales and relationships) and advertising. The goal of the Transaction was to expand and integrate our digital services offering in order to provide additional value to our customer base and TData’s, as well as to provide TData’s service offering to Terra’s customer base and subscribers. In addition, the Transaction aimed to expand TData’s advertising business as a result of Terra’s national operations and expertise. The total price paid by TData as a counterpart for the acquisition of shares issued by Terra was R\$ 250 million, paid in a single installment using TData’s cash in hand, without the need for financing. The Transaction was not subject to any regulatory authorizations or approvals by us and was completed on July 3, 2017.

Restructuring Involving TData

On October 30, 2018, our board of directors approved the terms and conditions of the merger in the Company of its wholly-owned subsidiary TData, as well as the proposal to convene the Company’s extraordinary general meeting for November 30, 2018, to resolve the merger. The merger aimed to standardize the provision of services, as well as simplify the company’s organizational and corporate structure, being approved by the Company’s Extraordinary Shareholders’ Meeting on November 30, 2018, not resulting in an increase in capital or change in the Company’s shareholders’ equity. The merger was completed with operational effect as of December 1, 2018.

Restructuring involving Terra and Telefônica Infraestrutura e Segurança Ltda.

On September 26, 2019, we announced that our wholly-owned subsidiary, Terra had acquired all shares of Telefônica Infraestrutura e Segurança Ltda., or TIS, Telefônica Ingeniería de Seguridad S.A. and Telefônica Digital España S.L.U. (the “TIS Transaction”). TIS is dedicated to the exploration and provision of services and technology of information security systems, technical support and other services related to infrastructure, technology and information.

The objective of the TIS Transaction was to enable Terra, which carries out, among other activities, the development of computer systems, with the objective of expanding consulting and operational assistance, maximizing the commercialization of systems, licenses and applications, enabling the expansion of the portfolio of professional and managed services and the integration of commercial offerings from TIS and Terra, unlocking the generation of added value for the Company’s portfolio of clients such as information technology, security, IoT (Internet of Things) and connectivity activities, all to be provided under common management.

The total amount paid for the acquisition of the shares issued by TIS was R\$70.84 million, in a single installment, without any financing, using the cash available from Terra. This value was calculated based on the economic value of TIS as of June 30, 2019, according to the cash flow criterion, supported by an evaluation report commissioned by us.

The TIS Transaction did not alter our ownership structure or cause any dilution to our shareholders.

Launch of Vivo Money Credit Rights Investment Funds (FIDCs)

In August 2020, in relation to the launch of our Vivo Money service, we structured a credit rights investment fund, Vivo Money Fundo de Investimento em Direitos Creditórios (the “FIDC”), which was created in the form of a closed company for an indefinite period. FIDC’s objective is to provide its quotaholders with a return on equity on their quotas by investing in the acquisition of (i) eligible credit rights, with supporting documents that meet the eligibility criteria and the conditions of assignment, and (ii) financial assets, observing all the composition and diversification indices of the fund’s portfolio. Eligible credit rights to be acquired by FIDC originate from credit transactions conducted electronically by our customers exclusively through our Vivo Money electronic platform. FIDC began operations on September 14, 2020, issuing 2,000 junior subordinated quotas with an initial unit value of R\$1,000. On December 1, 2020, we made a new contribution to FIDC in the amount of R\$2 million, with the issuance of over 2,000 junior subordinated quotas with an initial unit value of R\$1,000. In 2021 we made a total of nine contributions to the FIDC that totaled R\$30 million, totaling 26,009.82 junior subordinated quotas with an initial unit nominal value of R\$1,260 which will not have a defined remuneration parameter and are subordinated to senior quotas and subordinated quotas, in this order of priority, for the purpose of amortization and redemption. Residual returns from this FIDC, if any, are paid to us as subordinated shareholders. In 2022 we made 11 contributions to the Vivo Money FIDC, in the total amount of R\$137 million, representing 126,340.74 junior subordinated quotas with an initial unit nominal value of R\$1,435.

On July 31, 2023, we signed an investment commitment in Vivo Money FIDC with Polígono Capital (“Polígono”). Polígono is an independent asset manager founded in February 2023 as a partnership between BTG Pactual Asset Management and Prisma Capital to operate in Brazil’s credit-as-a-service market. Its activities range from contract management and credit policy implementation to portfolio management and debt collection. In 2023, Polígono contributed a total of R\$30.0 million to the Vivo Money product. These contributions to Vivo Money’s existing funds (“FIDC I” and “FIDC II” were recognized as financial liabilities. In the same year, Telefônica Brasil S.A. contributed R\$42.0 million. For the year ended December 31, 2024, Polígono’s total contributions to Vivo Money amounted to R\$38.1 million, while Telefônica Brasil contributed R\$0.8 million. For more information, see note 21.c.3.5 to our audited consolidated financial statements included elsewhere in this annual report.

On October 11, 2024, FIDC II ceased to exist as it was merged into FIDC I, which operates on personal loans, payroll-deducted loans, FGTS, and Pix installments transferred from the liquidated fund (VIVO PAY II - Pix Installment). Subsequently, on April 29, 2024, “FIDC III” was created to operate the “Parcela Pix” product, with a single investment from Telefônica Brasil of up to R\$10.0 million. This fund was terminated on November 6, 2025.

On March 11, 2025, at a unitholders’ meeting, the fund’s corporate name was changed from VIVO MONEY III Fundo de Investimento em Direitos Creditórios – Responsabilidade Limitada (FIDC III) to VIVO PAY II Fundo de Investimento em Direitos Creditórios – Responsabilidade Limitada (VIVO PAY II), and the designation of the unit class was amended accordingly to reflect the new name. At the same meeting, unitholders approved the second issuance of junior subordinated units, in a total amount of up to R\$ 1,000,000.00, pursuant to the terms and conditions set forth in the applicable supplement.

On April 4, 2025, Telefônica Brasil made an additional capital contribution of R\$ 0.25 million. Subsequently, the unit holders approved the early liquidation of the fund on August 28, 2025, which was thereafter completed. On November 7, 2025, VIVO PAY III – Fundo de Investimento em Direitos Creditórios, Responsabilidade Limitada (VIVO PAY III) was established with an indefinite term, in accordance with CMN Resolution No. 2,907 of November 29, 2001, CVM Resolution No. 175 of December 23, 2022, as well as other applicable legal and regulatory provisions. This fund has a single class of units, structured as a closed-end class, with limited liability and indefinite duration, governed by CMN Resolution 2,907/01, Annex II of CVM Resolution 175/22, and other relevant regulations.

Pursuant to its bylaws, this fund constitutes a pool of resources primarily intended for the acquisition of credit rights and other financial assets, as described in its descriptive annex, in compliance with the investment policy applicable to the class and its specific characteristics. The administrator and the manager approved the issuance of junior subordinated units, through a private placement, up to the total amount of R\$ 10.0 million, by means of the subscription of up to 10,000 units, each with a unit value of R\$ 1,000.00. The initial contribution made to the fund amounted to R\$ 2.0 million.

Conversion of Our Preferred Shares into Common Shares

At an extraordinary shareholders' meeting held on October 1, 2020, our shareholders approved, effective as of such date, among other things: (1) the conversion of all of our preferred shares into common shares, at a ratio of one common share for each preferred share, or the "Conversion"; and (2) certain amendments to our by-laws. At a special meeting of holders of our preferred shares, held on that same date, our preferred shareholders ratified the Conversion. After the Conversion, which formally occurred after the market closed on November 20, 2020, our ADRs backed by preferred shares were exchanged for ADRs backed by common shares, and our subscribed and fully-paid share capital was R\$63,571,415,865.09 divided into 1,690,984,923 common shares, all with no par value. All of our common shares continued to trade under the ticker symbol "VIVT3" on the B3 (while our ticker symbol "VIVT4," under which our preferred shares traded on the B3, was suspended on November 23, 2020), and our ADRs backed by common shares began trading on the NYSE under the ticker symbol "VIV."

Restructuring involving the sale of shares of Telefônica Cibersegurança e Tecnologia do Brasil Ltda. to Telefônica Cybersecurity Tech, S.L.

On November 1, 2020, our board of directors approved the execution of a quotas purchase and sale agreement, or the "CyberCo Transaction," pursuant to which we sold a 100% equity interest in our subsidiary Telefônica Cibersegurança e Tecnologia do Brasil Ltda., or CyberCo Brasil, to Telefônica Cybersecurity Tech, S.L., or TTech, an indirect subsidiary of Telefônica, for the total amount of R\$116.4 million, supported by an appraisal report commissioned by us.

As a preliminary step to the implementation of the CyberCo Transaction, certain assets, contracts, and employees were transferred to CyberCo Brasil, all strictly related to cybersecurity activities. The transaction allowed us, as an exclusive distributor of CyberCo Brasil, to be positioned in the cybersecurity market by expanding our portfolio of products and services. In addition, we benefit from greater competitiveness due to the global scale of our cybersecurity partner.

The transaction did not alter our shareholding structure, nor cause any dilution to our shareholders. The CyberCo Transaction was not subject to any regulatory authorizations or other approvals in addition to those obtained from our governance bodies on October 30, 2020 and November 1, 2020.

Corporate Reorganization – CyberCo Repurchased by Telefônica Brasil S.A.

On December 9, 2025, Telefônica entered into a quota purchase and sale agreement, pursuant to which Telefônica Infraestrutura e Segurança Ltda. ("TIS"), an indirect wholly owned subsidiary of Telefônica, acquired 100% of the equity interest in Telefônica Cibersegurança e Tecnologia do Brasil Ltda. ("CyberCo Brasil") from Telefônica Cybersecurity & Cloud Tech, S.L. ("TTech"), a company under common control with the Company.

All quotas issued by CyberCo Brasil were sold by TTech for a total amount of up to R\$ 232 million, with R\$ 212 million paid in a single installment on the signing date and up to R\$ 20 million as contingent consideration.

As a result of the transaction, Telefônica, through TIS, became the indirect owner of 100% of the share capital of CyberCo Brasil. This movement reinforces the Company's strategic focus on the B2B market, enabling greater integration of its digital, cloud and cybersecurity offerings, optimization of service delivery, acceleration of new product launches and strengthening of commercial execution, while preserving full operational and governance control over its cybersecurity platform in Brazil.

Investment by Telefónica Infra, S.L.U. and Caisse de Dépôt et Placement du Québec in FiBrasil Infraestrutura e Fibra Ótica S.A.

On July 2, 2021, we executed certain agreements, or the “FiBrasil Transaction,” with Caisse de Dépôt et Placement du Québec, or “CDPQ,” a global investment group, and Telefónica Infra, S.L.U., or “TEF Infra,” a wholly-owned Spanish subsidiary of Telefónica, for the construction, development and operation of a neutral and independent optical fiber wholesale network in the Brazilian market, through FiBrasil Infraestrutura e Fibra Ótica S.A., or “FiBrasil”. The operation represented a total investment by CDPQ of up to R\$1.8 billion (including payments to us and contributions to FiBrasil) in exchange for a 50% equity interest in FiBrasil’s share capital. TEF Infra acquired a 25% equity interest for the same price, while we held the remaining 25% interest. CDPQ had committed to make additional contributions of approximately R\$750 million, of which R\$205 million had been paid on closing of the FiBrasil Transaction. These contributions, as well as debt that had been raised (such as FiBrasil’s R\$550 million debentures issuance on September 25, 2021), were expected to finance the totality of its business plan.

Acquisition of Caisse de Dépôt et Placement du Québec’s Equity Interest in FiBrasil by Telefónica Brasil S.A.

On July 10, 2025, Telefônica Brasil S.A. announced that it had entered into an agreement to acquire the entire equity interest held by Caisse de Dépôt et Placement du Québec (“CDPQ”) and Fibre Brasil Participações S.A. (“Fibre”) in FiBrasil Infraestrutura e Fibra Ótica S.A., representing 50% of FiBrasil’s total share capital, as well as the subscription warrants previously issued by FiBrasil. At this initial stage, the transaction remained subject to customary conditions precedent and to the receipt of all required regulatory approvals, as stipulated under applicable regulations.

Following the completion of all required steps, including review and approval by the relevant regulatory authorities, confirmation of the fulfillment of contractual conditions, and the completion of the applicable corporate procedures, the transaction was finalized on November 12, 2025. Upon closing, Telefônica Brasil increased its ownership in FiBrasil to 75.01% of its total share capital, while Telefónica Infra, S.L.U. remained a shareholder holding the remaining 24.99%.

Additionally, the subscription warrants previously issued by FiBrasil were canceled immediately after closing. The final acquisition price, adjusted by the positive variation of the CDI rate, amounted to R\$ 858 million. The increased ownership further strengthens the Company’s strategic commitment to expanding neutral fiber-optic infrastructure in Brazil and reinforces FiBrasil’s position as an independent and competitive wholesale fiber platform.

On January 9, 2026, the Company’s General Shareholder’s Meeting, ratified the acquisition, pursuant to the first paragraph of article 256 of the Brazilian Corporations Law. Furthermore, Pursuant to Articles 256, §2, 136, item VI, and 137 of the Brazilian Corporations Law, shareholders of the Company who dissent from the resolutions approving the ratification of the acquisition shall be assured the right to withdraw from the Company upon reimbursement of the value of the shares of which they are proven holders.

Sale of shares of Telefônica Cloud e Tecnologia do Brasil S/A to Telefônica Cybersecurity & Cloud Tech, S.L.

On August 2, 2021, our board of directors approved the execution of a share purchase and investment agreement, or the “TC&T Transaction, whereby: (i) we sold 20% of our stake in our subsidiary Telefônica Cloud e Tecnologia do Brasil S.A., or CloudCo Brasil, to Telefônica Cybersecurity & Cloud Tech, S.L., or TC&CT, a company indirectly controlled by Telefónica, for R\$22.0 million; and (ii) TC&CT acquired 190,000 common shares, without par value, issued by CloudCo Brasil, for a total issuance price of R\$76.0 million, of which R\$25.0 million was paid on August 2, 2021, and R\$51.0 million paid in two installments in January 2022 and 2023. These prices were based on an appraisal report prepared by a specialized, independent appraiser. As a result of the TC&T Transaction, after the transaction, we came to hold 50.01% of CloudCo Brasil’s share capital, while TC&CT came to hold the remaining 49.99% interest. Our relationship with TC&CT with respect to the management of CloudCo Brasil is governed by a shareholders’ agreement, which was also executed on August 2, 2021, as amended. Both the share purchase agreement and the shareholders’ agreement have terms and conditions that are common to this type of transaction.

As a preliminary step in the implementation of the TC&T Transaction, certain assets, contracts and employees have been transferred from us and TIS to CloudCo Brasil, all strictly related to cloud computing activities. The TC&T Transaction enabled us, in partnership with TC&CT, to develop a Brazilian company dedicated to cloud computing solutions and services for the B2B segment, improving our market position and product offerings and enabling us to capture significant growth opportunities in this sector. The TC&T Transaction was not subject to any regulatory authorizations or additional approvals, other than those already obtained from our governing bodies, and it did not change our capital structure, nor cause any dilution to our shareholders.

Launch of VivaE Joint Venture

Following our strategy of expanding our consumer digital services portfolio, we signed in October 2021 a non-binding memorandum of understanding with Ânima Holding S.A. (“Ânima Educação”), to set up a joint venture (“JV” or “VivaE”) in education services. In February 2022, we and Ânima Educação signed an investment agreement for the constitution of the aforementioned JV. Ânima Educação is one of the largest and most innovative ecosystems of private education in Brazil, with an 18-year track record. The JV was investing in an online education platform, which will provide professional learning courses and connect students with potential employers, initially in the areas of Technology, Management, Business, and Tourism. As of December 31, 2022, Telefônica Brasil and Ânima Educação collectively invested an aggregate amount of R\$20 million in VivaE. In compliance with the investment targets under the JV, in March 2023, we and Ânima Educação each invested R\$3 million in VivaE, totaling a cumulative aggregate investment in VivaE of R\$26 million since the JV was formed up to December 31, 2023.

In line with the forecast for achieving investment targets, a new contribution of R\$3.3 million was made by each shareholder (the Company and Ânima Educação) in December 2024, bringing the total aggregate investment in VivaE to R\$33 million.

Corporate Reorganization – VivaE and Ada Tech Business Combination

On October 6, 2025, Telefônica Brasil S.A. (“Telefônica”) completed the corporate reorganization of its equity interest in Vivae Educação Digital S.A. (“Vivae”), a company jointly held with Ânima Holding S.A. The transaction consisted of the contribution of all Vivae shares held by Telefônica to the Vivo Ventures Private Equity Investment Fund, as partial payment in kind of the quotas previously subscribed by the Company in such fund.

Subsequently, in 2025, VivaE entered into a business combination agreement with Ada Tecnologia e Educação S.A. (“Ada”), a company specialized in educational solutions focused on programming and technology training for the B2B segment. The business combination aims to strengthen Vivae’s position in the professional digital education market, expand its portfolio of corporate solutions, and generate operational and commercial synergies.

As a result, Vivae became an indirect investment of Telefônica, held through the Vivo Ventures private equity fund, and now includes the strategic participation of Ada.

Sale of shares of Telefônica IoT, Big Data e Tecnologia do Brasil S/A to Telefônica IoT & Big Data Tech, S.A.

On November 1, 2021, our board of directors approved the execution of a share purchase and investment agreement, or the “TI&BDT Transaction,” whereby: (i) we sold a 0.02% equity interest in our subsidiary Telefônica IoT, Big Data e Tecnologia do Brasil S.A., or “IoTCo Brasil,” to Telefônica IoT & Big Data Tech, S.A., or “TI&BDT,” a company indirectly controlled by Telefônica, for R\$19 million; and (ii) TI&BDT acquired 499,800 common shares, without value, of IOTCo Brasil, for a total issuance price of R\$94.9 million. These prices were based on an appraisal report prepared by a specialized, independent appraiser. As a result of the TI&BDT Transaction, we own 50.01% of IOTCo Brasil’s share capital, while TI&BDT owns the remaining 49.99% interest.

As a preliminary step to the implementation of the TI&BDT Transaction, certain assets, contracts, and employees were transferred from us and TIS to IoTCo Brasil, all of which are strictly related to IoT and big data activities. The TI&BDT Transaction enabled us, in partnership with TI&BDT, to develop a Brazilian company dedicated to IoT and big data services and B2B solutions, improving our market position and product offerings and enabling us to capture significant growth opportunities in this sector. Additionally, the TI&BDT Transaction also ensured that we continue to manage relationships with end customers, as we have also entered into an agreement whereby we will act as IoTCo Brasil's exclusive sales channel.

The TI&BDT Transaction was not subject to any regulatory authorizations or additional approvals, other than those already obtained from our governing bodies, and it did not change our capital structure, nor cause any dilution to our shareholders.

Launch of Corporate Venture Capital Fund

As approved by the Company's Board of Directors, on April 11, 2022, the Corporate Venture Capital fund was constituted, together with Telefonica Open Innovation, S.L., as Vivo Ventures Fundo de Investimento em Participações Multiestratégia or "Vivo Ventures" or "FIP". Through Vivo Ventures, we intend to foster the expansion of our digital ecosystem with the creation of meaningful partnerships with startups, contributing to complementing the value proposition offered to our customers through innovative services and products, leveraging our extensive distribution chain and the potential of the Vivo brand.

Vivo Ventures has a total committed capital of R\$ 470 million, which will be deployed in fifteen years, as investments in startups in the segments of healthcare, financial services, education, entertainment, smart homes, marketplace, among others. We hold 98% of the subscribed capital of Vivo Ventures and Telefónica Open Innovation holds 2%.

Vivo Ventures made its first investment in August 2022, investing the amount of US\$3 million in Credit Vista Technologies Limited, the holding company of Credit Vista Tecnologia para Finanças Pessoais EIRELI ("Klavi"). Klavi is a fintech that offers Open Finance solutions through a SaaS platform (Software as a Service), using data intelligence that enables customers to develop financial products and services more quickly and accurately.

In December 2022, the FIP carried out its second operation, committing to invest R\$10 million in Klubi Participações S.A. ("Klubi"). Klubi is a fintech authorized by the Central Bank to operate as a consortium administrator in Brazil, which currently offers car consortium products and services.

In May 2023, the FIP signed its third investment contract in the amount of US\$3 million with DGB USA Inc., or Digibee, to acquire a stake in such company. Digibee is a company that provides a low-code iPaaS (Integration Platform as a service) enabling simplified and efficient integration between legacy technological systems and new technologies, aligned with the Company's interest in accelerating the time-to-market of its technological development.

In May 2024, the FIP closed the acquisition of a shareholding position in the amount of R\$25 million worth of stock in Conexa Health LLC, the controlling company of Conexa Saúde Serviços Médicos S.A. Conexa is the largest independent telemedicine platform in Latin America and a digital health ecosystem that connects patients, professionals, businesses, and insurers, using up-to-date technology, with the goal of levelling access to quality health care. Prior to the investment, Conexa announced a merger with Zenklub, a digital service company for emotional health and wellness.

In 2024, out of the total committed capital of R\$320 million, the FIP received a new share subscription of R\$100 million, with 98% subscribed by Telefônica Brasil S.A. and 2% by Telefonica Open Innovation, S.L. The subscribed amount will be disbursed as capital calls are made for new investments in startups.

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In July 2024, FIP committed to acquiring a minority equity stake in CRMBonus Holding in the amount of R\$27.7 million. CRMBonus operates a platform that leverages artificial intelligence to enhance relationships between companies and their customers, promoting the concept of “giftback” in the Brazilian market. Since the beginning of this year, one of CRMBonus’ solutions, Vale Bonus, has been part of the benefits offered by the Company, rewarding customers with digital currency when they recharge or pay their bills on time, thereby contributing to increased customer retention.

In November 2024, the FIP acquired a minority stake in AGL Holding, the parent company of Agrolend Sociedade de Crédito Financiamento e Investimento S.A., or Agrolend, in the amount of R\$9.0 million. Agrolend is an agricultural fintech that provides credit to small- and medium-sized rural producers in Brazil, financing the development of agricultural production and promoting investment in inputs, equipment, and technology to boost producer productivity and profitability. The fintech grants millions of Brazilian Reais in credit to farmers annually and has the potential to enhance the company’s product offerings for this audience by providing connectivity and solutions for better farm management.

In December 2024, Vivo Ventures made a follow-on investment of R\$15 million in Klubi, a fintech authorized by the Central Bank of Brazil to operate as a consortium administrator. Klubi specializes in consortia for cars, cell phones, and electronic equipment. This additional investment strengthens Vivo’s presence in the financial solutions sector, complementing its existing services through Vivo Money. Vivo collaborated with Klubi to launch the *Compra Programada* product, a cell phone consortium offering tailored to meet customer needs. Vivo Ventures initially invested R\$10 million in Klubi in December 2022.

In December 2024, Vivo Ventures entered into an agreement to consummate an investment via a simple agreement for future equity contract in Lend Holding Ltd., or Lend Tech, in the amount of R\$18.2 million. Lend Tech is a financial services company that offers technology solutions for debt collection and uses credit and debit card receivables to execute collections. Closing of the transaction is expected in the first half of 2025 and is subject to customary closing conditions.

At the end of 2024, Vivo Ventures had capitalized R\$137 million of the total of R\$200 million in subscribed share capital, with R\$53.9 million yet to be capitalized and R\$120 million yet to be subscribed.

In 2025, Vivo Ventures made nine investments across strategic areas such as Fintech, Education, Insurtech and Legal, reinforcing its focus on digital platforms with strong potential for operational synergies, distribution leverage, and value creation within Vivo’s ecosystem.

In December 2024, Vivo Ventures entered into a commitment of US\$2 million with Canary, a leading venture capital manager in Brazil, as part of its funds-of-funds strategy, with the objective of strengthening its presence within the venture capital ecosystem, enhancing long-term relationships with top-tier fund managers and expanding access to high-quality investment opportunities aligned with its strategic priorities.

In February 2025, Vivo Ventures completed an equity investment of R\$11.6 million in Facio, a fintech specialized in credit origination and automation for financial institutions, offering end-to-end solutions that streamline underwriting, risk assessment and customer onboarding through technology and data-driven processes. The investment supports Facio’s expansion in the Brazilian credit market and aligns with Vivo’s strategy to strengthen its presence in financial services and digital lending solutions.

In July 2025, the FIP executed an initial investment of R\$1.36 million in Elevify, an edtech focused on upskilling and professional development, offering digital education solutions aimed at improving employability and workforce qualification through scalable online programs. This investment aligns with Vivo Ventures’ interest in education platforms that leverage technology to democratize access to high-quality learning.

In September 2025, Vivo Ventures committed R\$35.0 million to AsaaS as part of a minority equity acquisition. AsaaS is a fintech that provides an integrated financial management and payments platform for small and medium-sized businesses, enabling billing, collections, payments and financial control through a single digital interface. The company supports SMEs in improving cash flow management and operational efficiency, strengthening Vivo's positioning in solutions tailored to the SME segment.

In October 2025, the FIP acquired a minority stake of R\$13.3 million in 180 Seguros, an insurtech that offers embedded insurance solutions through APIs, enabling companies to seamlessly integrate insurance products into their digital journeys. The platform focuses on modular and flexible insurance offerings that enhance customer experience and open new digital distribution channels, in line with Vivo Ventures' strategy in embedded finance and digital protection solutions.

Also in October 2025, Vivo Ventures became a shareholder of Ada Tech through a corporate reorganization and merger involving Vivae — the edtech jointly created by Telefônica Brasil S.A. and Ânima Educação — and Ada Tech. As part of this transaction, the equity interest in Ada Tech previously held by Wayra, together with Telefônica Brasil's stake in Vivae, was transferred to FIP Vivo Ventures, which now directly holds the participation and remains a shareholder of Ada Tech. Ada Tech is an education technology company focused on training and reskilling professionals in software development, data, artificial intelligence and other high-demand digital skills, combining online learning, hands-on projects, and corporate partnerships.

In December 2025, Vivo Ventures also carried out a follow-on investment of R\$2.7 million in Facio, further reinforcing its confidence in the company's execution and growth trajectory. The additional capital is intended to support product development, commercial expansion and the strengthening of its technology platform.

In December 2025, the FIP concluded an initial equity allocation of R\$1.9 million in Inspira. Inspira is a legaltech that develops digital solutions to increase efficiency and automation in legal operations, supporting law firms and corporate legal departments with tools for process management, analytics and decision-making.

Finally, Vivo Ventures also approved an increase in the fund's committed capital, raising its total size to R\$470 million. As part of this expansion, the FIP received a new share subscription of R\$150 million, with 98% subscribed by Telefônica Brasil S.A. and 2% by Telefonica Open Innovation, S.L. The subscribed amount will be disbursed through capital calls as new investment opportunities in startups are executed.

Acquisition of part of Oi UPI Mobile Assets (Business combination)

On April 20, 2022, the closing of the transaction related to the Purchase Agreement for Acquisition of Oi Group's mobile business operations (the "UPI Mobile Assets") took place, and Telefônica Brasil acquired, on such date, all the shares of Garliava RJ Infraestrutura e Redes de Telecomunicações S.A. ("Garliava"), a special purpose company, to which the mobile assets of Oi Group assigned to Telefônica Brasil had been contributed, in accordance with the segregation plan stated in the Oi Agreement.

Thus, Telefônica Brasil acquired Garliava's shares for the amount of R\$5,373.0 million having paid, on such day, the amount of R\$4,884.6 million. The remaining amount, equivalent to 10% of the payment made on that date, was withheld and its release was subject to certain ongoing discussions regarding price adjustments, as provided for in the Oi Agreement.

Likewise, on such date, Telefônica Brasil: (i) committed to an additional payment of R\$110.2 million, subject to the fulfillment of certain targets by Oi, a contingent that was part of the total consideration; (ii) made a payment of termination costs in the amount of R\$8.3 million, which was also part of the total consideration. Therefore, the total consideration at the closing date was R\$5,491.6 million. The Company also entered into other complementary payment commitments with Oi, as follows: (i) made a payment of R\$147.6 million for certain transition services provided by Oi to Garliava; and (ii) entered into a take-or-pay data transmission capacity agreement, with a net present value of R\$179.0 million, to be paid monthly during a period of 10 years.

In the context of this acquisition, the Company's share of UPI Mobile Assets was:

- Clients: approximately 12.5 million clients, or approximately 30% of UPI Mobile Assets' total customer base as of February 2022, for which the allocation sought to enhance competition among the Brazilian telecom market operators;
- Spectrum: 43 MHz as a national weighted average based on population, or approximately 46% of the UPI Mobile Assets' radio frequencies, with the allocation in strict conformity to the spectrum limits set by ANATEL; and
- Infrastructure: agreements for the use of approximately 2,700 mobile access sites, or approximately 19% of the UPI Mobile Assets' total sites.

All commitments assumed were duly submitted to ANATEL and CADE during 2022.

Post-Closing Price Adjustment

On October 3, 2022, we commenced arbitration proceedings against Oi due to the manifest breach by Oi of certain terms of the Oi Agreement. These proceedings and related disputes between us and Oi were settled upon the execution of an agreement regarding the Post-Closing Price Adjustment (as defined in the Oi Agreement). This settlement was approved by the Market Arbitration Chamber on October 4, 2023. Pursuant to its terms, the final price for the UPI Mobile Assets assigned to us, taking into account the Post-Closing Price Adjustment, was of R\$5,128.8 million, of which R\$4,884.6 million was paid by us on April 20, 2022. The remaining amount was paid upon completion of the assessment to Oi of half of the Telefônica Retained Value, and we have withdrawn the other half of the Telefônica Retained Value that was deposited with the Market Arbitration Chamber, equal to R\$244.2 million as of the closing date, plus interest and/or monetary correction.

Post-closing price adjustments occurred during the second half of 2023, after the PPA measurement period. Therefore, the impacts generated by post-closing price adjustments were recorded in the income statement, without changes to goodwill.

Merger of Garliava With and Into Telefônica Brasil

On February 1, 2023, our shareholders approved Garliava's merger into Telefônica Brasil, subject to certain conditions. Fulfillment of these conditions was confirmed by our board of directors on February 28, 2023, from when the merger became effective and Garliava was declared extinct.

Acquisition of the Vita IT Company through TIS

On October 3, 2022, our indirect subsidiary, Telefônica Infraestrutura e Segurança Ltda. ("TIS"), completed the transaction for the acquisition of all shares representing the capital stock of Vita IT Comércio e Serviços de Soluções em TI Ltda. ("Vita IT"), was approved by CADE. The adjusted total purchase consideration transfer was R\$110.2 million, of which: R\$42.0 million, paid in cash at the time of completion of the Transaction; R\$9.0 million paid in 2023 and the balance of R\$59.2 million was paid according to contractual clauses, updated by the IPCA. The referred price was also supported by an appraisal report prepared by an independent company.

The transaction's documents contain terms and provisions common to this type of transaction, such as representations and warranties, indemnification, and others. It was preceded by financial, administrative, legal, fiscal and operations diligence in relation to Vita IT.

The transaction was part of our strategy to strengthen our operations and positioning in the Networking market, with the supply of network equipment (e.g., switches, routers, and Wi-Fi access points) and implementation, management and technical support for the corporate network companies. Vita IT acted as a solution integrator for companies of different sizes, providing professional and managed Networking services, as well as reselling hardware and software in the same segment.

The combination of resources and capacities of TIS and Vita IT generated added value for our client portfolio, thanks to the performance of both companies under the same management in Information Technology and Networking activities. The transaction also enabled new businesses to be leveraged on a larger scale and in a sustainable manner, in addition to enabling revenue growth and improving business margins. The integration plan between Vita IT, TIS and us was designed to preserve its value and give continuity to Vita IT's business.

Merger of Vita IT Within and Into TIS

On November 30, 2023, our wholly-owned subsidiary TIS completed the merger of Vita IT, its wholly-owned subsidiary, with and into TIS. The "Vivo Vita" brand continue to exist and be used by TIS without affecting the activities previously performed by Vita IT. This merger strengthened the Company's position in the networking market and allowed for greater operational efficiency, increased business scale, and standardization in providing certain information technology services.

Acquisition of the Vale Saúde Sempre Company through POP

On March 3, 2023, POP Internet Ltda. ("POP Internet"), a wholly-owned subsidiary of the Company, concluded the acquisition of all shares issued by Vale Saúde Administradora de Cartões Ltda. (f/k/a Vale Saúde Administradora de Cartões S.A.) ("Vale Saúde Sempre") pursuant to the "Agreement for the Purchase and Sale of Shares and Other Covenants" ("Acquisition of Vale Saúde"). The total consideration transferred was R\$62.0 million, with the payment as follows: R\$37.0 million, paid in cash upon conclusion of the Transaction, R\$3.0 million paid in 2023 and the balance of R\$22.0 million will be paid according to contractual clauses, restated by the DI rate variation.

The consummation of the deal was not subject to prior approval by CADE and was also preceded by a financial, administrative, legal, fiscal, operational and technological diligence in relation to Vale Saúde.

Vale Saúde Sempre is a startup that acts as a healthcare services marketplace, connecting its customers to a wide medical-hospital network with national coverage, upon payment of a monthly subscription. Its accredited network has a full range of health service providers, and the customer can book medical consults (face-to-face and telemedicine), laboratory tests and surgeries at competitive prices, paid on demand directly to the partners.

The Acquisition of Vale Saúde strengthens the Company's positioning as a digital ecosystem, promoting services that are relevant and complementary to its business model. The differentiated assets of the Company, such as its brand, extensive customer base with high payment recurrence, and capillarity of on-site and digital distribution channels, will enable the sustainable scaling of Vale Saúde Sempre's business in a sustainable manner, expanding the Company's portfolio to new digital services in the healthcare value chain.

GUD Comercializadora de Energia S.A. - Joint Venture with Auren Comercializadora de Energia Ltda.

On December 18, 2023, the Company and Auren Energia S.A., through its subsidiary Auren Comercializadora de Energia Ltda. (together, "Auren"), entered into an investment contract for the incorporation of a joint venture, of which each shareholder will hold 50%, (the "Auren Joint Venture").

By combining Auren's know-how in energy generation and commercialization with the Company's scale, digital penetration and distribution capacity, the joint venture position itself in the free energy market in Brazil. Since January 2024, it is accessible to business customers connected to the high-voltage grid with demand below 500kW. The market for the joint venture is estimated to be over 72 thousand large companies including factories, offices and commercial establishments, in addition to, preparing future operations in the low-voltage and residential segments, in the event of the complete opening of the Brazilian electricity market.

The transaction closed on March 15, 2024, with a contribution of R\$10.3 million to establish the Auren Joint Venture. By December 2024, the Auren Joint Venture had obtained all necessary licenses and authorizations from the applicable regulatory agencies to develop its business.

Acquisition of IPNET Serviços em Nuvem e Desenvolvimento de Sistemas Ltda. and IPNET USA, LLC through Telefônica Cloud e Tecnologia do Brasil S.A.

On July 22, 2024, Telefônica Cloud e Tecnologia do Brasil S.A. (“TCloud”), a subsidiary of the Company, entered into a purchase and sale agreement for quotas and other covenants to acquire all quotas issued by IPNET Serviços em Nuvem e Desenvolvimento de Sistemas Ltda. (“IPNET”) and IPNET USA, LLC (“IPNET USA”), for up to R\$223.8 million subject to the achievement of operational and financial metrics. This amount includes a non-compete agreement which was recognized separately from the business combination at a fair value of R\$27.1 million. The remaining purchase price (R\$196.8 million) was allocated to the net assets acquired, excluding the non-compete agreement, which was recognized as an intangible.

The total consideration was R\$196.7 million with payment as follows: R\$32.9 million was paid in cash upon completion of the Transaction and the remaining R\$163.8 million will be paid in accordance with contractual clauses, updated by the variation of the IPCA / SELIC rate. IPNET specialized in the reselling of software and systems, as well as providing professional and managed services for adaptation, migration, and related support. With 20 years of experience in the market, the group played a key role in the digital transformation of businesses.

On October 1, 2024, TCloud signed the closing agreement, completing the acquisition of all quotas issued by IPNET and IPNET USA. This transaction expanded TCloud’s product portfolio and strengthened its professional and managed services, accelerating its growth. The investment also reinforces the Company’s digital ecosystem in the B2B segment, advancing its portfolio of innovative solutions.

Corporate Reorganization Involving IPNET

On November 1, 2025, Telefônica Cloud e Tecnologia do Brasil S.A. (“Telefônica Cloud Brasil”), a wholly owned subsidiary of the Company and the direct parent company of IPNET, approved and executed the merger of IPNET into Telefônica Cloud Brasil. As a result of this merger, IPNET was extinguished, and Telefônica Cloud Brasil succeeded all its assets, liabilities, rights and obligations. The merger was conducted as part of an internal corporate and operational reorganization aimed at simplifying structures, reducing costs and enhancing synergies between the two companies. The transaction was executed based on the book value of IPNET’s net assets and did not result in any change to the share capital of Telefônica Cloud Brasil nor to the Company’s ownership interest in that subsidiary.

Authorization for the operation of Vivo Pay SCD

On September 2, 2024, the Central Bank of Brazil granted the authorization for the operation of Vivo Pay Sociedade de Crédito Direto S.A. (“Vivo Pay SCD”), an entity indirectly controlled by the Company, as a Direct Credit Company, further enhancing Vivo’s Financial Services. This new license will enable end-to-end control of our operations, and enhances our ability to integrate financial services with Vivo’s existing channels, delivering an improved and cohesive user experience. The first new product to be launched under this license is our digital banking account, a cornerstone of our financial strategy.

Reverse Stock Split and Stock Split

On January 29, 2025, the Company announced that our board of directors approved the convening of an extraordinary shareholders’ meeting, to be held on March 13, 2025, to decide on a proposal to group all of our common shares at a 40:1 ratio, and subsequently split each of our common shares at a 1:80 ratio, without any change to the Company’s capital stock value, but solely to our total number of outstanding shares, with a resulting amendment to our by-laws. This transaction would not result in a change to our total amount of outstanding ADSs.

The transaction provided greater liquidity to the shares issued by the Company and, consequently, improved the pricing formation process by increasing the volume of outstanding shares effectively negotiated and adjusting its price. In addition, the purposes of this transaction includes the following: (i) reduce operational and administrative costs resulting from the current configuration of our shareholder base; (ii) provide greater efficiency in managing its shareholder base; (iii) improve the efficiency of book-entry share registration and custody systems, (iv) enhance the provision of information and communication, improving the service to shareholders, and (v) provide greater efficiency in distributing proceeds to the Company's shareholders.

On March 13, 2025, the extraordinary shareholders' meeting approved the transaction in full, including the reserve stock split followed by stock split, as well as the adjustment so that each ADR would represent two common shares. The transaction was implemented on April 15, 2025, and remaining fractional shares were grouped and subsequently sold in an auction held at B3 on May 19, 2025, with the net proceeds distributed proportionally to the shareholders entitled to such fractions.

Following the Free Position Adjustment Period, on April 15, 2025, the Transaction was finalized before B3 S.A. - Brasil, Bolsa, Balcão ("B3"), with shareholders having their shareholdings adjusted and the Company's shares being traded ex-share consolidation and ex-share split conditions. The auction for the sale of the remaining fractional shares resulting from the Transaction was held at B3 on May 19, 2025. The net proceeds obtained 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 at 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.

Acquisition of Samauma Brands (i2GO)

On March 18, 2025, the Company's wholly owned subsidiary, Terra Networks Brasil Ltda., entered into a Quota Purchase and Sale Agreement to acquire all quotas of Samauma Brands Comércio, Importação e Exportação de Eletro-Eletrônicos Ltda., owner of the i2GO brand, for an adjusted amount of up to R\$66 million, subject to the achievement of agreed operational and financial metrics. This transaction is aligned with the Company's strategy to strengthen its presence in the smartphone and electronic accessories market, in which it already operates through its OVVI brand, enhancing its ability to offer high-quality products that meet the evolving needs of the market.

On March 21, 2025, after all conditions were satisfied, the acquisition was concluded through the execution of the Closing Agreement, thereby consolidating Samauma's integration into the Company's business portfolio. Following the closing of the transaction, the OVVI and i2GO brands will coexist in a complementary manner, broadening the Company's product portfolio and strengthening its competitive positioning in the national electronic accessories market.

Capital Expenditures

The following table sets forth our capital expenditures for each year in the three years ended December 31, 2025.

	Year ended December 31,		
	2025	2024	2023
	(in millions of reais)		
Network	7,830.6	7,801.6	7,588.3
Technology / Information Systems	1,126.2	1,055.1	1,015.4
Others ⁽¹⁾	313.5	333.6	419.1
Total capital expenditures	9,270.3	9,190.4	9,022.9

(1) Consists primarily of: (i) handset sales made to corporate customers for the length of their contracts; (ii) furniture and fixtures, office equipment and store layouts; and (iii) spectrum licensing costs relative to the renewal of our 850 / 900 / 1800 MHz frequency.

To meet the needs of an increasingly data-driven and connected society, significant investments were made to support the strong growth of data usage in our fiber and mobile network, and 5G coverage in order to meet the legal obligations of the auction, and provide our clients with a better user experience. We continue to invest in expanding our national data transmission backbone to meet the increase in data traffic throughout Brazil.

Year Ended December 31, 2025

In 2025, we invested R\$9,270.3 million, a 1% increase over the amount we invested in 2024 (R\$9,190.4 million), primarily due to an increase of our investments in FTTH.

Investments were strongly focused on network projects (which accounted for 84% of investments in 2025), including 4G and 5G mobile access, backhaul transmission, backbone and FTTH expansion. These investments helped sustain our commercial and revenue growth while maintaining the quality of the services provided and preparing us for medium-term growth.

Year Ended December 31, 2024

In 2024, we invested R\$9,190.4 million, a 2% increase over the amount we invested in 2023 (R\$9,022.9 million), primarily due to the increase on investments in the 5G network.

Investments were strongly focused on network projects (which accounted 85% of investments in 2024), including 4G and 5G mobile access, backhaul transmission, backbone and FTTH expansion. The investments helped sustain our commercial and revenue growth, while maintaining the quality of the services provided and preparing us for medium-term growth.

B. Business Overview

We are the leading mobile telecommunications company in Brazil (with a 38.1% market share as of December 31, 2025, based on accesses), with a particularly strong position in postpaid mobile services (40.3% market share as of December 31, 2025, based on accesses). As of December 31, 2025, we reached 18.5% of total market share in FTTH (fiber-to-the-home) accesses in Brazil.

Our Vivo brand, under which we market our services, is among the most recognized brands in Brazil. The quality of our services and the strength of our brand recognition enable us to sustain this market leadership. We offer our clients a complete portfolio of products, including mobile and fixed-line voice, mobile data, fixed broadband, ultra-fast broadband, or UBB (based on our FTTH and FTTC infrastructure), Pay TV, information technology and digital services (such as entertainment, cloud, security and financial services). We also have one of the most extensive distribution networks in the sector, where our clients can obtain certain services, such as purchasing credit for prepaid phones.

We seek to continue to increase our operating margins by focusing on developing and growing our product offerings so that they comprise an integrated portfolio that allows us to extend our customers' lifetime value.

Our Operations and Services

Our operations consist of:

- local and long distance fixed-line telephone services;
- mobile services, including value-added services;
- data services, including broadband services and mobile data services;
- Pay TV services mainly through IPTV;
- network services, including rental of facilities, as well as other services;
- wholesale services, including interconnection;
- digital services;
- services designed specifically for corporate customers; and
- the sale of wireless devices, accessories and consumer electronics.

Fixed-line voice services

Our portfolio of fixed-line telephone services, or STFC services, includes local, domestic long-distance and international long-distance calls.

Local services

Fixed-line local services include activation, monthly subscription, public telephones and measured services. Measured services include all calls that originate and terminate within the same area code within our concession region, which we refer to as local calls.

Intraregional, interregional and international long-distance services

Intraregional long-distance fixed-line services consist of all calls that originate in one local area or municipality and terminate in another local area or municipality within our authorization region. Interregional long-distance services consist of state-to-state calls within Brazil and international long-distance services consist of calls between a phone line in Brazil and a phone line outside Brazil. We were the first telecommunications company to be granted the authorization to develop local, intraregional, interregional and international services throughout Brazil.

Mobile services

According to data regarding market share published by ANATEL in December 2025, we are the leading provider of mobile telecommunications services in Brazil in terms of accesses.

Our mobile portfolio includes voice and broadband internet access through 3G, 4G, 4.5G and 5G, as well as value-added services (such as *Atma*, *VivaE*, *Vale Saúde*, *Vivo HomeFix*, *Vivo BTFIT*, *Go Read*, *Ubook*, *Hube Jornais*, *NBA*, *McAfee*, *Forbes Brasil*, *Casa do Saber*, *Super Comics*, *Skeelo*, *Babbel*, and *Vivo Pay*), prepaid plans with data sharing features, family plans, voice mail, caller identification, voice minutes in unlimited bundles to mobile and fixed-line phones, and digital services such as multi-media backup, cloud-based services to save texts, entertainment and music apps, advertising platforms, among others.

We also offer wireless roaming services through agreements with local mobile service providers throughout Brazil and other countries, allowing our subscribers to make and receive calls while outside of our concession areas. We provide reciprocal roaming rights to the customers of the mobile service providers with which we have such agreements.

Data services

We provide fixed broadband through fiber (i.e., FTTH and FTTC) and xDSL technologies, with download speeds reaching up to 10 Gbps.

In 2025, we continued to cover 100% of the municipalities in our concession area in the state of São Paulo and hundreds of others throughout Brazil, reaching approximately 7.8 million fixed broadband customers in total, and we expanded our national fiber network to reach approximately 31.9 million homes, of which 31.0 million consisted of FTTH technology.

In mobile broadband, we use a variety of technologies to provide wireless internet services to our customers. As of December 31, 2025, we covered 4,949 municipalities with our 3G network, reaching 97.5% of Brazil's population. We also offer 4G LTE technology, which, by the end of 2025, was available in 4,901 municipalities, reaching 97.0% of Brazil's population, 4.5G LTE through carrier aggregation in 4,141 municipalities, reaching 93.3% of the Brazilian population, and also 5G technology, present in 716 municipalities, equivalent to 67.7% of the Brazilian population.

Pay TV services

We began offering subscription-based television services, or Pay TV services, via DTH ("direct to home," a type of service that uses satellites for the direct distribution of television and audio signals to subscribers) on August 12, 2007. By the end of 2022, we discontinued the DTH operations, disconnecting all customers. From 2023 onwards, we only provide Pay TV services by means of IPTV (a type of service that offers video broadcast through the IPs) technology. As of December 31, 2025, we had approximately 733,292 Pay TV customers.

Network services

Our service & network management technology ensures comprehensive management and supervision of all our network processes and network performance for our clients. Our network management center monitors the critical network operational parameters of the countrywide transmission backbone, IP networks, mobile and fixed packet/circuit core networks, value-added services/multimedia platform and global services, radio access network, infrastructure and online services performance, as well fixed access network across the country, broadband networks, network interconnection, portability and IPTV/DTH. Our service management center monitors customer experience and service quality across all platforms, allowing real-time data analysis with advanced analytics and proactive monitoring tools. We believe that this initiative represents a significant step forward in our commitment to delivering exceptional quality of mobile services, with enhanced customer experience, proactive service quality management, data-driven decisions and higher operational efficiency.

The center is able to identify abnormalities in both our network (fixed and mobile) and in third-party networks including networks of other operators and other corporate clients, using failure, signaling, quality and service monitoring systems. Our service & network management center is integrated with maintenance and operations teams that maintain and operate mobile and fixed network elements, as well as infrastructure and transmission, in addition to the radio network elements and computing bases, service platforms and communications backbones.

Our network provides for continuity of service to our customers in the event of network interruptions. We have developed contingency plans for potential catastrophes in our switchboard centers, power supply interruptions and security breaches.

We continuously aim to consolidate our network and increase its offerings, to deliver the best possible service to our customers and to meet their expectations. We are incessantly improving and refining our observability main process, with higher effectiveness of incident correlation, faster fault recovery and proactive incident management. These objectives have been driven by the self-monitoring capabilities with the development of a customized Telefonica Event Management System (TEMS), as well as by the self-healing capabilities with the development of integrated-system enablers (PUR) and the evolution of Robotic Process Automations (RPA). This advancement gives our team more efficiency and speed in detecting and solving problems in our networks.

Some of the improvements we have implemented in recent years include advancements in migrating from time-division multiplex switches to next-generation network switches, which offer new digital services to our customers and reduce our maintenance costs, including improvements in security levels, power supply, batteries, and air conditioning infrastructure.

In addition, we are widely applying advanced virtualization solutions (net functions virtualization, or NFV) with the purpose of supporting the launch of the brand-new fifth-generation mobile network (5G-NSA/SA), which is fully operating and prepared to address future market and customer expectations by providing massive device connectivity, ultra-high-density deployments (through IoT technology), ultra-low latency applications and higher data transfer rates.

Network and facilities

We provide services referred to as the industrial exploration of dedicated line (*Exploração Industrial de Linha Dedicada*), or EILD, pursuant to our authorizations. The EILD consists of the rental of dedicated circuits and clean channel protocols to provide services to third parties.

In addition, we are able to offer a complete portfolio of wholesale products, including L2L, IP, Ethernet and MPLS. All of these products are used to meet the demands of other network operators and regional internet providers. The circuits are requested with different service level agreements, and we are required to provide the facilities with contingency routes, sites and equipment to improve the service against points of failure.

Our network consists of an access layer that connects our clients through our copper or optical networks, which are connected to voice and data centers. These centers are interconnected locally or remotely through transmission equipment connected predominantly with fiber optics and occasionally through a microwave network, which together form a network layer that enables connectivity between the various platforms as well as interconnection with other carriers. Our network strategy is based on the expansion of the fiber optic access network to allow greater coverage and broadband services for our customers, as well as to develop an integrated multiservice network and multimedia applications. As a telecommunication service provider, we do not manufacture equipment for the construction of our networks and facilities. We buy the equipment from qualified suppliers in Brazil and abroad and through such equipment, we implement our networks and facilities through which we supply our services.

Wholesale services (including interconnection)

We have continuously adapted and expanded our network topology aiming to develop new business opportunities throughout Brazil by offering services to other telecommunications companies. The result has been a significant increase in the number of providers that use our wholesale services.

As part of our wholesale services, we provide interconnection services to other network providers. We earn revenue from any call that originates from another mobile or fixed-line service provider network connecting to one of our customers. We charge the service provider from whose network the call originates an interconnection fee for every minute that our network is used in connection with the call. See “—Operating Agreements—Interconnection Agreements.”

As of December 31, 2025, we had 1,007 local and long-distance interconnection agreements with Telefônica Brasil (fixed-line and mobile operation) and 267 agreements for the provision of local and long-distance traffic.

An interconnection is a link between compatible telecommunications networks that enables a fixed-line or mobile service user of one network can adequately communicate with the users of a network from another provider.

All providers of telecommunication services (fixed or mobile) are required to provide interconnection upon request to any other telecommunication collective service provider. The conditions for interconnection agreements may be freely negotiated among the parties. The agreements are required to be formalized by contract, whose effectiveness depends on ANATEL's approval. If any given agreement is contrary to the principles of free competition or conflicts with other regulations, ANATEL may reject it. If the parties cannot reach an agreement on the terms of interconnection, including the interconnection fee, ANATEL may determine those terms and conditions by arbitration.

Digital services (including value-added services)

Overview

In 2025, Vivo reached the milestone of 4.1 million OTTs subscriptions, reflecting continuous and consistent growth year after year. The focus on digital video and music services has solidified, with the launch of key players such as Apple Music, YouTube and Netflix. Vivo TV App, is also a strategic app for Vivo as it is owned by the company. This helps to consolidate the company's position as a digital services provider and contributes to healthy growth.

Digital channels played a crucial role in this success, accounting for 75% of sales participation, representing a growth of 10p.p. year over year. This not only reduced costs but also enabled a more efficient operation, achieving significant sales records. The revitalization of sales checkout at App Vivo was a highlight, significantly contributing to business acceleration by providing a simpler, fully digital Journey to buy digital services.

Furthermore, Vivo continues to pursue a strategy of offering better cost-benefit solutions to customers. Throughout the year, service bundles with attractive pricing were created, enhancing the perceived value of our products and generating competitiveness. The launch of Vivo Total with digital services, is a significant achievement that reinforces our commitment to creating a comprehensive value proposition that addresses customer's needs.

Financial services

Financial services remain a strategic pillar for Vivo, consolidating our evolution into a broad digital services ecosystem and expanding our relevance beyond connectivity. In 2024, we advanced this strategy by consolidating all financial solutions under the Vivo Pay brand, now fully integrated into the Vivo App and visible to more than 28 million users, as of December 31, 2025.

Our entry into financial services began in 2020 with the launch of personal loans. Since then, the product has matured significantly. Today, Vivo Pay Personal Loan—formerly Vivo Money—offers credit between R\$500 and R\$50,000, with terms of up to 36 months and pricing adapted to each customer's profile. Supported by advanced data analytics, our credit model enhances assertiveness and helps reduce risk. As of December 2025, since the launch, personal loans have reached R\$1.1 billion in total disbursements, growing 33% YoY, and the credit portfolio reached R\$321 million, excluding loans over 360 days past due. Our nonperforming loans due over 90 days stood at 28.4%, as of December 31, 2025, reflecting stable performance in unsecured credit.

Expanding our credit portfolio, we launched products designed to diversify risk and address high-demand business:

- FGTS Birthday Withdrawal Anticipation: A secured product offering competitive rates starting at 1.29% per month, with R\$28 million already loaned as of December 31, 2025. Customers can front up to 10 years of withdrawals, with automatic repayment through their FGTS balance.
- Workers Credit (Crédito do Trabalhador): Introduced in September 2025, this payroll-linked loan targets formal private-sector workers, offering R\$500 to R\$20,000 with up to 36-month terms. Regulatory updates enabling digital contracting through CTPS Digital opened a market of 45 million eligible workers, supporting faster growth versus traditional personal loans.

Our strategy also includes credit portfolio diversification in partnership with other fintechs such as Noverde, Creditas, Facio and Klubi, offering Home Equity, Auto Equity, Micro Loans and Consortia.

A major milestone was the Central Bank's approval of Vivo Pay as a Direct Credit Society (SCD) in 2024, enabling full operational control and paving the way for the launch of our digital account, currently in controlled testing with employees.

Insurance Services

Insurance remains another essential component of our financial services ecosystem. Our partnership with Zurich enabled the creation of Vivo Seguro Celular, a simple and fully digital solution to protect smartphones. Building on this success, we expanded coverage to include notebooks, tablets, smartwatches and headphones, and as of December 31, 2025, the portfolio had reached approximately 600,000 insured devices. Notably, more than 40% of smartphones sold in that period left our stores with insurance included, and the customer base grew 42% YoY as of December 31, 2025.

In 2024, we strengthened distribution by enabling the full purchase and management of insurance through the Vivo Pay section of the app. We also launched a simplified plan priced at R\$14.90 per month, offering R\$2,000 in coverage, which contributed to strong commercial traction.

Our portfolio continued to expand with:

- Home Insurance (launched in March 2025, in partnership with Chubb and Porto Serviços): three plans ranging from R\$13.90 to R\$85.90, with coverage between R\$100,000 and R\$1 million; and
- Travel Insurance (launched in December 2025 with Chubb): plans for domestic and international travel starting at R\$29.90, with coverage from R\$20,000 up to US\$35,000.

Corporate innovation

In recent years, we have not only established new business ventures that have accelerated our digital transformation but also increased the contribution of these services to our overall revenue. These services accounted for 12.1% of our total revenue in the year ended December 31, 2025. We continue to invest in research and development to create innovative services that enhance our customers' experience and provide greater convenience in their daily lives:

- In the healthcare ecosystem, in 2023, we acquired 100% of the shares of Vale Saúde Sempre, a startup operating as a healthcare services marketplace. The platform offers affordable access to consultations (in-person and telemedicine), exams, and surgical procedures through a monthly subscription. It boasts an accredited network of thousands of laboratories and medical clinics throughout Brazil. In 2024, we leveraged this acquisition to expand our operations in the B2C segment, utilizing Vivo's extensive sales force, increasing our B2B customer base, adding new partners to the accredited network, and introducing dental services. In 2025, we expanded our network of clinics and laboratories with the goal of bringing healthcare to all regions of Brazil, and we also enhanced our portfolio by offering discounts at more than 11,000 pharmacies. As a result, Vale Saúde Sempre served over 471,000 users in the year ended December 31, 2025 and has seen its net revenue multiply by approximately 1.6x in the year ended December 31, 2025.
- In education, we advanced our joint venture with Ânima Educacional, VivaE, launched in 2022. This EdTech focuses on open courses aimed at preparing individuals for emerging digital market professions. With its proprietary teaching methodology, VivaE now offers over 50 courses and surpassed 100,000 users as of December 31, 2025. Additionally, it began exploring the B2B market and participated in Telefônica's internship selection process, where candidates took courses, and the top performers advanced. In 2025, VivaE began selling courses directly to companies.
- Additionally, we repositioned our Smart Home value proposition by focusing on key customer journey pillars such as consultancy, installation, device configuration, and specialized support. Initially offering on-site installation and automation services in São Paulo, we expanded to every city where Vivo broadband is available. In addition, Vivo launched a home monitoring service that provides cameras for a monthly fee, highly valued by customers with pets, children, and elderly relatives. This service offers options for live feed or recording, accessible via the Vivo Smart Home app. The app now includes a dedicated Smart Home section to educate customers about devices and functionalities, showcase purchasable products, and integrate connectivity and smart home features.
- In the renewable energy business, GUD Energia—our joint venture with Auren, established in 2024—is advancing its strategy to expand access to competitive and sustainable energy in the medium-voltage segment, while remaining fully focused on the opening of the low-voltage market, approved in November 2025 by the Brazilian federal government through Law No. 15,269. This regulatory milestone will enable GUD to offer renewable and sustainable energy to millions of B2B customers by 2027 and to tens of millions of residential customers by 2028.

In addition, Vivo Ventures, our corporate venture capital fund, made four strategic investments in 2025 (for more information, see "Item 4. Information on the Company—A. History and Development of the Company—Historical Background—Launch of Corporate Venture Capital Fund"), as follows:

In 2025, Vivo Ventures made nine investments across strategic areas such as Fintech, Education, Insurtech and Legal, reinforcing its focus on digital platforms with strong potential for operational synergies, distribution leverage, and value creation within Vivo's ecosystem.

In December 2024, Vivo Ventures entered into a commitment of US\$2 million with Canary, a leading venture capital manager in Brazil, as part of its funds-of-funds strategy, with the objective of strengthening its presence within the venture capital ecosystem, enhancing long-term relationships with top-tier fund managers and expanding access to high-quality investment opportunities aligned with its strategic priorities.

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In February 2025, Vivo Ventures completed an equity investment of R\$11.4 million in Facio, a fintech specialized in credit origination and automation for financial institutions, offering end-to-end solutions that streamline underwriting, risk assessment and customer onboarding through technology and data-driven processes. The investment supports Facio's expansion in the Brazilian credit market and aligns with Vivo's strategy to strengthen its presence in financial services and digital lending solutions.

In July 2025, the FIP executed an initial investment of R\$1.36 million in Elevify, an edtech focused on upskilling and professional development, offering digital education solutions aimed at improving employability and workforce qualification through scalable online programs. This investment aligns with Vivo Ventures' interest in education platforms that leverage technology to democratize access to high-quality learning.

In September 2025, Vivo Ventures committed R\$35.0 million to AsaaS as part of a minority equity acquisition. AsaaS is a fintech that provides an integrated financial management and payments platform for small and medium-sized businesses, enabling billing, collections, payments and financial control through a single digital interface. The company supports SMEs in improving cash flow management and operational efficiency, strengthening Vivo's positioning in solutions tailored to the SME segment.

In October 2025, the FIP acquired a minority stake of R\$13.3 million in 180 Seguros, an insurtech that offers embedded insurance solutions through APIs, enabling companies to seamlessly integrate insurance products into their digital journeys. The platform focuses on modular and flexible insurance offerings that enhance customer experience and open new digital distribution channels, in line with Vivo Ventures' strategy in embedded finance and digital protection solutions.

Also in October 2025, Vivo Ventures became a shareholder of Ada Tech through a corporate reorganization and merger involving Vivae — the edtech jointly created by Telefônica Brasil S.A. and Ânima Educação — and Ada Tech. As part of this transaction, the equity interest in Ada Tech previously held by Wayra, together with Telefônica Brasil's stake in Vivae, was transferred to FIP Vivo Ventures, which now directly holds the participation and remains a shareholder of Ada Tech. Ada Tech is an education technology company focused on training and reskilling professionals in software development, data, artificial intelligence and other high-demand digital skills, combining online learning, hands-on projects, and corporate partnerships.

In December 2025, Vivo Ventures also carried out a follow-on investment of R\$2.7 million in Facio, further reinforcing its confidence in the company's execution and growth trajectory. The additional capital is intended to support product development, commercial expansion and the strengthening of its technology platform.

In December 2025, the FIP concluded an initial equity allocation of R\$1.9 million in Inspira. Inspira is a legaltech that develops digital solutions to increase efficiency and automation in legal operations, supporting law firms and corporate legal departments with tools for process management, analytics and decision-making.

Finally, Vivo Ventures also approved an increase in the fund's committed capital, raising its total size to R\$470 million. As part of this expansion, the FIP received a new share subscription of R\$150 million, with 98% subscribed by Telefônica Brasil S.A. and 2% by Telefonica Open Innovation, S.L. The subscribed amount will be disbursed through capital calls as new investment opportunities in startups are executed.

Finally, in recognition of our efforts in developing a robust digital ecosystem, Vivo received several prestigious awards in 2025:

Valor Inovação Brasil — Vivo ranked 1st in Telecommunications and 9th overall in the Valor Inovação ranking, which highlights the 150 companies with the best innovation practices in Brazil.

EY Brasil, Sling Hub, and Alya Ventures — Vivo was recognized in the Ranking of Corporations That Invested the Most in Brazilian Startups in 2024, promoted by Sling Hub and its partners.

100 Open Corps — Vivo ranks Top 2 in open innovation in Brazil and is the leader in the Telecommunications sector, according to the 10th Edition of the 100 Open Startups Ranking.

MIT Innovative Workplaces Brazil — Vivo is part of the ranking of the 20 most innovative organizations in Brazil, recognized for their ability to drive transformation.

Prêmio Seleção Mobile Time 2025 — Vivo won in the Innovation in Telco category for its GUD Energia initiative, recognized by the jury among the top mobile innovation projects.

Corporate services

We offer our corporate clients comprehensive telecommunications solutions and IT support designed to address specific needs and requirements of companies operating in all types of industries (retail, manufacturing, services, financial institutions, government, etc.).

Our clients are assisted by our highly qualified professionals who are capable of meeting the specific needs of each company with voice, data, broadband, computer services solutions, including hardware and software, and digital solutions, such as cloud, cybersecurity and IoT. We work to consistently achieve greater quality and efficiency in our services and increase our level of competitiveness in the market.

Sale of smartphones, devices and accessories

We sell 5G NR and LTE devices such as smartphones, broadband USB modems and devices that are certified to be compatible with our network and service, including eSIM devices. We also sell a range of connected and non-connected gadgets offering our customers quality and technological products such as tablets, notebooks, gaming consoles, wearables, speakers, e-health devices, smart home devices, TVs, etc.

We have special offers on smartphones and other data devices for customers of bundled packages.

Our current smartphone suppliers are Samsung, Apple, Motorola and Oppo, our device suppliers are Intelbras, Flex (Mitrastar), Blucastle, Tellescom (Askey) and ZTE and our gadgets suppliers are Samsung, Apple, Harman (JBL and Kardon), Lenovo, LG, Hisense, Timbro (Amazon), Intelbras, Positivo (Positivo and Vaio), Steck, Allied (Logitech, TPLink and Xbox), Alfacomex (Geonav), Customic, i2Go, Aya Pitaya, Glowshine, Simerx, Motorola, Multi (DJI and Multi), DPC (Renpho), Proparts (Garmin), Flex (Mitrastar), Tellescom (Askey), Blucastle, RCELL (Nintendo and Playstation), Sony Entertainment (Playstation), WAP (WAAW), Relaxmedic and Up2Tech (JBL, Lenovo, Nintendo, Playstation, Anker, Philips, LG and TCL).

Smartphone and other electronics sales continued a positive trajectory in 2025 with important growth results, aligned with our strategy to gain profitability and become an important player in the electronics segment. This was the result of our strategy of portfolio expansion, enhanced distribution, and communication initiatives emphasizing that Vivo can provide everything customers need, as well as through our sales channels attracting high-value customers to our physical and online stores. We also had important achievements with our own accessories brand, Ovvi, launching new products focused on design excellence and quality, making relevant partnerships and sponsorships, and adding even more market value to our business.

We will continue to seek to provide everything customers need, leveraging our sales channels, which are focused on attracting high-value customers to our physical and online stores.

Rates, Taxes and Billing

Rates

We generate revenue from (i) activation and monthly subscription charges, (ii) usage charges, which include measured service charges, (iii) interconnection fees that we charge to other telecommunications service providers, and (iv) other additional services. Rates for all telecommunications services are subject to extensive regulation by ANATEL. We set forth below the different methods used for calculating our rates.

Local rates

With the termination of the STFC Concession agreement through the signing of the Settlement Agreement with ANATEL, we undertook a commitment until the end of 2028 to maintain service to customers in 373 locations in 166 municipalities in the state of São Paulo through a service plan that ensures consumers in these areas receive pricing conditions that are compatible with or more advantageous than those offered under the Basic Service Plan in effect at the time of adaptation. This includes offers similar to (i) the Local Basic Plan of the Concession (for customers who mainly make short-duration calls - up to three minutes - during business hours) and (ii) the Special Class Individual Access Plan – AICE (created specifically for families enrolled in government assistance programs).

On the other hand, the company became able to provide fixed-line telephony services throughout the country through an Authorization. In the Authorization modality for the provision of fixed-line telephony, the company ceased to have obligations related to the availability of mandatory Offers, being able to work only with Offers, which can be made available for commercialization and/or discontinued with greater flexibility, according to rules set forth in ANATEL's regulations.

Long-distance rates

Rates for domestic, long-distance calls are based on the time of day, the day of the week, and the duration and distance of the call, and may also vary depending on whether special services, including operator assistance, are used. We have several options for domestic, long-distance calling offers for consumers using our carrier dial code (15). Customers of any local or long-distance operator may use dial code 15 when dialing long-distance to benefit from our rates. In March 2020, ANATEL approved Resolution No. 724, which established a standard for the implementation and monitoring of tariff freedom in the STFC, for use by the general public in the national, long-distance mode. Since then, we have been free to set domestic long-distance fees at market rates. Later, Resolution No. 724 was replaced by Resolution No. 768 in August 2024.

We also offer international long-distance rates, that are also available to all users using dial code 15. International, long-distance calling charges are based on the time of day, the day of the week, the duration and the destination of the call, and may also vary depending on whether special services are used, including operator assistance. Our rates for international services are not subject to regulation and are not required to follow the annual rate adjustments described above for other services. We are free to negotiate our fees for international calls based on the international telecommunications market, in which our main competitor is Claro (through its Embratel business).

With respect to long-distance calls, we have developed alternative rate offers for residential and corporate customers.

Mobile services rates

Rates for our Local Basic Plan and certain roaming charges incurred in connection with alternative offers are subject to annual adjustments pursuant to our authorizations. Current rates, which are revised annually, can be readjusted for the following year at most by the rate of inflation as measured by the IGP-DI index. The maximum rate applies to all mobile service offers, but mobile operators are allowed to freely set the prices charged on these offers (other than with respect to certain roaming charges).

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The initial price cap we agreed upon with ANATEL in our authorizations was based on previously existing or bidding prices, and has been adjusted annually based on a formula contained in our authorizations. As of the date of this annual report, the most recent adjustment was approved in February 2025, which set fees at R\$0.22044 for regular hours and R\$0.15430 for reduced hours (net of taxes).

Interconnection fees

We are paid interconnection fees by any fixed-line or mobile service provider that either originates or terminates a call within our network. We also pay interconnection fees to other service providers when we use their network to place or receive a call. The interconnection fee is a flat fee charged per minute of use that directly affects fixed-line and mobile services rates. Since 2005, interconnection agreements are freely negotiated among the service providers, subject to a price cap and to compliance with the regulations established by ANATEL, which include not only the interconnection basic costs including commercial, technical and legal aspects, but also the traffic capacity and interconnection infrastructure that must be made available to requesting parties. If a service provider offers to any party an interconnection fee below the price cap, it must offer the same fee to any other requesting party on a non-discriminatory basis. If the parties cannot reach an agreement on the terms of interconnection, including the interconnection fee, ANATEL can establish the terms of the interconnection.

For additional information about interconnection fees, see “—Regulation of the Brazilian Telecommunications Industry— Interconnection fees.”

Data services rates

We receive revenue from charges for data transmission, which includes our fixed broadband, dedicated analog and digital lines for privately leased circuits to corporations and other services. Data transmission rates are not regulated by ANATEL, including for EILD (wholesale links up to 34 Mbps) and High Capacity Data Transport (wholesale links above 34 Mbps) that are no longer regulated markets. Multimedia services operators can freely set the rates for their offers.

TV rates

Pay TV rates are not regulated. Service providers are allowed to freely set the rates for basic and alternative offers.

Taxes

The cost of telecommunication services to each customer includes a variety of taxes. The main tax is a state value-added tax, the Imposto sobre Circulação de Mercadorias e Serviços, or ICMS, which the Brazilian states impose at rates ranging from 4% to 24% (except for the state of Amapá, which maintains a 29% ICMS rate to Telecommunications Services) on certain revenues from the sale of goods and services, including telecommunication services,

Telecommunication services have recently been classified as essential by Supplementary Law No. 194/2022. As such, the ICMS rates on telecommunication services cannot exceed the general ICMS rates foreseen by each State’s local regulations. Other taxes include: (1) Federal Social Contributions (Contribuição para o Programa de Integração Social), or PIS, and Social Security Financing Contributions (Contribuição para o Financiamento da Seguridade Social), or COFINS; (2) FUST contributions; (3) FUNTTEL contributions; and (4) FISTEL contributions.

Significant changes in tax legislation

Constitutional consumption taxes reform

On December 20, 2023, Constitutional Amendment No. 132 was enacted, introducing a new model of taxation on consumption in Brazil. Complementary Law No. 214/2025, published on January 16, 2025, regulates the tax reform. In summary, this reform replaces federal taxes PIS and COFINS with a Contribution on Goods and Services (CBS), while state tax ICMS and municipal tax ISS will be replaced by a Tax on Goods and Services (IBS). Taxation will be exclusively destination-based and fully noncumulative, meaning that the CBS and IBS taxes applied at each stage will be credited and deducted from the taxable base by taxpayers in their calculations, except for acquisitions intended for personal use and consumption. The CBS and the IBS will be calculated “outside” the taxable base, whereas the current ICMS and ISS taxes are calculated “inside” and included in the taxable base itself.

A transition period from 2026 to 2032 will gradually phase out the existing taxes in favor of the IBS and CBS. During this transition, operational complexity is expected due to the coexistence of two consumption taxation models. However, taxation is anticipated to be effectively simplified beginning in 2033. In 2026, a testing period will commence, during which a 0.9% CBS rate and a 0.1% IBS rate will be applied. However, this levy will not result in an actual economic burden, as compliance with the ancillary obligations related to the new taxes during this period effectively exempts taxpayers from payment. Alternatively, should any amounts be paid, the sums collected as CBS and IBS may be offset against PIS and COFINS contributions, such that no economic effect is expected for 2026.

The reform also introduces a federal selective tax on the production, extraction, commercialization, or import of goods and services harmful to health or the environment. Notably, a constitutional provision exempts telecommunications services from this tax.

Complementary Law Project No. 108/2024, which mainly addresses tax auditing and litigation in connection with this reform, has been approved by the Brazilian Congress and is currently pending presidential sanction. The new taxes will still require further regulation through additional laws and norms, and further input on this may become available during the 2026 testing period.

Changes in the ICMS tax rate

In June 2022, Complementary Law No. 194 was enacted, prohibiting higher tax rates for telecommunications services compared to generally applicable rates, in compliance with an STF ruling. As a result, telecommunications services, which had historically been subject to higher ICMS rates than other products and services, are now taxed at the same rates as general goods under this law.

Towards the end of 2023, 11 states—including Bahia, Ceará, Distrito Federal, Goiás, Maranhão, Paraíba, Pernambuco, Paraná, Rio de Janeiro, Rondônia, and Rio Grande do Norte—adjusted their general ICMS tax rates, effective in 2024. On average, these changes resulted in a 2% increase in the ICMS rate.

In 2025, three additional states (Piauí, Maranhão, and Rio Grande do Norte) implemented further increases to their general ICMS tax rates, ranging from 1% to 2%. Telefônica Brasil is actively working to ensure accurate ICMS tax calculations within the deadlines specified by each state. These changes may potentially affect the prices charged to our customers.

Changes in the deductibility rules for interest on shareholders' equity

On December 29, 2023 Law No. 14,789 was enacted into law and set forth new rules for calculating interest on shareholders' equity. The rule mainly focuses on adjustments to equity through the exclusion of transactions with related parties, as well as some accounts such as tax incentive reserves. We do not expect that these new rules will have a significant impact on the calculation of interest on shareholders' equity for Telefônica Brasil.

Changes in investment grants rules

New regulations for calculating tax incentives associated with investment subsidies were introduced through Law 14,789, dated December 29, 2023. These regulations bring about a new framework in which a legal entity, taxed on actual profits, that receives a grant from the Union, states, the Federal District, or municipalities for the implementation or expansion of an economic enterprise may compute an investment subsidy tax credit. The legal entity is required to formally submit a request to the Brazilian Federal Revenue Service, providing all relevant details of the enterprise, to obtain prior approval for the granted tax credit. If there is no response from the Brazilian Federal Revenue Service within 30 days, qualification becomes automatic.

The previous system led to substantial disputes involving billions of dollars between taxpayers and the Brazilian Federal Revenue Service. Consequently, the new law establishes a mechanism for companies to resolve their debts, with reductions in the disputed amounts if the taxpayer opts for settlement. Telefônica Brasil is not anticipated to be significantly impacted by the new rules and does not currently have a tax dispute related to this matter.

Changes in taxation rules on investments in investment funds

On December 12, 2023, Law 14,754/23 was enacted, introducing several normative changes exclusively applicable to individuals domiciled in Brazil. Among these changes, a new rule concerning withholding tax on income earned by corporate investors in investments in Brazilian investment funds was implemented. The law stipulates periodic withholding in May and November of each year, with a rate of 15% (general rule) or 20% (specific rule applicable to investment funds with a portfolio of securities having an average term equal to or less than 365 days).

However, the new rule for periodic withholding of IRRF (Income Tax on Financial Transactions), in principle, is not expected to have significant effects on Telefônica Brasil concerning the income generated by the our equity investment fund, Vivo Ventures and our credit rights fund, Vivo Money Credit Rights Investment Fund. This is due to a specific rule excluding them from this regulatory scope as they are qualified as investment entities and comply with other requirements expressed in the legislation. As the matter is still controversial and requires clarification from the Brazilian Federal Revenue Service, we are closely monitoring the topic to ascertain if this scenario changes.

Introduction of OECD-inspired minimum income taxation rules

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 Company does not expect a significant impact from this rule on its 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.

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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."

Billing

For postpaid customers, we send each contract customer a monthly bill covering all of the services provided during the previous monthly period. Pursuant to Brazilian law, telephone service providers are required to offer their customers the choice of at least six different monthly payment dates. For prepaid customers, billing is available online.

We have a billing and collection system with respect to local, national and international long-distance voice, subscriptions, broadband, data, IT services, outsourcing, television and third-party services. For invoice payments, we have agreements with various banks. These agreements include options for customers to select their preferred payment type: direct debit, PIX, payment to a bank, Internet and other collection agencies (including lottery-playing facilities, drugstores and supermarkets). We aim to avoid losses in the implementation of new processes and the roll-out of new products through the monitoring of billing, collection and recovery controls.

These practices are closely monitored by our revenue assurance team, which measures every risk of revenue loss detected along the billing and collection chain. These risks are managed to minimize revenue losses.

Co-billing

In accordance with Brazilian telecommunications regulations, we use a billing method called "co-billing" for both fixed-line and mobile services. This method allows billing from other phone service providers to be included within our own invoice. Our customers can receive and subsequently pay all of their bills (including the fees for the use of services of another telephone service provider) on our invoice. To allow for this method of billing, we provide billing and collection services to other phone service companies. We have co-billing agreements with national and international long-distance phone service providers. Similarly, we use the same method of co-billing to bill our services to customers of other fixed-line and mobile providers. This service is charged to the long-distance operator, by means of a call record described in the invoice.

Value-added services

Value-added services such as entertainment, information and online interactivity services are available to mobile prepaid, postpaid and fixed-line customers through agreements with content suppliers. These agreements are based on a revenue-sharing model.

Third-party services

We incorporate third-party services in our billing, collection and transfer process. These services are later passed on to the third-party contractor.

Collection

Our collection practices for delinquent customers comply with the guidelines established by ANATEL (the Brazilian National Telecommunications Agency), as well as with the regulations of the Telecommunications Services Agency (RACO) and the Consumer Protection and Defense Foundation (PROCON). As a general rule, for mobile and fixed-line services, customers who remain past due for more than 15 days may have promotional benefits suspended. If payment remains outstanding for more than 30 days after the suspension of such benefits, service may be fully suspended, including both outgoing and incoming calls, until payment is settled.

For Pay-TV services, full suspension may occur if payment is overdue for more than 15 days. Customers with outstanding balances may opt for an installment payment arrangement. However, if bills remain unpaid for 60 days following full suspension, the contract may be terminated and the delinquency reported to credit protection bureaus.

The debt collection process involves sequential steps, beginning with internal outreach via interactive voice response, SMS, and email, followed by a formal payment reminder notice. If the outstanding balance persists, the customer's information may be forwarded to an external credit recovery agency.

Concurrently with our internal process, delinquent customers are also contacted by collection agencies. Customer risk profile, overdue debt and other quality issues are used to increase strategy efficiency and maximize debt recovery efforts. As of January 2018, bad debt provisions were adjusted due to changes brought by IFRS 9, including new criteria that follow an expected credit loss model, adopting a percentage of risk for each debt payment profile until the moment of effective loss (100%). The percentages were calculated according to the historical behavior of delinquency for each segment. In accordance with Brazilian regulations, bad debt write-offs are permitted for late payments of zero to R\$5,000 if they are over 180 days late or R\$5,001 to R\$30,000 if they are over 365 days late. Late payments of over R\$30,001 that are open for more than 365 days require a lawsuit to be initiated. This rule is applied for outstanding debt through October 8, 2014; after this period, the amount ranges for bad debt write-offs change as follows: zero to R\$15,000 if they are over 180 days late or R\$15,001 to R\$100,000 if they are over 365 days late. Lawsuits are required for debts over R\$100,000 open for more than 365 days.

Provisions for doubtful accounts in the year ended December 31, 2025 were 1.9% of the total gross revenue.

Our Markets of Operation

After signing the unified term on April 11, 2025, we began offering, under the authorization regime, fixed-line telephone pay TV, mobile voice and broadband services throughout Brazil. In addition, we also offer a variety of value-added services, some of them through commercial partnerships.

Area	Pop. (million)	Percent of Brazil's pop.	GDP (R\$ million)	Percent of Brazil's GDP	Per capita GDP (reais)
São Paulo State	44.4	21.9%	3,444,814	31.5%	77,566
Minas Gerais State	20.5	10.1%	971,978	8.9%	47,321
Rio de Janeiro State	16.1	7.9%	1,172,871	10.7%	73,053
Bahia State	14.1	7.0%	430,988	3.9%	30,477
Paraná State	11.4	5.6%	670,919	6.1%	58,624
Rio Grande do Sul State	10.9	5.4%	650,107	5.9%	59,736
Pernambuco State	9.1	4.5%	270,475	2.5%	29,857
Ceará State	8.8	4.3%	232,239	2.1%	26,406
Pará State	8.1	4.0%	254,547	2.3%	31,348
Santa Catarina State	7.6	3.7%	513,393	4.7%	67,460
Goiás State	7.1	3.5%	336,747	3.1%	47,722
Maranhão State	6.8	3.3%	149,227	1.4%	22,021
Paraíba State	4.0	2.0%	96,963	0.9%	24,395
Amazonas State	3.9	1.9%	161,795	1.5%	41,048
Espírito Santo State	3.8	1.9%	209,830	1.9%	54,733
Mato Grosso State	3.7	1.8%	273,009	2.5%	74,620
Rio Grande do Norte State	3.3	1.6%	101,740	0.9%	30,805
Piauí State	3.3	1.6%	80,917	0.7%	24,736
Alagoas State	3.1	1.5%	89,689	0.8%	28,676
Distrito Federal State	2.8	1.4%	365,669	3.3%	129,790
Mato Grosso do Sul State	2.8	1.4%	184,402	1.7%	66,885
Sergipe State	2.2	1.1%	60,817	0.6%	27,519
Rondônia State	1.6	0.8%	76,456	0.7%	48,353
Tocantins State	1.5	0.7%	64,318	0.6%	42,553
Acre State	0.8	0.4%	26,291	0.2%	31,676
Amapá State	0.7	0.4%	28,020	0.3%	38,187
Roraima State	0.6	0.3%	25,125	0.2%	39,461
Total	203.1	100.0%	10,943,345	100.0%	53,887

(1) According to IBGE data (2023) collected at <https://www.ibge.gov.br/> – subject to revision.

(2) Average per capita GDP for Brazil, weighted by the percentage of the population represented by each state.

Seasonality

Our business and results of operations are not materially affected by seasonal fluctuations in the consumption of our services.

Marketing and Sales

Overview

Our commercial distribution network (marketed under the Vivo brand), as of December 31, 2025, consisted of 288 own sales outlets throughout Brazil. In addition, we also have approximately 10,683 sales outlets run by authorized dealers (including exclusive dealers and retail channels), maintaining a solid capillarity strategy that contributed to our leadership position in the Brazilian telecommunications market.

As of December 31, 2025, we had approximately 285,000 points of sale where prepaid mobile service customers could purchase credits using Distribution or Online channels. Prepaid phones can be credited remotely or by purchasing cards containing credits.

We bring our solutions to our customers through the following physical sales channels:

- **Vivo Stores:** continuing our purpose of bringing new experiences to our consumers, in October 2025 we opened a new store on Oscar Freire Street, one of the most iconic locations in São Paulo. With the goal of seeing without filters, face-to-face, and reminding everyone that life also happens beyond screens, we brought Café Vivo into the store, reinforcing the company's positioning.
- **Exclusive dealers:** this channel is made up of selected and certified companies to supply our complete portfolio of products. These resellers constitute an extensive distribution network across the country, with 1,442 stores (as of December 31, 2025) capable of offering our complete portfolio of products and services. It is a channel with significant acceleration in the evolution of the customer experience journey in 2025, equating availability and depth of product stock in each store, as well as payment conditions with other sales channels. Focusing on business sustainability, both for Vivo and its resellers, we promote a constant evolution in the qualification of physical store structures, ensuring standardization and proper adequacy. This measure reinforces our commitment to agile and sustainable management, aimed at creating value and strengthening our foundation for future expansion.
- **Retail channel:** our retail channel sells prepaid and top-up products that are sold by our partners' own sales teams. In 2025, we continued attempting to reestablish commercial relationships with the biggest national retail companies with the objective of resuming the channel's growth.
- **Distribution and digital channel:** the broadest and most complex sales channel in our markets, allows our prepaid customers to purchase data and voice credits. To be as close as possible to potential and current customers, this channel is made up of accredited agents, lottery outlets, post offices, bank branches and small retailers, such as pharmacies, newsstands, bookstores, stationery stores, bakeries, gas stations, bars and restaurants. In digital, we have banks, fintechs and digital distribution partners. In 2025, this channel kept the majority of our prepaid sales (96%) and top-up revenue (87%) and was responsible for maintain our prepaid market share leadership, achieved in 2020. This was obtained by adopting a strategy of deepening the availability of Vivo SIM Cards at top performing retailers, with support of price-led campaigns.
- **Door-to-door sales:** this channel continues to strengthen with the growth of the fiber network across the country, consolidating the sales force, focusing on quality and now seeking to totalize our customers with fixed-mobile convergent offers. This is a strategic channel that offers convenience to customers and is suitable for selling telecom services to B2C and B2B customers. The fiber market requires important local knowledge for greater sales penetration and that is why a hunter channel such as door-to-door sales is so important for this segment.

- Outbound telesales: characterized by the lack of geographical limitations, our outbound telesales channel can reach existing and potential customers across the country, offering possibilities of migration from prepaid to postpaid services in addition to FTTH. This channel focuses on increasing the customer base, identifying new customers and offering suitable plans to our existing customers according to their consumption profile.

Customer experience

In 2025, Vivo consolidated its strategy with a non-negotiable commitment: putting the customer at the center of everything, because the customer's time is now. Guided by the principle "Vivo Sempre", the company remained firmly focused on delivering the best experience to all customers across every touchpoint and that reinforced its value proposition: "Vivo is technological and excellent in quality", "Vivo is close and solves my needs", and "Vivo makes me feel special".

To achieve this goal, the company strengthened its performance across its strategic pillars: providing a single customer view across all channels; resolving customer issues on the first interaction; giving visibility into every step of their journey, proactively keeping them informed; ensuring customers don't have to repeat their story each time they contact us; anticipating and resolving issues before they arise; and consistently offering self-service options across digital channels. These pillars translate into innovations that enhance customer experience, such as the new master registration, which gives customers the autonomy to define their contact name across all channels directly through the Vivo App, and the monitoring and quality telemetry systems installed in the modems, enabling proactive remote troubleshooting actions or the dispatch of a technical team when necessary.

This continuous, purposeful, and passionate dedication to the customer is widely recognized by the market. In 2025, Vivo was granted as a three-time champion in three of the main customer experience awards: Experience Awards (SoluCX) for highest NPS in mobile and broadband, Excellence in Customer Service (Consumidor Moderno), and Best Broadband Services (Estadão). We also won the Gold Trophy in the first edition of the CX Award (Clientes SA) in the IT & Telecom segment and were nominated as the Company that Most Respects Consumers in Mobile Services (Consumidor Moderno). More than awards, these recognitions reflect our essence: always present, always close, always Vivo.

Technology

Voice and data networks

To offer a broader portfolio of integrated services, we have incorporated several technologies into our voice and data networks. In 2025, we strengthened our virtualization program, enabling the offering of 5G SA-based services.

We consolidated offerings based on slice technologies for mobile voice services, advanced in mass adoption with VoLTE, and initiated investments in VoNR (5G SA).

For mobile voice services, we consolidated our digitalization program of voice using VoLTE (Voice LTE) as well as started investing in new technologies like VoNR (5GSA).

For mobile data, we have intensified investments in the 5G SA network, enhancing the customer experience. In synergy with the fixed network, we are reusing Core solutions aimed at improving latency and reducing the amount of data transmitted on our transport network.

For the fixed voice network, we offer VoFTTH (Voice over FTTH) services, SIP trunks, Unified Communications, and SIP interconnections. In addition, we continue expanding our network by deploying fiber optics in cities that already have copper-based voice services, while working on initiatives such as legacy network shutdown, modernization, site decommissioning, voice digitization, and synergies between fixed and mobile networks. We have consolidated our unified IMS core and Session Border Controllers (SBCs) at our access edge and peering edge to support VoIP growth. All these initiatives have enabled savings in terms of energy efficiency, labor, and maintenance costs.

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The IP Backbone is a strategic asset to meet customer demands and support the development of a large number of services, such as:

- Expansion of 5G, IOT, VoD, Live Events.
- Development of cloud,
- Expansion of fiber optics to customer homes,
- Migration of voice and television services to IP,

For all of this, the IP Backbone must be robust, providing high availability, performance, cost-effectiveness, and high bandwidth at the same time. However, as more bandwidth is offered to customers, the need to bridge the gap between revenues and investment to cope with greater traffic becomes increasingly clear. To achieve this goal and increase revenues, the following actions have been implemented over the last few years:

- **Modernization and Simplification of the Network**—This initiative began in 2018 through the replacement of existing routers with new routers with higher capacity, which enabled the consolidation of specialized routers, thereby reducing network layers and transforming our backbone into a multi service network. This new design accommodates service evolution, as voice, messages, and circuits become data packets, reducing the need for incremental capacity increases.
- **Bringing services and content nearer to customer**—We believe that in the coming years, layer simplification could allow us to bring content even further to the edge, improving costs and quality at the same time. The foregoing actions are expected to optimize investment in an aggressive traffic increase context and lay the groundwork to deliver the next step in data services quality. Even though bandwidth has been the main technical advantage for several years, latency will take over as the main broadband selling point. To reduce network latency means delivering more responsive services and obtaining higher customer satisfaction. To achieve this result, we believe service should be decentralized and delivered closer to the edge of the network and to customers, which we have taken steps toward by expanding the use of caching solutions throughout the network, making content locally available to our customers, and reducing traffic costs while strongly improving the user experience without increasing access investments.
- **Use of high-speed interfaces in the core (400G, 800G)** – this allows to optimize the resources and reducing costs by Mbps in the IP Backbone Core.
- **Evolution to SDN (Software Defined Network)** – we began implementing SDN in 2025 to seek greater flexibility, agility, and reliability for the network.

We further optimized costs by sharing access networks with other Brazilian operators, in which IP backbones played a key role in connecting and transporting traffic among different operator's networks, reducing the need for mobile sites expansion. The implementation of IPv6 was important to ensure full connectivity for our customers and to support sales, allowing us to continue expanding our customer base. Finally, we have a solid Carrier Grade Nat solution (CGNAT) already developed for the mobile services, which will be extended to fixed-line services along the next years as an additional solution.

LAN – Local Area Network

In our Telecom Data Centers, the Local Area Network (LAN) structure provides connectivity for platforms and servers on both the Fixed and Mobile networks. The local network is the access point for all services and provides connectivity to the IP Backbone.

In 2025, we maintained the strategy of evolving the TRILL model into the Spine & Leaf model. We have moved from a 3-layer architecture model (Core-Aggregation-Access) to a 2-layer model (Spine & Leaf). The new model is a technological evolution that provides even greater resilience in the local network than TRILL. In addition to greater resilience, we can leave the architecture with one less layer, which means simplifying the network and reducing implementation costs. With the new Spine & Leaf architecture, we maintain the concept of decentralization in Telecom Data Centers. Just like TRILL, Spine & Leaf also uses Top of Rack (TOR) and End-of-Row (EOR) switches, allowing cost savings on structured cabling, reduction of energy, space and cooling. In 2025, we expanded the ports and took the opportunity to change technology from TRILL to Spine & Leaf Technology in three existing sites.

In 2025, we reinforced our CDN strategy to deliver a superior customer experience and optimize backbone performance. We continued deploying local caching solutions to reduce IP backbone bandwidth consumption and minimize latency, ensuring seamless delivery of high-quality content across multiple devices and screens. This approach supported the growing demand for interactive applications and rich media experiences, including large-scale live streaming events where stability and low latency are critical. Throughout the year, we worked closely with strategic partners to expand cache capacity, refresh infrastructure, and implement advanced optimizations that improved traffic distribution and resilience.

In parallel, we enhanced peering connections with key networks, reducing transit dependency and improving end-to-end performance for apps, streaming, and multi-screen content. These initiatives also strengthened Fixed and Mobile Broadband services for both B2B and B2C customers, delivering faster, more reliable connectivity and optimized content delivery. Our design principle of using standalone switches for cache clusters remained essential for operational simplicity and scalability. Overall, these actions contributed to better resource utilization, lower operational costs, and a consistent quality of experience across diverse platforms and content types. In 2025, we will increase capacity at 14 existing sites due to the increase in data traffic.

Network Security

Network security is an essential element for the continuity of our operations and the provision of services to our clients, in a context where telecommunications networks are becoming increasingly complex, distributed, and interconnected. As a result, we are exposed to risks related to the integrity, availability, and confidentiality of our network infrastructures and associated systems.

Our approach to governance, risk management, and compliance related to network security is aligned with the group's guidelines and policies and is based on widely recognized market frameworks, including information security controls. We continuously seek to enhance our capabilities for protecting, detecting, and responding to security incidents, considering the ever-evolving nature of cyber threats.

Throughout our ongoing efforts to strengthen network security, we have implemented and enhanced controls focused on perimeter protection, mitigation of Distributed Denial of Service (DDoS) attacks, and operational resilience, aiming to reduce the likelihood and impact of incidents that may affect service continuity. We also promote the consolidation and evolution of existing tools and processes, as well as the gradual adoption of new solutions aimed at supporting threat intelligence activities, vulnerability management, and data protection.

Additionally, we strive to strengthen our organizational capabilities by developing and training technical teams involved in the design, implementation, and operation of security solutions, with a focus on incorporating security principles from the early stages of product and service development. In this context, we adopt secure development practices and methodologies that aim to integrate security requirements throughout the software and digital services life cycle.

As part of our risk identification and assessment processes, we conduct periodic internal exercises, such as simulations and controlled tests, to evaluate our incident response capability and identify opportunities for improvement in our security controls and procedures. These exercises aim to contribute to the continuous enhancement of our cybersecurity resilience and defensive capabilities.

Despite these efforts, we cannot assure that our network security measures will be sufficient to fully prevent, detect, or mitigate all security risks or incidents. Failures, vulnerabilities, or successful attacks may occur and result in adverse impacts on our operations, service quality, financial condition, and reputation.

TV services

We offer IPTV services through our FTTH network using an open platform created to revolutionize the delivery of these services. Our open platform consists of Pay TV, with video broadcasting over IP. Several global partners have developed modules in partnership with us to connect to our existing global video platform. Our local team customized the middleware for set-top boxes to create a standardized version that provides better time-to-market for new developments and product launches, as well as enabling future convergence between IPTV and OTT platforms.

We integrated various components to create a new IPTV ecosystem, including instant channel switching, retransmission, and applications that enhance user experience. Additional services such as pay-per-view and Video on Demand (VoD) are also available.

Furthermore, our IPTV interface was completely redesigned to improve customer experience, and the product was renamed to Vivo TV. In 2025, we introduced new regional channels to the service lineup via streaming and implemented low latency encoding to enhance the customer experience with live sports events.

Mobile coverage

In 2025, we continued to expand the capacity and coverage of our mobile networks to absorb continuous growth in voice and data traffic. We seek to set ourselves apart from our competitors by significantly growing our 4G and 5G coverage. As of December 31, 2025, our mobile network covered 5,083 municipalities in Brazil using different technologies such as 5G, LTE Advanced Pro, LTE, WCDMA and GSM/EDGE digital technologies, or 91.26% of the total municipalities in Brazil and 98.1% of the Brazilian population. We have the biggest LTE Advanced Pro (commercially known as 4.5G) coverage in Brazil (with 4,141 municipalities and 93.3% population covered). In the same period, we have covered 716 municipalities of Brazil with 5G SA and NSA; these cities together represent 67.7% of the Brazilian population.

Since 2015, we started developing network sharing on the 2600 MHz 4G band with other operators; we had coverage in 220 cities using TIM's network through RAN sharing. In 2017, we also began to develop 3G network sharing with Claro and, as of December 31, 2025, we covered 232 Brazilian cities using shared radio base stations and 137 cities using Claro's network through RAN Sharing. In 2018, we further began to develop 3G network sharing with TIM, and, as of December 31, 2025, we covered 17 Brazilian cities with shared radio base stations and 27 cities using TIM's network through RAN sharing. In 2019, we began to develop network sharing in 4G 700 MHz with TIM (as a proof of concept), and, as of December 31, 2025, we covered 10 Brazilian cities with shared radio base stations and 9 cities using TIM's infrastructure through RAN sharing. In 2019, we entered into a network sharing agreement with TIM for 2G, 3G and 4G technologies, which sought to expand our network and create synergies. As of December 31, 2025, we covered 363 Brazilian cities with shared 3G/4G radio base stations and 353 cities using TIM's infrastructure through RAN sharing. From 2021 until December 2025, 3G/4G Single Grid was deployed in the urban area of 238 cities by Vivo and 238 cities by TIM. Also in 2025, 2G Single Grid was deployed in 1,054 cities by Vivo and 780 cities by TIM aiming to accelerate the switch-off of legacy networks. RAN network sharing allows us to fulfill the ANATEL obligations that were imposed on us as part of our spectrum acquisitions and reduces network deployment and maintenance costs to provide additional coverage at lower costs.

Fraud detection and prevention

During 2025, we continued our efforts to combat fraud, focusing on the two main types, as follows:

- **Subscription fraud:** This type of fraud occurs when one or more services are provided without the consent of the true “owner,” with the primary goal of acquiring products and services, causing financial losses. In 2025, we recorded a 40% reduction in fraud-related losses, decreasing from R\$85.5 million in 2024 to R\$51.2 million in 2025, mainly due to actions focused on prevention in Fixed B2C FTTH. Other additional actions that contributed to this reduction included the identification of new fraud scenarios through investments in security layers and anti-fraud intelligence rules, which allowed us to detect larger volumes of fraud in less time (through biometrics, device behavioral analysis, fraud detection and prevention tools, machine learning rules, among others), as well as continuous improvement of existing rules and the ongoing review of prevention and detection processes.
- **SIM Swap Fraud:** this type of fraud is characterized by the alteration of the SIM card (ICCID) without the authorization or knowledge of the line holder. Its purpose is to use the line to generate irregular traffic through national, international, and roaming calls, as well as to criminally access customers’ personal information, which often has value in cases of extortion, theft, and online scams. We had a 47% increase in cases in 2025, rising from 365 cases in 2024 to 537 in 2025. This increase was related to identified systemic vulnerabilities and accesses by unauthorized profiles, whose mitigation actions, such as mandatory biometrics and process improvements, were addressed and prioritized.

Awareness campaigns were carried out, constant updates to parameters and rules were made, and the root cause was identified for better detection, prevention, and handling of fraud.

Operating Agreements

Interconnection agreements

The terms of our interconnection agreements include provisions with respect to the number of connection and signaling points. See “—Regulation of the Brazilian Telecommunications Industry—Interconnection Fees” and “Item 4. Information on the Company—B. Business Overview—Rates, Taxes and Billing—Interconnection fees.” We believe that we have adequate interconnection agreements with fixed-line and mobile operators necessary to provide our services and that we have all the necessary interconnection agreements with long-distance carriers.

Roaming agreements

We provide international GSM roaming in over 200 destinations worldwide by means of over 500 roaming agreements with local service providers.

We have a roaming agreement with MTN Irancell, or Irancell. During 2025, we recorded US\$17.13 in roaming revenues and zero expenses payable to Irancell under this agreement. See “—C. Organizational Structure—Disclosure Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act” for further information.

Network sharing agreement

In December 2019, Telefônica Brasil and TIM entered into two network sharing agreements regarding electronic equipment and mobile sites on 2G, 3G and 4G networks, in order to (i) decommission outdated technology; (ii) 4G coverage expansion; and (iii) gain spectrum and cost-efficiency. Both agreements were approved by ANATEL and CADE. In August 2024, Telefônica Brasil and TIM signed two amendments with the aim to expand the number of cities covered by both the agreements. The amendments were submitted for regulatory approval by ANATEL and CADE. On October 22, 2025, CADE granted partial approval, in accordance with the applicable concentration control agreement. The matter remains under Anatel’s review and is pending final approval.

In December 2020, Telefônica Brasil and Claro S.A entered into a network sharing agreement in which the parties had agreed to share 81 of our mobile sites with Claro. The agreement was approved by ANATEL and CADE.

The approval of the aforementioned agreements, however, does not exempt the providers from fulfilling their obligations, nor from the coverage of the entire area. In the case such agreements are terminated before the expected deadline, each provider must meet its coverage commitments with its own network, under the penalty of extinction of the use of radio frequencies' authorizations.

See also “—Mobile coverage” above for further information on our network sharing.

Competition

Competition in the fixed and mobile markets continued to be intense in 2025. Faced with the high demand for connectivity, Brazilian telecoms have focused on modernization and innovation as levers to remain competitive in the market. The leading companies have been directing efforts and investments toward the digital transformation of business operations, aiming to improve the balance between customer growth and loyalty, revenue growth and margins. For these reasons, the major operators accelerated the 5G coverage, rolled out fiber and continued to include value-added services in the offers in order to differentiate their mobile and fixed portfolios. In addition, telecommunication companies began to leverage their customer base, billing and other key assets to engage in other revenue streams, alone or in partnerships with companies from other sectors. The initiatives remain in their initial steps and range from financial services, to healthcare, education and B2B solutions.

The Brazilian consumer market is increasingly knowledgeable and demanding, expecting not only the best service delivery, as well as the best cost-benefit. Therefore, operators have prioritized the expansion and digitalization of company-customer interactions.

In the mobile market, we continued to lead in market share, with a 38.1% share according to information from ANATEL as of December 31, 2025. This year, the competition remained intense in 4.5G and 5G network coverage expansion and subscriber growth.

We lead the mobile market in 13 states: Amapá, Amazonas, Bahia, Ceará, Espírito Santo, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Pará, Rio Grande do Sul, Roraima, São Paulo and Sergipe. Claro Brasil or Claro is a mobile operator controlled by the Mexican company America Móvil Group, and leads mobile service in nine states: Acre, Distrito Federal, Goiás, Maranhão, Piauí, Pernambuco, Rio de Janeiro, Rondônia and Tocantins. TIM, a Brazilian telephone company and a subsidiary of Telecom Italia, leads the mobile market in five states: Alagoas, Paraná, Paraíba, Rio Grande do Norte and Santa Catarina (according to ANATEL as of December 2025).

On the fixed-line services, the wireline and pay-TV services reported net disconnections, according to ANATEL. In broadband, the market continued to expand mainly in ultra-broadband, fiber accesses. Our main competitors in fixed telecommunications services are Claro (which includes its Claro and Embratel services) and Nio, which is stronger in the fixed-line services outside the State of São Paulo. TIM (a subsidiary of Telecom Italia) also offers fixed broadband services, while SKY, which is currently controlled by the Argentine conglomerate Wertheim, has pay TV and broadband services (4G LTE TDD). In addition, we have competition from thousands of regional service providers throughout Brazil.

Environment, Social and Governance

In 2025, Telefônica Brasil continued to strengthen its purpose of ‘Digitalize to Bring Closer’ through its strategic pillars, including ‘Futuro Vivo’ (Vivo Future) pillar, which integrates digital transformation sustainability. This approach reinforces actions aimed at driving technological innovation with a focus on environmental and social responsibility, generating positive impacts for society and the planet. This ESG strategy is monitored through more than 100 indicators consolidated by the Board of Directors through the Quality and Sustainability Committee, via the Responsible Business Plan (PNR, its acronym in Portuguese), with targets for 2025–2027 aligned with the Sustainable Development Goals (SDGs).

This strategy is deployed through internal structures that ensure its dissemination across the organization, including specific committees for ESG agendas with senior management: (a) Quality and Sustainability Committee which reports to the Board of Directors and includes independent members of the Board of Directors and (b) Sustainability Committee, which reports directly to the CEO and the Executive Directors. As of December 31, 2025, our Board of Directors was comprised of 83% independent members and 33% women.

ESG commitments are included in variable compensation. Since 2019, 20% of short-term executive and employee compensation has been linked to ESG targets, currently associated with customer perception (NPS), gender equality (women in leadership) and climate change (GHG emissions). Since 2022, executives’ long-term Performance Plan includes Telefônica Brasil (VIVT3) with cash settlement. The incentive has clawback rules and 10% of compensation linked to ESG targets related to climate change and gender equality.

Our Climate Strategy is presented in the Climate Action Plan, a document approved by the Board of Directors and overseen by the Quality and Sustainability Committee. In line with commitment to achieve net zero emissions by 2035—five years earlier than previously planned—we have implemented actions focused on three main areas:

- **Mitigate impact:** since 2023, we have maintained a 90% reduction in greenhouse gas (GHG) emissions (scope 1 and 2), consistent with the objectives of our Net Zero plan. To achieve this, we have adopted strategies such as: reducing fuel consumption, fusing renewable fuels in our fleet, investing in electric vehicles, modernizing air conditioning systems, implementing leak controls and replacing of some refrigerant gases, low-carbon purchasing, and sourcing 100% of the electricity from renewable sources. Telefônica Brasil also operates a Renewable Energy Plan and an Energy Efficiency Program, with highlights to the Distributed Power Generation program, which gradually install solar, hydro and biogas power plants across Brazil. Since 2019, we have offset 100% of operational emissions through carbon credits that prevent deforestation and restore Brazilian forests. Through the Supply Chain Engagement Carbon Program, we engage carbon-intensive suppliers to measure and manage emissions, seek reduction alternatives, and make a voluntary climate commitment, contributing to our Scope 3 reduction target.
- **Leverage Opportunities:** digital solutions have the potential to decarbonize various value chains. In the B2B segment, through GUD Energia, we facilitate access to renewable energy sources such as hydroelectric, wind and solar, generating financial and environmental benefits for companies seeking to optimize their costs and meet sustainability challenges. We also offer products and services with the Eco Smart seal, verified by a third party, which allows companies to know the environmental benefits that the solution can generate.
- **Adapt to Risks:** climate risks are integrated into our overall risk assessment, with periodically qualitative and quantitative evaluations considering the physical and transition risks. We maintain a Global Crisis Management System to address high impact threats, covering of 100% of nationwide critical operations.

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As part of Telefônica Brasil's biodiversity strategy, in 2025, we launched the "Floresta Futuro Vivo" project, reinforcing its commitment to biodiversity. In partnership with re.green, a leading reference in large-scale ecological restoration, the initiative aims to recover and protect approximately 800 hectares of forest within the Gurupi-Turiaçu Mosaic, located between Maranhão and Paraná, with the regeneration and conservation of 900,000 trees from 30 native species over the next 30 years. The initiative seeks to reconnect forest fragments, restore ecological functions, and protect endangered species such as the Ka'apor capuchin monkey (*Cebus kaapori*). The restoration process involves applied science and combines natural regeneration, seed collection, and monitoring technologies to track seedling growth. In addition, the project is expected to generate around 116,000 tons of carbon credits, reinforce the Company's decarbonization strategy.

Since 2006, collection points for the proper disposal of electronic waste have been offered through the Vivo Recicle Program, which has already collected millions of items. In 2025, through our partnership with Fundação Telefônica Vivo, a game between students was held in public schools and institutions, collecting about 29 tons of electronic waste and involving 24,000 children, young people, and teachers. Through the Vivo Renova Program, customers receive discounts for exchanging their cell phones upon delivery of the used device, which can either be resold (extending its useful lifecycle) or disposed of properly. In the fixed-line business (broadband, voice, and TV), customers can schedule home collection or return their used modems or decoders at our stores, where they are refurbished and reused or recycled. As part of our circular economy strategy, we aim to achieve zero waste from operations by 2030, prioritizing the reuse, repair, recycling and reduction of waste material. In addition, we have set a long-term goal to collect a total of 375 tons of electronic waste by 2035.

Digitalization promotes social inclusion and efficiency in the use of environmental resources. To enhance these benefits, we invest in strengthening our mobile network and expanding our fiber network. A range of solutions are offered in areas such as health (Vale Saúde), education (VivaE), banking and access to credit (Vivo Pay) and renewable energy (GUD Energia). These areas are also supported through Corporate Venture Capital (CVC) funds: Wayra, focused on early-stage startups, and Vivo Venture, focused on growth startups.

Digitalization is also part of the purpose of Fundação Telefônica Vivo focuses on contributing to digital inclusion and the development of digital skills for educators and students in Brazilian public schools. To this end, we offer continuing education programs, with an emphasis on technology and mathematics, for educators working in early school years. In addition, we support the expansion of technical and vocational education in technology within the public school system contributing to the employability of technical high school students. We participate in movements and coalitions that discuss and promote systemic strategies and public policies with the government, aiming to expand the inclusion of digital technologies in education. Racial equity is a cross-cutting theme in all our initiatives and projects. We also promote Corporate Volunteering, an initiative that sensitizes and engages Vivo employees in in-person and digital activities that generate social impact. More than 2 million people have benefited from these actions.

We have actions to attract and retain talent and invest in employee training, including technical certifications and subsidies for professional specialization. Processes for performance evaluation, talent mapping and identification of successors are also implemented. Our diversity program focuses on four groups: Gender, Race, LGBTI+ Community and People with Disabilities, as well as other topics covered in our Global Diversity and Human Rights Policy. We are committed to setting goals to these groups with actions such as: affinity groups, mentoring, development programs, recruitment practices and literacy initiatives. In line with long-term commitments, we aim to achieve by 2035: 40% women in senior leadership position, 45% women in executive leadership positions, 40% black professionals in leadership positions, and 45% black representation across the company. To support these objectives, 50% of trainee, internship and young apprentices positions are allocated to black candidates. Another highlight is Women in Fiber (*Mulheres de Fibra*) program, which promotes female participation in technical areas that were previously dominated by men.

In addition, the Telefônica Responsible Business Principles establish the core values applicable to all employees, suppliers and other stakeholders. Human rights aspects are monitored through biannual risk assessments, in accordance with the Telefônica Group's Enterprise Risk Management process. For suppliers, the Parceiro Plural program was launched to, and ensure that partners share the same values as the company in regarding ESG issues and to promote continuous development.

Our commitment to ethics, integrity and transparency is reinforced through the Compliance Program (#VivodeAcordo) and the Privacy and Data Protection Governance Program (#VivoCuidandodaPrivacidade). Customers can access more detailed information about their rights and our personal data management practices through the Privacy Center website and the local Privacy Notice.

The digital security strategy is monitored by senior management through: (a) a dedicated management structure with a Chief Security Officer (CSO) and a Chief Information Security Officer (CISO), (b) a Digital Security Risks Executive Committee, and (c) the periodic review of the digital security strategy by a Board of Directors' independent director. Several cyber risk management actions are applied, such as annual cyber war games and training initiatives.

Aligned with best practices, we maintain significant standards and certifications: ISO 26000 (Social Responsibility), ISO 14001 (Environmental Management), ISO 27001 (Information Security), ISO 45001 (Occupational Health and Safety), ISO 50001 (Energy Management and DSC 10000 (Compliance).

Our strategy enabled Telefônica Brasil to be included in the Dow Jones Best-in-Class World Index, remaining the only Brazilian telecom company in the index, the leader in the Americas and among the best-performing companies in the sector worldwide. The Company is recognized as a leader in the Corporate Sustainability Index (ISE B3) and is ranked among the Top 10% in The Sustainability Yearbook 2025.

Additional information on our ESG strategy and actions are detailed in our Annual Integrated Report, available at: <https://ri.telefonica.com.br/en/esg/sustainability-reports>. The information on our website is not included or incorporated by reference in this annual report on Form 20-F.

Regulation of the Brazilian Telecommunications Industry

Our business, including the services we provide and the rates we charge, is materially affected by comprehensive regulation under the General Telecommunications Law and various administrative rules thereunder. We operate under authorization agreements for voice, mobile, data and Pay TV services in all Brazilian states. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Our authorizations contain certain obligations, and our failure to comply with these obligations may result in various fines and penalties being imposed on us by ANATEL."

ANATEL is the regulatory agency established by the General Telecommunications Law and is administratively and financially independent from the Brazilian government. Any proposed regulation by ANATEL is subject to a period of public comment and, occasionally, public hearings, and its decisions may be challenged in Brazilian courts.

Concessions and authorizations

In accordance with the General Telecommunications Law, concessions are licenses to provide telecommunications services granted under the public regime, while authorizations are licenses to provide telecommunications services granted under the private regime.

Both concessions and authorizations licenses are subject to several obligations regarding, for instance, quality of service, as well as network expansion and modernization. Nonetheless, companies that provide services under the public regime, known as the concessionaires, are subject to additional obligations as to continuity and universality of service.

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On October 4, 2019, the New General Telecommunications Law was enacted. This law revises the telecommunications regulatory framework and represents a significant impact on this industry. For more information about the New General Telecommunications Law, see “—Other regulatory matters—Updated regulatory framework.”

On April 11, 2025, Telefônica Brasil signed the unified authorization term with ANATEL, that compiles all previous licenses into one single title, finalizing the migration to the authorization regime.

Obligations of telecommunications companies

Under the authorizations framework, we and other telecommunications providers must comply with obligations related to service quality, network expansion, and modernization.

Failure to comply with telecommunications regulations or any obligations established by ANATEL may result in fines of up to R\$50 million per infraction.

As of the date of this annual report, our operations are regulated as follows:

- Local and long-distance fixed-line voice services (or STFC services). We operate under a nationwide authorization;
- Mobile voice and mobile broadband services, in all 26 states and the Federal District, under the personal mobile service (Serviço Móvel Pessoal – SMP) authorizations;
- Fixed broadband and Multimedia communication services, such as audio, data, voice and other sounds, images, texts and other information throughout Brazil. We operate under a nationwide SCM authorization, valid for an indefinite term;
- Pay TV services, throughout all regions of Brazil under the conditioned public service (*Serviço de Acesso Condicionado*), or SeAC authorization. We operate a SeAC authorization, which is valid for an indefinite term;
- Private Limited Services – SLP, which accounts for the provision of telecommunication services in the private regime, intended for network building and specific groups of users defined by the provider and which covers multiple applications, including data, video, audio, voice and text communication; and
- Wholesale services, such as interconnection, governed by the interconnection agreements discussed under “—Operating Agreements—Interconnection Agreements,” Roaming and MVNO agreements, which are described under “—Operating Agreements—MVNO Agreements” (Interconnection and Roaming are also regulated by the Competition Goal General Plan (Plano Geral de Metas de Competição), hereinafter referred to as PGMC).

We set forth below details of the authorizations, licenses and regulations that regulate our operations.

Quality regulations in Brazil

In December 2019, ANATEL approved RQUAL, which changes the way the agency monitors the performance of telecommunications operators. In addition to promoting quality indicators increasingly associated with consumer experience and the widespread dissemination of results, the concept of responsive regulation was introduced, encouraging advanced corrective actions to address problems rather than solely imposing fines when goals are not met.

Annual “seals” from “A” to “E” in each municipality, state, and Brazil will be awarded with quality measurements based on three indices: technical quality of service, perceived quality, and user complaints. If a provider experiences a deterioration in a municipality, resulting in a seal of “D” or “E” compared to the previous year, customers may terminate their contracts without paying loyalty penalties.

An independent entity, the ESAQ, inspected by ANATEL and funded by the providers, measures the quality of services. All measurements are based on a document called the DVR (Reference Values Document), which is issued following RQUAL and reviewed every two years. The actual version of DVR was published on December 27, 2024, and was applied to measurements beginning in 2025. The first seals were published in December 2025.

Mobile services

In October 2016, ANATEL approved new spectrum use regulations, which facilitate access to radio frequencies and generates efficiency in its use, due to the simplification of procedures and necessary documentation. The regulation also alters spectrum pricing (for non-bidding grants), rules for extending use authorization and new rules for frequency use on a secondary basis prior to primary use.

In July 2018, ANATEL approved Resolution No. 695, which establishes new spectrum pricing regulations, with calculation methods and conditions for spectrum reserve prices and renewal costs. This new regulation took effect in May 2019.

In November 2018, ANATEL approved Resolution No. 703, which establishes new spectrum cap regulation. There are two groups of bands with specific limits for a given area:

- Frequencies up to 1 GHz: each operator may hold up to 35% of the bands;
- Frequencies between 1 GHz and 3 GHz: each operator may hold up to 30% of the bands.

These limits can be extended by up to 40%, through competitive constraints that may be imposed by ANATEL. For frequencies above 3.0 GHz, the limits were determined in the specific auction terms as follows:

- 3.5 GHz frequency (between 3.3 and 3.7 GHz): each operator may hold up to 100 MHz of the band;
- 26 GHz frequency (between 24.3 GHz and 27.5 GHz): each operator may hold up to 1 GHz of the band.

In November 2023, ANATEL conducted a public consultation to revise the Spectrum Usage Regulation (“RUE”), approved by Resolution No. 671/2016. According to the proposal, Resolution No. 695/2018 would be revoked, and the regulations associated with the valuation of radio frequency spectrum usage authorizations would be consolidated in the new RUE. Additionally, the proposal alters the conditions for authorizations to use spectrum on a secondary basis. The new regulation is expected to be approved in the first half of 2026.

In December 2025, ANATEL approved Resolution No. 785/2025, which stipulated a long-term plan for spectrum auctions (between 2026 and 2036).

Mobile service licenses (SMP)

Previously, spectrum authorizations were valid for 15 years and could only be renewed once. Although the recently approved New General Telecommunications Law permits successive spectrum renewals, we cannot guarantee that our existing licenses will be renewed.

According to the New General Telecommunications Law and to Decree No. 10,402/2020, ANATEL must consider specific conditions for the renewal of our existing licenses on the grounds of efficient spectrum use, competition issues or public interest.

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Our current 850 MHz authorizations will expire in 2028. In November 2020, ANATEL has decided to renew our current authorizations for the use of radio frequencies in A band, on a primary basis, until November 29, 2028. However, the specific conditions for renewal, including those related to economic valuation criteria and related obligations, were challenged by the affected service providers, including us. After ANATEL rejected complaints presented by the providers, a final disposition of the matter is still pending and will require a decision by the TCU.

In April 2023, ANATEL determined that our authorizations in the 900 MHz band should not be extended (except in the state of Minas Gerais), claiming that the efficient use of this spectrum had not been properly demonstrated, since the low capacity associated this band (2.5 + 2.5 MHz) imposes limitations on its effective use. The non-renewal of these 900 MHz licenses, however, does not affect the services currently provided by the Company. Also in April 2023, ANATEL decided to renew our 1,800 MHz licenses until 2032. In August 2023, ANATEL further renewed our 900 MHz and 1,800 MHz licenses in part of the state of Minas Gerais (PGO sector 2) until 2032. It is worth noting that our licenses in the remaining parts of the state of Minas Gerais (PGO sector 3) had already been renewed by ANATEL in April 2020 and are set to expire in 2035.

Furthermore, in April 2023, ANATEL decided to renew our current license authorizations for the use of 2,100 MHz radio frequencies until April 2038.

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 non-rational 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"). If the licenses mentioned above are not renewed, we may be required to compete for new licenses in a spectrum auction.

For authorizations acquired prior to the 5G auction that took place in 2021, their first renewal requires payment of 2% of net operating revenues earned in the region included in the authorization, every two years for the duration of the extension period. For some licenses, we must also pay 1% of the aforementioned amount in the 15th year.

For subsequent periods and all other authorizations, ANATEL determined that the amount due for the extension must be calculated based on net present value ("NPV") parameters, in order to reflect, according to the Agency, the real economic value (market value) of the sub-bands. In addition, part of the payment should be converted into investment commitments.

It should be noted that, according to the TCU's interpretation of Law No. 13,879/2019, requests for extension must be assessed from the perspective that a new spectrum bidding is the rule and that, if ANATEL intends to approve the extension requested by the provider, it must prove compliance with the conditions set forth in Decree No. 10,402/2020. In this context, ANATEL admitted the second extension of the 900/1800 MHz (in Minas Gerais) and 850 MHz (several states) bands, currently under evaluation by the TCU.

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Our SMP authorizations include the right to provide mobile services for an unlimited period but restrict the right to use the spectrum according to the schedules listed in the respective radiofrequency authorizations. The table below sets forth our current SMP authorizations, their locations, band and spectrums, date of issuance or renewal and date of expiration:

Region	Frequency	Bandwidth (MHz)	Notes	Year of Exp. Date	Notes
Brazil ⁽¹⁾	700 MHz	20		2029	
Brazil ⁽¹⁾	850 MHz	25	(2)	2028	(3)
Brazil ⁽¹⁾	900 MHz	5-10	(4)	2031–2035	(5)
Brazil ⁽¹⁾	1.8 GHz	20-80	(6)	2031–2035	(5)
Brazil ⁽¹⁾	2.1 GHz	30-60	(6)	2038	
Brazil ⁽¹⁾	2.3 GHz	40–50	(7)	2041	
Brazil ⁽¹⁾	2.5 GHz	40	(8)	2027–2031	(9)
Brazil ⁽¹⁾	3.5 GHz	100		2041	
Brazil ⁽¹⁾	26 GHz	600		2041	

(1) Telefônica Brazil uses high and low frequencies spectrum in all regions of Brazil.

(2) States of Acre, Amazonas, Amapá, Bahia, Distrito Federal, Espírito Santo, Goiás, Maranhão, Minas Gerais, Mato Grosso do Sul, Mato Grosso, Pará, Paraná, Rio de Janeiro, Rondônia, Roraima, Rio Grande do Sul, Santa Catarina, Sergipe, São Paulo, and Tocantins (except for PGO Sectors 3, 22, 25, 30 and 33).

(3) Current licenses expire in 2028. ANATEL decided to limit their renewal up to 2028, due to a future mandatory reforming process.

(4) 10 MHz in the State of Minas Gerais; 5 MHz in the States of Amazonas, Roraima, Amapá, Pará, Maranhão, Bahia, Sergipe, and São Paulo (except municipalities within area code 11).

(5) Regional licenses: expiration and renewal dates depend on the region.

(6) Bandwidth varies by region.

(7) 50 MHz in the southeast region of Brazil (except for the state of São Paulo and PGO Sector 3); 40 MHz in the state of São Paulo (except for PGO Sector 33); and in the north and mid-west regions of Brazil (except for PGO Sectors 22 and 25).

(8) 40 MHz is the most common bandwidth, but such bandwidth can rise up to 60 MHz in some regions.

(9) Band X will expire in 2027 and Band P will expire in 2031.

In 2013, we changed the terms of our authorizations regarding Band “L” (1.9 GHz) in certain locations, adapting their blocks of frequencies to 2.1 GHz and aligning them with the Band “J” (3G), which enables more efficient use of the spectrum. In 2018, this alignment process was completed at the national level with respect to the following areas: Northeast region, with the exception of Bahia and Sergipe; Pelotas, Morro Redondo, Capão do Leão and Turuçu, in Rio Grande do Sul; Buriti Alegre, Cachoeira Dourada, Inaciolândia, Itumbiara, Paranaiguara and São Simão, in Goiás; Altinópolis, Aramina, Batatais, Brodowski, Buritizal, Cajuru, Cássia dos Coqueiros, Colômbia, Franca, Guaíra, Guará, Ipuã, Ituverava, Jardinópolis, Miguelópolis, Morro Agudo, Nuporanga, Orlandia, Ribeirão Corrente, Sales de Oliveira, Santa Cruz da Esperança, Santo Antônio da Alegria and São Joaquim da Barra in São Paulo; and Paranaíba in Mato Grosso do Sul. This change is foreseen in the bidding document No 001/2007. We do not have Band “L” in the states of Amazonas, Roraima, Amapá, Pará and Maranhão and in the cities of Londrina and Tamarana, Paraná.

In 2012, Telefônica acquired 40MHz on the 2.5GHz to 2.69GHz frequencies for the amount of R\$ 1.05 billion. In order to meet the coverage requirements imposed by ANATEL, we had the obligation of implementing 4G coverage in 1,094 cities by December 31, 2017. The remaining coverage commitments in cities with less than 30,000 inhabitants could be fulfilled with other frequency bands until December 31, 2019. After completing the associated inspection process, ANATEL confirmed our full compliance with such commitments.

Currently, we have made 4G services available in 5,199 municipalities. Telefônica has deployed and continues to deploy 4G coverage by serving its customers through the use of its own network or by established agreements of RAN-sharing approved by ANATEL.

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We also have the obligation to meet voice and data demand in remote rural areas, defined in the bidding process of the 2.6 GHz band. As a commitment, we are required to provide infrastructure and service operating in any frequency band in rural areas in the states of Alagoas, Ceará, Minas Gerais, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, Sergipe, and countryside of São Paulo, for a total of 2,556 municipalities. In these areas, we are also required to provide free broadband to schools located in rural areas.

Regarding the 700MHz spectrum, ANATEL has allocated the band for the provision of fixed-line, mobile and broadband services. On September 30, 2014, we acquired 20 MHz (10+10 MHz) with nationwide coverage, for R\$1.92 billion, at the minimum price, plus R\$904 million for the band cleaning (migration of broadcasters that currently occupy the band and interference management). According to the auction rules, the winning bidders are responsible for financing and managing the band cleaning process (Analog TV switch off) which was implemented through a legal entity specifically incorporated for this purpose, as set forth in the bidding process and applicable regulations (EAD).

Since June 2019, all Brazilian municipalities are ready to activate LTE coverage in the 700 MHz band. In November 2020, ANATEL attested that 9 out of 17 obligations have been fulfilled by the operators. According to the Agency, the other obligations would either be concluded in 2020 or were linked to activities that still need to be carried out, however, this situation does not imply any type of noncompliance on the part of the operators in relation to what should have been done.

In December 2015, ANATEL auctioned the remaining spectrum lots in the 1,800 MHz, 1,900 MHz and 2,500 MHz bands, from which Telefônica acquired seven lots of 2.5 GHz frequency band offering a total of R\$ 185.4 million. These lots are associated with six different States, in the capital cities of the States of São Paulo, Rio de Janeiro, Porto Alegre, Florianópolis, and Palmas, and one countryside city of the State of Mato Grosso do Sul. Such frequencies are already being used for the provision of mobile broadband service on 4G.

In November 2021, ANATEL held the largest spectrum auction in its history, which included 4G and, for the first time, 5G blocks, with 700 MHz, 2.3 GHz, 3.5 GHz and 26 GHz lots. On that occasion, we acquired 3.5 GHz and 26 GHz national licenses (100 MHz and 600 MHz bandwidths, respectively). We also won regional 2.3 GHz licenses, with 50 MHz bandwidth in the southeast region of Brazil (except for the state of São Paulo and PGO Sector 3) and 40 MHz bandwidth in São Paulo state and in the north and mid-west regions of Brazil (except for PGO Sectors 22 and 25). These acquired licenses, which we purchased for a total of R\$4.45 billion, of which R\$0.93 billion is related to licenses and the remaining amount is related to the obligations ANATEL established. The licenses ensure we have the required spectrum to provide 5G services, and are valid for 20 years (renewable under the then-existing legal conditions at the expiration of this term).

In 2022, as widely reported, the Company acquired part of Oi's mobile assets, resulting in additional spectrum authorizations in the 900, 1,800, and 2,100 MHz bands. These assets were grouped into a special-purpose entity called Garliava RJ Infraestrutura e Redes de Telecomunicações S.A., which was fully merged with and into the Company in 2023.

Multimedia communication service

Our multimedia services include broadband in several technologies, including fiber services.

We have assumed in the past the obligation to provide free Internet access to public schools in the area comprising in our concession area during the term of our concession agreements. This obligation was terminated in December 2025.

Pay TV services

We are authorized to provide Pay TV Services (*Serviço de Acesso Condicionado*), or SeAC, throughout Brazil by means of different technologies (Fiber, DTH and coaxial).

Law No. 12,485/2011 established the most important aspects of this service, including the imposition of minimum national content requirements, carrier obligations and rights and cross-ownership restrictions.

Since 2019, the Brazilian Congress has been discussing bills amending SeAC law. Among the proposals is the review of limitations to cross-control between telecom providers and content producing and programming companies. Regulatory asymmetries between SeAC and OTT services are also under debate.

Interconnection fees

In accordance with ANATEL regulations, we must charge fees to the other telecommunications service providers based on the following:

- a fee for the use of our local, fixed-line service network (the TU-RL): we charge local service providers an interconnection fee for every minute used in connection with a call that either originates or terminates within our local network, with the exception of calls between other providers of local, fixed-line service, for which a fee is not charged;
- a fee for the use of our long-distance, fixed-line service network (the TU-RIU): we charge long-distance service providers an interconnection fee on a per-minute basis only when the interconnection access to our long-distance network is in use;
- a fee for the use of the mobile network (the MTR): we charge mobile service providers an interconnection fee on a per-minute basis only when the interconnection access to our mobile network is in use; and
- a fee for the use of leased lines by another service provider (EILD): we also lease transmission lines, certain infrastructure and other equipment to other providers of telecommunications services.

For more information, see “Item 3. Key Information—D. Risk Factors—Risks Relating to the Brazilian Telecommunications Industry and Us—Our results of operations may be negatively affected by changes to STFC or SMP rules.”

Fixed-line services

In July 2005, ANATEL published new rules on interconnection. The main changes are: (i) an obligation to have a public offering of interconnection for all services, in addition to interconnection fees between providers of fixed-line and mobile telephone services; (ii) an obligation by internet backbone providers to publicly offer interconnections; (iii) the establishment of criteria for the treatment of fraudulent calls; and (iv) a reduction of service times for interconnection requests.

In 2006, we completed the implementation of interconnection with mobile service providers in regions with heavier traffic, ensuring proper billing for such calls. This reduced interconnection costs.

In 2007, ANATEL published a new version of its fixed-line network compensation regulation, which changed the rules used to calculate interconnection fees. Local and long-distance fees, which were hitherto fixed, became variable fees according to the rules for public service fees. A 20% increase was applied to fees for mobile service operators without significant market power in their regions.

On May 7, 2012, ANATEL Resolution No. 588/2012 was published, which set forth the following:

- a maximum of two minutes of interconnection should be paid for the use of the local network on reduced hours;
- a reduction of interconnection fees from domestic and international long-distance calls by 30% of the TU-RL, and a reduction of 25% (until 2012) and 20% (as of 2013) of the TU-RIU;
- The remuneration between networks will not occur until this traffic imbalance is greater than 75% compared to 25%; and

- The partial Bill & Keep by December 31, 2013 and full Bill & Keep by December 31, 2014.

On July 1, 2014, ANATEL decided to gradually decrease the TU-RL, and the TU-RIU based on a bottom-up cost model by setting maximum rates for fixed-line interconnection fees for the years 2016 through 2019. In December 2018, ANATEL set the fixed-line interconnection fees ranging for the years 2020 through 2023. Further, in March 2023, ANATEL set the new fixed-line interconnection fees ranging for the years 2024 through 2027, as shown in the table below for our STFC sector (Sector 31) in reais):

Year	Interconnection fees for Sector 31		
	TU-RL	TU-RIU1	TU-RIU2
2024	0.00598	0.00725	0.00655
2025	0.00604	0.00732	0.00663
2026	0.00610	0.00741	0.00671
2027	0.00617	0.00749	0.00680

In December 2016, ANATEL held a public consultation to discuss a new interconnection regulation (*Regulamento Geral de Interconexão*). These rules were eventually enacted in July 2018 through Resolution No. 693. The new rules seek to resolve a large number of disputes in agreements for voice and data traffic among telecom companies. In the case of a default, interconnection services can be cut without ANATEL’s prior authorization. In addition, the rule sets forth a list of prohibited practices in interconnection relationships and makes interconnections technology-neutral.

Mobile service

In November 2009, ANATEL unified the licenses of all mobile operators, resulting in the consolidation of interconnection fees and reducing the number of fees for the use of the mobile network from two to one. On July 1, 2014, ANATEL decided to gradually decrease the MTR, based on a cost model for the years 2016, 2017, 2018 and 2019. In December 2018, ANATEL established the reference values for the MTR for the years ranging from 2020 until 2023. Further, in March 2023, ANATEL established the reference values for the MTR for the years ranging from 2024 until 2027, as shown below per region in the General Authorization Plan (*Plano Geral de Autorizações*), or PGA, in reais:

Year	PGA Region I	PGA Region II	PGA Region III
2024	0.01472	0.01599	0.01738
2025	0.01503	0.01650	0.01779
2026	0.01499	0.01686	0.01779
2027	0.01497	0.01632	0.01804

In addition, on December 2, 2013, Act No. 7,272 was published, which set the MTR reference values for PMS providers and became effective on February 24, 2014. On August 28, 2014, Act No. 7,310 replaced the reference values previously set out in Act No. 7,272. In addition, the PGMC determined that in the relationship among PMS and non-PMS providers in the mobile network, the interconnection fee should be paid only when the traffic out of a network in a given direction is greater than 80% of the total traffic exchanged until February 23, 2015; and 60% of the total traffic exchanged from February 24, 2015 to February 23, 2016. Since February 24, 2016, the MTR is owed to the mobile service provider when its network is used to originate or terminate calls (full billing). These conditions were further modified by ANATEL in February 2015, after public notice and comment. In July 2018, ANATEL amended the PGMC and modified the rules on interconnection fees to be paid for outbound traffic, as follows:

- From January 1, 2013 to February 23, 2015: 80% / 20%;

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- From February 24, 2015 to February 23, 2016: 75% / 25%;
- From February 24, 2016 to February 23, 2017: 65% / 35%;
- From February 24, 2017 to February 23, 2018: 55% / 45%; and
- From February 24, 2018 onwards: 50% / 50%.

In September 2025, ANATEL approved the new PGMC through Resolution no. 783/2025 and kept the Bill and Keep 50%/50% as a rule for PMS providers in their relationship with non-PMS providers.

EILD

On May 18, 2014, ANATEL approved the proposed standard for setting maximum values of Industrial Dedicated Line (EILD), based on Cost Models. Values for EILD were published through Act No. 6212, which contains a single reference table that is valid from 2016 until 2019. In addition, the general competition plan requires companies with significant market power to present a public offer every six months informing standard commercial conditions, which is subject to approval by ANATEL.

On December 17, 2018, ANATEL approved through Act No. 9,920 a revision of the EILD reference table, valid for 2020 onwards.

On March 28, 2023, ANATEL approved through Act No. 3.248 a new revision of the EILD reference table, valid from February 25, 2024 until 2027.

Since the approval of the new PGMC, EILD is no longer a regulated wholesale market, although contracts entered into during the period in which it was must be fulfilled.

Mobile Virtual Network Operator (MVNO)

In 2001, ANATEL approved rules for companies to be licensed as MVNOs. In 2016, ANATEL authorized MVNO companies to be affiliates of other certain network operators, and for that reason, we have signed agreements with companies authorized to operate as an MVNO in Brazil. Brazilian MVNO regulations allow two operating models: “authorized” (in which MVNO holds its own SMP authorization but operates under an MNO’s network) and “accredited” (in which the company doesn’t hold an SMP authorization and acts as an MNO’s representative and offers services jointly). In August 2019, ANATEL held a public consultation about regulatory barriers to IoT expansion and proposed changes in MVNO regulations. Furthermore, in November 2020, ANATEL Resolution No. 735/2020 reduced regulatory restrictions on the “accredited” model, and permitted the representation of multiple MNOs and gave more autonomy in the use of network agreements.

In November 2023, ANATEL published a public consultation dedicated to updating the PGMC in which the MVNO, as a wholesale product, is considered a relevant market. As of the end of the public consultation, the updated PGMC was published in September 2025, with ANATEL determining that the MVNO, as a wholesale product, should not be considered a relevant market. Consequently, the parties remain free to negotiate the terms of their MVNOs agreements, while still complying to the current regulations on the subject, including Resolution No. 777/2025.

Internet and related services in Brazil

In Brazil, internet service providers, or ISPs, are deemed to be suppliers of value-added services and not telecommunications service providers. ANATEL requires SCM operators to act as carriers of third-party internet service providers.

Civil rights framework for the Internet

On April 23, 2014, the Brazilian Civil Rights Framework for the Internet (*Marco Civil da Internet*) was enacted through Law No. 12.965/2014. The act adopts strict Net Neutrality rules that guarantee equality of treatment for data traffic in the network and preserves the business model of Brazilian broadband offered in packages with different speeds. On May 11, 2016, the Brazilian government published Decree No. 8,711/2016, which regulates the law. It establishes the regulation for Net Neutrality and mechanisms to protect the data stored by service and application providers, as well as determining the circumstances in which data can be obtained by the public administration. We believe these measures offer our clients greater protection with respect to how their personal information is used and shared and creates opportunities for new services that make use of aggregated information.

Brazilian General Data Protection Law (LGPD)

Law No. 13.709/2018, or the LGPD, came into force on September 18, 2020. It is a comprehensive data protection law establishing general principles and obligations that apply across all economic sectors and contractual relationships. To regulate and supervise the application of the law, the ANPD was created and has been under the administration of the Ministry of Justice since 2023. Certain aspects of the LGPD will be subject to further regulation by the ANPD, in accordance with ANPD's Ordinances No. 11/2021, 35/2022, and Resolution No. 23/2024, following its regulatory schedule published every two years.

The LGPD establishes detailed rules for the collection, use, processing and storage of personal data in all economic sectors, regardless of whether data is collected in a digital or physical environment. In general, our services and processes depend on personal data. The way in which we collect, store and manage this data must comply with the provisions of the LGPD. In addition, the administrative sanctions provided for in the LGPD (Articles 52, 53, and 54) came into force on August 1, 2021, pursuant to Law No. 14.010/2020, and additional rules were established with the publication of 10 additional regulations so far. Some of the main regulations, include the Administrative Sanctions and Dosimetry Regulation (Resolution No. 4/2023), the Security Incident Communication Regulation (Resolution No. 15/2024), and the International Data Transfer and Standard Contractual Clauses Regulation (Resolution No. 19/2024).

As of the date of this annual report, the ANPD has signed a number of technical cooperation agreements with administrative bodies and agencies, including the SENACON, the Brazilian Office of the Controller General (*Controladoria Geral da União*), or CGU, the National Supplementary Health Agency (*Agência Nacional de Saúde Suplementar*), the Latin America Development Bank and with the Information Commissioner's Office of the United Kingdom. The ANPD has also signed a memorandum of understanding with the Spanish Data Protection Authority and with the Office of the Privacy Commissioner of Canada to promote cooperation mechanisms, including the exchange of knowledge, experiences, and practices in the field of privacy and personal data protection.

For additional information on our practices regarding the LGPD and our Privacy and Data Protection Governance Program, see "Item 16g. Corporate Governance—Corporate Governance Practices—Data Protection and Privacy Initiatives."

Resolutions published

A series of new regulations, published by ANATEL as well as other regulatory bodies in Brazil, became effective in 2025. The most relevant among these regulations were:

- ANATEL Resolution No. 785: Approves ANATEL's planning for auctions of radio frequency authorizations for SMP;
- ANATEL Resolution No. 784: Amends the Regulation on Administrative Sanctions (RASA);
- ANATEL Resolution No. 783: Approves the General Competition Goals Plan (PGMC);
- ANATEL Resolution No. 782: Amends the Regulation on Conduct Adjustment Commitment Agreements (RTAC);

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- ANATEL Resolution No. 781: Amends the Regulation on Licensing for Concession, Permission, and Authorization of Telecommunications Services and Radio Frequency Use;
- ANATEL Resolution No. 780: Amends the Regulation on Conformity Assessment and Product Homologation for Telecommunications;
- ANATEL Resolution No. 779: Approves the Telecommunications Glossary;
- ANATEL Resolution No. 778: Ensures compliance with Mercosur/GMC Resolution No. 19/24 on IMT frequency coordination;
- ANATEL Resolution No. 777: Approves the General Regulation of Telecommunications Services (RGST);
- ANATEL Resolution No. 776: Establishes guidelines for regulatory sandbox and experimental practices;
- ANATEL Resolution No. 775: Approves the Regulation for Temporary Use of Radio Frequencies;
- ANATEL Resolution No. 774: Approves the Regulation for Collection and Transfer of Sectoral Data;
- ANATEL Resolution No. 773: Approves the Regulation on Conditions of Use of Radio Frequencies;
- ANATEL Resolution No. 772: Approves the National Frequency Allocation, Assignment, and Distribution Plan (PDF).

Public consultations published

In 2025, ANATEL announced a series of public consultations. The most relevant among these public consultations were:

- ANATEL Public Consultation No. 1: Reassessment of Tables and Appendices (A to D) of Annex I of Resolution No. 396/2005;
- ANATEL Public Consultation No. 3: Internalization and consolidation of standards/resolutions from international organizations;
- ANATEL Public Consultation No. 9: ANATEL's planning for auctions of RF authorizations for SMP; ANATEL Public Consultation No. 17: Replacement of the Operational Procedure for Importing Telecommunications Products;
- ANATEL Public Consultation No. 19: Methodologies for calculating the base value of fine sanctions;
- ANATEL Public Consultation No. 27: Update of requirements for SMP signal booster certification;
- ANATEL Public Consultation No. 30: Network sharing and roaming on highways and coverage commitments;
- ANATEL Public Consultation No. 31: Use of Artificial Intelligence in the telecommunications service chain;
- ANATEL Public Consultation No. 40: Reassessment of the Regulation on Revenue Restitution and Compensation;
- ANATEL Public Consultation No. 44: Revocation of regulations (Regulatory Guillotine 2025–2026);
- ANATEL Subsidy Taking No. 1: Regulatory Guillotine 2025–2026;
- ANATEL Subsidy Taking No. 2: Collection of information on the implementation of new STFC local areas;
- ANATEL Subsidy Taking No. 4: Reassessment of regulatory obligations applicable to SeAC;
- ANATEL Subsidy Taking No. 5: Reassessment of maximum RF limits;
- ANATEL Subsidy Taking No. 6: Improvement of information on SMP service provision;
- ANATEL Subsidy Taking No. 8: ARR of the Research Regulation, annex to Resolution No. 654/2015.

Other regulatory matters

Regulation for competition

In December 2016, ANATEL launched a public consultation for a regulation that set price references for wholesale products. The proposal would set the ANATEL cost model as the only source for the valuation of these products. In July 2018, ANATEL approved amendments to the PGMC through Resolution No. 694/2018. The rule creates a new relevant market (high-capacity data transfer) and introduces the concept of retail competitiveness levels for each municipality (ranging from category one, fully competitive, to category four, non-competitive areas where public policies are necessary to enable services). For each relevant market, asymmetric measures may vary according to the competition category assigned to each municipality. In addition, the new PGMC defines small-scale providers (*prestadora de pequeno porte*), or PPP, which ANATEL factors when creating asymmetric rules (in the context of PGMC and possibly in other regulations). Under the definition set by ANATEL, PPP designation applies to any company that does not account for more than 5% of the retail market share in which it operates.

In November 2023, ANATEL published a public consultation dedicated to updating the PGMC which was scheduled to end in April 2024. The updated PGMC was approved and published in September 2025, establishing several obligations for the following wholesale markets.

- Passive Infrastructure (Ducts and Subducts);
- Interconnection for Fixed Networks;
- Interconnection for Mobile Networks; and
- Roaming.

Updated regulatory framework

On October 4, 2019, the New General Telecommunications Law was published. This law revises the General Telecommunications Law and significantly impacts the industry. The New General Telecommunications Law permits fixed-line concessions operators to migrate from a concession regime (in which the underlying assets must be reverted to the government at the end of the concession) to an authorization regime.

On December 16, 2024, Telefônica Brasil, ANATEL, the TCU and the Brazilian Ministry of Communications signed the Self-Composition Agreement for the adaptation of our STFC concession contracts to an authorization instrument.

The Self-Composition Agreement includes several key conditions that we are required to comply with: (i) Telefônica Brasil is required to make specific investments on terms established under the Self-Composition Agreement; (ii) Telefônica Brasil must maintain the provision of fixed-line telephone services in certain locations without adequate competition, within the concession area until December 31, 2028; (iii) all pending administrative and judicial proceedings related to our concession pending before ANATEL or any courts must be settled, and Telefônica Brasil must withdraw any cases filed against ANATEL; and (iv) Telefônica Brasil must commit to fulfilling public interest pledges for up to 10 years as part of the transition process. On April 11, 2025, Telefônica Brasil signed the unified authorization term with ANATEL that compiled all previous licenses into a single title, thereby finalizing the transaction to the authorization regime.

Furthermore, the New General Telecommunications Law also permits the successive renewal of an authorization to explore a spectrum, so long as legal requirements and stipulations are met. Under the previous model, each authorization could be renewed only once. In addition, New General Telecommunications Law permitted the creation of a secondary spectrum trading market among authorized operators, where trades can be placed directly between them. Similarly, companies holding the rights to explore Brazilian satellite positions can have their permits renewed on an unlimited basis. However, these aspects of the law are still subject to implementation through regulations, which have yet to be passed.

Finally, under the New General Telecommunications Law, the FUST law was revised to clarify that radio and video broadcasting services are not subject to taxation under the FUST.

Telecommunications Self-Regulation System

In March 2020, we and the main telecommunications service providers in Brazil launched a joint initiative aimed at establishing the sector's first comprehensive self-regulation program. The Telecommunications Self-Regulation System (*Sistema de Autorregulação das Telecomunicações*), or the SART, sets common rules and procedures that must be followed by all participating companies in relation to the most relevant topics regarding the relationship between providers and customers, such as telemarketing, offers, billing and customer care.

Although the initiative started with large operators, the SART will be open to any telecommunications company that wants to participate and commits itself to the principles defined by the program. The main benefit for participating companies are the defined procedures and rules towards improving services, resulting in greater consumer satisfaction and promoting an environment that stimulates a more principle-oriented approach to regulatory issues.

The first self-regulatory norm established by SART was the Telemarketing Code of Conduct, which brings self-regulation rules for the relationship between consumers and telecommunication operators, setting forth basic principles that must be followed by the companies, such as the duration and number of calls. Additionally, the Do not Disturb Platform was also created, which has already blocked more than 7 million telephones for telemarketing calls at the customer's request, according to the Telecommunications Providers Association, or CONEXIS.

SART also created the Customer Service Regulation, which sets out rules for meeting consumer demands related to telecommunications products and services, in the various relationship channels available. The Billing Regulation, another initiative coordinated by SART, guides collection actions and establishes commitments on payment methods, debt negotiation, contestation, return of amounts and contractual termination. Finally, the Product Offers Regulation, in turn, bring rules on contracting products and services and their presentation, using simple, direct and easy-to-understand language, focusing on bringing more transparency to information disclosure for consumers. Together, these initiatives emphasize the values of respecting consumer rights, promoting fair competition and encouraging correct, efficient and transparent communication with society in general.

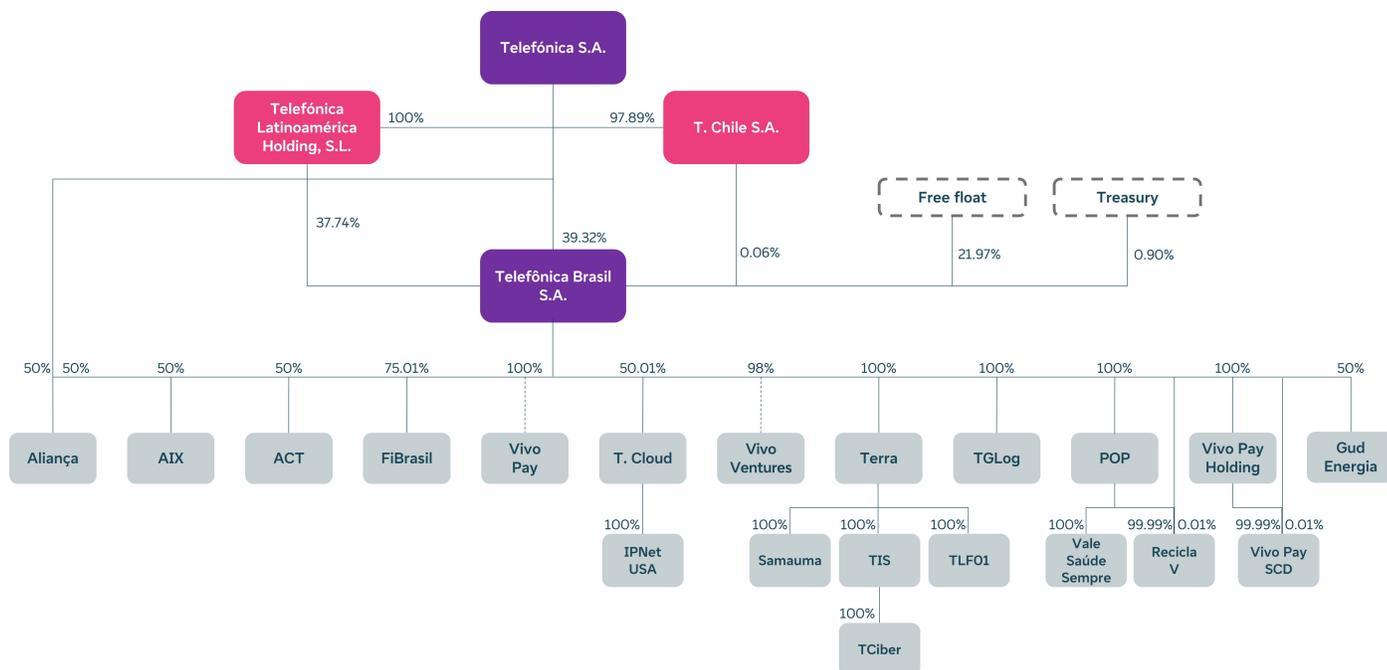
Telecommunications Consumers Rights

The new General Consumer Rights Regulation (RGC) published by ANATEL in November 2023, and approved by Resolution No. 765/2023, introduces changes in certain provisions related to telecommunications service offerings, including rules around blocking due to payment default. This regulation also updates and modernizes customer relationship obligations. The new RGC came into force in September 2025, replacing the previous Resolution No. 632/2014.

C. Organizational Structure

As of December 31, 2025, 77.13% of our voting shares were controlled by the three main controlling shareholders: Telefónica S.A., with 39.32%, Telefónica Latinoamérica Holding, S.L., with 37.74%, and Telefónica Chile S.A., with 0.06%.

Our current general corporate and shareholder structure is as follows:



Significant Subsidiaries

Our subsidiaries are Terra Networks Brasil Ltda. (formerly known as Terra Networks Brasil S.A.), or Terra, POP Internet Ltda., or POP, and Telefonica Transporte e Logistica Ltda, or TGLog, Fundo de Investimento em Direitos Creditórios Vivo Money, or Vivo Money, and Vivo Pay Holding, all of which we own and are based in Brazil.

On September 30, 2020, Terra Networks Brasil S.A., a wholly-owned subsidiary of Telefônica Brasil, resolved in favor of changing its corporate form from a corporation to a limited liability company in the process of changing its name to Terra Networks Brasil Ltda. The resolution was carried out through an extraordinary shareholders’ meeting.

Associated Companies

Aliança Atlântica Holding BV (Aliança): Headquartered in Amsterdam, Netherlands, the entity is 50.00% owned by Telefônica Brasil and holds funds generated by the sale of its shares of Portugal Telecom in June 2010.

Companhia AIX de Participações (AIX): Headquartered in Brazil, the entity is 50.00% owned by Telefônica Brasil and holds a 93.00% stake in the Refibra consortium, formed to finalize a network of underground fiber pipelines in Brazil, in order to make them commercially viable.

Companhia ACT de Participações (ACT): Headquartered in Brazil, the entity is 50.00% owned by Telefônica Brasil and holds a 2.00% stake in the Refibra consortium.

Vivo Ventures Fundo de Investimento em Participações Multiestratégia (Vivo Ventures): Headquartered in Brazil, the fund is 98.00% owned by Telefônica Brasil and 2.00% by Telefônica Open Innovation SL.

Telefônica Cloud e Tecnologia do Brasil S/A (T. Cloud): Headquartered in Brazil, the entity is 50.01% owned by Telefônica Brasil and 49.99% by Telefônica Cybersecurity & Cloud Tech, SL.

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Recicla V Comércio e Reciclagem de Sucatas e Metais Ltda. (Recicla V): Headquartered in Brazil, the entity is directly owned 0.01% by Telefônica Brasil and indirectly held 99.99% by POP.

FiBrasil: Headquartered in Brazil, the company is 75.01% controlled by Telefônica Brasil and 24.99% by Telefônica Infra, SLU (“TEF Infra”).

GUD Energia: Headquartered in Brazil, the entity is 50.00% owned by Telefônica Brasil and 50.00% by Auren Comercializadora de Energia Ltda.

Vivo Pay SCD: Headquartered in Brazil, the entity is directly owned 0.01% by Telefônica Brasil and indirectly held 99.99% by Vivo Pay Holding.

Indirect shareholdings

Telefônica Brasil S.A. holds indirect interests in the following companies: Telefônica Infraestrutura e Segurança Ltda. (“TIS”), TLF01, Vale Saúde Sempre (VSS), IPNET USA, SAMAUMA and TCyber.

Disclosure Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 added Section 13(r) to the Exchange Act. Section 13(r) requires an issuer to disclose in its annual or quarterly reports filed with the SEC whether the issuer or any of its affiliates has knowingly engaged in certain activities, transactions or dealings with the Government of Iran, relating to Iran or with designated natural persons or entities involved in terrorism or the proliferation of weapons of mass destruction during the period covered by the annual or quarterly report. Disclosure is required even when the activities were conducted outside the United States by non-U.S. entities and even when such activities were conducted in compliance with applicable law.

The following information is disclosed pursuant to Section 13(r). None of these activities involved U.S. affiliates of Telefônica or the Company.

Roaming Agreements with Iranian Operators

Some subsidiaries of our controlling shareholder, Telefônica, including us, have entered into roaming agreements with Iranian telecommunication companies. Pursuant to such roaming agreements these subsidiaries’ customers are able to roam in the particular Iranian network (outbound roaming) and customers of such Iranian operators are able to roam in the network of Telefônica’s relevant subsidiary (inbound roaming). For outbound roaming, these subsidiaries pay the relevant Iranian operator roaming fees for use of its network by Telefônica group customers, and for inbound roaming, the Iranian operator pays the relevant subsidiary roaming fees for use of the respective network by its customers.

Regarding Iran, we have a roaming agreement with Irancell. During 2025 we recorded US\$17.13 in roaming revenues and zero expenses payable to Irancell under this agreement.

Telefônica’s subsidiaries and Telefônica’s former subsidiary Telefônica UK Ltd., other than our Company (which arrangements are described above), were party to the following roaming agreements with Iranian telecommunication companies in 2025:

- (1) *Telefónica Móviles España S.A.*, or TME, Telefônica’s Spanish directly wholly-owned subsidiary, has respective roaming agreements with (i) Mobile Telecommunication Company of Iran, or MTCI, (ii) Taliya Mobile, or Taliya, and (iii) Telecommunication Kish Co., or TKC. During 2025, TME recorded the following revenues related to these roaming agreements: (i) €690,172.66 from MCI, (ii) no revenues from Taliya and (iii) no revenues from TKC.

- (2) *Telefónica Germany GmbH & Co. OHG*, or TG, Telefónica's 96.85% indirectly-owned subsidiary (as of December 31, 2025), has respective roaming agreements with MTCI and Irancell. During 2025, TG recorded the following revenues related to these roaming agreements: (i) €4,614.95 and (ii) €43,133.77 from Irancell.
- (3) *Telefónica UK Ltd*, or TUK, Telefónica's former English directly wholly-owned subsidiary, has a roaming agreement with Taliya. TUK ceased to be Telefónica's subsidiary upon the establishment of JV VMED O2 UK on June 1, 2021, following which establishment TUK has been owned by VMO2. During 2025, TUK recorded no revenues from Taliya.
- (4) *Pegaso PCS S.A. de C.V.*, or PCS, Telefónica's Mexican directly wholly-owned subsidiary, has a roaming agreement with Irancell. During 2025, PCS recorded US\$75.71 in roaming revenues from Irancell under this agreement.

The net profit recorded by Telefónica's subsidiaries and TUK pursuant to these agreements and arrangements did not exceed the related revenues recorded thereunder.

The purpose of all of these agreements is to provide the Telefónica group's customers with coverage in areas where the group does not own networks. For this purpose, Telefónica's subsidiaries intend to continue maintaining those agreements, which are still outstanding.

The Telefónica group does not currently have any plans to enter into new roaming arrangements with Iranian telecommunication companies. However, the Telefónica group may consider entering into such arrangements in the future.

During 2025, Telefónica Hispam ("TH") had one retail mobile phone contract with one customer identified in the list administered by OFAC as sanctioned pursuant to Executive Order 13382. During 2025, TH recorded revenues totaling US\$24.32 dollars related to this customer. The termination of such contract is being considered. The provision of the relevant services by TH was in compliance with applicable laws.

During 2025, TG had one retail mobile phone contracts with one customer in Germany identified in the lists administered by OFAC as sanctioned pursuant to Executive Order 13224 and Executive Order 13382. During 2025, TG recorded revenues totaling €2,116.79 related to this customer. The termination of such contract is being considered. The provision of the relevant services by TG was in compliance with applicable laws.

D. Property, Plant and Equipment

As of December 31, 2025, we had fixed and mobile operations in 3,340 properties, 2,003 of which we own, of which 101 are administrative buildings. Besides that, we have entered into standard leasing agreements to rent the remaining properties, under which 124 administrative areas, seven kiosks and 307 retail stores are leased. Our main physical properties for providing fixed-line telephone services involve the segments of switching (public switching telephone network, or PSTN), transmission (optic and wireless systems), data communication (multiplex devices, IP network), infrastructure (energy systems and air conditioning) and external network (fiber optic and metallic cables), which are distributed in many buildings throughout the state of São Paulo and in the main cities outside the state of São Paulo. Some of these buildings are also used for administrative and commercial operations.

Our main physical property for mobile services consists of transmission equipment, switching equipment, base stations, and other communication devices, such as voicemail, prepaid service, short message service, home location registers, signaling transfer point, packet data switching network and gateways. All switches, cellular sites, administrative buildings, administrative facilities, warehouses and stores are insured against damages for operational risks.

Pursuant to Brazilian legal proceedings, liens have been attached to several properties pending the outcome of various legal proceedings to which we are a party. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings.” In addition, certain of our properties are still pending the applicable licenses and approvals from the local fire departments.

We are constantly making improvements to our facilities and network to meet customer demand and to improve the level of services we offer our clients.

Environmental matters

Brazilian environmental legislation at federal, state, and municipal levels regulate environmental protection, the responsible use of natural resources, the preservation of fauna and flora, climate change mitigation and adaptation, as well as pollution prevention and control. Under these laws, specific environmental licenses are required for the undertaking the construction, installation, expansion, or operation of structures used to provide telecommunications services. According to the enforceability defined by the competent authorities, this obligation is extended to telecommunications infrastructure such as support structures for radio/cell base stations, transmission backhaul, and backbone networks, as well as to specific regulations related to air emissions, soil and water pollutants, take-back systems, recycling and waste management, interference with areas of cultural and historical relevance, environmental protected areas and contamination.

In Brazil, non-compliance with environmental rules or regulations may result in civil, administrative, or criminal liability. Regarding civil liability, Brazilian environmental laws adopt a standard of strict, unlimited, and joint liability remediation of environmental impacts. Furthermore, Brazilian courts may pierce the corporate veil when and if it poses an obstacle to the full recovery of environmental damages. Within the administrative sphere, companies may face penalties of up to R\$50 million, suspension of operations, exclusion from specific government contracts, obligations to repair or indemnify environmental damages, loss of tax benefits and incentives and be at a competitive disadvantage to match the criteria assessed by sustainability indexes such as the Dow Jones Best-in-Class World Index and the B3’s Corporate Sustainability Index (ISE B3).

We have procedures in place to protect our networks, reputation and operations from environmental impacts, ranging from operational controls to specific insurance coverage for civil and environmental matters. In order to maintain and enhance environmental performance, we have implemented the Solid Waste Management System (Gretel), that allows us to manage the flow of generation, transportation and disposal of hazardous and non-hazardous waste, promoting supply chain traceability and circular economy actions.

The Company has an Environmental Management System (EMS) that follows the international standard ISO 14001, with third-party certification covering the major capitals and metropolitan regions since 2016. The EMS is periodically audited on a sample basis to assess its effectiveness. Observations identified during these audits are addressed through action plans aimed to provide continuous improvement and best environmental practices. Engineering measures are also implemented to mitigate potential risks, such as reducing visual impact of facilities, modernizing equipment to lower noise emissions, and adapting structures to contain potential leaks.

Energy is a critical resource for our network infrastructures, which requires substantial power. To address this demand, we have implemented a Renewable Energy Plan that enabled us to achieve 100% renewable electricity consumption since November 2018—12 years ahead of our initial target. This milestone was achieved through a combination of distributed generation, self-generation, free-market (FM) energy purchases, and the acquisition of renewable energy certificates with guarantees of origin.

In 2025, we reached 77 Distributed Generation plants with 76.4 MWm of installed capacity across Brazil. Upon the completion of the project, it will supply 90% of our low-voltage energy consumption, with a total installed power of 80.9 MWm from renewable sources (solar, hydro, and biogas).

Climate change is a key pillar of our sustainability strategy, supported by short-, medium-, and long-term objectives consolidated in our Climate Action Plan approved by the Board of Directors. Our main goal is to achieve net zero emissions by 2035 for the entire value chain. Significant progress has been made, including reducing our greenhouse gas (GHG) emissions (Scope 1 and 2) by 90% compared to our 2015 baseline. This achievement was enabled by renewable energy purchases, resulting in zero Scope 2 emissions under a market-based approach; use of biofuel in our fleet; operational improvements in air conditioning systems; and compensating for residual emissions.

Since 2019, we have offset 100% of operational emissions through high-integrity carbon credits, selected to generate positive social and environmental impacts, including preventing deforestation and supporting restoration in Brazilian forests.

Beyond operational emissions (Scope 1 and 2), which are linked to 5% of all our employees' Results Participation Program (PPR, its acronym in Portuguese), we are working to reduce impacts across our value chain. Through the Supply Chain Engagement Carbon Program, we engage our suppliers from the most carbon-intensive categories to measure and manage emissions, seek reduction alternatives, and make a voluntary climate commitment, contributing to our Scope 3 reduction target.

Environmental transparency is essential for a net-zero future. In 2025, we launched the third edition of our Climate Action Plan for public consultation and investor feedback, consolidating our strategy for transitioning to a low-carbon economy. We have consistently been among the Brazilian companies recognized in a leadership position by CDP Climate Change, demonstrating the strength of our environmental management.

In 2006—prior to Brazil's National Policy on Solid Waste (Law No. 12,305/2010) and Decree No. 10,240/2020, regulating mandatory reverse logistics of electronic—we launched the Vivo Recicle Program, a pioneering initiative in the sector promoting circular economy and proper disposal of electronic waste nationwide. The program offers approximately 1,800 collection points for receiving used devices such as cell phones, tablets, headphones, chargers, and batteries.

Since its implementation, millions of e-waste items have been collected, resulting in the recycling of approximately 232 tons of materials. In 2025, the Vivo Recicle Program increased more than 20%, growing from 37 tons collected and recycled in 2024 to over 45 tons in 2025. We have also set a long-term commitment to collect 375 tons of electronic waste by 2035, reinforce our leadership in circular economy practices.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

A. Operating Results

The following discussion should be read in conjunction with our consolidated financial statements and accompanying notes and other information appearing elsewhere in this annual report. We prepared our consolidated financial statements included in this annual report in accordance with IFRS Accounting Standards.

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of events may differ materially from those expressed or implied in such forward-looking statements as a result of various factors, including those set forth in “Cautionary Statement Regarding Forward-Looking Statements” and “Item 3. Key Information—D. Risk Factors.”

Significant Factors Affecting Our Results of Operations

We believe that our results of operations and financial performance are driven by the following factors:

Brazilian economic environment

The Brazilian economic environment has historically been characterized by significant variations in economic growth, inflation and currency exchange rates. As a Brazilian company, our results of operations and financial condition are significantly influenced by these factors and the effect that these factors have on employment rates, the availability of credit and average wages in Brazil. While the Brazilian GDP is expected to have increased in recent years, we cannot assure that this trend will continue in the future.

The modest fiscal adjustments that were put in place, combined with higher interest rates and economic slowdown, has maintained uncertainty regarding Brazil's public debt sustainability. This has contributed to higher volatility in financial asset prices and Brazil's risk premium, and a limitation in the room for the Brazilian real to strengthen.

Regarding economic growth, after some years of GDP growth above 3%, boosted by fiscal and monetary stimuli, historically low unemployment levels and a strong performance in certain economic sectors, in 2025, GDP growth is estimated to have slowed to 2.3% (from 3.4% in 2024), according to market consensus, mainly driven by the monetary policy tightening. The macroeconomic outlook for 2026 is expected to be clouded by high interest rates in the beginning of the year, and uncertainty on both domestic political front due to presidential elections, and on global economic and geopolitical environments. The market consensus anticipates that Brazil's GDP growth in 2026 will be lower than in 2025. Any slowdown in Brazil's economic growth, changes in interest rates, unemployment levels, or general price stability could adversely affect our business, financial condition, and results of operations.

Brazil registered a trade balance surplus of US\$68.3 billion in 2025, down from the result of US\$74.2 billion in 2024. Exports increased by 3.5%, reaching US\$348.7 billion, while imports increased by 6.7%, totaling US\$280.4 billion. Foreign direct investment inflows into Brazil amounted to US\$77.7 billion in the 12 months accumulated as of December 31, 2025, compared to US\$74.1 billion during the same period in 2024. International reserves as of December 31, 2025 stood at US\$ 358.2 billion, reflecting a change from US\$329.7 billion as of December 31, 2024.

The primary fiscal result posted a deficit of 0.43% of GDP as of December 31, 2025, compared to a deficit of 0.4% of GDP at the end of December 2024, according to the Central Bank of Brazil. Gross public debt rose to 78.7% of GDP as of December 31, 2025 compared to 76.3% at the end of December 2024. These fiscal pressures can indirectly affect businesses through higher borrowing costs, reduced consumer purchasing power, and potential currency volatility, all of which could impact operational costs and demand for services. For companies in capital-intensive industries, such as telecommunications, the fiscal environment remains a key factor influencing strategic planning and results of operations.

Inflation and governmental measures to curb inflation

In recent years, inflation has oscillated around its target, set annually by the CMN. Inflationary shocks have pushed Brazil's inflation rate above the target in the past few years. From 2005 to 2018, the target level was 4.5%, with a tolerance interval of 2.0 percentage points until 2016, when the tolerance band was narrowed to 1.5 percentage points. The CMN subsequently lowered the target to 4.25% in 2019, with 0.25 percentage point decreases implemented annually until it reaches 3.00%. In June 2023, the CMN made the 3.00% inflation target permanent for subsequent years.

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In 2021, inflation increased to 10.1% at the end of the year (from 4.5% in 2020), as a result of several shocks that ranged from problems in global supply chains – which increased prices at the wholesale level – to climate setbacks – which hit energy and foodstuff prices – as well as the depreciation of the Brazilian real. In 2022, inflationary pressures escalated in Brazil, including as a result of the ongoing war between Ukraine and Russia, supply chain issues, the continued COVID-19 pandemic and increases in energy prices. As a result, inflation peaked at 12.1% in April 2022 (as measured by the IPCA in year-over-year terms) the highest levels since 2003 in Brazil. Following the dissipation of these shocks, accumulated inflation in Brazil slowed to 5.8% by the end of 2022 and to 4.6% by the end of 2023. In 2024, inflation increased to 4.8% by the end of the year, as a result of droughts which disrupted food supplies, increases in energy prices, and the depreciation of the real. In 2025, inflation receded to 4.3%, driven by the monetary policy tightening effects and exchange rate appreciation, but remained above the 3.00% target.

Before 2006, the fees we charged our customers were periodically adjusted by ANATEL based on the inflation rates measured by the IGP-DI. Starting in 2006, telephone fees were indexed to the IST, which is a basket of Brazilian indexes that reflect the telecommunications sector's operating costs. Such indexing reduced inconsistencies between revenue and costs in our industry and therefore reduced the adverse effects of inflation on our business. The IST for the year ended December 31, 2025 was 3.5% according to the most recent ANATEL data.

The table below shows the Brazilian general price inflation (according to the IGP-DI, IPCA and the IST) for 2021 through 2025:

	Inflation (%) as Measured by the IGP-DI	Inflation (%) as Measured by the IPCA	Inflation (%) as Measured by the IST
December 31, 2021	17.7	10.1	17.3
December 31, 2022	5.0	5.8	6.9
December 31, 2023	(3.3)	4.6	2.1
December 31, 2024	6.9	4.8	4.6
December 31, 2025	(1.2)	4.3	3.5

Source: FGV, IBGE and ANATEL.

In 2021, the Central Bank began a monetary tightening cycle in response to rising inflation, the depreciation of the real, and a perception of recovery in certain economic activities following the easing of COVID-19-related restrictions. The SELIC rate increased from 9.25% as of December 31, 2021, to 13.75% as of December 31, 2022. In 2023, the Central Bank initiated an easing cycle as inflationary pressures subsided, reducing the SELIC rate to 11.75% as of December 31, 2023. The easing continued into the first half of 2024, with the SELIC rate reaching 10.50% in May 2024. However, inflationary pressures resurfaced in mid-2024, driven by adverse climatic conditions affecting food and energy prices and a depreciation of the real, amid robust economic activity and tight labor market. In response, the Central Bank resumed tightening monetary policy, increasing the SELIC rate up to 15.00% in June 2025 and maintaining it at this level until December 2025. These adjustments reflect the Central Bank's efforts to balance inflation control with economic stability. As of the date of this annual report, the SELIC rate is 15.00%.

Periods of higher inflation coupled with higher interest rates and other measures to combat inflation may lead to reduced demand for our products. Inflation is also likely to increase some of our costs and expenses, which we may not be able to fully pass on to customers and could adversely affect our operating margins and operating income. In addition, inflation affects our financial liquidity and financial capital resources primarily by exposing us to variations in our floating-rate loans. Higher interest rates may also impact the costs of our fundraising and indebtedness, increasing our financial expenses. Such an increase could adversely affect our ability to pay our obligations to the extent it reduces cash on hand. On the other hand, we have generally been able to pass through price increases, mostly in line with inflation, to our customer base, partially offsetting the negative effects.

Although we are not able at this time to predict the extent to which these events may have a material, or any, effect on our financial or operational results in future periods, we could be negatively impacted if economic conditions decline further and remain volatile.

Geopolitical developments

The geopolitical conflicts between Russia and Ukraine, and between Israel and Hamas, have led to disruptions in the global markets for various commodities - particularly oil, fuel, certain agricultural products, and fertilizers - including through sanctions, export/import controls and other trade restrictions. In addition, developments in other jurisdictions (including Venezuela) and changes in applicable sanctions regimes may from time to time create further uncertainty and volatility in global energy and commodity markets.

While the precise effect of the ongoing war and these geopolitical developments on global economies remains uncertain and ever-changing, they have already resulted in significant volatility in financial markets, as well as an increase in energy and commodity prices globally. While, as of the date of this annual report, there have not been any material impacts from these conflicts on our business, we are continuously monitoring the developments to assess any potential future impacts that may arise as a result of such developments. The adverse effects—global or localized—of these developments, and/or economic sanctions and import and/or export controls to be imposed by the United States, the UK, the EU or others in connection with any such conflicts, and their adverse effects on the wider global economy and market conditions could have a material adverse effect on our business, financial condition and results of operations.

Foreign exchange rates

The Brazilian currency has, during the last decades, experienced frequent and substantial variations in relation to the U.S. dollar and other foreign currencies. The real/U.S. dollar exchange rate reported by the Brazilian Central Bank was R\$4.8413 per US\$1.00 on December 31, 2023, which reflected a 7.4% appreciation in the real against the U.S. dollar during the year. The real/U.S. dollar exchange rate reported by the Brazilian Central Bank was R\$6.1923 per US\$1.00 on December 31, 2024, which reflected a 27.9% depreciation in the real against the U.S. dollar during the year. The real/U.S. dollar exchange rate reported by the Brazilian Central Bank was R\$5.5024 per US\$1.00 on December 31, 2025, which reflected an 11% appreciation in the real against the U.S. dollar during the year, influenced in part by higher Brazilian interest rates relative to the U.S., attracting capital inflows, alongside improving global risk sentiment and solid commodity exports. As of February 23, 2026, the real/U.S. dollar exchange rate reported by the Brazilian Central Bank was R\$5.17 per US\$1.00.

Depreciation of the real relative to the U.S. dollar has created additional inflationary pressures in Brazil, which has led to increases in interest rates and limited Brazilian companies' access to foreign financial markets. Depreciation of the real may also, in the context of an economic slowdown, lead to decreased consumer spending, deflationary pressures and reduced growth of the Brazilian economy as a whole, and thereby harm our asset base, financial condition and results of operations. Conversely, appreciation of the real relative to the U.S. dollar and other foreign currencies could lead to a deterioration of the Brazilian foreign exchange currency balance of payments, as well as dampen export driven growth. Depending on the circumstances, either depreciation or appreciation of the real could materially and adversely affect the growth of the Brazilian economy and our business, financial condition and results of operations, as volatility of the Brazilian real against the U.S. dollar may in any case affect the purchasing power of Brazilian consumers and cause a negative impact on the ability of our customers to pay for our telecommunications services.

Sources of Revenue

The breakdown of our operating revenue is presented net of discounts. In addition, we categorize our revenue according to the following groups:

- Exploitation of communications and telecommunications services;
- Development of activities necessary or useful to the execution of these services, in conformity with the concessions, authorizations and permissions granted thereto;
- Exploitation of value-added services, development, availability, distribution, and commercialization of digital services, as well as audio, video, image, text, and internet based applications in any medium, including advertising and promotional materials;
- Exploitation of integrated solutions, management and provision of services 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 similar activities; (iii) information technology; (iv) information and communications security; (v) telecommunications; and (vi) electronic security systems related to theft, intrusion, fire and others; and
- Licensing and sub-licensing of any nature.

Results of Operations

The following table sets forth certain components of our net income for each year ended December 31, 2025, 2024 and 2023, as well as the percentage change of each component.

	Year ended December 31,			Percent change	
	2025	2024	2023	2025–2024	2024–2023
	(in millions of reais)				
Net operating revenue	59,595.0	55,845.0	52,100.1	6.7%	7.2%
Cost of sales	(32,925.4)	(31,352.1)	(29,415.4)	5.0%	6.6%
Gross profit	26,669.6	24,492.9	22,684.7	8.9%	8.0%
Operating (expenses) income	(16,810.4)	(15,819.4)	(14,766.9)	6.3%	7.1%
Selling expenses	(13,348.1)	(12,953.8)	(12,439.2)	3.0%	4.1%
General and administrative expenses	(3,771.6)	(3,205.0)	(2,957.3)	17.7%	8.4%
Other operating income, net	327.5	343.8	640.3	(4.7%)	(46.3%)
Share of results in investees - equity method	(18.2)	(4.4)	(10.7)	313.6%	(58.9%)
Operating income	9,859.2	8,673.5	7,917.8	13.7%	9.5%
Financial expenses, net	(2,588.3)	(1,909.7)	(2,343.9)	35.5%	(18.5%)
Income before taxes	7,270.9	6,763.8	5,573.9	7.5%	21.3%
Income and social contribution taxes	(1,093.4)	(1,206.5)	(533.9)	(9.4%)	126.0%
Net income for the year	6,177.5	5,557.3	5,040.0	11.2%	10.3%
Net income attributable to:					
Controlling shareholding	6,167.9	5,547.9	5,029.4	11.2%	10.3%
Non-controlling shareholders	9.6	9.4	10.6	2.1%	(11.3%)

Results of Operations for the Year Ended December 31, 2025 Compared to the Year Ended December 31, 2024

The table and descriptions below set forth explanations for the variations:

	Year ended December 31,		Percent change
	2025	2024	%
	(in millions of reais)		
Net operating revenues	59,595.0	55,845.0	6.7%
Services	55,094.7	51,751.4	6.5%
Sale of goods	4,500.3	4,093.6	9.9%

Net operating revenue

Net operating revenue increased by R\$3,750.0 million, or 6.7%, from R\$55,845.0 million in 2024 to R\$59,595.0 million in 2025, maintaining the tendency of growing our revenues from services and sale of goods above the inflation rates registered in the period (IPCA of 4.3% in 2025) at rates of 6.5% and 9.9%, respectively, when compared to 2024. Our services revenue, which increased by R\$3,343.3 million, or 6.5%, to R\$55,094.7 million in 2025 from R\$51,751.4 million in 2024, was boosted by the strong performance of the mobile business, mainly in postpaid services, supported by the growth in our customer base, reduction in churn and annual price adjustments. As for revenues from the sale of goods, which increased by R\$406.7 million, or 9.9%, to R\$4,500.3 million in 2025 from R\$4,093.6 million in 2024, such performance was mainly impacted by the increased demand for 5G smartphones and accessories, combined with the broad range of electronics that composes our portfolio.

Cost of sales

Cost of sales increased by R\$1,573.3 million, or 5.0%, from R\$31,352.1 million in 2024 to R\$32,925.4 million in 2025. The table and descriptions below set forth explanations for these variations:

	Year ended December 31,		Percent change
	2025	2024	%
	(in millions of reais)		
Cost of goods sold	(4,555.5)	(4,468.0)	2.0%
Depreciation and amortization	(12,367.7)	(11,713.1)	5.6%
Third-party services and other	(11,349.9)	(10,391.6)	9.2%
Rental, insurance, condominium and connection means	(1,242.3)	(1,383.8)	(10.2%)
Personnel	(1,414.6)	(1,366.5)	3.5%
Taxes, charges and contributions	(1,995.4)	(2,029.1)	(1.7%)
Cost of sales	(32,925.4)	(31,352.1)	5.0%

Cost of Goods Sold: Cost of goods sold increased by R\$87.5 million, or 2.0%, from R\$4,468.0 million in 2024 to R\$4,555.5 million in 2025, mainly due to the growth of handsets and ICT equipment's sales, combined with the broad range of electronics that composes our portfolio, corresponding to an increase in the sale of goods revenue line.

Depreciation and Amortization: Costs related to depreciation and amortization increased by R\$654.6 million, or 5.6%, from R\$11,713.1 million in 2024 to R\$12,367.7 million in 2025, resulting from accelerated depreciation of legacy technologies equipments.

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Third-Party Services and Other: Costs related to outside services and other increased by R\$958.3 million, or 9.2%, from R\$10,391.6 million in 2024 to R\$11,349.9 million in 2025, mainly due to the costs related to third-party services, associated with the expansion of our network, and Corporate Data & ICT revenue.

Rental, Insurance, Condominium and Connection Means: Costs related to rent, insurance, condominium and connection means decreased by R\$141.5 million, or 10.2%, from R\$1,383.8 million in 2024 to R\$1,242.3 million in 2025, mainly due to decreases as a result of network rental efficiencies and lower condominium fees.

Personnel: Personnel expenses increased by R\$48.1 million, or 3.5%, from R\$1,366.5 million in 2024 to R\$1,414.6 million in 2025, driven by annual wage and benefits readjustments.

Taxes, Charges and Contributions: Taxes, charges and contributions decreased by R\$33.7 million, or 1.7%, from R\$2,029.1 million in 2024 to R\$1,995.4 million in 2025, primarily due to lower regulatory fees and other taxes.

Operating (expenses) income

Operating (expenses) income increased by R\$977.2 million, or 6.2%, to R\$16,792.2 million in 2025 from R\$15,815.0 million in 2024. The table and descriptions below set forth explanations for these variations:

	Year ended December 31,		Percent change
	2025	2024	2025–2024
	(in millions of reais)		
Selling expenses	(13,348.1)	(12,953.8)	3.0%
General and administrative expenses	(3,771.6)	(3,205.0)	17.7%
Other operating income (expenses), net	327.5	343.8	(4.7%)
Total	(16,792.2)	(15,815.0)	6.2%

Selling Expenses: Our selling expenses increased by R\$394.3 million, or 3.0%, from R\$12,953.8 million in 2024 to R\$13,348.1 million in 2025, given higher costs with third-party services related to the increased commercial activity as well as personnel-related expenditures resulting from annual wage and benefits readjustments and greater costs with variable compensation.

General and Administrative Expenses: Our general and administrative expenses increased by R\$566.6 million, or 17.7%, from R\$3,205.0 million in 2024 to R\$3,771.6 million in 2025, mainly due to higher expenses with systems development, licenses and software, and consultancy firms.

Other Operating Income (Expenses), Net: Other operating income, net decreased by R\$16.3 million, or 4.7%, from R\$343.8 million in 2024 to R\$327.5 million in 2025, due to the effect of higher expenses related to contingencies and asset disposal services, was offset by higher tax recoveries, investment gains, sales of scrap metal and extinguished fibers, and gains from real estate sales.

Financial income (expenses), net: In 2025, our financial expense, net amounted to R\$2,588.3 million, an increase of R\$678.6 million, or 35.5%, from an expense of R\$1,909.7 million in 2024, mainly due to the reversal of monetary updates on provisions related to the migration of fixed-line voice concession to an authorization regime in 2025 combined with net gains related to adherence to tax amnesty programs, partially offset by higher level of revenue from interest income.

Income and social contribution taxes: Income and social contribution tax expenses decrease R\$113.1 million, or 9.4%, from R\$1,206.5 million in 2024 to R\$1,093.4 million in 2025. This was primarily due to benefits from the Good Law. As a result, in 2025, our effective rate of income and social contribution taxes amounted to 15.0%, a decrease of 2.8 p.p. as compared to 17.8% in 2024.

Results of Operations for the Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023

For a discussion of our results of operations for the year ended December 31, 2024 compared to the year ended December 31, 2023, please see “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Results of Operations for the Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023” of our annual report on Form 20-F for the year ended December 31, 2024.

B. Liquidity and Capital Resources

General

We fund our operations and capital expenditures primarily from operating cash flows, loans obtained from financial institutions or development banks, and debentures. As of December 31, 2025, we had R\$7.0 billion in cash and cash equivalents. We do not have any material unused sources of liquidity. Our principal cash requirements include:

- the servicing of our indebtedness;
- capital expenditures; and
- the payment of dividends.

Our management believes that our sources of liquidity and capital resources, including working capital, are adequate for our present requirements.

Sources of Funds

Our net cash generated by operating activities was R\$20.7 billion in 2025, an increase of R\$841 million, or 4.2%, compared to R\$19.9 billion in 2024. The increase in cash flow from operations is primarily due to a rises of taxes to recover, which are mainly a result of certain tax credits and taxes, charges and contributions, partially offset by interest paid on loans, financing, debentures and leases.

For a discussion of our sources of funds for the year ended December 31, 2024 compared to the year ended December 31, 2023, please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Sources of Funds” of our annual report on Form 20-F for the year ended December 31, 2024.

Uses of Funds

Our net cash used in investing activities was R\$10.0 billion in 2025, an increase of R\$1.1 billion, or 12.4%, compared to R\$8.9 billion in 2024. This increase was primarily driven by higher investments as a result of M&A activities in connection with the acquisition of Samauma, FiBrasil and CyberCo.

Our net cash used in financing activities recorded an outflow of R\$10.4 billion in 2025, an increase of R\$1.7 billion, or 20.0%, compared to R\$8.6 billion in 2024. This increase was mainly due to higher debt repayments, as well as share buybacks and capital reductions.

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For a discussion of our uses of funds for the year ended December 31, 2024 compared to the year ended December 31, 2023, please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Uses of Funds” of our annual report on Form 20-F for the year ended December 31, 2023.

Indebtedness

As of December 31, 2025, our total debt was as follows:

Debt	Currency	Annual interest rate payable	Maturity	Total amount outstanding (in millions of reais)
Finance Leases (1)	BRL	—	2056	15,432.9
Debentures Telefônica Brasil 7th issue - Second Series	BRL	CDI rate + 1,35% a.a.	2027	2,150.4
Debentures FIBrasil 3rd issue - First Series	BRL	IPCA + 7,3609% a.a.	2034	916.5
5G License	BRL	SELIC rate	2040	1,034.0
Acquisition - M&A VSS	BRL	SELIC rate	2029	4.1
Acquisition - M&A VITA IT	BRL	IPCA	2027	40.5
Acquisition - M&A IPNET	BRL	SELIC rate/IPCA	2029	170.6
Acquisition - M&A I2GO	BRL	CDI rate	2031	44.6
Acquisition - M&A Cyber	BRL	-	2027	16.5
Tax amnesty programs (2)	BRL	SELIC rate	2029	405.3
Financial institutions	BRL	CDI rate + 2.92% p.a.	2026	3.7
Other creditors (3)	BRL	CDI rate + 3.75% p.a.	2028	78.3
Intercompany loan (4)	EUR	Six-month EURIBOR + 2.4% p.a.	2027	49.3
Total debt				20,346.7
Current				5,348.9
Noncurrent				14,997.8

(1) Our finance leases are related to towers and rooftops, IT equipment leases, infrastructure rent and other means of transmission.

(2) Refers to (i) the State of São Paulo Amnesty Program (Law No. 17,843/2023), which allows for the settlement of ICMS debts with reductions in interest and principal for eligible taxpayers, (ii) the State of Paraná Amnesty Program (Law No. 20,946/2021), which provides similar debt settlement benefits, including reductions in fines and interest, (iii) the State of Rio Grande do Sul Amnesty Program (Decree No. 58,067/2025), which allows for the settlement and installment of ICMS debts with reductions in fines and interest, and (iv) the State of Minas Gerais ICMS installment and refinancing programs, related to energy-related ICMS debts. For more information, please see note 20.c.1 to our audited consolidated financial statements included elsewhere in this annual report.

(3) Refers to the investments made by Poligono in Vivo Money in 2023. See “Item 4. Information on the Company—A. History and Development of the Company—Historical Background—Launch of Vivo Money Credit Rights Investment Funds (FIDCs).”

(4) On September 26, 2024, the Company's subsidiary, CloudCo Brasil, entered into a loan agreement with TCCT, a Telefônica Group company, for an amount of €7.4 million (equivalent to R\$45.0 million). This loan provides CloudCo Brasil with the financial capacity to fulfill its obligations related to the acquisition of IPNET. The principal amount will be adjusted daily until full repayment, based on the six-month Euro Interbank Offered rate, or the EURIBOR rate, plus 240 basis points per year, from the date the funds are made available until the date of repayment. Interest payments will be made semi-annually, beginning on March 27, 2025, while the principal will be repaid on September 27, 2027. To mitigate risk exposure, a swap contract was executed to hedge against exchange rate fluctuations and convert the fixed interest into CDI rate + 1.795% per year. As of December 31, 2025, the outstanding loan balance was R\$49.3 million.

Interest and principal payments on our indebtedness as of December 31, 2025 due in 2026 totaled R\$5,348.8 million, in comparison to R\$6,447.9 million as of December 31, 2024.

As of December 31, 2025, our debentures have a sustainability component (Debentures linked to Environmental, Social and Corporate Governance - ESG) performance, classifying them as “sustainability-linked”, under the terms of the International Capital Market Association in the Sustainability-Linked Bond Principles, June 2020 release.

These agreements contain certain standard restrictive clauses. These agreements can provide an acceleration of the full balance of our obligations in the event of default. In general, such agreements are subject to the acceleration of maturity over: (i) the inclusion in the agreement of our shareholders, bylaws or articles of incorporation or of the companies that control us of conditions that lead to restrictions or loss of ability to pay financial obligations arising from these agreements; or (ii) liquidation, dissolution, insolvency; bankruptcy, judicial or extrajudicial recovery to any creditor or class of creditors. As of December 31, 2025, we were not in default of any of our obligations and therefore none of our liabilities were subject to acceleration.

Foreign exchange and interest rate exposure

We face foreign exchange risk due to our foreign currency-denominated accounts payable (including our capital expenditures, particularly equipment) and receivables in foreign currency. A devaluation of the real may increase our cost of debt and certain commitments in a foreign currency. Our revenue is earned in reais, and we have no material foreign currency-denominated assets, except income from hedging transactions, interconnection of international long-distance services and services rendered to customers outside Brazil. Equity investments in foreign companies also suffer effects with variations in the exchange rate.

We use derivative instruments to limit our exposure to exchange rate risk. Since September 1999, we have hedged all of our foreign currency-denominated bank debt using swaps and other derivative instruments. Since May 2010, the Company began using net balance coverage, which is the hedging of net positions in foreign exchange exposures, or assets (issued invoices) minus liabilities (received invoices) for foreign exchange exposures, substantially reducing our risk to fluctuations in exchange rates. We could continue to face exchange rate exposure with respect to our planned capital expenditures, however, as a small part of our planned capital expenditures are denominated or indexed in foreign currencies (mostly U.S. dollars). We systematically monitor the amounts and time of exposure to exchange rate fluctuations and may hedge positions when deemed appropriate.

The largest part of our reais-denominated debt originally pays interest as a percentage of the CDI rate or has been swapped to do so. The CDI rate is indexed to the average rate of operations transacted among the banks within Brazil. With the CDI rate being a floating rate, we remain exposed to market risk. This exposure to the CDI rate is also present in long derivatives positions and financial investments, which are indexed to percentages of the CDI rate.

For more information, see “Item 11. Quantitative and Qualitative Disclosures about Market Risk.”

Tabular Disclosures of Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments as of December 31, 2025 were as follows:

	Total	Less than 1 year	1–3 years	4–5 years	More than 5 years
	(in millions of reais)				
Contractual obligations:					
Loans, financing and leases (1)	15,436.5	4,885.4	6,112.9	3,089.5	1,348.8
Debentures	3,067.0	161.5	2,000.0	181.1	724.4
Derivatives	198.7	52.7	34.6	—	111.3
5G License and cash obligations	1,034.0	68.9	137.9	137.9	689.3
Other Creditors	78.3	31.8	46.5	—	—
Acquisition - M&A VSS	4.1	—	1.6	2.5	—
Acquisition - M&A VITA IT	40.5	22.9	17.5	—	—
Acquisition - M&A IPNET	170.6	13.7	59.2	97.7	—
Acquisition - M&A I2GO	44.6	5.6	11.2	27.9	—
Acquisition - M&A Cyber	16.5	—	16.5	—	—
Amnesty Program	405.3	158.3	204.6	42.4	—
Intercompany Loan	49.3	0.7	48.6	—	—
Pension and other post-retirement benefits	786.5	27.3	14.5	15.5	729.2
Total contractual obligations	21,331.8	5,428.9	8,705.6	3,594.3	3,603.0
Trade accounts payable	9,861.3	9,861.3	—	—	—
Total trade payables	9,861.3	9,861.3	—	—	—

(1) Includes the present value of minimum lease payments on operating leases of rental of equipment, facilities and stores, administrative buildings, and cell sites. See note 21 of our audited consolidated financial statements included elsewhere in this annual report.

(2) For more information, see “—Indebtedness” above.

Long-Term Debt – Loans, financing, leases and debentures

Our long-term debt as of December 31, 2025 was as follows:

	Amount
	(in millions of reais)
Year ending December 31	
2027	5,431.9
2028	2,681.0
2029	1,977.8
2030	1,292.8
2031 onwards	2,073.2
Total	13,456.7

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Our contractual commitments as of December 31, 2025 were as follows:

	Amount
	(in millions of reais)
2026	938.4
2027	838.7
2028	860.6
2029	840.3
2030	360.8
2031 onwards	1,574.5
Total⁽¹⁾⁽²⁾	5,413.3

- (1) Includes R\$ 1,181.8 million, referring to contracts for the provision of security services with Telefónica Cybersecurity Tech, S.L.U. (“CyberCo”) and its subsidiaries, companies of the Telefónica Group.
- (2) Unrecognized contractual commitments arising from the purchase of goods and services. The amount presented above represents the total consolidated nominal values equivalent to the full contract period. See note 34(a) to our audited consolidated financial statements included elsewhere in this annual report.

Our guarantees as of December 31, 2025 were as follows:

	Amount
	(in millions of reais)
Insurance of guarantee ⁽¹⁾	30,925.7
Letters of guarantee	9,884.0
Judicial deposits and garnishments	2,964.3
Property and equipment	9.7
Financial investments in guarantee of lawsuits	41.3
Total⁽²⁾	43,825.0

- (1) These refer to insurance amounts contracted to ensure the continuity of legal proceedings. For more information, see note 20 to our audited consolidated financial statements included elsewhere in this annual report.
- (2) Guarantees for several commitments with ANATEL, suppliers and legal proceedings. For more information, see notes 4, 10, 13.f and 34(b) to our audited consolidated financial statements included elsewhere in this annual report.

For more information, see notes 21 and 34 to our audited consolidated financial statements included elsewhere in this annual report.

Capital Expenditures and Payment of Dividends

Our principal capital requirements are for capital expenditures and payments of dividends to shareholders. Capital expenditures consisted of additions to property, plant and equipment, additions to intangible assets, including licenses and excluding leases (IFRS 16) which totaled R\$9.3 billion, R\$9.2 billion and R\$9.0 billion for the years ended December 31, 2025, 2024 and 2023, respectively. These expenditures relate primarily to the expansion of our network.

We may seek financing for part of our capital expenditures and cash management assistance from the Brazilian government, in particular from BNDES, which is the main government financing agent in Brazil, as well as from the local or foreign capital markets or from local and foreign financial institutions. See “Item 4. Information on the Company—A. History and Development of the Company—Capital Expenditures.”

Pursuant to our bylaws and Brazilian Corporate Law, we are required to distribute a mandatory minimum dividend of 25% of our “adjusted net income” (as defined below) in respect of each fiscal year to the extent earnings are available for distribution.

Adjusted net income, as determined by Brazilian Corporate Law, is an amount equal to our net income adjusted to reflect allocations to or from (i) legal reserve, (ii) bylaw reserve and (iii) a contingency reserve for anticipated losses, if any.

We may also make additional distributions in the case that we have profits and reserves available to distribute. All of the above distributions may be made as dividends or as tax-deductible interest on shareholders' equity. Interest on shareholders' equity is tax-deductible payments pursuant to Brazilian Corporate law, that a company may make, in addition to dividends, which the company may treat as financial expenses for tax and social contribution purposes. For more information on the payment of interests on shareholders' equity, see "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividends and Dividend Distribution Policy—Dividends and Interest on Shareholders' Equity." We deliberated in favor of the distribution of dividends and interest on shareholders' equity of R\$3.4 billion, R\$3.1 billion and R\$3.4 billion in 2025, 2024 and 2023, respectively.

Our management expects to meet 2026 capital requirements primarily from cash provided from our operations. Net cash generated by operating activities was R\$20.7 billion, R\$19.9 billion and R\$18.8 billion in 2025, 2024 and 2023, respectively.

Adjustments to net income for purposes of calculating the basis for dividends include allocations to various reserves that effectively reduce the amount available for the payment of dividends. The proposal to pay dividends will be approved at the shareholders' meeting that will approve the 2025 annual report. See "Item 3. Key Information—D. Risk Factors—Risks Relating to the Common Shares and the ADSs— Holders of our ADSs are not entitled to attend shareholders' meetings and may only vote through the depositary." and "Item 10. Additional Information—B. Memorandum and Articles of Association—Description of Our Bylaws—Voting Rights."

Accounting Pronouncements

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.

New IFRS pronouncements, issues, amendments and interpretations of the IASB

The new and amended standards and interpretations issued, but not yet effective up to the date of issue of the Company's financial statements, are described below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Company does not anticipate the early adoption for the year ended December 31, 2025 of any pronouncement, interpretation or amendment that has been issued before application is mandatory.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7: On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments: (i) clarify the date of recognition and derecognition 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 solely payments of principal and interest (SPPI) criterion; (iii) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (iv) update the disclosures for equity instruments designated at fair value through other comprehensive income. Effective for annual periods beginning on or after January 1, 2026.

- **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, of which the first three are new.

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.

In addition, narrow-scope changes have been made to IAS 7 (equivalent to IFRS 18: Presentation and Disclosure in Financial Statements), which include changing the starting point for determining cash flows from operations using the indirect method, from “profit or loss for the period” to “operating profit or loss” and removing the optionality for classifying cash flows from dividends and interest.

IFRS 18 and the amendments to the other standards will come into effect for reporting periods beginning on or after January 1, 2027, with early application permitted and required to be disclosed, although in Brazil early adoption is not permitted. IFRS 18 will be applied retrospectively.

- **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 all impacts that the new and amended standards will have on the primary financial statements.

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

C. Research and Development, Patents and Licenses

Research and Development

We operate in a fast-paced, dynamic and convergent industry, which demands that our products and services be continuously revamped to keep up with growth expectations. The evolution of products and services now includes features to offer new services such as health care, fintech and connected home.

The table below presents our investments in the research and development, including investments in the updating and modernization of systems to support the launch of new products and services, for each of the periods indicated:

	For the Year Ended December 31,		
	2025	2024	2023
	(in millions of reais)		
Development and Innovation (business incubator and tests)	32.4	25.8	57.9

Patents and Licenses

Our principal intellectual property assets include:

- permission to use the trademark name “Telefônica” and all names derived from “Telefônica”;
- our commercial brands in Brazil, “Vivo”, and sub-brands such as “Vivo Fibra”, “Vivo Total”, “Vivo Pós”, “Vivo 5G”, “Vivo Controle”, “Vivo Pré”, “Vivo PlayTV”, “Vivo Easy Lite”, “Vivo Pay”, “Vivo Empresas”, “Vivo Agro”, “Vivo Ventures”, “Vivo Casa Inteligente” and “Velvet”;
- the figurative trademark “Vivinho”;
- the trademark “Aura”, which is Vivo’s Artificial Intelligence;
- permission to use the trademark “Terra”, which provides media and digital services;
- “Atma”, Vivo’s brand for a meditation app;
- “OVVI”, Vivo’s brand for accessories;
- “i2Go”, a brand of accessories of the recent acquired company Samauma Brands Comércio, Importação e Exportação de Eletro-Eletrônicos Ltda.,
- “Vale Saúde Sempre”, Telefônica’s brand, which, through a monthly subscription, offers various health services to consumers in a cheap and accessible way;
- “VivaE”, a brand of the joint venture between Telefônica/Vivo and the Educational Group Ânima that offers professional courses; and
- “Gud Energia”, a brand of the joint venture between Telefônica/Vivo and Auren Energia for energy commercialization for the B2B market.
- “IPnet by Vivo”, Vivo’s brand specializing in digital transformation through cloud solutions and services.

In September 2016 and December 2024, the Brazilian Trademark Office recognized the “Vivo” trademark and the “Vivinho” figurative trademark, respectively, as “high reputation” trademarks and therefore protected in all branches of activities within Brazilian territory.

In 2025, Telefônica’s commercial brand, Vivo, ranked third among the most valuable brands in Brazil, according to the TM20 ranking in partnership with Infomoney, accumulating a brand value of R\$50.1 billion.

D. Trend Information

Reliable and ever-expanding high-speed connectivity will continue to gain relevance as consumers’ digital habits evolve and organizations progress in their digitalization journeys. Beyond technical excellence, customer experience will remain a major differentiator, with increasing adoption of artificial intelligence across customer services and operational service and operational processes. We also expect consumers and enterprise customers to become more selective in their choices, increasing the importance of trust, digital security and ESG-conscious agendas.

The demand for ultra-broadband connectivity will continue to increase, notably driven by fiber in small cities. On the other hand, a more mature fiber market with higher penetration and fewer underserved areas will increase market competitiveness, likely accelerating consolidation in the medium term. Furthermore, the high cost of capital should continue to slow the growth pace of regional ISPs, especially those supported by private equity funds, leading these players to seek different strategic approaches to sustain growth.

Brazil's main operators have launched 5G in more than 2,000 cities, with 5G coverage already reaching approximately two thirds of Brazil's population. 5G adoption should continue to grow as device availability and affordability improve. 5G also marks the entry of new regional players into the mobile market in Brazil, which began launching their operations in early 2024. Vivo will continue expanding its 5G coverage, delivering the best speed and quality mix across the country. The company will also accelerate the rollout of its 5.5G network to more cities and regions, after being the first operator in Brazil to offer this technology to customers, reinforcing its leadership in next-generation connectivity. This will lay the groundwork for future legacy network switch-offs, always focusing on enhancing Vivo's unmatched user experience.

As consumers become more sophisticated in their digital habits, services beyond connectivity will gain relevance. Companies will leverage digitalization to broaden their service portfolios and offer more solutions, focusing on strengthening customer relationships and ultimately increasing revenue per user. Vivo will continue investing in digital services and innovative value propositions as a growth strategy, developing its digital platforms in education, healthcare, financial services, consumer electronics, energy and smart homes. Additionally, Vivo will leverage new partnerships and open innovation initiatives through Wayra and Vivo Ventures, strengthening its path to creating the leading B2C digital ecosystem in Brazil.

In the B2B segment, digitization efforts will remain a top priority for CEOs, driving demand for better connectivity services and creating more opportunities for Professional & Managed Services in Cloud, Cybersecurity, IoT, Big Data and Messaging. Operators now have the technical capabilities to monetize their networks as open platforms. In line with this trend, Vivo has partnered with Brazilian operators to launch the Open Gateway initiative, transforming networks into developer-ready platforms, simplifying the development of cross-operator solutions, and supporting the rollout of a new generation of digital services.

Customer experience will continue to play a fundamental role in differentiating operators, with generative AI opening a new competitive dynamics. Vivo is committed to providing its customers with the best experiences in the market by leveraging the potential of generative AI to create more engaging and seamless experiences in the Vivo App, while also supporting both call center and in-store agents with AI-enabled tools.

On the ESG front, companies are expected to adopt more conscious agendas to foster trust among critical stakeholders, such as customers and investors. Vivo will remain positioned as an intersectoral reference in Brazil, operating in line with the United Nations' Sustainable Development Goals and advancing towards becoming a Net Zero company by 2035, five years earlier than initially planned. To foster innovation and sustainable business growth, we will continue our journey of talent attraction and retention in an inclusive and diverse environment, always supported by a contemporary brand connected to key social themes.

In this context, we believe we are well positioned to strengthen our leadership. Our strategic pillars, guided by Telefonica Group's key drivers—Deliver best-in-class customer experience, Expand B2C offering, Scale B2B, Evolve technological capabilities, Simplify Telefónica's Operating Model and Develop Talent—will enable us to achieve our purpose of advancing digitalization to bring people together (“*Digitalizar para Aproximar*”).

E. Critical Accounting Estimates

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 the Company's accounting policies. These estimates are based on experience, better knowledge, information available at the end of the fiscal year, and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Settlement of transactions involving these estimates may result in values that are different 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 the financial statements are presented in the following notes to our audited consolidated financial statements included elsewhere in this annual report: 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.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

We are managed by a Board of Directors (*Conselho de Administração*) and a board of executive officers (*Diretoria*).

Board of Directors

According to our bylaws, our Board of Directors may comprise a minimum of five and a maximum of 17 members, who are elected and dismissed by our shareholders' at a shareholders' meeting, and serve for a term of three years with the possibility of re-election.

The following is a list of the current members of our Board of Directors, their respective positions and dates of their election. Their term will last until the annual shareholders' meeting scheduled to take place in April 2028.

The following are the current members of the Board of Directors:

Name (*)	Position	Date of Appointment
Eduardo Navarro de Carvalho	Chairman	April 25, 2025
Andrea Capelo Pinheiro	Director	April 25, 2025
Cesar Mascaraque Alonso	Director	April 25, 2025
Christian Mauad Gebara	Director	April 25, 2025
Cristina Presz Palmaka de Luca	Director	April 25, 2025
Denise Soares dos Santos	Director	April 25, 2025
Gregorio Martínez Garrido	Director	April 25, 2025
Ignácio Moreno Martínez	Director	April 25, 2025
Jordi Gual Solé	Director	April 25, 2025
Marc Xirau Trias	Director	April 25, 2025
Solange Sobral Targa	Director	April 25, 2025

(*) On February 12, 2026, Mr. Francisco Javier de Paz Mancho resigned from his positions as a member of the Company's Board of Directors and as a member of the Nominations, Compensation and Corporate Governance Committee, effective as of February 13, 2026. The aforementioned seat at the Board of Directors will remain temporarily vacant until the appointment of a new member.

Below are brief biographies of our directors:

Eduardo Navarro de Carvalho is 63 years old and serves as Chairman of our Board of Directors and Chairman of our Nominations, Compensation and Corporate Governance Committee. He previously held the following positions: (i) Chief of Strategy and Corporate Affairs Officer of Telefónica S.A. (until September/2021); (ii) Chairman of our Quality and Sustainability Committee (until April/2024); (iii) member of our Quality and Sustainability Committee (until April/2025); (iv) Chief of Corporate Affairs and Sustainability Officer of Telefónica S.A. (until December/2025); (v) member of the Executive Committee of Telefónica S.A. (until December/2025); and (vi) Patrono Nato of Fundación Telefónica (until December/2025). He graduated in Metallurgical Engineering from the Federal University of Minas Gerais, Brazil.

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Andrea Capelo Pinheiro is 59 years old and serves as a member of our Board of Directors and of our Control and Audit Committee. She is also an Officer of Fundação Bienal de São Paulo (since January/2019); an Ambassador of Endeavor (since September/2019); and a Founding Member of Fundo Dona de Mim (since September/2021). Mrs. Pinheiro previously held the following positions: (i) Advisor of Associação Brasileira de Bancos (ABBC) (until April/2021); (ii) Risk Director at BR Partners (until April/2021); and (iii) Founder and Chief Operating Officer of BR Partners (until April/2021). She holds a degree in Business Management from Fundação Armando Álvares Penteado (FAAP) and an MBA in Business Management, focusing on Finance, from Stern School of Business, University of New York (USA).

Cesar Mascaraque Alonso is 54 years old and serves as a member of our Board of Directors and of our Quality and Sustainability Committee. He is also Founder and Partner of BPM Marketing Ltd. (since January/2012); and a member of the Board of Directors at Telefónica S.A. (since October/2025). Mr. Alonso previously held the following positions: (i) Founder of Finexia Ltd. in the United Kingdom (until October/2003); (ii) Responsible Business Development – Southern Europe and Emerging Markets at Google Inc. (until January/2008); and (iii) General Manager of IAC Search & Media Ltd. in Europe (until August/2011). He holds a degree in Industrial Engineering from Escola Técnica Superior de Ingenieros Industriales de Barcelona and an MBA from Harvard Business School.

Christian Mauad Gebara is 53 years old and serves as our Chief Executive Officer and member of our Board of Directors. He is also Chief Executive Officer of POP Internet Ltda. (since January/2019); Terra Networks Brasil Ltda. (since January/2019); Recicla V Comércio e Reciclagem de Sucatas e Metais Ltda. (since January/2019); and Telefônica Infraestrutura e Segurança Ltda. (since September/2019); member of the Investment Committee of Vivo Ventures Fundo de Investimento em Participações Multiestratégia (since July/2022); Chairman of the Curator Council of Fundação Telefônica (since November/2022) and Second Vice-President of the Statutory Board of Conexis Brasil Digital (since September/2025). Mr. Gebara previously held the following positions: (i) Chairman of the Board of Directors of Telefônica Factoring do Brasil Ltda. (until September/2022); (ii) Chief Executive Officer of SP Telecomunicações Participações Ltda. (until October/2022); (iii) Chief Executive Officer of Garliava RJ Infraestrutura e Redes de Telecomunicações S.A. (until February/2023); and (iv) President of the Statutory Board of Conexis Brasil Digital (until September/2025). He holds a degree in Business Administration from Fundação Getúlio Vargas and an MBA from Stanford Graduate School of Business.

Cristina Presz Palmaka de Luca is 57 years old and serves as an independent member of our Board of Directors and of our Quality and Sustainability Committee. Cristina has also been designated by the Company's Board of Directors as the specialist member in sustainability matters at Telefônica Brasil S.A. She is also a member of the Board of Directors of Arcos Dorados (since December/2019); member of the Board of Directors and Chairwoman of the People and ESG Committee at C&A (since November/2020); member of the Board of Directors of Eurofarma (since November/2021); Chairwoman of the People and ESG Committee at Eurofarma (since January/2023); and member of the Digital Transformation Committee at IBGC (since October/2024). Ms. Palmaka previously held the following positions: (i) Vice President – Personal System Group at Compaq/HP (until July/2009); (ii) Vice President of Consumer Channels Group at Microsoft (until September/2013); (iii) President of SAP Brazil (until June/2020); (iv) member of the Advisory Boards of MBC – Movimento Brasil Competitivo (until December/2020); (v) member of the Advisory Boards of Amcham Brasil (until December/2020); (vi) member of the Advisory Boards of Eurofarma (until November/2021); (vii) member of the CEO Legacy Program at Fundação Dom Cabral (until December/2021); (viii) member of the Advisory Boards of Amcham Latinoamérica (until December/2023); (ix) President of SAP Latin America (until March/2025); and (x) member of the Advisory Boards of Junior Achievement Americas (until September/2025). Ms. Palmaka holds a degree in Accounting from Fundação Armando Álvares Penteado, a degree in Finance and Marketing from Fundação Getúlio Vargas, and MBAs from Fundação Getúlio Vargas and The University of Texas at Austin. She also completed executive programs in Corporate Governance at IBGC, The Leadership Consortium at Harvard Business School, and Leading the Company to the Future at IMD Business School.

Denise Santos is 57 years old and serves as a member of our Board of Directors and as Chairwoman of our Quality and Sustainability Committee. She is also CEO of Hospital Beneficência Portuguesa de São Paulo (since April/2013); member of the Board of Directors of Croma Oncologia (since January/2023); and member of the Statutory Board Thematic Committee of the Brazilian Institute of Corporate Governance IBGC (since February/2025). Ms. Santos previously held the following positions: (i) General Manager of the Transmission Networks Division at Siemens (until October/2002); (ii) General Manager of Operations for Mobile Networks at Siemens (until October/2004); (iii) General Director of the Mobile Telephony Division at Siemens (until December/2005); (iv) CEO of BenQ (formerly Siemens Mobile) (until January/2008); and (v) member of the pro bono Advisory Board of GK Ventures (until September/2025). Mrs. Santos holds a degree in Electrical Engineering from Faculdade de Engenharia Industrial de São Paulo – FEI, a degree in Business Administration from Fundação Getúlio Vargas – FGV, an MBA from São Paulo Business School / University of Toronto and an Executive Learning Program from Babson University, in addition to recent training in governance, leadership and strategy from Columbia, Harvard, Stanford and SingularityU.

Gregorio Martínez Garrido is 63 years old and serves as a member of our Board of Directors and of our Quality and Sustainability Committee. He is also a member of the Board of Trustees of Fundación Consejo España–Estados Unidos (since April/2024); member of the Governing Board of Nebrija University (since January/2026); and General Director at Estrategos Consulting (since January/2026). Mr. Garrido previously held the following positions: (i) Manager at Cap Gemini / Ernst & Young (until August/2004); (ii) Chief of Staff to the Vice President of the Government and Minister of the Interior (until July/2011); (iii) Operations Security Manager at ACCIONA (until January/2021); (iv) member of the Board of Directors of The Next Pangea (until January/2022); (v) member of the Finance Commission of Cruz Roja Española in the Community of Madrid (until May/2025); (vi) Director of Fundación Antonio de Nebrija (until September/2025); and (vii) Director of Institutional Relations at Nebrija University (until December/2025). He holds a Law degree from Universidad Autónoma de Madrid.

Ignácio Moreno Martínez is 68 years old and serves as a member of our Board of Directors and Chairman of our Control and Audit Committee. He is also Chairman of the Board of Directors of Metrovacesa S.A. (since October/2012); a member of the Compensation, Nominations and Sustainability Committee of Metrovacesa S.A. (since January/2018); a member of the Board of Directors of Alquiler de Maquinaria S.A. (since September/2019); member of “Consejo Asesor” of Telefónica de España (since January/2022); and Senior Consultant of Andera Partners for Spain (Private Equity) (since June/2025). Mr. Martínez previously held the following positions: (i) member of the Board of Directors of Telefónica S.A. (until December/2021); (ii) Senior Consultant at Apollo Investment Consulting Europe Ltd. for Spain (until March/2022); (iii) Senior Consultant at PJT Partners (until December/2024); and (iv) member of the Board of Directors of Road is Transportation Holdings SLU (until April/2025). Mr. Martínez holds a degree in Economics and Business Studies from University of Bilbao and an MBA from INSEAD.

Jordi Gual Solé is 68 years old and serves as a member of our Board of Directors and of our Control and Audit Committee. He is also Professor of Economics at IESE Business School, acting as a consultant and researcher in telecommunications and information technology (since April/1987); Research Fellow at the Centre for Economic Policy Research (CEPR), London (since March/1989); member of the Patronage of Institución Cultural del CIC (since 2014); member of the Patronage of the CEDE Foundation (since September/2016); “SUERF Fellow” of The European Money and Finance Forum (since September/2021); member of the Advisory Board of Instituto Español de Analistas Financieros (since January/2022); member of the “Consejo Asesor” of Telefónica de España (since March/2022); and adviser and member of the Board of OXERA Consulting LLP, London (since March/2022). Mr. Solé previously held the following positions: (i) member of the Executive Committee of the Centre for Economic Policy Research (CEPR), London (until June/2016); (ii) Chairman of the Board of Directors of CaixaBank (until March/2021); (iii) Chairman of the Patronage of FEDEA (until June/2021); (iv) member of the Board of Directors of Telefónica S.A. (until December/2021); (v) member of the Board of Directors of Erste Group Bank (until December/2021); (vi) Vice-President of Círculo de Economía (until July/2022); and (vii) Chairman of the Board of Directors of VidaCaixa (until April/2025). He holds a degree in Economics and Business Sciences from Universidad de Barcelona (1979) and a PhD in Economics from University of California at Berkeley (1987).

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Marc Xirau Trias is 56 years old and serves as a member of our Board of Directors and of our Nominations, Compensation and Corporate Governance Committee. He is also Managing Partner at Leymar Abogados (since July/2002); Managing Partner at Crea Inversión (since July/2016); and Administrator of the following companies: Buntal Business SL (since December/2020); La Pomada SL (since June/2021); Padobo SL (since July/2021); Prisma Corporate (since December/2022); Collserola Asset Management 5 SL (since January/2023); Laietana Asset Management SL (since December/2023); and Maxi Management Corporate SL (since December/2023). Mr. Xirau holds degrees in Law from Universidad de Barcelona, in Information Sciences and Political Sciences from Universidad Autónoma de Barcelona, and a postgraduate degree in Finance from Universidad Pompeu Fabra.

Solange Sobral Targa is 53 years old and serves as a member of our Board of Directors and a member of our Quality and Sustainability Committee. Solange has also been designated by the Company's Board of Directors as the member responsible for reviewing Telefônica Brasil S.A.'s Digital Security strategy. Mrs. Targa is also a member of the Board of Directors and a member of the Sustainability and Regulation Committee of Telefônica S.A. (since December/2023); Executive Vice President Partner at CI&T (since June/2018); co-leader of CI&T's ESG Committee (since December/2020); member of the Advisory Board of WCD Brasil – Women Corporate Directors (since March/2022); columnist for Meio&Mensagem (since September/2020); member of the Advisory Board of Brazilian Chambers in the UK (since September/2023) and member of the Board of Directors of Bienal de São Paulo (since December/2023). Mrs. Targa previously held the following positions: (i) independent member of the Board of Directors of Unidas (until June 2022); (ii) member of Itaú's Diversity Advisory Committee (until November/2023); and (iii) member of the Advisory Board of the Regional Chapter (Campinas) of Conscious Capitalism Brazil (until December/2023). Mrs. Targa holds a degree in Computer Science from UFSCAR – Universidade Federal de São Carlos and has a Master's in Computer Science from UNICAMP – Universidade de Campinas.

There is no family relationship between any of the directors named above. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any director referred to above was selected as such.

Board of Executive Officers

According to our Bylaws, the Board of Executive Officers consists of at least three and no more than 15 members, who may or may not be our shareholders, must be resident in the country, are appointed by our Board of Directors for a period of three years, may be reelected, and who may remain in office until reappointed or replaced. Our Board of Executive Officers is responsible for our day-to-day management and for representing us in our business with third parties. Any of our Executive Officers may be removed at any time by a decision of the Board of Directors.

The following are the current members of the Board of Executive Officers, their respective positions, and the date of their appointment.

Name	Position	Date of Appointment
Christian Mauad Gebara	Chief Executive Officer	April 28, 2025
Breno Rodrigo Pacheco de Oliveira	General Secretary and Legal Officer	April 28, 2025
David Melcon Sanchez-Friera	Chief Financial and Investor Relations Officer	April 28, 2025
Alex Martins Salgado	Chief Operating Officer	April 28, 2025
Ricardo Guillermo Hobbs	Chief Strategy and Regulatory Officer	April 25, 2025

Below are brief biographies of our executive officers:

For the biography of Mr. Christian Mauad Gebara, see “—Board of Directors” above.

Breno Rodrigo Pacheco de Oliveira is 50 years old and serves as General Secretary and Chief Legal Officer of Telefônica Brasil S.A., as well as General Secretary of our Board of Directors. He is also Chief Compliance Officer (since November/2023), Vice President of Institutional Affairs (since May/2025) of Telefônica Brasil S.A; General Secretary and Chief Legal Officer of POP Internet Ltda. (since June/2015); General Secretary and Chief Legal Officer of Recicla V Comércio e Reciclagem de Sucatas e Metais Ltda. (since June/2015); General Secretary and Chief Legal Officer of Terra Networks Brasil Ltda. (since April/2018); General Secretary and Chief Legal Officer of Telefônica Infraestrutura e Segurança Ltda. (since September/2019); Officer of TLF 01 Empreendimentos e Participações Ltda. (since May/2020); Chairman of the Board of Directors of Telefônica Factoring do Brasil Ltda. (since February/2023); Officer of Vale Saúde Administradora de Cartões Ltda. (since March/2023); Chairman of the Deliberative Council of Visão Prev Sociedade de Previdência Complementar (since March/2023); Officer of Vivo Pay Holding Financeira Ltda. (since February/2024); Vice-Chairman of the Deliberative Council of Fundação Sistel (since April/2024); Chief Legal Officer of Vivo Pay Sociedade de Crédito Direto S.A. (since March/2024); Chief Legal Officer of Telefônica Cloud e Tecnologia do Brasil S.A. (since May/2024); Chairman of the Board of Directors of Companhia ACT de Participações (since June/2024); Chairman of the Board of Directors of Companhia AIX de Participações (since June/2024); member of the Board of Directors and General Secretary of Telefônica Corretora de Seguros Ltda. (since August/2024); and Chief Legal Officer of Telefônica Cibersegurança e Tecnologia do Brasil Ltda. (since December/2025). Mr. Oliveira previously held the following positions: (i) Officer of FiBrasil Infraestrutura e Fibra Ótica S.A. (until July/2021); (ii) Member of the Curator Council of Fundação Telefônica (until July/2022); (iii) Officer of SP Telecomunicações Participações Ltda. (until October/2022); (iv) General Secretary and Chief Legal Officer of Garliava RJ Infraestrutura e Redes de Telecomunicações S.A. (until February/2023); (v) Officer of Vita IT Comércio e Serviços de Soluções em TI Ltda. (until November/2023); and (vi) Chief Legal Officer of Telefônica IoT Big Data e Tecnologia do Brasil S.A. (until July/2025). He holds a Law degree from Universidade do Vale do Rio dos Sinos – UNISINOS, Brazil.

David Melcon Sanchez-Friera is 55 years old and serves as Chief Financial Officer and Investor Relations Officer of Telefônica Brasil S.A. He is also Chief Financial Officer of POP Internet Ltda. (since October/2016); Chief Financial Officer of Recicla V Comércio e Reciclagem de Sucatas e Metais Ltda. (since October/2016); Chief Financial Officer of Terra Networks Brasil Ltda. (since April/2018); Chief Financial Officer of Telefônica Infraestrutura e Segurança Ltda. (since December/2019); Vice-Chairman of the Board of Directors of Telefônica Factoring do Brasil Ltda. (since February/2023); member of the Board of Directors of FiBrasil Infraestrutura e Fibra Ótica S.A. (since April/2023); member of the Board of Directors of Telefônica Cloud e Tecnologia do Brasil S.A. (since April/2024); and Vice-Chairman of the Board of Directors of Telefônica Corretora de Seguros Ltda. (since August/2024). Mr. Sanchez-Friera previously held the following positions: member of the Curator Council of Fundação Telefônica (until July/2022); Director of SP Telecomunicações Participações Ltda. (until October/2022); and Chief Financial Officer of Garliava RJ Infraestrutura e Redes de Telecomunicações S.A. (until February/2023). He holds a degree in Economics and Business Administration from Universidad de Zaragoza (Spain) and a Master’s degree in Auditing and Business Analysis from Universidad Complutense de Madrid (Spain).

Alex Martins Salgado is 47 years old and serves as Chief Operating Officer of Telefônica Brasil S.A. He is also Chairman of the Board of Directors of Telefônica Cloud e Tecnologia do Brasil S.A. (since April/2024); Chief Executive Officer of Telefônica Cloud e Tecnologia do Brasil S.A. (since May/2024); Officer of IPNet USA, LLC (since October/2024); Chief Executive Officer of Samauma Brands Comércio, Importação e Exportação de Eletro-Eletrônicos Ltda. (since May/2025); Chairman of the Board of Directors of Gud Comercializadora de Energia S.A. (since June/2025); member of the Investment Committee of Vivo Ventures Fundo de Investimento em Participações Multiestratégia (since July/2025); and Chief Executive Officer of Telefônica Cibersegurança e Tecnologia do Brasil Ltda. (since December/2025). Mr. Salgado previously held the following positions: (i) Vice President B2B & Wholesale of Telefônica Brasil S.A. (until February/2023); (ii) Officer at Vita IT Comércio e Serviços de Soluções em TI Ltda. (until November/2023); (iii) member of the Board of Directors of Gud Comercializadora de Energia S.A. (until June/2025); (iv) Chairman of the Board of Directors and Chief Executive Officer of Telefônica IoT, Big Data e Tecnologia do Brasil S.A. (until July/2025); and (v) Chief Executive Officer of IPNet Serviços em Nuvem e Desenvolvimento de Sistemas Ltda. (until November/2025). He holds a degree in Electrical Engineering from Instituto Mauá de Tecnologia and a degree in Business Administration from IBMEC.

Ricardo Guillermo Hobbs is 49 years old and serves as Chief Strategy and Regulatory Officer of Telefônica Brasil S.A. He is also Chairman of the Board of Directors of FiBrasil Infraestrutura e Fibra Ótica S.A. (since April/2025). Mr. Hobbs previously held the following positions: (i) Officer at VivaE Educação Digital S.A. (until April/2022); (ii) Director of Garliava RJ Infraestrutura e Redes de Telecomunicações S.A. (until July/2022); (iii) Marketing and General Officer at VivaE Educação Digital S.A. (until August/2022); (iv) Vice President of Strategy, New Businesses and Artificial Intelligence of Telefônica Brasil S.A. (until March/2023); (v) Officer of Vivo Pay Holding Financeira Ltda. (until May/2025); (vi) Chairman of the Board of Directors of Gud Comercializadora de Energia S.A. (until May/2025); (vii) Officer of Vale Saúde Administradora de Cartões Ltda. (until May/2025); (viii) Chief Executive Officer of Samauma Brands Comércio, Importação e Exportação de Eletro-Eletrônicos Ltda. (until May/2025); (ix) Executive Officer of Vivo Pay Sociedade de Crédito S.A. (until June/2025); (x) member of the Investment Committee of Vivo Ventures Fundo de Investimento em Participações Multiestratégia (until July/2025); (xi) Vice-Chairman of the Board of Directors of FiBrasil Infraestrutura e Fibra Ótica S.A. (until November/2025); and (xii) member of the Board of Directors of VivaE Educação Digital S.A. (until November/2025). He holds a degree in Business Administration from Fundação Getúlio Vargas (FGV) and an MBA from London Business School.

There is no family relationship between any of the executive officers named above. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any executive officer referred to above was selected as such.

B. Compensation

For the year ended on December 31, 2025, the aggregate amount of compensation paid to all our directors and executive officers was approximately R\$79.3 million, of which R\$40.6 million corresponded to salaries and R\$38.7 million corresponded to bonuses.

For the year ended on December 31, 2025, our directors and officers did not receive any pension, retirement or similar benefits. For a description of our pension plan, see “—D. Employees—Pension Plans.”

For further information, see notes 29.b and 30 to our audited consolidated financial statements included elsewhere in this annual report.

C. Board Practices

Board of Directors

Our Board of Directors typically meets once every three months and the Chairman may call special meetings. The decisions are taken by majority vote, provided that the majority of its members are present. The Chairman has, in addition to his or her regular vote, the casting vote in the event of a tie. The specific responsibilities of the Chairman include representing the Board in the General Shareholders' Meetings, selecting the Secretary from among those present, and calling and chairing meetings of the Board.

Our Board of Directors is responsible, among other things, for:

- establishing general guidelines for the Company's business;
- approving the Company's budget and annual business plan;
- convening annual shareholders' meetings;
- approving the financial statements, management reports, proposals for allocation of the Company's results and the submission of such documents to the annual shareholders' meeting;
- appointing or dismissing, at any time, the members of our Board of Executive Officers, establishing their duties, in compliance with the applicable law and bylaw provisions;
- approving the establishment of technical and advisory committees to advise it on matters of interest to the Company, appointing the members of such committees and approving their internal charters, which shall contain specific rules concerning their composition, duties, purview, compensation and activities;
- supervising the management of the Company's officers, examining, at any time, our corporate books, requesting information regarding the execution or the process of execution of any agreements and other acts;
- approving the organizational structure of the Company; with the possibility of setting limits to the members of the Board of Executive Officers for the exercise of such authority, in compliance and subject to legal and bylaw provisions;
- approving and amending its internal charter;
- deliberating on the issuance of new shares by increasing the Company's corporate capital within the limits of the authorized capital determined by the bylaws, therein defining the terms and conditions of such issuance;
- deliberating as to the issuance of subscription warrants;
- deliberating, by delegation of the shareholders' meeting, about the following aspects related to the issuance of debentures by the Company: (i) timing of the issuance, (ii) time and conditions of maturity, amortization or redemption, (iii) time and conditions of the payment of interest, of the participation in the profits and premiums repayment, if any, (iv) method of subscription or placement, and (v) the type of debentures;
- authorizing the offering of common, nonconvertible and unsecured debentures;
- approving the issuance of commercial papers for public distribution and depositary receipts;
- authorizing the purchase of shares issued by the Company to be canceled or kept in treasury for subsequent disposal;
- authorizing the sale of assets directly related to public telecommunications services;
- authorizing the sale of real estate, the creation of in rem guarantees and the provision of guarantees on behalf of third-party obligations, and setting limits on the practice of such acts by the Board of Executive Officers;

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- establishing, as an internal regulation, the limits for the Board of Executive Officers to authorize the sale or encumbrance of permanent assets, including those related to public telecommunications services which are disabled or unserviceable;
- approving the Company's participation in consortia in general, and the terms of such participation; delegating such powers to the Board of Executive Officers and establishing limits, as it seeks to develop activities in line with the Company's purpose;
- setting the limits for the Board of Executive Officers to authorize the practice of reasonable gratuitous acts for the benefit of employees or the community of which the Company is a part of, including the donation of unserviceable assets to the Company;
- approving the creation and dissolution of subsidiaries of the Company, in Brazil or abroad;
- approving the assumption of any obligation not provided for in the Company's budget, in an amount exceeding R\$250 million;
- authorizing the execution of contracts, not provided for in the Company's budget, in an amount exceeding R\$250 million;
- approving investments and the acquisition of assets, not provided for in the Company's budget, in an amount exceeding R\$250 million;
- authorizing the acquisition of equity interest in other companies on a definitive basis and the creation of a lien on or sale of equity interests;
- approving the distribution of interim dividends;
- appointing and dismissing independent auditors;
- appointing and dismissing the leader of the internal audit, who shall report to the Board of Directors through the Audit and Control Committee, when in operation, as well as the leader of the Wholesale Office, who shall be solely responsible for all processes of service, marketing and sale, and delivery of products related to the Reference Offers of the Products in the Wholesale Market; and
- approving employment and compensation plans, incentive and professional development policies, the Company's regulations and staff, as well as the terms and conditions of collective bargaining agreements to be entered into with the labor unions representing various categories of the Company's employees and adhesion or disassociation from complementary retirement funds, all with respect to the employees of the Company; and the Board of Directors may, at its own discretion, assign to the company's Board of Executive Officers limits to deliberate on these matters.

Fiscal Board

Brazilian Corporate Law and our bylaws each require that we maintain a Fiscal Board (*Conselho Fiscal*). Our permanent, Fiscal Board, which is a separate and distinct entity from our outside auditors, is primarily charged with certain advisory, reporting, oversight and review functions with respect to the Company's financial statements. Our Fiscal Board is also responsible for rendering opinions on management's annual report and management proposals, including financial statements, to be submitted at shareholders' meetings relating to a change in the Company's capital composition, investment plans, capital budget, debenture issuances or subscription bonuses, distribution of dividends and consolidations, mergers and spin-offs. However, the Fiscal Board, as required by Brazilian Corporate Law and our bylaws, has only an advisory role and does not participate in the management of the Company. Decisions of the Fiscal Board are not binding on the Company under Brazilian Corporate Law.

In accordance with Brazilian Corporate Law and our bylaws, the Fiscal Board consists of a minimum of three and a maximum of five active members and an equal number of alternates. The members of the Fiscal Board are elected for a period of one year and may be reelected.

The following are the current members of the Fiscal Board:

Members	Alternates	Date Appointed
Gabriela Soares Pedercini ⁽¹⁾	Alexandre Pedercini Issa ⁽¹⁾	April 25, 2025
Stael Prata Silva Filho	Cremênio Medola Netto	April 25, 2025
Luciana Doria Wilson	Charles Edwards Allen	April 25, 2025

(1) Mrs. Gabriela Soares Pedercini and Mr. Alexandre Pedercini Issa were elected by minority shareholders on a separate vote, with no participation of the controlling shareholder.

Committees

Brazilian Corporate Law does not require a corporation to maintain committees responsible for ethics, corporate governance or compensation. Nevertheless, our Board of Directors has created the following committees:

- Control and Audit Committee;
- Nominations, Compensation and Corporate Governance Committee; and
- Quality and Sustainability Committee.

Control and Audit Committee

Our Control and Audit Committee was created by our Board of Directors in December 2002 and is comprised of a minimum of three and a maximum of five members, appointed by the Board of Directors, to serve for the duration of their respective terms as members of the Board of Directors. The Committee has its own charter, which was approved by the Board of Directors. The Committee provides support to the Board of Directors.

According to its charter, the Control and Audit Committee shall meet four times per year or whenever extraordinarily convened by its chair. The chair of each committee shall report the relevant matters discussed at the respective meetings to the Board of Directors.

The Control and Audit Committee, among other responsibilities that may be required by the Board of Directors, is responsible for, and charged with, informing and providing recommendations to the Board of Directors regarding the following:

- Submitting to the Board of Directors the appointment of the independent auditor as well as the replacement of such independent auditors; the Control and Audit Committee shall also: (a) recommend the compensation to be paid to the Company's independent auditors; (b) issue opinion on the hiring of the independent auditor to render any other service to the Company; and (c) supervise the independent auditor's activities in order to assess their independence, the quality and the adequacy of the services considering the Company's necessities;
- Examining the Company's management report and financial statements, including capital budgets, making the necessary recommendations to the Board of Directors;
- Examining the financial information prepared and disclosed regularly by the Company;
- Examining the report of the related parties' transactions as established by our Related Party Transactions Policy (*Política para Transações com Partes Relacionadas*);

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- Assessing the effectiveness and sufficiency of the Company's internal controls as well as the internal and independent audit procedures, making recommendations deemed necessary to the improvement of policies, practices and procedures; the Control and Audit Committee shall also: (a) supervise the activities of the Company's internal control departments; (b) supervise the Company's activities related to internal audit and compliance, including complaints received by the Company's hotline related to the scope of its activities, opining on or due referring the complaints; and (c) assess the effectiveness and sufficiency of the risk and contingency control and management systems;
- Examining the management bodies' proposals regarding modification of the share capital, issuance of debentures convertible into shares or subscription bonus, the transformation of our corporate form, merger or spin-off, making the recommendations it deems necessary to the Board of Directors;
- Assessing the compliance, by the Company's Board of Executive Officers, of the recommendations made by the external and internal independent auditors, as well as informing the Board of Directors regarding possible conflicts between internal audit, external audit and/or the Company's Board of Executive Officers; and
- Drafting an annual opinion to be disclosed with the Company's financial statements, in accordance with applicable law.

The following are the current members of the Control and Audit Committee:

Members	Date Appointed
Ignacio Maria Moreno Martínez (Chairman)	April 28, 2025
Andrea Capelo Pinheiro	April 28, 2025
Jordi Gual Solé	April 28, 2025

Nominations, Compensation and Corporate Governance Committee

Our Nominations, Compensation and Corporate Governance Committee was established in November 1998, being restructured in October 2004. According to our Internal Regulations of the Board of Directors and its Technical and Consulting Committees, such Committee consists of three to five members appointed by the Board of Directors to serve for the duration of their respective terms as members of the Board of Directors. The Committee shall meet two times per year and whenever extraordinarily called by its chairperson. The Nominations, Compensation and Corporate Governance Committee, among other responsibilities that may be assigned by the Board of Directors, is charged with:

- Making recommendations on proposals to amend the Company's bylaws;
- Examining proposals for the appointment of members of the other Committees, to be further submitted to the Board of Directors;
- Opining on proposals for the appointment and withdrawal of the members of the Board of Executive Officers, to be further submitted to the Board of Directors;
- Annually assessing the management's overall compensation, including benefits of any kind and representation fees, taking into consideration their responsibilities, time spent on duties, professional capability and reputation, and the value of their services at the market;
- Deciding on the annual adjustment of the employees' compensation at management level (annual program, premises and budget) and at non-management level (program, premises and budget), including collective bargaining agreements to be entered with the unions representing the employees of the Company in each category, as well as examining and approving the Company's programs regarding the share of profits whenever any rule is changed therein; and
- Examining corporate governance matters submitted to it by the Board of Executive Officers, making recommendations to the Board of Directors whenever required.

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The following individuals are the current members of the Nominations, Compensation and Corporate Governance Committee:

Members (*)	Date Appointed
Eduardo Navarro de Carvalho (Chairman)	April 28, 2025
Marc Xirau Trias	April 28, 2025

(*) On February 12, 2026, Mr. Francisco Javier de Paz Mancho resigned from his positions as a member of the Company's Board of Directors and as a member of the Nominations, Compensation and Corporate Governance Committee, effective as of February 13, 2026. The aforementioned Committee position will remain temporarily vacant until the appointment of a new member.

Quality and Sustainability Committee

The Quality and Sustainability Committee, formerly known as Service Quality and Marketing Committee, until April 15, 2020, was created on December 16, 2004 and provides assistance to our Board of Directors. The Committee consists of at least three and at most five members of our Board of Directors selected periodically to serve for the duration of their respective terms as members of the Board of Directors. The Committee shall meet two times per year and whenever extraordinarily called by its chairperson. The Committee is responsible for the review and analysis of quality indices measuring our principal services and to ensure that the requisite degree of commercial assistance is furnished to our clients as well as to monitor the Company's performance in matters related to the sustainability of our business. The Quality and Sustainability Committee, among other responsibilities that may be assigned by the Board of Directors, is charged with:

- Assessing and monitoring the adequacy of the Company's quality and sustainability strategies as well as suggesting improvements whenever any opportunity appears;
- Examining, analyzing and following-up periodically the Telefônica Responsible Business Principles, as well as its sustainability indexes, recommending possible actions whenever any opportunity appears
- Examining, analyzing and following-up periodically as to the scores for the satisfaction and quality indexes of the main services rendered by the Company and the quality levels of the Company's customer services, making recommendations on possible actions whenever any opportunity appears; and
- Examining, analyzing and following-up periodically on the Company's quality and sustainability plans and actions.

The following individuals are the current members of the Quality and Sustainability Committee:

Members	Date Appointed
Denise Soares dos Santos (Chairman)	April 28, 2025
Cesar Mascaraque Alonso	April 28, 2025
Cristina Presz Palmaka de Luca	April 28, 2025
Solange Sobral Targa	April 28, 2025
Gregorio Martinez Garrido	November 14, 2025

D. Employees

As of December 31, 2025, we had 35,010 employees (34,986 employees as of December 31, 2024), distributed between full-time and part-time employees. Our part-time employees work primarily at our stores and call centers. Our employees are divided into the following categories: 38.8% in production and operations; 38.0% in sales; 15.4% in customer care; and 7.9% in support.

Approximately 15% of our employees are union members, represented by three Federations and 27 unions, of which 16 are associated with the National Federation of Telecommunications Workers – FENATTEL, five are associated with the Interstate Federation of Workers and Researchers in Telecommunications – FITRATELP and six are associated with the Federation of Telecom Workers – LIVRE.

Our management considers relations with our workforce to be very good and we have never experienced a work stoppage for a significant period or that had a material effect on our operations.

Private Pension Plans

We have offered pension plans to our employees since before the privatization, which took place in 1998. In this period, the modality adopted was of plans of defined benefit, which were offered to employees until the year 2000, when we started offering defined contribution plans. These plans were administered exclusively by Fundação Sistel de Seguridade Social until 2005.

In 2005, we created a closed social security entity, called Visão Prev Sociedade de Previdência Complementar, to manage the pension plans of the Telefônica group in Brazil. From 2005 to 2010, management of all plans was transferred from Fundação Sistel to Visão Prev, except for PBS-A Plan (Plano de Benefício Sistel), intended for plan retirees, which continues to be managed by SISTEL.

On September 2013, we began offering the Visão Multi defined contribution plan to our employees. This plan was launched in order to standardize the benefit following the corporate restructuring process of the subsidiaries in Brazil. This is the plan available for new enrollments. In this plan, participants can make basic contributions of 1-2% on their participating salary and an additional 0–5% on the installment of the participating salary that exceeds the maximum (which, as of December 31, 2025, was R\$5,017.14) and we contribute a percentage between 50% to 125%, depending on the employees' length of service.

Considering our total workforce, 34.84% of our employees were participants in our private pension plans as of December 31, 2025.

E. Share Ownership

None of our directors or executive officers owns, on an individual basis, 1% or more of our common shares (including ADSs representing common shares) or of our total equity share capital.

Performance Share Plan (“PSP”) and Talent for the Future Share Plan (“TFSP”)

The annual Telefônica S.A. shareholders' meeting (our indirect controlling shareholder), held on April 11–12, 2024, approved new long-term incentive plans: the Performance Share Plan (“PSP”) and the Future Talent Share Plan (“TFSP”) for executives of Telefônica S.A. and other entities within the Telefônica group, including us.

The Plans provide the opportunity for executives within the Telefônica group who are invited to participate to receive a certain number of Telefônica shares after a period of three years. This is achieved through the prior allocation of a certain number of shares or theoretical units (“Units”), which serve as the basis for determining the number of ordinary shares in Telefônica's share capital (“Shares”) that may be delivered under the Plan as variable compensation, depending on the fulfillment of the objectives established for each cycle of the Plan. The Plans have a total duration of five years and are divided into three independent cycles (the “Cycles”), each with a measurement period of three years, according to the following schedule:

- First cycle: January 1, 2024, to December 31, 2026
- Second cycle: January 1, 2025, to December 31, 2027
- Third cycle: January 1, 2026, to December 31, 2028

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At the end of each cycle, an evaluation will determine whether the minimum performance conditions have been met, based on metrics such as total shareholder return (“TSR”) for Telefónica compared to a peer group, free cash flow targets (“FCF”), neutralization/compensation of CO₂ emissions, and gender equality, specifically the presence of women in leadership positions.

TSR is the metric used to measure value generation for our shareholders in the medium and long term. It assesses return on investment by considering the accumulated variation in the value of Telefónica shares, as well as dividends and other similar items received by shareholders during each cycle. The corresponding weight for this objective is 50% of the total number of shares to be delivered to PSP participants.

FCF is the metric used to encourage commitment to the sustainable achievement of long-term strategic objectives. This objective is established and approved annually by our Board of Directors. Forty percent (40%) of the number of shares to be delivered under the plan will be determined based on the level of FCF generated by the company each year, compared to the values established in the budgets approved by our Board of Directors. Partial achievement of this objective will be calculated annually, and the final FCF will be an average of the annual partial achievements.

- CO₂ Emissions Neutralization: Five percent of the number of shares to be delivered under the Plan will be determined based on the level of neutralization/compensation of CO₂ emissions achieved by the Telefónica Group at the end of each Plan cycle. This requires a minimum level of scope 1 and 2 emissions reduction (“Emission Reduction”) in line with the Paris Agreement’s 1.5°C target (SBTi), with the goal of achieving net-zero emissions by 2040 in its main markets.
- Gender Equality: Five percent of the number of shares to be delivered under the Plan will be determined based on gender equality, specifically the presence of women in leadership positions. Compliance with this objective will be assessed by measuring the percentage of women occupying leadership positions compared to the total number of leadership positions within the Telefónica Group.

At the start of each cycle, the Board of Directors of Telefónica S.A. will determine the percentage of the objective and an achievement scale, which will include a minimum 90% achievement threshold for incentive payment and a maximum achievement and payment limit.

To receive shares under this plan, participants must meet the following requirements for each cycle:

- Maintain an active relationship with the company or any of its subsidiaries for at least 12 months of the cycle and, on the start date of each cycle, participate in the plan and comply with the General Conditions (“Subsidiary” or “Participating Company”).
- Maintain an active relationship with a participating company on the delivery date.
- Exceed the minimum levels of plan objective achievement.
- In cases of termination with proportional delivery, this will only occur if the termination takes place 12 months after the start date and in compliance with the plan rules.

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

- *Performance Share Plan (“PSP”), for its Vice Presidents and Directors at the global level—Cycle 2024-2026:* with 107 active executives (including five executives appointed under the Telefónica Brasil bylaws) having the potential right to receive 980,665 shares of Telefónica S.A.;
- *Performance Share Plan (“PSP”), for its Vice Presidents and Directors at the global level—Cycle 2025-2027:* with 119 active executives (including five executives appointed under the Telefónica Brasil bylaws) having the potential right to receive 1,007,632 shares of Telefónica S.A.;

- *Talent for the Future Share Plan (“TFSP”), for its Senior Managers, Managers and Specialists at the global level—* Cycle 2024-2026: with 139 active executives having the potential right to receive 256,000 shares of Telefónica S.A.
- *Talent for the Future Share Plan (“TFSP”), for its Senior Managers, Managers and Specialists at the global level—* Cycle 2025-2027: with 132 active executives having the potential right to receive 236,500 shares of Telefónica S.A.

Performance Share Plan VIVO (“PSP VIVO”)

We have approved an incentive plan, the Performance Share Plan VIVO (“PSP VIVO”), based on performance units with cash settlement (“Plan”). Participants in the Plan will be entitled to receive a certain number of representative units of a share issued by us (VIVT3) (“Unit” and “Share”). Each Unit represents the expected right to receive the full value of a Share. The number of Units received will serve as the basis for determining the value of the incentive to be paid in cash to participants by the Company.

F. Disclosure of a registrant’s action to recover erroneously awarded compensation.

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

In accordance with our bylaws, we have one class of capital stock authorized and outstanding: common shares (*ações ordinárias*), which have full voting rights.

As of December 31, 2025, Telefónica owned 39.32% of our common shares, Telefónica LATAM owned 37.74% of our common shares and Telefónica Chile owned 0.06% of our common shares. Thus, Telefónica has effective control over 77.13% of our outstanding common shares. Accordingly, Telefónica can control the election of our board of directors and determine the direction of our strategic and corporate policies. None of Telefónica or Telefónica LATAM has any special voting rights beyond those ordinarily accompanying the ownership of our common shares.

SP Telecom, a former controlling shareholder of ours, was liquidated and extinguished on October 31, 2022. The shares issued by the Company and held by SP Telecom were delivered to its partners Telefónica and Telefónica LATAM, in the proportion of their respective participation in the social capital of the Society, within the scope of the sharing of shareholders’ equity. Therefore, at that time, Telefónica received 131,069,752 shares, and Telefónica LATAM received 201,625,838 shares, in each case issued by Telefónica Brasil. After the reverse stock split and stock split held on April 15, 2025, Telefónica has 1,268,797,680 shares, Telefónica LATAM has 1,217,810,000 shares and T.Chile has 1,872,960 shares issued by Telefónica Brasil.

Telefónica’s shares are traded on the stock exchanges in Madrid, New York and Lima. On December 17, 2025, Telefónica announced that it intends to voluntarily delist its ADSs (and certain NYSE-listed debt securities issued by Telefónica Emisiones and guaranteed by Telefónica) from the NYSE, and filed a Form 25 with the SEC to that effect on January 8, 2026. Following effectiveness of Form 25, Telefónica filed a Form 15F with the SEC on January 20, 2026 to deregister the relevant classes of U.S.-registered securities and terminate its Exchange Act reporting obligations. Telefónica stated that ADS holders will be able to exchange ADSs for ordinary shares listed in Spain or continue to hold ADSs under a Level 1 ADR program trading over-the-counter, and that the decision was driven by the administrative burden and costs of the NYSE listing and aligns with its November 2025 strategic plan.

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Telefónica is one of the largest telecommunications companies in the world in terms of number of customers. With its strong mobile, fixed and broadband networks and its innovative portfolio of digital solutions, Telefónica is a company that will be even better placed to meet the needs of its customers and capture new revenue growth.

The following tables set forth information relating to the ownership of common shares by Telefónica, Telefónica LATAM, any other shareholders known to us to beneficially own more than 5% of our common shares and our officers and directors, based on 3,195,606,352 common shares outstanding as of December 31, 2025 (excluding treasury shares). We are not aware of any other shareholder that beneficially owns more than 5% of our common shares.

Shareholder's Name	Number of common shares owned	Percentage of outstanding common shares
Telefónica S.A.	1,268,797,680	39.3%
Telefónica LATAM	1,217,810,000	39.3%
Telefonica Chile S/A	1,872,960	0.1%
All directors and executive officers as a group	46,720	—

As of December 31, 2025, there were a total of 124 ADR holders of record and 65,164,479 ADSs outstanding, representing 130,328,958 common shares or 4.1% of outstanding common shares. Since some of these ADRs are held by nominees, the number of record holders may not be representative of the number of beneficial holders.

B. Related Party Transactions

Transactions with related parties are submitted to review by our related parties committee and, when necessary, approval by our board of directors and shareholders, in compliance with our bylaws. We believe that all related party transactions are carried out according to guidelines, criteria and market rules in order to provide sufficient transparency to contracts between related parties.

Note 29 to our consolidated financial statements presents, in tabular format, more detailed financial information with respect to transactions and balances with related parties. We provide below a summary description of our material transactions with related parties to which we are a part or have been a party in the last fiscal year.

Telefónica S.A.

In 2025, there were transactions between companies with expenses that totaled R\$546.8 million, mainly related to the Brand Fee agreement, for the assignment of use of brand rights.

Telxius Cable Brasil Ltda

In 2025, there were transactions between companies with expenses that totaled R\$234.8 million, mainly related to IP transit services and international transmission infrastructure for various data circuits and connection services contracted.

Telefónica Global Solutions S.L.

In 2025, there were transactions between companies with expenses that totaled R\$99.3 million, mainly related to Infrastructure services for international transmission for various data circuits, connection services contracted, services that deal with the right to use certain software licenses and contracted maintenance and support services.

Telefonica Global Solutions Participações Ltda

In 2025, there were transactions between companies with expenses that totaled R\$76.3 million, mainly related to international transmission infrastructure to various data circuits and connection services and services that deal with the right to use certain software licenses and contracted maintenance and support services.

Telefónica Global Technology S.A.

In 2025, there were transactions between companies with expenses that totaled R\$72.9 million, mainly related to services that deal with the right to use certain software licenses and contracted maintenance and support services.

Telefónica Innovación Digital, S.L.

In 2025, there were transactions between companies with expenses that totaled R\$235.4 million, mainly related to Cost Sharing Agreement services, expenses refund related to digital products developed by a global platform.

Telefônica Cibersegurança e Tecnologia do Brasil Ltda.

In 2025, there were transactions between companies with expenses that totaled R\$244.9 million, mainly related to services that deal with the right to use certain software licenses and contracted maintenance and support services.

Telefónica IOT & Big Data Tech, S.L.

In 2025, there were transactions between companies with expenses that totaled R\$132.3 million, mainly related to Cost Sharing Agreement services, expenses refund related to digital products developed by a global platform.

Fibrasil Infraestrutura E Fibra Ótica S.A.

In 2025, there were transactions between companies with expenses that totaled R\$285.4 million, mainly related to network infrastructure services.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

See Note 20 as well as Notes 8 and 9 of our consolidated financial statements.

Legal Proceedings

We are party to legal proceedings incidental to the normal course of our business. The main categories of such proceedings include:

- administrative and judicial litigation with the Brazilian Institute of Social Security (*Instituto Nacional da Seguridade Social*), or the INSS;
- administrative and judicial proceedings relating to tax payments;
- lawsuits brought by employees, former employees and trade unions relating to non-compliance with the labor legislation;
- civil judicial proceedings regarding consumer rights; and

- other civil suits, including litigation arising out of the breakup of Telebrás, and events preceding the breakup.

Our policy with respect to provisioning for contingencies classifies the various legal proceedings to which we are party as “probable”, “possible” and “remote”. We and our subsidiaries are parties to labor, tax, civil and regulatory claims and set up a provision for contingencies for which the likelihood of loss was estimated as probable. Our senior management classifies each legal proceeding into one of these three categories (probable, possible and remote) based upon the advice of internal and external counsel and specialized technical advisors in charge of each matter. Due to the level of provisioning and based on its analysis of the individual cases, our management believes that no additional liabilities related to any legal proceedings will have a material effect on our financial condition or results of operations, other than as described below.

There are no material proceedings in which any of our directors, any members of our senior management, or any of our affiliates is either a party adverse to us or to our subsidiaries or has a material interest adverse to us or to our subsidiaries.

Tax Matters — Probable Loss

The following tax proceedings were pending as of December 31, 2025, and, in the opinion of our management and our legal advisors, the chance of loss in these cases is probable.

Federal Taxes

On December 31, 2025, we were a party to federal administrative and judicial proceedings relating to: (i) claims resulting from the denial of our tax offset and refund claims; (ii) economic domains contributions (*Contribuição para a Intervenção no domínio econômico*), or CIDE, levied on the remittance of funds abroad relating to technical services, administrative assistance, similar services, and royalties; (iii) social investment fund contribution (Finsocial) offset amounts; (iv) the removal of certain benefits under CAMEX Resolution No. 6, which increased import tariffs from 4% to 28%; and (v) INSS on constitutional right to a third-salary payment vacation.

In the opinion of our management, our chance of loss in the foregoing federal administrative and judicial proceedings is probable. As of December 31, 2025, total provisions for these state-level administrative and judicial proceedings amounted to R\$835.2 million.

State Taxes

In December 2024, we were a party to administrative and judicial proceedings referring to: (i) ICMS credits that were not granted; (ii) ICMS on telecommunication services; (iii) rejection of ICMS credits referring to a certain tax covenant; (iv) ICMS tax rates; (v) ICMS tax on internet (data) infrastructure lease payments; (vi) taxation of amounts granted to clients as discounts; (vii) CIAP credit; (viii) tax substitution; (ix) monthly subscription, not covered by the modulation of the effects resulting from the judgment by the STF; and (x) fines for noncompliance with accessory obligations.

As of December 31, 2025, total provisions for these state-level administrative and judicial proceedings amounted to R\$496.6 million.

Municipal Taxes

On December 31, 2025, we were a party to tax claims at the municipal level, both in the administrative and judicial sphere, which, based on the opinion of our legal advisors, are classified as having a probable risk of loss. These claims related to: (i) municipal services tax (*Imposto Sobre Serviços*), or ISS, on the lease of movable assets for supplementary or intermediary activities; and (ii) ISS withholding on fixed-duration service contracts. As of December 31, 2024, total provisions for these state-level administrative and judicial proceedings amounted to R\$132.9 million.

FUST

On December 31, 2025, we were a party to federal judicial proceedings relating to the non-inclusion of interconnection and EILD expenses in the FUST. As of December 31, 2024, total provisions for these state-level administrative and judicial proceedings amounted to R\$640.4 million.

Tax Matters — Possible Loss

The following tax proceedings were pending as of December 31, 2024, and, in the opinion of our management and our legal advisors, the chance of loss in these cases is possible.

Federal Taxes

On December 31, 2025, we were a party to various federal administrative and judicial proceedings, which are waiting to be tried at various court levels. As of December 31, 2025, the total amount under discussion in these proceedings was R\$5,803.3 million. Key proceedings refer to: (i) tax offset requests made by the Company; (ii) social security contribution, including: (a) INSS contributions, workplace accident insurance (SAT), and other contributions (e.g., INCRA and SEBRAE); (b) 11% withholding (labor assignment); (c) stock options, payment requirement for social security contributions on amounts paid by group companies to employees on behalf of the share purchasing plan; (iii) the deduction of COFINS from losses in swap transactions; (iv) PIS/COFINS on: (a) accrual basis versus cash basis; (b) value-added services; and (c) monthly flat fees (*serviço de assinatura mensal*); (v) industrialization tax (*Imposto Sobre Produtos Industrializados*) on the dispatch from Company premises of fixed-line access unit equipment to clients on a lending agreement; (vi) financial operations tax (*Imposto sobre Operações Financeiras*), payment requirements for intercompany and credit operations; (vii) capital gains tax from the purchase of GVT; and (viii) exclusion of ICMS from the Calculation Basis of PIS and COFINS. In the opinion of our management, our chance of loss in these proceedings is possible. As a result, we have not made any provisions in connection with these proceedings.

State Taxes

On December 31, 2025, we were a party to various state administrative and judicial proceedings, which are ongoing at various court levels. As of December 31, 2025 the total amount under discussion in these proceedings was R\$33,477.4 million. Key proceedings refer to: (i) equipment rentals; (ii) reversal of extemporaneous credits; (iii) ICMS taxation of services rendered outside the state of São Paulo; (iv) co-billing, (v) tax substitution with a fictitious tax base (tax guidelines); (vi) use of credits related to the acquisition of electric power; (vii) secondary activities, value-added and supplementary services; (viii) tax credits related to opposition/challenges referring to telecommunications services not provided or mistakenly charged; (ix) deferred ICMS charges; (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 credits from returns and free leases in connection with the assignment of networks (used by the Company itself and exemptions from governmental bodies); (xvi) ICMS on amounts received under agreements with other service providers for the shared use of their networks; (xvii) ICMS on our own consumption; (xviii) ICMS on exemptions of governmental bodies; (xix) unconditional discounts excluded from the ICMS tax basis; (xx) monthly fee and the minutes included in the franchise; and (xxi) fines for noncompliance with accessory obligations. The risk of loss in the foregoing state administrative and judicial proceedings is deemed possible, and, consequently, we have not made any provisions in connection with these proceedings.

Municipal Taxes

On December 31, 2025, we were a party to various administrative and judicial proceedings at the municipal level, which are ongoing at various court levels. As of December 31, 2025, the total amount under discussion in these proceedings was R\$808.8 million. Key proceedings refer to: (i) ISS on secondary activities and value-added and supplementary services, ISS withholding, ISS on caller ID services and on cell phone activation, ISS on continuous services contracts, provisions, reversals and canceled invoices, ISS on data processing and antivirus programs, ISS on fees for the use of our mobile network (*tarifa de uso da rede móvel*) and infrastructure leases, ISS on advertising services, and ISS on third-party services; (ii) IPTU rules; (iii) land use fees; and (iv) other municipal fees; In the opinion of our management, the chance of loss in the foregoing state administrative and judicial proceedings is possible and, consequently, we have not made any provisions in connection with these proceedings.

FUST, FUNTTEL and FISTEL Litigation

FUST Litigation

Fixed-line and mobile operators filed suit seeking a writ of mandamus to recognize their right to include interconnection revenue in the FUST base for mobile services. We have challenged such charges and the proceedings are waiting to be tried in the court of appeals. As a result, ANATEL charges us with various infractions to collect tax credits and other revenues that were not obtained from the provision of telecommunication services, on which ANATEL believes FUST is due. As of December 31, 2025, the total amount under discussion in these proceedings was R\$6,166.0 million. In the opinion of our management and our legal advisors, our chance of loss in the foregoing proceedings is possible, and, consequently, we have not made any provisions in connection with these proceedings.

FUNTTEL Litigation

On December 31, 2025, we were a party to administrative and judicial proceedings, which are waiting to be tried at the lower administrative court and the court of appeals. Such proceedings concern the collection of contributions to FUNTTEL on other revenues (not related to telecom services), as well as on income and expenses transferred to other operators (interconnection). As of December 31, 2024 the total amount under discussion in these proceedings was R\$2,344.9 million. In the opinion of our management and our legal advisors, the chance of loss in the foregoing proceeding is possible, but not probable and, consequently, we have not made any provisions in connection with this proceeding.

FISTEL Litigation

Due to the extension of the effective license period to use telephone switches in connection with the use of landline phone carriers, and the extension of the right to use radiofrequency in connection with wireless service (wireless carriers), ANATEL charges us with an installation inspection fee (*taxa de fiscalização e inspeção*), or the TFI. This collection is based on ANATEL's understanding that such extension would represent a taxable event for the TFI. We understand that such collection is inappropriate, and challenged this fee in court. As of December 31, 2025, the total amount under discussion in these proceedings was R\$2,485.6 million, without the respective deposit in full. In the opinion of our management and our legal advisors, the chance of loss in the foregoing proceeding is possible and, consequently, we have not made any provisions in connection with this proceeding.

Labor Litigation

We are a defendant in several lawsuits filed by former employees and outsourced employees (subsidiary or solidary responsibility), which claim, among others: overtime payments, variable compensation, salary parity, and unhealthy or risk work premiums. As of December 31, 2025, we had recorded R\$978.6 million in provisions for these proceedings where the risk of loss is deemed probable. We were also defendants in certain other labor claims for which the chance of loss is deemed possible, which totaled an aggregate amount of approximately R\$1,151.8 million as of December 31, 2025, and for which we have not recorded provisions.

Civil Claims

We are the defendants in multiple civil claims. We had recorded R\$1,434.7 million in provisions in connection with these proceedings as of December 31, 2025 where the risk of loss was deemed probable, including the civil proceedings described below:

- We are defendants in proceedings related to the possible right of individuals who purchased our shares in connection with our network expansion plan after 1996 to receive additional shares from us. These claims are in course through the various levels of the court system and the success rate in each proceeding is classified on a case-by-case basis according to the facts presented in each proceeding. For proceedings in which our chance of loss has been estimated as probable, we recorded provisions in the amount of R\$133.3 million as of December 31, 2025.
- We and/or our subsidiaries are defendants in various civil proceedings related to individual consumers' claims in judicial courts, especially relating to our failure to perform our services. As of December 31, 2025, provisioned amounts in connection with these proceedings totaled R\$250.0 million.
- We and/or our subsidiaries are parties to various civil, non-consumer and consumer proceedings in administrative and judicial courts arising out of the ordinary course of business. As of December 31, 2025, provisioned amounts in connection with these proceedings totaled R\$1,051.3 million.

Other several civil claims against us for which the chance of loss is deemed possible totaled approximately R\$1,815.8 million as of December 31, 2025 and for which we have not recorded provisions, including:

- We are a party to various other civil claims related to our services. Such claims were filed by individual consumers, civil associations representing consumer rights, or by PROCON, as well as by federal and state public prosecutor offices. We are also party to various other claims in the ordinary course of our business.

Ownership of Caller ID

Lune Projetos Especiais Telecomunicação Comércio e Ind. Ltda., or Lune, filed on November 20, 2001 lawsuits against 23 wireless telecommunications operators, including TELESP Celular Participações and its subsidiaries. The lawsuits allege that those operators violated patent No. 9202624-9, related to *Equipamento Controlador de Chamadas Entrantes e do Terminal do Usuário*, or Caller ID, granted to Lune by the Brazilian Institute of Industrial Property (*Instituto Nacional da Propriedade Industrial*) on September 30, 1997. An unfavorable decision was handed down determining that the Company should refrain from selling mobile phones with Caller ID service, subject to a daily fine of R\$10,000 in case of noncompliance. Furthermore, according to that decision, the Company must pay indemnification for royalties, to be calculated at settlement. Motions for clarification were opposed by all parties and Lune's motions for clarification were accepted, since an injunctive relief in this stage of the proceedings was deemed applicable. An appeal was filed against a decision that granted a stay of execution until final judgment of an appeal on the merits. This latter appeal was successful and granted the Company the right to a new trial by the lower court. In the second trial, the lawsuit was ruled in our favor. Lune has filed an appeal. In February 2023, the Court of Justice judged the appeals lodged and, unanimously, dismissed them, upholding the ruling as unfounded. Lune then filed motions for clarification, which were also dismissed. Subsequently, an appeal was filed with the Superior Court of Justice by Lune, which is still pending judgment. Our outside counsel's opinion is that the chance of an unfavorable outcome is possible. We are unable to determine at this time the extent of any potential liabilities with respect to this claim.

Expiration of Prepaid Plan Minutes

We, together with other Brazilian wireless telecommunications operators, are defendants in lawsuits brought by public prosecutor offices and consumer protection associations challenging the imposition of a deadline for the use of purchased prepaid minutes. The plaintiffs allege that purchased prepaid minutes should not expire after any specified deadline. There are still two lawsuits pending on this matter. Regarding the litigation that originally began in the State of Pará, the plaintiff agreed with our request for dismissal, which has already been recognized by the court, and we are awaiting final disposition. As for the lawsuit filed in the State of São Paulo, a judgment was also issued dismissing the case in favor of the operators but the plaintiff may still file an appeal.

Regulatory and Antitrust Litigation

We are involved in several regulatory and antitrust administrative and legal proceedings. As of December 31, 2025, proceedings with a possible risk of loss amounted to R\$3.237,9 million.

Our material regulatory and antitrust administrative and legal proceedings for which the chance of loss is deemed probable include the following:

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

- *Onerous fee:* The obligation to pay the onerous fee for the renewal of radio frequencies (i.e., the payment, due every two years, relating to the right to use of radio frequencies). Specifically regarding the payment of charges applied to the SMP, there is a dispute discussing 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 probable loss in the SMP charge regarding data revenue, due to unfavorable decisions both at ANATEL in 2021 and in the first instance court. Although the Company managed to overturn one of the unfavorable rulings with the judgment of the Company's Appeal in the second instance, this decision is not final, as ANATEL has already appealed. Furthermore, the Company decided to prospectively collect these amounts in favor of ANATEL, starting in 2022, which is why it is understood that, for now, this provision should be maintained.

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- *General user rights (Direitos Gerais do Usuário)*: 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 RGC, which was approved by Resolution No. 632/2014, especially regarding the provision of services, collection of amounts, disputes and reimbursement, among others.
- *Quality*: The Company and/or its subsidiaries are engaged in administrative and legal discussions regarding telecommunications services originating from STFC, SMP, SeAC and SCM concessions, regarding compliance with the indicators that measure the quality of these services nationwide, based on the RQUAL, which was approved by Resolution No. 717/2019.
- *Relationship between Providers*: The Company and/or its subsidiaries are engaged in administrative and legal discussions regarding the regulatory relationship with other telecommunications service providers regarding the EILD and the supply of other wholesale products.
- *Other cases*: The Company and/or its subsidiaries are involved in administrative and legal discussions regarding other matters, such as 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 multichannel multipoint distribution system, and 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 provide compensation to consumers identified in a Procedure for Determining Non-Compliance with Obligations (“PADO”) that is in progress. As the original PADO has not yet had its final decision, a request was made to suspend the PAC, which was accepted by ANATEL through a decision order.

Our material regulatory and antitrust administrative and legal proceedings for which the chance of loss is deemed possible or remote include the following:

- Dispute regarding the revenues that should be included in the calculation of the fee due for the extension of radio frequencies associated with SMP. In ANATEL’s view, the fee calculation should consider the application of a 2% percentage on all economic benefit arising 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, SVA, revenues earned in the 15th year of the license validity, and others, should not be considered in the fee calculation. As a result of this difference in understanding, the Company filed administrative claims and lawsuits to challenge ANATEL’s fee charges. In July 2024, the ANATEL Board of Directors judged the PAC (Administrative monitoring process) regarding the calculation of costs for the 2016 biennium, related to the extension of the radio frequency associated with the SMP (Mobile Personal Service), the result of which was partially favorable to the Company, insofar as it decided to include the terms of lesser scope in the calculation methodology, resulting in a reduction of values. In this regard, ANATEL has already recalculated the bienniums of 2017 and 2018 to reflect the effects of the decision, with the remaining periods pending recalculation by ANATEL.
- Legal dispute by the Company 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, held by the Brazilian Post and Telegraph Company; as well as that there was alleged price discrimination by the Company in relation to services offered to BT Brasil Serviços de Telecomunicações Ltda (“BT”), imposing a fine. 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; and (iii) the absence of clear criteria for calculating the sanction and the lack of reasonableness. The case is in the first instance awaiting judgment.

- Administrative Proceeding started by ANATEL, which dealt with mobile coverage goals, whose fine of R\$127 million could be converted into an alternative obligation, which consists of an alternative means of complying with a fine, by investing in the installation of 4G base transceiver stations (estações rádio base) in 188 locations, whose installation must take place in two and a half years, with maintenance costs equivalent to the period of one year. Installation cannot result from RAN Sharing, Swap, network rental, industrial exploitation contracts, or other contractual means. The deployment of such obligation within the established period will be monitored.
- 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 the note, namely: General User Rights (“DGU”); Quality, and Relationship between Providers.

For more information, see note 20.c.2.1 to our audited consolidated financial statements included elsewhere in this annual report.

Dividends and Dividend Distribution Policy

Priority and Amount of Dividends

The Brazilian Corporate Law determines that the shareholders of a company have the right to receive, in each fiscal year, a percentage of the profits (mandatory dividends) comprising dividends and/or interest on shareholders’ equity, or distributable amount, of the corporation for each fiscal year. If such amount is not determined in the bylaws of the company, Brazilian Corporate Law specifies the criteria to determine the amount of the dividend. See “Item 10. Additional Information—B. Memorandum and Articles of Association.”

According to our bylaws, we are required to distribute as mandatory dividends of each fiscal year ending on December 31, to the extent amounts are available, an aggregate amount equal to at least 25% of adjusted net income, as a minimum amount of dividends.

As per our bylaws, our Board of Directors may declare interim dividends based on (i) the accrued profits recorded in our semiannual financial statements; (ii) the accrued profits recorded in our quarterly financial statements or in our financial statements of shorter periods, provided that the total amounts of dividends paid up every six months does not exceed the total amount within the capital reserve determined per article 182 of Brazilian Corporate Law; and (iii) the amount recorded on the profit account or profit reserve account on our last annual or semiannual financial statements.

Under the Brazilian Corporate Law, a company is allowed to withhold payment of the mandatory dividend in respect of common shares (and also ADSs) if:

- management and the fiscal board report at the shareholders meeting that the distribution would be incompatible with the financial circumstances of the company; and
- the shareholders ratify this decision at the shareholder’s meeting.

If that is the case:

- management must forward to the CVM, within five days of the shareholders meeting, an explanation justifying the decision at the shareholders meeting; and
- the profits that were not distributed are to be recorded as a special reserve and, if not absorbed by losses in subsequent fiscal years, are to be paid as dividends as soon as the company’s financial situation allows.

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For the purposes of the Brazilian Corporate Law, net profits are defined as net income after income tax and social contribution for the fiscal year, net of any accumulated losses from prior fiscal years and any amounts allocated to beneficiary parties', employees' and management's participation in a company's profits and subscription bonuses.

Under Brazilian Corporate Law, adjusted net income is an amount equal to our net income adjusted to reflect allocations to or from (i) legal reserves, and (ii) contingency reserves for anticipated losses, if any.

At each annual shareholders meeting, the board of directors is required to suggest the allocation of net profits obtained during the preceding fiscal year. Under Brazilian Corporate Law, we are required to maintain a legal reserve, to which 5% of our net profits must be allocated for each fiscal year, which may not exceed 20% of our paid-in capital. Net losses, if any, shall be deducted from accumulated profits, profit reserves and legal reserve, in this order. We may refrain from allocating resources to the legal reserve during any fiscal year in which the balance of such reserve, taken together with the amount of the capital reserve exceeds 30% of the share capital of the Company.

Brazilian Corporate Law also provides for an additional allocation of net profits to special accounts, also to be recommended by management and subject to approval by shareholders at the annual shareholders meeting, including the amount of net profits that may be allocated to the contingency reserve for anticipated losses that are deemed probable in future years. Any amount so allocated in a previous year must be either:

- reversed in the fiscal year in which the loss was anticipated, if the loss does not in fact occur; or
- written-off if the anticipated loss occurs.

Net profits may also be allocated to the unrealized income reserve in case the total amount of mandatory dividends exceeds the amount of realized net profits. Such allocation should also be suggested by management and subject to approval by shareholders at the shareholders' meeting. For such purpose, realized income is the balance of net profits exceeding the sum of:

- the positive net result of equity adjustment; and
- earnings, revenues or net profits from transactions or the accounting of assets and liabilities at market value, whose financial realization term occurs after the end of the next fiscal year.

The amounts available for distribution are determined on the basis of financial statements prepared in accordance with the accounting practices adopted in Brazil.

Payment of Dividends

We are required by law and our bylaws to hold an annual shareholders meeting until April 30 of each year to approve, among other issues, the allocation of net profits earned during the preceding fiscal year and the declaration of dividends by a decision of common shareholders, acting on the recommendation of the executive officers, as approved by the board of directors. The payment of annual dividends is based on the financial statements prepared for each fiscal year ending on December 31.

A shareholder has a three-year period from the dividend payment date to claim dividends in respect of its shares, after which any unclaimed dividend distributions legally revert to the Company. Because our shares are issued in book-entry form, dividends with respect to any share are credited to the account holding the share and no action is required on part of the shareholder. We are not required to adjust the amount of paid-in capital for inflation.

Time Limits for Claiming Dividends

Our shareholders have three years to claim dividend distributions made with respect to their shares, as from the date that we distribute the dividends to our shareholders, after which any unclaimed dividend distributions legally revert to us. We are not required to adjust the amount of any distributions for inflation that occurs during the period from the date of declaration to the payment date.

If a shareholder is not a resident of Brazil, he or she must register with the Central Bank to be eligible to receive dividends, sales proceeds or other amounts with respect to his or her shares outside of Brazil. Our common shares underlying ADSs are held in Brazil by a Brazilian custodian, Citibank DTVM S.A., as the agent for the depository Citibank N.A., which is the registered owner of our shares.

Payments of cash dividends and distributions, if any, will be made in Brazilian currency to the custodian on behalf of the depository, which will then convert those proceeds into U.S. dollars and will provide for U.S. dollars to be delivered to the depository for distribution to holders of ADSs. If the custodian is unable to immediately convert the Brazilian currency received as dividends into U.S. dollars, the amount of U.S. dollars payable to holders of ADSs may be adversely affected by devaluations of the Brazilian currency that occur before dividends are converted and remitted. Dividends in respect of the common shares paid to resident and nonresident shareholders, including holders of ADSs are not currently subject to Brazilian withholding tax.

Additional Payments on Shareholders' Equity

Law No. 9,249, as amended December 26, 1995, provides for the distribution to shareholders of interest on shareholders' equity, which may be computed with the amount of dividends to be distributed to shareholders. A company can treat these payments as financial expenses for income tax and social contribution purposes. Currently, this interest is limited to the daily pro rata variation of the TJLP, a long-term nominal interest rate determined by the federal government that includes an inflation factor and cannot exceed the greater of:

- 50% of net income (before deducting income tax and interest on equity) for the period in which the payment is made, or
- 50% of the sum of retained earnings and profit reserves.

Currently, any payment of interest in respect to common shares to shareholders (including the holders of ADSs) is subject to Brazilian withholding tax at a rate of 17.5%, or 25% in the case of a shareholder domiciled in a tax haven, and these payments may be included, at their net value, as part of any mandatory dividend. If payment of interest on shareholders' equity is made for a beneficiary located outside of Brazil, the IOF tax triggers at a rate of zero. See "Item 10. Additional Information—E. Taxation—Brazilian Tax Considerations—Distributions of Interest on Capital."

We declare and pay dividends and/or interest on shareholders' equity as required by Brazilian Corporate Law and our bylaws. The declaration of annual dividends, including dividends in excess of the mandatory distribution, requires approval by the vote of a majority of the holders of common shares, and depends on many factors. These factors include our results of operations, financial condition, cash requirements, future prospects and other factors deemed relevant by shareholders. Our shareholders have historically acted on these matters based on recommendations by the board of directors.

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The following table sets forth the dividends or interest on shareholders' equity paid to holders of our common and preferred shares in the three years ended December 31, 2025:

Year	Description (Dividends or Interest on Shareholders' Equity)⁽¹⁾	Common stock (per share/in R\$)
2025	Div/Int	1.370092
2024	Div/Int	1.564441
2023	Div/Int	2.357910
2022	Div/Int	3.488877

(1) Interest on shareholders' equity is net of withheld taxes.

(2) All of our outstanding preferred shares were converted into common shares after the market closed on November 20, 2020. See "Item 10. Additional information—B. Memorandum and Articles of Association—Description of our bylaws—History of Share Capital—Conversion of our Preferred Shares into Common Shares."

Dividends and Interest on Shareholders' Equity

Year ended December 31, 2025

On February 13, 2025, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$180 million. The record date for such distribution was February 24, 2025 and such amount was paid on December 2, 2025.

On March 13, 2025, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$200 million. The record date for such distribution was March 24, 2025 and such amount was paid on December 2, 2025.

On April 1, 2025, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$240 million. The record date for such distribution was March 11, 2025 and such amount will be paid on April 14, 2026.

On May 12, 2025, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$500 million. The record date for such distribution was May 12, 2025 and such amount will be paid on April 14, 2026.

On June 12, 2025, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$200 million. The record date for such distribution was June 23, 2025 and such amount will be paid on April 14, 2026.

On July 14, 2025, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$330 million. The record date for such distribution was July 25, 2025 and such amount will be paid on April 14, 2026.

On August 14, 2025, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$250 million. The record date for such distribution was August 25, 2025 and such amount will be paid on April 14, 2026.

On September 11, 2025, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$400 million. The record date for such distribution was September 22, 2025 and such amount will be paid on April 14, 2026.

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On October 14, 2025, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$380 million. The record date for such distribution was October 27, 2025 and such amount will be paid on April 14, 2026.

On November 13, 2025, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$340 million. The record date for such distribution was November 24, 2025 and such amount will be paid on April 14, 2026.

On December 16, 2025, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$350 million. The record date for such distribution was November 29, 2025 and such amount will be paid on April 14, 2026.

Year ended December 31, 2024

On March 14, 2024, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$300 million. The record date for such distribution was March 28, 2024 and such amount was paid on December 17, 2024.

On April 16, 2024, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$380 million. The record date for such distribution was March 31, 2024 and such amount was paid on December 17, 2024.

On June 14, 2024, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$175 million. The record date for such distribution was May 31, 2024 and such amount was paid on December 17, 2024.

On July 15, 2024, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$650 million. The record date for such distribution was June 30, 2024 and such amount was paid on April 8, 2025.

On August 14, 2024, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$400 million. The record date for such distribution was July 31, 2024 and such amount was paid on April 8, 2025.

On December 12, 2024, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$1,200 million. The record date for such distribution was November 29, 2024 and such amount was paid on April 8, 2025.

Year ended December 31, 2023

On February 15, 2023, the board of directors approved, subject to shareholder approval, the payment of interest on equity for the common shares in the amount of R\$106 million. The record date for such distribution was February 28, 2023 and such amount was paid on October 18, 2023.

On March 15, 2023, the board of directors approved, the payment of interest on equity for the common shares in the amount of R\$290 million. The record date for such distribution was March 31, 2023 and such amount was paid on October 18, 2023.

On May 15, 2023, the board of directors approved, the payment of interest on equity for the common shares in the amount of R\$320 million. The record date for such distribution was May 31, 2023 and such amount was paid on April 23, 2024.

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On July 17, 2023, the board of directors approved, the payment of interest on equity for the common shares in the amount of R\$405 million. The record date for such distribution was July 31, 2023 and such amount was paid on April 23, 2024.

On August 15, 2023, the board of directors approved the payment of interest on equity for the common shares in the amount of R\$265 million. The record date for such distribution was August 31, 2023 and such amount was paid on April 23, 2024.

On September 11, 2023, the board of directors approved the payment of interest on equity for the common shares in the amount of R\$200 million. The record date for such distribution was September 22, 2023 and such amount was paid on April 23, 2024.

On October 10, 2023, the board of directors approved, the payment of interest on equity for the common shares in the amount of R\$150 million. The record date for such distribution was October 23, 2023 and such amount was paid on April 23, 2024.

On December 14, 2023, the board of directors approved the payment of interest on equity for the common shares in the amount of R\$850 million. The record date for such distribution was December 26, 2023 and such amount was paid on April 23, 2024.

B. Significant Changes

Not applicable.

Item 9. The Offer and Listing

A. Offer and Listing Details

The trading market for our common shares is the B3.

Our common shares began trading on the B3 on September 22, 1998 and are traded on the B3 under the symbol “VIVT3” (formerly TLPP3). As of December 31, 2025, we had 3,195,606,352 outstanding common shares held by 287 thousand shareholders.

In the United States, the common shares trade in the form of ADRs, each representing two of our common shares, issued by Citibank N.A., as depositary, pursuant to a deposit agreement, among us, the depositary and the registered holders and beneficial owners from time to time of ADRs.

B. Plan of Distribution

Not applicable.

C. Markets

Regulation of Brazilian Securities Markets

The Brazilian securities market is regulated and supervised by the CMN (which has general authority over the stock exchanges and securities markets), as provided for by the Brazilian Securities Exchange Act and Brazilian Corporate Law. The CMN is responsible for supervising the CVM's activities, granting licenses to brokerage firms to govern their incorporation and operation, and regulating foreign investment and exchange transactions, as provided for by the Brazilian Securities Exchange Act and Law No. 4,595 of December 31, 1964, as amended. These laws and regulations provide for, among other things, disclosure requirements to issuers of securities listed on stock exchanges, criminal sanctions for insider trading and price manipulation, protection of minority shareholders, the procedures for licensing and supervising brokerage firms and the governance of Brazilian stock exchanges.

Under Brazilian Corporate Law, a company is either publicly held and listed, *companhia aberta*, or privately held and unlisted, *companhia fechada*. All listed companies are registered with the CVM and are subject to reporting requirements to periodically disclose information and material facts. A company registered with the CVM is authorized to trade its securities either on the Brazilian exchange markets, including the B3, or in the Brazilian over-the-counter market. Shares of companies listed on the B3 may not simultaneously trade on the Brazilian over-the-counter markets. The over-the-counter market consists of direct trades between persons in which a financial institution registered with the CVM serves as an intermediary. No special application, other than registration with the CVM (and, in case of organized over-the-counter markets, with the relevant over-the-counter market), is necessary for securities of a publicly held company to be traded in this market. To be listed on the B3, a company must apply for registration both with the B3 and the CVM.

Trading securities on the B3 may be suspended under a request from a company in anticipation of a material announcement. Trading the securities of a particular company may also be suspended under the initiative of the B3 or the CVM, among other reasons, due to the belief that the company has provided inadequate information regarding a material event or has provided inadequate responses to inquiries by the CVM or the B3.

Trading on the B3

B3 is a Brazilian publicly held company established in March 2017 when the securities, commodities and futures exchanges activities of BM&FBOVESPA were combined with the activities of CETIP, a provider of financial services for the organized OTC market. B3 is one of the world's largest financial market infrastructure providers by market value. The services it offers range from exchange trading, clearing and other post-trade services to registration of over-the-counter (OTC) transactions and of vehicle and real estate loans.

Trading on the exchange is conducted by authorized members. Trading sessions take place every business day, from 10:00 a.m. to 5:00 p.m., during daylight saving time in the United States, or from 10:00 a.m. to 6:00 p.m., on an electronic trading system called PUMA. Trading is also conducted between 5:30 p.m. and 6:00 p.m., in the period when the trading sessions close at 5:00 p.m., in an after-market system connected to both traditional brokerage firms and brokerage firms operating on the Internet. This after-market trading is subject to regulatory limits on price volatility of securities traded by investors operating on the Internet.

To better control the excess of volatility in market conditions, B3 has adopted a "circuit breaker" system pursuant to which trading sessions may be suspended for a period of 30 minutes or one hour whenever the indices of these stock exchanges fall below the limits of 10% and 15%, respectively, compared to the index at the close of trading of the previous trading day. In the event the stock exchange index falls below the limit of 20% in comparison to the previous trading day, B3 may determine the suspension of trading sessions for a certain period to be defined at its sole discretion.

Although all the outstanding shares of an exchange-listed company may trade on a Brazilian stock exchange, in most cases, less than half of the listed shares are actually available for trading by the public, the remainder being held by small groups of controlling entities or persons that rarely trade their shares. For this reason, data showing the total market capitalization of Brazilian stock exchanges tends to overstate the liquidity of the Brazilian equity securities market.

Corporate Governance Practices

We are a corporation (*sociedade anônima*), organized under the laws of Brazil, and are subject to the corporate governance provisions set forth in the Brazilian Corporate Law. We comply with the regulatory requirements of the Brazilian Corporate Law regarding the independence of our board of directors, the establishment and composition of certain board committees, and the adoption and disclosure of corporate governance guidelines.

We comply with various requirements under Brazilian and international laws to promote strong corporate governance and enhance disclosure of material and other information.

We have implemented several measures designed to improve our corporate governance practices. We believe that these measures will benefit our current and future shareholders and investors, as well as the market in general. Among the measures we have implemented are:

- adopted a policy for disclosure of material facts or corporate actions and trading of our securities (*Política de Divulgação de Ato ou Fato Relevante e de Negociação de Valores Mobiliários*);
- adopted a policy for internal controls related to the Communication, Recording and Control of Financial and Accounting Information (*Normativa sobre Registro, Comunicação e Controle de Informação Financeiro-Contábil*);
- established the Quality and Sustainability Committee;
- established the Control and Audit Committee;
- established the Nominations, Compensation and Corporate Governance Committee;
- adopted a policy for transactions with related parties of the Company (*Política para Transações com Partes Relacionadas*);
- enacted a procedure to receive and deal with reports of accounting and auditing fraud within the company (*Canal de Denúncias*);
- enacted a policy for prior approval of contracting audit services (*Política de Contratação de Auditores Independentes*);
- enacted a code of business conduct and ethics (*Princípios de Negócio Responsável*);
- enacted a code of conduct for members of our finance team regulating the conduct of our managers in connection with the registration and control of financial and accounting information and their access to privileged and nonpublic information and data (*Política de Ética e Conduta para Financeiros*);
- enacted a policy regarding communication of information to the securities market (*Normativa sobre Comunicação de Informação aos Mercados*); and
- enacted a policy regarding the prevention and fight against corruption (*Diretrizes de Prevenção e Combate à Corrupção and Política Anticorrupção*).

As determined by the Brazilian Corporate Law, the annual cap for the aggregate compensation of the board of directors and board of executive officers is approved by our shareholders at a shareholders' meeting. The Nominations, Compensation and Corporate Governance Committee provides information and recommendations to the board of directors regarding the criterion for compensation.

Our policy relating to insider trading currently in effect is determined pursuant to our Rule for Disclosing Information to the Market (*Política de Divulgação de Ato ou Fato Relevante e de Negociação de Valores Mobiliários*), which is adopted in accordance with the CVM Resolution No. 44/2021. This document establishes practices for disclosing, using and preserving the confidentiality of relevant acts and/or facts of the Company, and establishes obligations and mechanisms for the disclosure of said facts to the market. The Company, controlling shareholders, senior management, members of our board of directors, fiscal board and any other employee exposed to sensitive information are subject to the restrictions imposed by such rules. In addition to the prohibition on the trading of our shares by such individuals when in possession of insider information, the rules establish blackout trading periods for those periods when insider information is available. The prohibitions on trading of shares provided for in our policy do not apply to the Company, to the Controlling Shareholders, or to the senior management and members of the Board of Directors when carrying out the transactions in compliance with an investment or disinvestment Plan approved under the terms of the CVM Resolution No. 44/2021. In addition, the charter sets forth instructions for dealing with conflicts of interest and mandates disclosure of any such situation.

Codes of Business Conduct and Ethics; Telefônica Responsible Business Principles

We have implemented a code of ethics and conduct policy applicable to our principal executives and senior management. In addition, we have adopted the Telefônica Responsible Business Principles, which guides the conduct of all company employees, including members of the Board of Directors. For more information, see “Item 16b. Code of Ethics.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The following information describes our common shares and provisions set forth by our bylaws and of the Brazilian Corporate Law. This description is only a summary. You should read and refer to our amended and restated bylaws (*estatuto social*) incorporated by reference herein as Exhibit 1.1 hereto.

Description of Our Bylaws

The following is a summary of the material provisions of our amended and restated bylaws and of the Brazilian Corporate Law. In Brazil, a company's bylaws (*estatuto social*) are the principal governing document of a corporation (*sociedade por ações*).

General

We are registered with the Board of Trade of São Paulo (*Junta Comercial de São Paulo*), or JUCESP, under No. 35.3.001588-14. We have been duly registered with the CVM under No. 17671 since August 19, 1998. Our headquarters are located in the city of São Paulo, state of São Paulo, Brazil. Our company has an undetermined period of existence.

As of December 31, 2025, we had an outstanding share capital of R\$60,071.4 million, comprised of 3,226,546,622 common shares. All of our outstanding share capital is fully paid.

All of our shares are without par value. In addition, our board of directors is authorized to increase our share capital by up to 1,850,000,000 new common shares without amendment to our bylaws. Any increase of our share capital above that limit must be approved by a general extraordinary shareholders meeting.

As of December 31, 2025, 30,940,270 common shares were held by us (treasury shares) at a book value per share of R\$21.51. As of the date of this annual report, there are no persons to whom any capital of the Company or any of our subsidiaries is under option or agreed conditionally or unconditionally to be put under option.

History of Share Capital

Public Offering for the Primary Distribution of Common and Preferred Shares

At a meeting held on March 25, 2015, our board of directors approved unanimously the realization of a public offering for the primary distribution of common and preferred shares issued by the Company, all registered shares, without par value, free and clear of any liens or encumbrances, including in the form of ADSs, represented by ADRs, held simultaneously in Brazil and abroad, through a capital increase of the Company. The capital increase was approved by the board of directors' meeting held on April 27, 2015, amounting to R\$15.8 billion, increasing the Company's share capital from R\$37.8 billion to R\$53.6 billion through the issuance of 121,711,240 common shares, at an issue price of R\$38.47 per unit, and 236,803,588 preferred shares, at an issue price of R\$47.00 per unit. Common shares, preferred shares and ADSs issued as a result of this capital increase confer to their holders, as of April 28, 2015, the date of disclosure of the global offering announcement of commencement, the same rights assigned respectively to the holders of common shares, preferred shares and ADSs, currently outstanding, under the Company's bylaws and the Brazilian Corporate Law, fully participating in dividends and other distributions declared from the date of publication of the global offering announcement of commencement. The issue price of R\$47.00 per preferred share was determined after the completion of the bookbuilding process, in accordance with article 23, paragraph 1, and article 44 of CVM Instruction No. 400/2003, as amended, or Instruction No. 400, and in accordance with the provisions of article 170, paragraph 1, item III, of the Brazilian Corporate Law. The issue price of R\$38.47 per common share was determined based on the price per preferred share determined after the completion of the bookbuilding process, applying a discount of 18.14%, which represents the average price discount trading of the common shares issued by the Company in relation to the trading price of the preferred shares issued by the Company in the three months prior to March 26, 2015.

Public Offering for the Primary Distribution of Shares

At a meeting held on April 30, 2015, our board of directors approved a second capital increase in connection with the public offering for the primary distribution of shares, due to the exercise, by the Bank of America Merrill Lynch Banco Múltiplo S.A., of the option of over-allotment of shares that was granted by the Company, in accordance with article 24 of Instruction No. 400, to meet the excess demand verified during the Offering. The Company's share capital was increased in the amount of R\$295.3 million, through the issuance of 6,282,660 preferred shares at the issue price of R\$47.00 per unit, increasing the share capital of the Company to R\$53.9 billion, represented by 503,046,911 common shares and 985,019,821 preferred shares.

GVTPar Merger and Increase in the Company's Share Capital

On May 28, 2015, our shareholders approved the merger of shares issued by GVTPar by the Company and its implementation, with the conversion of GVTPar in a wholly-owned subsidiary of the Company and the resulting increase in the Company's capital in the amount of R\$9.7 billion through the issue of 68,597,306 common shares and 134,320,885 preferred shares, all without par value, increasing the share capital of the Company to R\$63.6 billion.

Conversion of Our Preferred Shares into Common Shares

As mentioned above, on October 1, 2020, our shareholders approved, and our preferred shareholders ratified, the conversion of all the preferred shares issued by the Company into common shares, in the proportion of one common share for each one preferred share and its implementation by the Company's officers as well as the relevant changes to the Company's bylaws to reflect the Conversion.

After the concession and the expiration of the term for shareholders to exercise withdrawal rights, we proceeded with the Conversion, and the last trading session for our preferred shares on the B3 and for our ADSs backed by preferred shares on the NYSE was on November 20, 2020. Therefore, as of November 23, 2020, "VIVT3" represents the only ticker symbol for trading of the Company's common shares on the B3, and ADSs backed by our common shares began trading on the NYSE under the ticker symbol "VIV."

The Conversion was undertaken as part of certain improvements to our Corporate Governance Practices, in order to maximize the generation of value to all our shareholders, conferring to them rights set forth under Brazilian Corporate Law, such as the right to vote and the right to tag along, among others.

Capital Reduction Events

On February 15, 2023, the Board of Directors approved the Company's submission of a request to ANATEL to approve a potential capital reduction in one or more corporate events. The purpose of the request was to provide the Company with the flexibility to implement a reduction in its capital stock, with a maximum limit of R\$5.0 billion. This decision was based on the Company's financial assessment and the prevailing macroeconomic conditions. The operation was intended to enhance the Company's capital structure, enabling greater flexibility in capital allocation and achieving a balance between resource needs and value creation for shareholders. In September 2023, ANATEL granted authorization for the Company to reduce its capital stock. The Board of Directors approved the proposal for the initial installment of the capital stock reduction, amounting to R\$1.5 billion, on November 8, 2023.

On January 24, 2024, the Company's capital reduction of R\$1.5 billion was approved by our shareholders. This reduction does not involve the cancellation of shares, thereby maintaining the existing number of shares and the percentage of each shareholder's interest in the Company's share capital. Consequently, the Company's share capital was adjusted from R\$63.6 billion to R\$62.1 billion. The capital reduction was executed by reimbursing shareholders an amount of R\$0.90766944153 per common share issued by the Company. This calculation considers the number of common shares issued by the Company in circulation on January 24, 2024, after factoring the cancellation of shares held in treasury on December 22, 2023. The record date for this reduction was April 10, 2024. Funds were disbursed in a single installment on July 10, 2024.

On November 5, 2024, the Board of Directors approved the proposal for the Company's second capital reduction in the amount of R\$2.0 billion followed by the approval of shareholders on December 18, 2024. This reduction did not involve the cancellation of shares while maintained the number of shares and the percentage of shareholders' participation in the Company's share capital was unchanged. Consequently, the Company's share capital was reduced from R\$62.1 billion to R\$60.1 billion. The reduction proceeded with the restitution to shareholders, in local currency, of R\$1.22651176012 per common share issued by the Company. This calculation was based on a total of 1,652,588,360 ordinary shares into which the share capital was divided, excluding 21,947,656 shares held in treasury as of October 31, 2024. The record date for this reduction was February 27, 2025. Funds were disbursed in a single installment on July 15, 2025.

Since the migration to the authorization regime, which occurred in April 2025, the Company is no longer required to obtain Anatel's approval for a reduction of its share capital.

On December 9, 2025, the Company's Board of Directors approved (i) a proposal, to be discussed and deliberated by the shareholders at an extraordinary general meeting, for a Company capital reduction in the amount of R\$4.0 billion, without the cancellation of shares and through the return of the funds to the shareholders, reducing the share capital from R\$60.1 billion to R\$56.1 billion, maintaining unchanged the shareholders' equity interests in the Company's capital stock; and (ii) the convening of an extraordinary general meeting to be held on March 12, 2026, to deliberate on the aforementioned capital reduction proposal and the consequent amendment to the Company's Bylaws, which the notice of convening and other relevant documents have already been published. In case of approval at the extraordinary general meeting, the reduction will be subject to a 60-day period, counted from the date of publication of the extraordinary general meeting minutes, as provided for in Article 174 of Law No. 6,404/1976. Following the capital reduction, the payment of the funds arisen from the reduction shall occur by July 14, 2026, in a single installment, on a date to be determined by the Company's Board of Executive Officers, individually to each shareholder and in proportion to their respective interest in the Company's capital stock.

Reverse Stock Split

On January 29, 2025, the Company's Board of Directors approved the convening of an Extraordinary General Meeting ("AGE") to deliberate on the proposal for a reverse stock split of all the Company's outstanding common shares, in the ratio of 40 (forty) shares for 1 (one) share, and a subsequent stock split, whereas 1 (one) grouped stock would correspond to 80 (eighty) shares, without change in the value of the Company's capital stock, but solely to the total number of outstanding shares, with the consequent amendment to the Company's Bylaws ("Transaction").

The Transaction did not imply any change in the total number of the Company's securities traded on the American market (American Depositary Receipts - "ADRs"). The purpose of the Transaction was to enhance the liquidity of the Company's shares and, consequently, to improve the price formation process by increasing the volume of shares effectively traded in the market and adjusting their unit price. Furthermore, the Transaction aimed to: (a) reduce operational and administrative expenses resulting from the current structure of the Company's shareholder base, (b) provide greater efficiency in the management of its shareholder base, (c) increase the efficiency of the book-entry share registration and custody systems, (d) improve the provision of information and communication, enhancing service to shareholders, and (e) provide greater efficiency in the distribution of dividends to the Company's shareholders.

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On March 13, 2025, (i) Telefônica Brasil's Extraordinary General Meeting approved the Transaction, and (ii) subsequently, Telefônica Brasil's Statutory Board approved to initiate the implementation procedures on the same date and established the period from March 14, 2025, to April 14, 2025 for shareholders of common shares to, if applicable and at their sole discretion, adjust their holdings into whole lots in multiples of forty (40) ("Free Position Adjustment Period").

Following the Free Adjustment of Position Period, on April 15, 2025, the Transaction was finished on the B3, with shareholders having their shareholdings adjusted and the Company's shares being traded ex-share consolidation and ex-share split conditions.

The auction for the sale of the remaining fractional shares resulting from the Transaction was held on the B3 on May 19, 2025, totaling R\$949.3 million, net of costs and fees, equivalent to approximately R\$ 26.64 per common share.

The net product obtained 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 shareholders who are not identified or whose registration data is incomplete: the amounts are available at the Company, for the legal period, for collection by the respective holder upon provision of complete registration data.

Cancellation of Treasury Shares

On December 20, 2024, the Board of Directors approved the proposal to cancel 21,944,664 common, book-entry shares with no par value issued by the Company held in treasury, without reducing their par value, which were acquired in the context of the Company's Share Buyback Program.

On March 13, 2025, the Company's shareholders approved the amendment to the Company's Bylaws to reflect the new number of shares into which the Company's capital stock is divided as a result of this cancellation of shares.

On July 24, 2025, the Board of Directors approved the proposal to cancel 34,740,770 common, book-entry shares with no par value issued by the Company held in treasury, equivalent to 1.07% of the capital stock, without reducing its value, which were acquired in the context of the Company's Share Buyback Program.

On January 9, 2026, the Company's shareholders approved the amendment to the Company's Bylaws to reflect the new number of shares into which the Company's capital stock is divided as a result of this cancellation of shares.

Corporate Purposes

Under article 2 of our bylaws, our corporate purposes are:

- the operation of communications and telecommunications services;
- the development any and all activities necessary or useful for the execution of such services, including leasing, sharing, and assignment of infrastructure;
- the provision of value-added services, development, availability, distribution, and commercialization of digital services, as well as audio, video, image, text, and internet-based applications in any medium, including advertising and promotional materials;

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- the provision of integrated solutions, management, services, and consulting related to: (i) data centers, including hosting and colocation; (ii) storage, processing, and management of data, information, texts, images, videos, applications, and information systems and related services; (iii) connectivity, internet of things, information technology, networks, systems analysis and development, programming, configuration, and related fields; (iv) information and communication security; (v) communication and telecommunications; (vi) electronic security systems related to theft, intrusion, fire, and others, surveillance, security, tracking, and remote or on-site monitoring; (vii) maintenance, repair, technical assistance, and IT support for any machines and equipment; (viii) artificial intelligence and blockchain; and (ix) data management intelligence (Big Data);
- the development, licensing and sublicensing of software, IT systems, and intellectual property rights of any nature;
- retail and/or wholesale commercialization, leasing, or lending of goods, merchandise, equipment, and various materials, including but not limited to telecommunications equipment, telephones, electrical and electronic devices, IT systems and products, computers, technological accessories, including automotive accessories, spare parts, precision instruments, measuring devices, electronic and security sensors, food products (including coffee and similar specialties), books, newspapers, and magazines by any means;
- participation in the capital of other companies or entities of any nature, in Brazil or abroad, including consortia and associations, regardless of the activities carried out by such companies or entities;
- import and export of goods and services;
- management, consulting, design, or implementation of projects and provision of installation, engineering, and civil construction services, including plumbing, gas, electrical installations, and other works;
- provision of business intermediation services in general;
- provision of consulting services related to the Company's activities;
- purchase and sale, collection, treatment, reconditioning, and recycling of electronic and electrical equipment in general, including recurring scrap, unusable scrap, and related non-hazardous scrap;
- leasing, subleasing, loan for use or assignment, under any title, of the right to use real estate owned by the Company or third parties, in whole or in part, for any purpose, including gatherings, shows, performing arts, and other artistic activities, directly or through third parties;
- provision of correspondent services in Brazil for banks and/or financial institutions and collection services in general; and
- the performance of other related or similar activities, directly or indirectly, to those described in the preceding items.

Board of Directors

Under our bylaws, any matters subject to the approval of our Board of Directors can be approved only by the majority of votes of the present members. In addition, under our bylaws, our Board of Directors may only deliberate if a majority of its members currently in office are present at a duly convened meeting and in the event of a tie, the Chairman of the Board of Directors shall be the tiebreaker.

Election of Directors

The members of our Board of Directors are elected at shareholders' meetings for three-year terms. The tenure of the members of the Board of Directors and of the Board of Executive Officers will be conditioned on such members signing the respective instrument of investiture and complying with applicable legal requirements.

Qualification of Executive Officers and Directors

Changes to the Brazilian Corporate Law have removed the requirement that executive officers must be residents of Brazil. Now, our executive officers and the members of our Board of Directors are not required to be residents of Brazil; however, their tenure is conditioned on the appointment of a representative who resides in Brazil with powers to, for at least three years after the termination of the term of office, to (i) receive service of process in proceedings initiated against such member based on the corporate legislation; and (ii) receive service of process and subpoenas in administrative proceedings initiated by the CVM when holding a management position in a publicly-held company. Despite the exception made by Brazilian Corporate Law, our Bylaws still require our Executive Officers to be residents of Brazil.

Fiduciary Duties and Conflicts of Interest

All members of our board of directors owe fiduciary duties to us and all of our shareholders.

Under the Brazilian Corporate Law and the board of directors' internal rules, if one of our directors has a conflict of interest with our Company in connection with any proposed transaction, such director may not vote on any decision of our board of directors regarding such transaction and must disclose the nature and extent of his conflicting interest for inclusion in the minutes of the applicable meeting. The same rules on conflict of interest rules are applicable to executive officers.

Any transaction in which one of our Directors or Executive Officers may have an interest can only be approved on reasonable and fair terms and conditions that are no more favorable than the terms and conditions prevailing in the market or offered by third parties. If any such transaction does not meet this requirement, then the Brazilian Corporate Law provides that the transaction may be held null and void and the interested director or executive officer must return to us any benefits or other advantages that he obtained from, or as result of, such transaction. Under the Brazilian Corporate Law and upon the request of a shareholder who owns at least 1% (as reduced by CVM Resolution No. 70/2022) of our total share capital, our Directors and Executive Officers must disclose to our shareholders at the Annual Shareholders' Meeting certain transactions and circumstances that may give rise to a conflict of interest. In addition, our Company (through the approval of the majority of our share capital) or shareholders who own 1% (as reduced by CVM Resolution No. 70/2022) or more of our share capital may bring an action for civil liability against any Director and/or Executive Officers for any losses caused to us as a result of a conflict of interest.

Compensation

Under our bylaws, our common shareholders approve the annual cap for aggregate compensation payable to our Directors, Executive Officers and members of our Fiscal Board. Subject to this approval, our Board of Directors establishes the distribution of such compensation of its members and of our executive officers.

As per Brazilian Corporate Law, the compensation payable to the members of the fiscal board shall not be less than 10% of the average compensation paid to each executive officer, not including benefits, allowances and shares in profits.

Mandatory Retirement

Neither the Brazilian Corporate Law nor our bylaws establish a mandatory retirement age for our Directors or Executive Officers.

Share Capital

Each of our common shares entitles its holder to one vote at our annual and extraordinary shareholders' meetings. Holders of our common shares are not entitled to any preference in respect of our dividends or other distributions or otherwise in case of our liquidation.

Shareholders' Meetings

Under the Brazilian Corporate Law, we must hold an annual shareholders' meeting within the first four months after the closing of the fiscal year in order to:

- approve or reject the financial statements approved by our board of directors, including any recommendation by our Board of Directors for the allocation of net profit and distribution of dividends;
- elect members of our Board of Directors (upon expiration of their three-year terms) and members of our Fiscal Board (every year), subject to the right of minority common shareholders to elect members of our board of directors and our fiscal board; and
- approve the monetary adjustment to the share capital.

In addition to the annual shareholders' meetings, holders of our common shares have the power to determine any matters related to changes in our corporate purposes and to pass any resolutions they deem necessary to protect and enhance our development whenever our interests so require, by means of extraordinary shareholders' meetings.

We convene our shareholders' meetings, including our annual shareholders' meeting, by publishing a notice in a Brazilian major newspaper published in the same city as our headquarters, and the same newspaper's website must provide digital certification for all the documents kept on such website. On the first call of a shareholders' meeting, the notice must be published no fewer than three times, beginning, the first notice, at least 21 calendar days prior to the scheduled meeting date. On the second call of a shareholders' meeting, the notice must be published no fewer than three times, beginning at least eight calendar days prior to the scheduled meeting date. In accordance with our bylaws, for meetings involving deliberations described under article 136 of the Brazilian Corporate Law, the notice must be published at least thirty calendar days prior to the scheduled meeting date and on the second call at least ten calendar days prior to the scheduled meeting date. As recommended by the CVM, for annual and extraordinary shareholders' meetings, we convene our shareholders' meeting at least 30 calendar days prior to the scheduled meeting date. The notice must contain the meeting's place, date, time, agenda and, in the case of a proposed amendment to our bylaws, a description of the subject matter of the proposed amendment.

Our Board of Directors may convene shareholders' meetings. Under the Brazilian Corporate Law, shareholders' meetings also may be convened by our shareholders as follows:

- by any of our shareholders if, under certain circumstances set forth in the Brazilian Corporate Law, our Directors do not convene a shareholders' meeting required by law within 60 days; and
- by shareholders holding at least 1% (as reduced by CVM Resolution No. 70/2022) of our total share capital if, after a period of eight days, our Directors fail to call a shareholders' meeting that has been requested by such shareholders by means of a duly reasoned request that indicates the subject matter.

In addition, our Fiscal Board may convene an ordinary shareholders' meeting if our Board of Directors does not convene an annual shareholders' meeting within 30 days or an extraordinary shareholders' meeting at any other time to consider any urgent and serious matters, including any matters they deem necessary.

Each shareholders' meeting is presided over by the president of the Board of Directors, who is responsible for choosing a secretary of the meeting among those present at the meeting. In case of absence of the president of the Board of Directors at the shareholders' meeting, the shareholders may choose, among those present, the president and the secretary of the meeting. A shareholder may be represented at a shareholders' meeting by an attorney-in-fact appointed by the shareholder less than one year before the meeting. The attorney-in-fact must be a shareholder, a member of our Board of Directors, a member of our Board of Executive Officers, a lawyer or a financial institution, and the representation of the condominium members shall be made by the manager of the investment fund. The power of attorney appointing the attorney-in-fact must comply with certain formalities set forth under Brazilian law. To be admitted to a shareholders' meeting, a person must present valid power of attorney (if the shareholder is to be represented by an attorney-in-fact), together with any other requirement provided for in the call notice.

In order to convene a shareholders' meeting, shareholders representing at least 25% (except when the agenda sets forth a matter that requires a higher quorum) of our issued voting share capital must be present on the first call. However, shareholders representing at least two-thirds of our issued voting share capital must be present at a shareholders' meeting called to amend our bylaws. If a quorum is not met, our Board of Directors may issue a second call by publishing a notice as described above at least eight calendar days prior to the scheduled meeting. Except as otherwise provided by law, the quorum requirements do not apply to a meeting held on the second call, and the shareholders' meetings may be convened with the presence of shareholders representing any number of shares (subject to the voting requirements for certain matters described below).

Remote Voting

Pursuant to the CVM Resolution No. 81/2022, the system of Remote Voting is required to be adopted by Brazilian companies for all ordinary and extraordinary general shareholders' meetings, due to the requirements set forth in article 26, paragraph 1, of CVM Resolution No. 81/2022. This system aims to facilitate the participation of the Company's shareholders in its meetings. This resolution provides for the following:

- the creation of a Remote Voting Ballot (*Boletim de Voto a Distância*) through which the shareholders may exercise their right to vote prior to the date in which the shareholders' meeting is held;
- the possibility to include in the Remote Voting Ballot a list of candidates and submit minority shareholders' proposals, for deliberation at the shareholders' meeting, upon satisfaction of certain criteria;
- the deadlines, procedures and means of transmitting the Remote Voting Ballot; and
- the possibility of holding shareholders' meeting by fully digital means (in which case shareholders may only participate virtually) or partially digital means (in which case shareholders may either participate virtually or attend the meeting in person at the Company's headquarters).

In addition, listed companies are required to adopt certain measures regarding the voting process, including:

- informing the market of the adoption of the cumulative voting process in shareholders' meetings immediately upon receipt of the first valid requirement; and
- disclosing voting maps, as well as any voting statement presented by a shareholder at a meeting.

In accordance with the provisions of applicable laws and regulations, the Company has adopted the Remote Voting System since its Annual Shareholders' Meeting held on April 26, 2017.

If shareholders choose to remotely exercise their voting rights, pursuant to CVM Resolution No. 81/2022, they may send a remote voting ballot through: (i) their respective custody agent, if it provides this type of service; (ii) the Company's bookkeeping institution (Banco Bradesco S.A.); (iii) the Company's central depository in which the common shares are deposited; or (iv) directly to the Company, observing the deadlines and timeframes set forth in the applicable regulations. We may, at our sole discretion, put in place an electronic system for those shareholders who choose to send the remote voting ballot directly to the Company so that the documents may be remitted to us in a digital format instead of sending hard copies to the Company's address. The availability of said system is set forth in the relevant documents disclosed by the Company for each shareholders' meeting. Specific instructions regarding remote voting in shareholders' meetings, will be disclosed in the relevant shareholders' meeting manual, in addition to other channels that we may deem appropriate.

Voting Rights

Under the Brazilian Corporate Law and our bylaws, each of our common shares entitles its holder to one vote at our shareholders' meetings. There are no limitations under the Brazilian Corporate Law or our bylaws on the right of non-Brazilian residents or nationals to own shares or vote according to those shares, other than the restrictions applicable to all shareholders.

Voting Rights of Common Shares

Except as otherwise provided by law, resolutions of a shareholders' meeting are passed by a simple majority vote of the holders of our common shares present or represented at the meeting, without taking abstentions into account. Under the Brazilian Corporate Law, the approval of shareholders representing at least half of our voting shares, if a higher quorum is not required by our bylaws, is required for the types of action described below:

- creating preferred shares or disproportionately increasing an existing class of our preferred shares relative to the other classes of our preferred shares, other than to the extent permitted by our bylaws;
- changing a preference, privilege and condition of redemption or amortization of any class of the company's preferred shares or creating a new class of shares that is more privileged;
- reducing the mandatory dividend;
- merging or consolidating the company with another company;
- participating in a centralized group of companies (*grupo de sociedades*) as defined under the Brazilian Corporate Law and subject to the conditions set forth in the Brazilian Corporate Law;
- acquisition of all the company's shares by another company, known as an "*incorporação de ações*" under the Brazilian Corporate Law;
- changing the company's corporate purpose;
- canceling any ongoing liquidation of the company;
- creation of participation certificates;
- spinning-off of all or any part of the company; and
- dissolution of the company.

As per Brazilian Corporate Law, the decisions on the transformation of the company into another form of business entity require the unanimous approval of our shareholders, unless provided for in the company by-laws.

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Our Company is required to give effect to shareholders agreements that contain provisions regarding the purchase or sale of our shares, preemptive rights to acquire our shares, the exercise of the right to vote or the power to control our Company, if these agreements are filed with our headquarters. Brazilian Corporate Law requires the president of any Shareholders' or Board of Directors meeting to disregard any vote taken by any of the parties to said agreement that have been duly filed with our Company in violation of the provisions of any such agreement. In the event that a shareholder that is party to a shareholders agreement (or a director appointed by such shareholder) is absent from any shareholders' or Board of Directors' meeting or abstains from voting, the other party or parties to that shareholders agreement have the right to vote the shares of the absent or abstaining shareholder (or on behalf of the absent director) in compliance with that shareholders agreement, provided that such agreement expressly includes this provision and has been duly filed at the Company's headquarters in accordance with applicable law.

For the effective implementation of the Conversion, a voting agreement was executed on October 1, 2020 by and among the shareholders Telefónica S.A., Telefónica LATAM, SP Telecom, and, as intervening and consenting party, the Company, in order to comply with the provisions of ANATEL regulations. This voting agreement was filed and made available at our Company headquarters, as determined under article 118 of Brazilian Corporate Law (the "Voting Agreement"). However, on October 31, 2022, the Company informed the market and its shareholders that the Voting Agreement lost its purpose and effectiveness as a result of the liquidation and extinction of SP Telecom that took place on that date, given that its purpose consisted of maintaining the exercise of direct control power of the Company by SP Telecom. The shares issued by the Company and held by SP Telecom were delivered to its partners Telefónica S.A. and Telefónica LATAM, in the proportion of their respective participation in the social capital of SP Telecom, within the scope of the sharing of shareholders' equity. The Company informed the market that the liquidation of SP Telecom, the consequent termination of the Voting Agreement and the aforementioned delivery of SP Telecom's shares did not result in a change in the composition of the Company's control (which was already indirectly held jointly by Telefónica S.A., Telefónica LATAM and SP Telecom, all companies under common control with Telefónica S.A.), its administrative structure or its regular operation.

Under the Brazilian Corporate Law, neither our bylaws nor actions taken at a shareholders' meeting may deprive any of our shareholders of certain specific rights, including:

- the right to participate in the distribution of our profits;
- the right to participate in any remaining residual assets in the event of our liquidation;
- the right to supervise the management of our corporate business subject to the conditions set forth in the Brazilian Corporate Law;
- preemptive rights in the event of an issuance of our shares, debentures convertible into our shares or subscription bonuses, except with respect to a public offering of our securities; and
- the right to withdraw from our Company subject to the conditions set forth in the Brazilian Corporate Law.

Voting Rights of Minority Shareholders

Shareholders holding shares representing not less than 5% of our voting shares at our shareholders' meeting have the right to request that we adopt, even if not foreseen in our bylaws, a cumulative voting procedure to elect the members of the Board of Directors. This procedure must be requested by the required number of shareholders at least 48 hours prior to a shareholders' meeting.

Under the Brazilian Corporate Law, shareholders that are not controlling shareholders, but that together hold common shares representing at least 15% of our voting capital have the right to appoint one member and their alternate to our Board of Directors at our shareholders' meeting. However, CVM has already issued several decisions determining that, in cases where the company has issued only shares with voting rights, such as the Company, the percentage to be considered for the appointment of the member of the Board of Directors by the non-controlling shareholders shall be reduced to 10% of the total of common shares.

In the event that minority holders of common shares elect a director and the cumulative voting procedures described above is also used, our controlling shareholders always retain the right to elect at least one member more than the number of members elected by the other shareholders, regardless of the total number of members of our Board of Directors.

The shareholders seeking to exercise these minority rights (except for the cumulative voting procedure) must prove that they have held their shares for no less than three months preceding the shareholders' meeting at which the director will be appointed. Brazilian Corporate Law provides that any directors appointed by the non-controlling shareholders have the right to veto for cause the selection of our independent registered public accounting firm.

In accordance with the Brazilian Corporate Law, minority shareholders are entitled to elect one member and an alternate to our Fiscal Board in a separate election as long as they jointly represent 10% or more of the voting shares. The other shareholders with the right to vote may elect the remaining members and alternates, who, in any event, must outnumber the directors and alternates elected by minority common shareholders.

Under the Brazilian Corporate Law, the following actions require the previous approval of or the ratification by the majority of issued and outstanding shares of the affected class within one year from the shareholders' meeting at which the common shareholders approve the action:

- the creation of preferred shares or a disproportionate increase of an existing class of preferred shares relative to the other classes of preferred shares, other than to the extent permitted by our bylaws;
- a change of a priority, preference, right, privilege or condition of redemption or amortization of any class of preferred shares; or
- the creation of a new class of preferred shares that has a priority, preference, right, condition or redemption or amortization superior to an existing class of preferred shares.

This meeting would be called by publication of a notice in two Brazilian newspapers for three days, at least 30 days before the meeting, in accordance with our bylaws.

Liquidation

We may be liquidated in accordance with the provisions of Brazilian law. In the event of our extrajudicial liquidation, a shareholders' meeting will determine the manner of our liquidation, appoint our liquidator and our Fiscal Board that will function during the liquidation period.

Preemptive Rights

Under Brazilian Corporate Law, each shareholder has a general preemptive right to subscribe for shares of the same class in any capital increase, in an amount sufficient to keep the same proportional participation of such shareholder in the total capital of the corporation. A minimum period of thirty (30) days following the publication of the capital increase notice shall be observed by the corporation for the exercise of the preemptive right by the shareholder. The right of participation in capital increases is assignable. In the event of a capital increase that would maintain or increase the proportion of capital represented by common shares, holders of shares, would have the preemptive right to subscribe only to our newly issued common shares. In the event of a capital increase that would reduce the proportion of capital represented by common shares, holders of common shares, would have the preemptive right to subscribe to our newly issued common shares in proportion to their shareholdings and to our newly issued common shares only to the extent necessary to prevent dilution of their interest.

Holders of ADSs, which represent common shares, may have the preemptive right to subscribe to newly issued common shares in certain circumstances under the deposit agreement. However, the ability of ADS holders to exercise their preemptive rights is subject to certain conditions, including the requirement that a registration statement under the Securities Act must be effective with respect to those rights, or that an exemption from the registration requirements of the Securities Act must be available. The Company is not obligated to file a registration statement for the shares related to these preemptive rights or to take other actions to make preemptive rights available to ADS holders. As a result, holders of ADSs may be unable to exercise their preemptive rights if no such registration statement is filed or an exemption is unavailable.

In addition, a publicly held company whose bylaws allow for capital increases may provide for the issuance of stock, debentures convertible into stock or subscription bonuses without granting any preemptive rights to prior shareholders or by decreasing the term for the shareholders to exercise their preemptive rights, as long as the placement of such securities is made:

- upon a sale on a stock exchange or public subscription;
- through an exchange of shares in a public offering, with the purpose of acquiring control of another company as specified in the Brazilian Corporate Law; or
- for the use of certain tax incentives but only when such placement is made without granting preemptive rights.

Redemption, Amortization, Tender Offers and Rights of Withdrawal

Our bylaws or our shareholders at a shareholders' meeting may authorize us to use our profits or reserves to redeem or amortize our shares in accordance with conditions and procedures established for such redemption or amortization. The Brazilian Corporate Law defines "redemption" (*resgate de ações*) as the payment of the value of the shares in order to permanently remove such shares from circulation, with or without a corresponding reduction of our share capital. However, if the same share capital is maintained, the Company shall attribute a new par value for the remaining shares. The Brazilian Corporate Law defines "amortization" (*amortização*) as the distribution to the shareholders, without a corresponding capital reduction, of amounts that they would otherwise receive if we were liquidated. If an amortization distribution has been paid prior to our liquidation, then upon our liquidation, the shareholders who did not receive an amortization distribution will have a preference equal to the amount of the amortization distribution in the distribution of our capital.

The Brazilian Corporate Law authorizes us to redeem shares not held by our controlling shareholders, if, after a tender offer effected as a consequence of a delisting of the Company before the CVM, less than 5% of our outstanding shares remains publicly-held. The redemption price in such case would be the same price paid for our shares in such tender offer.

The Brazilian Corporate Law also require the acquirer of control (in case of a change of control) or the controller (in case of delisting or a substantial reduction in liquidity of our shares) to make a tender offer for the acquisition of the shares held by minority shareholders under certain circumstances described below under “—Mandatory Tender Offers.” The shareholder can also withdraw its capital from our Company under certain circumstances described below under “—Rights of Withdrawal.”

Mandatory Tender Offers

The Brazilian Corporate Law and CVM regulations require the launching of a tender offer for all outstanding shares at a purchase price equal to their fair value in order to cancel (or to convert) the registration of the Company as a publicly held company or in case purchases by our controlling shareholders reduce the free float of shares to less than 15%. If our controlling shareholders enter into a transaction which results in a change of control of the Company, the controlling shareholders must include in the documentation of the transaction an obligation of the acquirer to launch a tender offer for the purchase of all our common shares for, at least, 80% of the price per share paid to the controlling shareholders. The tender offer must be submitted to the CVM within 30 days from the date of execution of the definitive documents of sale of the shares.

Rights of Withdrawal

The Brazilian Corporate Law provides that, in certain limited circumstances, a dissenting shareholder may withdraw its equity interest from the Company and be reimbursed by us for the value of our common shares that it then holds.

This right of withdrawal may be exercised by dissenting shareholders in the event that the holders of shares with voting rights authorize:

- (i) creating preferred shares or disproportionately increasing any existing class of preferred shares relative to the other classes of preferred shares, other than to the extent permitted by our bylaws;
- (ii) changing a priority, preference, right and condition of redemption or amortization of one or more classes of preferred shares, or the creation of a new class of shares that is more privileged;
- (iii) reducing the mandatory dividend;
- (iv) a change in our corporate purpose;
- (v) merging or consolidating our Company, with another company;
- (vi) the acquisition of all of our shares by another company, known as an “*incorporação de ações*” under the Brazilian Corporate Law;
- (vii) participating in a centralized group of companies (*grupo de sociedades*) as defined under the Brazilian Corporate Law and subject to the conditions set forth in the Brazilian Corporate Law;
- (viii) spinning-off of all or any part of our Company; and
- (ix) the inclusion of an arbitration clause in our bylaws.

In addition, we note that:

- in items (i) and (ii), only the holders of shares of the affected type or class will be entitled to redemption;
- in items (v) to (vii), the holders of shares of a type or class with liquidity and dispersion (as defined in CVM Resolution 78/2022) in the market will not have the right to redemption considering the conditions set forth in the Brazilian Corporate Law; and

- in item (viii), the dissenting shareholders shall only have a right of redemption if the spinning off implies in: (1) a change in the corporate purpose (except if the spun-off assets revert to a company whose main purpose is the same as ours), (2) a reduction of the mandatory dividend, or (3) participation in a group of companies.

Dissenting shareholders are also entitled to withdraw in the event that the entity resulting from a merger or spin-off does not have its shares listed in an exchange or traded in the secondary market within one hundred and twenty (120) days from the shareholders' meeting that approved the relevant merger or spin-off.

Notwithstanding the above, in the event that we are consolidated or merged with another company, become part of a centralized group of companies, or acquire the control of another company for a price in excess of certain limits imposed by the Brazilian Corporate Law, holders of our shares or the shares of the resulting entity that have minimal market liquidity and are dispersed among a sufficient number of shareholders will not have the right to withdraw. For this purpose, shares that are part of a general index representative of portfolios of securities traded in Brazil (as defined by CVM Resolution 78/2022) or abroad are considered liquid, and sufficient dispersion will exist if the controlling shareholder, the parent company or other companies under its control hold less than half of the total number of outstanding shares of that type or class.

Only shareholders who own shares on the date of publication of the first notice convening the relevant shareholders' meeting or the press release concerning the relevant transaction is published, whichever is earlier, will be entitled to withdrawal rights.

The redemption of shares arising out of the exercise of any withdrawal rights would be made at the book value per share, determined on the basis of our most recent audited balance sheet approved by our shareholders. If the shareholders' meeting approving the action that gave rise to withdrawal rights occurred more than sixty (60) days after the date of the most recent approved audited balance sheet, a shareholder may demand that its shares be valued on the basis of a balance sheet prepared specifically for this purpose. In this case the company shall pay immediately 80% of the redemption value calculated based on the last balance sheet and, having drawn up the necessary balance sheet, will pay the remaining amount within one hundred and twenty (120) days from the date of the resolution of the shareholders' meeting.

The right of withdrawal lapses thirty (30) days after the date of publication of the minutes of the shareholders' meeting that approved the action that gave rise to withdrawal rights. Within ten days following the expiration of the term to exercise the withdrawal rights mentioned above, the company may call a Shareholders' Meeting to confirm or reconsider any resolution giving rise to withdrawal if we believe that the withdrawal of shares of dissenting shareholders would jeopardize its financial stability.

Liability of Our Shareholders for Further Capital Calls

Neither Brazilian law nor our bylaws require any capital calls. Our shareholders' liability for capital calls is limited to the payment of the issue price of any shares subscribed or acquired.

Inspection of Corporate Records

Shareholders that own 1% (as reduced by CVM Resolution 70/2022) or more of our outstanding share capital have the right to inspect our corporate records, including shareholders' lists, corporate minutes, financial records and other documents of the Company, if (1) any acts contrary to Brazilian law or the company's bylaws have been committed, or (2) there are grounds to suspect that there are material irregularities in the Company. However, in either case, the shareholder that desires to inspect our corporate records must obtain a court order authorizing the inspection.

Disclosures of Share Ownership

Brazilian regulations require that (1) each of our controlling shareholders, directly or indirectly, (2) shareholders who have elected members of our Board of Directors or Fiscal Board, and (3) any person or group of persons representing a person that has directly or indirectly acquired or sold a material interest in our shares of any type and class disclose its or their share ownership or divestment to us, and we are responsible for transmitting such information to the CVM and the market. In addition, if a share acquisition results in, or is made with the intention of, change of control or company's management structure, as well as acquisitions that cause the obligation of performing a tender offer, the persons acquiring such number of shares are required to publish a statement containing certain required information about such acquisition in the same channels the Company typically uses.

CVM defines a "material interest" deal as any increase or decrease in share *ownership* of any class resulting in a change in the ownership levels of our shareholders. The ownership levels are set in 5% increments (for example, an acquisition where the total ownership of a shareholder jumps from 9% to 11% should be reported since it made the ownership surpass the 10% level). Ownership levels are calculated adding direct and indirect ownership and derivatives based upon our shares.

Our controlling shareholders, shareholders that appoint members of our Board of Directors or Fiscal Board and members of our Board of Directors, members of our Board of Executive Officers and/or members of our Fiscal Board must file a statement reporting any change in their holdings of our shares, or of any family member or person included as dependent in their income tax return, or of our controlling shareholders (only if they are considered public companies), with the CVM and the Brazilian stock exchanges on which our securities are traded.

Form and Transfer

Our common shares are in book-entry form, registered in the name of each shareholder or its nominee. The transfer of our shares is governed by article 35 of the Brazilian Corporate Law, which provides that a transfer of shares is effected by our transfer agent by an entry made by the transfer agent in its books, upon presentation of valid written share transfer instructions to us by a transferor or its representative. When common shares are acquired or sold on a Brazilian stock exchange, their transfer is effected on the records of our transfer agent by a representative of a brokerage firm or the stock exchange's clearing system. The transfer agent also performs all the services of safe-keeping of our shares. Transfers of our shares by a non-Brazilian investor are made in the same manner and are executed on the investor's behalf by the investor's local agent. If the original investment was registered with the Central Bank pursuant to foreign investment regulations, the non-Brazilian investor is also required to amend, if necessary, through its local agent, the electronic certificate of registration to reflect the new ownership.

The B3 operates a central clearing system. A holder of our shares may choose, at its discretion, to participate in this system, and all shares that such shareholder elects to be put into the clearing system are deposited in custody with the clearing and settlement chamber of the B3 (through a Brazilian institution that is duly authorized to operate by the Central Bank and maintains a clearing account with the clearing and settlement chamber of the B3). Shares subject to the custody of the clearing and settlement chamber of the B3 are noted as such in our registry of shareholders. Each participating shareholder will, in turn, be registered in the register of the clearing and settlement chamber of the B3 and will be treated in the same manner as shareholders registered in our books.

Dividends

Brazilian Corporate Law also states that declared dividends must be paid until the end of the fiscal year in which it was declared. Under article 9 of Law 9,249/95 and our bylaws, we also may pay interest attributable to shareholders' equity as an alternative form of dividends upon approval of our board of directors.

Payment of Dividends and Interest on Shareholders' Equity

We may pay the mandatory distributable amount as dividends or as interest attributable to shareholders' equity, which is similar to a dividend but is deductible in calculating our income tax obligations.

The common shares underlying our ADSs are held in Brazil by the depositary, which has registered with the Central Bank as the registered owner of our common shares. Payments of cash dividends and distributions, if any, will be made in Brazilian currency to the depositary. The depositary will then convert such proceeds into U.S. dollars and will cause such U.S. dollars to be distributed to holders of our ADSs. As with other types of remittances from Brazil, the Brazilian government may impose temporary restrictions on remittances to foreign investors of the proceeds of their investments in Brazil, as it did for approximately six months in 1989 and early 1999, and on the conversion of Brazilian currency into foreign currencies, which could hinder or prevent the depositary from converting dividends into U.S. dollars and remitting these U.S. dollars abroad.

In addition, remittances are subject to a Brazilian financial transactions tax, which as of the date of this annual report is zero, but may be subject to change.

For information about taxation on profits, dividends and interest on shareholders' equity, see "Item 10. Additional Information—E. Taxation—Brazilian Tax Considerations—Taxation of Dividends" of this Form 20-F.

Dividends

We are required by the Brazilian Corporate Law and by our bylaws to hold an annual shareholders' meeting until April 30 of each year. At our annual shareholders' meeting, our common shareholders may vote to declare an annual dividend. Our payment of annual dividends is based on our audited financial statements prepared for our preceding fiscal year.

Any holder of record of shares at the time that a dividend is declared is entitled to receive dividends. Under the Brazilian Corporate Law, we are generally required to pay dividends within 60 days after declaring them, unless the shareholders' resolution establishes another payment date, which, in any case, must occur prior to the end of the fiscal year in which the dividends were declared.

Our Board of Directors may declare interim dividends based on (i) the accrued profits recorded in our semiannual financial statements; (ii) the accrued profits recorded in our quarterly financial statements or in our financial statements for shorter periods, provided that the total amount of dividends paid up every six months does not exceed the total amount within the capital reserve determined pursuant to article 182 of the Brazilian Corporate Law; and (iii) the amount recorded in the profit and loss account or profit reserve account in our last annual or semiannual financial statements.

All the interim dividends that are distributed shall be considered as part of the mandatory dividends that shall be paid by us.

Interest on Shareholders' Equity

According to Law No. 9,249/1995, or Law No. 9,249, Brazilian corporations may make payments to shareholders characterized as interest on shareholders' equity as an alternative form of making dividend distributions. Amounts paid as interest on shareholders' equity (net of applicable withholding tax, as described below) may be deducted from the minimum dividends we are obligated to distribute to our shareholders in accordance with our bylaws and Brazilian Corporate Law. The rate of interest may not be higher than the TJLP, as determined by the Central Bank from time to time applied over specific net equity accounts. The total amount distributed as interest on shareholders' equity may not exceed the greater of (i) 50% of net income (before taking the distribution and any deductions for income taxes into account) for the year with respect to which the payment is made and (ii) 50% of retained earnings for the year before that in which the payment is made. Payments of interest on shareholders' equity are decided by the shareholders on the basis of recommendations of our Board of Directors.

Distributions of interest on shareholders' equity paid to Brazilian and non-Brazilian holders of common shares, including payments to the depositary in respect of common shares underlying ADSs, are deductible by us for Brazilian corporate income tax purposes. These payments to U.S. holders or other non-Brazilian holders are subject to Brazilian withholding tax at the rate of 17.5%, following an increase in 2025 in the WHT rate from the previous 15% rate as a result of the enactment of Supplementary Law No. 224/25. If the recipient of the payment is domiciled in a Tax Haven Jurisdiction, as defined by Brazilian law, the rate will be 25%.

As of January 2024, some of the rules regarding interest on shareholders' equity foreseen by Law No. 9,249 were altered by Law No. 14,789/2023, or Law No. 14,789. Alterations are mainly aimed at how the interest on shareholders' equity payable by legal entities has to be calculated. For more information, see "Item 4. Information on the Company—B. Business Overview—Significant changes in tax legislation—Changes in the deductibility rules for interest on shareholders' equity."

Time Limits for Claiming Dividends

Our shareholders have three years to claim dividend distributions made with respect to their shares, as from the date that we distribute the dividends to our shareholders, after which any unclaimed dividend distributions legally revert to us. We are not required to adjust the amount of any distributions for inflation that occurs during the period from the date of declaration to the payment date.

C. Material Contracts

Authorizations Terms

On December 16, 2024, Telefônica Brasil, ANATEL, the TCU and the Brazilian Ministry of Communications signed the Self-Composition Agreement for the adaptation of our STFC concession contracts to an authorization instrument. The Self-Composition Agreement includes several key conditions that we are required to comply with: (i) Telefônica Brasil is required to make specific investments on terms established under the Self-Composition Agreement; (ii) Telefônica Brasil must maintain the provision of fixed-line telephone services in certain locations without adequate competition, within the concession area until December 31, 2028; (iii) all pending administrative and judicial proceedings related to our concession pending before ANATEL or any courts must be settled, and Telefônica Brasil must withdraw any cases filed against ANATEL; and (iv) Telefônica Brasil must commit to fulfilling public interest pledges for up to 10 years as part of the transition process. On April 11, 2025, Telefônica Brasil signed the unified authorization term with ANATEL that compiled all previous licenses into a single title, thereby finalizing the transaction to the authorization regime.

Therefore, currently, we offer telecommunications services throughout the national territory, including local, international, and long-distance STFC, personal mobile service (SMP), and multimedia broadband communication services (which include the provision of fixed broadband connection) and pay TV services, all under the private regime.

We received authorization terms for the provision of SMP services with national coverage, in all three regions. Licenses for SMP services grant the right to provide mobile services for an unlimited term. However, the use of radio frequency spectrum is restricted in accordance with specific license conditions, as follows:

- Amazonas, Amapá, Maranhão, Pará, Roraima, Paraná and Santa Catarina ("B" band) until 2028 (renewed in 2013);
- Rio de Janeiro ("A" band) until 2028 (renewed in 2020);
- Distrito Federal ("A" band) until 2028 (renewed in 2021);
- Rio Grande do Sul, (excluding Sector 30) ("A" band) until 2028 (renewed in 2022);

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- Bahia, São Paulo (excluding Sectors 32 and 33), Goiás (excluding Sector 25), Tocantins, Espírito Santo, Sergipe, Minas Gerais (excluding Sector 3) (“A” band) until 2028 (renewed in 2023);
- São Paulo (Sector 32), Rondônia, Acre, Mato Grosso do Sul (excluding Sector 22), Mato Grosso (“A band”) until 2028 (renewed in 2024); and
- Minas Gerais (Sector 3) (“E” band) until 2035 (renewed in 2020).

Currently, according to Decree No. 10,402/2020, which regulates the New General Telecommunications Law, it is possible to renew licenses for successive periods. In November 2020, ANATEL decided to renew our authorizations in the “A” band until November 29, 2028. However, the specific conditions for renewal, including those related to economic valuation criteria and related obligations, were challenged by the affected service providers, including us. After ANATEL rejected complaints presented by the providers, a final disposition over such specific conditions is still pending and will require a decision by the TCU.

In December 2007, ANATEL auctioned off nationally 15 blocks in the 1,900 MHz band (“L” band). We won 13 of them throughout Brazil, except in the northern region and Sector 20 in the state of Paraná. Nevertheless, the bidding terms set forth the possibility of realigning the “L” band with the “J” band, maintaining the same conditions (including costs and expiry date) of the “J” band. In 2012, Telefônica requested and on August 27, 2013, ANATEL granted the “L” band realignment for the following states:

- Rio Grande do Sul (excluding Sector 30);
- Rio de Janeiro;
- Espírito Santo;
- Bahia and Sergipe;
- São Paulo (excluding Sector 33);
- Paraná (excluding Sector 20) and Santa Catarina;
- Federal District;
- Minas Gerais;
- Acre, Rondônia, Mato Grosso and Mato Grosso do Sul, except Sector 22; and
- Tocantins and Goiás, excluding Sector 25.

The complete realignment (including the Sectors 22, 25, 30 and 33 and the States of Alagoas, Ceará, Paraíba, Piauí, Pernambuco and Rio Grande do Norte) was signed on November 30, 2018.

In April 2008, ANATEL auctioned off 36 blocks for authorizations in the 2,100 MHz band (3G licenses) until 2023. We obtained nine in the “J” band throughout Brazil, enabling it to provide nationwide coverage in 3G. These spectrum licenses are valid until 2038 (renewed in 2023).

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In 2023, our authorizations in “J” and “realigned L” bands were renewed by ANATEL for an additional period of 15 years. As these were first-extension requests provided for in the contract and bidding process that granted the original authorizations for the use of these radio frequencies, TCU’s technical department did not identify any evidence of irrational or inappropriate use of these bands by Telefônica Brasil that would justify rejecting the extension. However, they recognized the need to amend Article 31 of Resolution No. 757/2022 to align with the newly proposed maximum validity periods. 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”).

In December 2010, ANATEL auctioned off 169 licenses in the 900 MHz, 1,800 MHz and 2,100 MHz frequencies. We acquired 23 blocks, 14 in 1,800 MHz frequency bands “D,” “E,” “M” and extension bands, and nine in the 900 MHz extension bands. As a result, we have nationwide coverage in the 1,800 MHz frequency band. The 23 blocks are:

- “M” Band (1,800 MHz) in the Federal District and the States of Paraná, Santa Catarina, Rio Grande do Sul, Goiás, Tocantins, Mato Grosso do Sul, Mato Grosso, Rondônia and Acre;
- Extension of the 1,800 MHz band throughout the state of São Paulo;
- “D” Band (1,800 MHz) in sector 30, the state of Rio Grande do Sul;
- “E” Band (1,800 MHz) in the States of Alagoas, Ceará, Paraíba, Piauí, Pernambuco and Rio Grande do Norte;
- Extension of the 900 MHz band in the State of Rio de Janeiro;
- Extension of the 900 MHz band in the State of Espírito Santo;
- Extension of the 900 MHz band in the States of Goiás, Tocantins, Mato Grosso do Sul, Mato Grosso, Rondônia and Acre and the Federal District, with the exception of Sector 22 (in the state of Mato Grosso do Sul) and Sector 25 in the State of Goiás);
- Extension of the 900 MHz band in the State of Rio Grande do Sul, with the exception Sector 30;
- Extension of the 900 MHz band for the cities with area code 43 in the state of Paraná with the exception of Sector 20;
- Extension of the 900 MHz band in the States of Paraná and Santa Catarina with the exception of the cities of registry area number 43 in the State of Paraná and Sector 20;
- Extension of the 900 MHz band in the State of Bahia;
- Extension of the 900 MHz band in the State of Sergipe;
- Extension of the 900 MHz band in the States of Amazonas, Amapá, Maranhão Pará and Roraima;
- Extension of the 1,800 MHz band in the State of São Paulo, with the exception of Sector 33;
- Extension of the 1,800 MHz band in the States of Amazonas, Amapá, Maranhão Pará and Roraima;
- Extension of the 1,800 MHz band in Sector 22, in the State of Mato Grosso do Sul;
- Extension of the 1,800 MHz band in Sector 25, in the State of Goiás;
- Another extension of the 1,800 MHz band in Sector 25, in the State of Goiás;
- Extension of the 1,800 MHz band in the States of Rio do Janeiro, Espírito Santo, Bahia and Sergipe;
- Extension of the 1,800 MHz band in the States of Amazonas, Amapá, Maranhão Pará and Roraima;
- Extension of the 1,800 MHz band in the States of Alagoas, Ceará, Paraíba, Piauí, Pernambuco and Rio Grande do Norte;

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- Extension of the 1,800 MHz band Sector 22 in the state of Mato Grosso do Sul, and Sector 25, in the State of Goiás; and
- Extension of the 1,800 MHz band in Sector 20 in the state of Paraná.

In April 2023, ANATEL determined that our authorization terms in the 900 MHz band would not be extended, except in the state of Minas Gerais, claiming that the efficient use of this spectrum has not been properly demonstrated, since the low capacity associated with this band (2.5 + 2.5 MHz) imposes limitations on its effective use. The non-renewal of these 900 MHz licenses, however, does not affect the services currently provided by the Company. Also, in April 2023, ANATEL decided to extend our authorizations in the 1,800 MHz band until 2032.

In April 2012, ANATEL auctioned off 273 licenses in the 450 MHz, and 2,500 MHz frequencies. We secured one block in 2,500 MHz frequency band “X” (20 + 20 MHz) nationwide, together with the right and obligation to use the 450 MHz frequency band in the States of Alagoas, Ceará, Minas Gerais, Paraíba, Pernambuco, Piauí, Rio Grande do Norte and Sergipe, as well as the areas identified by the area codes 13, 14, 15, 16, 17, 18 and 19, in the State of São Paulo. Nonetheless, the commitment to use the 450 MHz band could also be fulfilled by the use of any other frequency range Telefônica already holds. See below the relevant expiration and renewal dates:

- Brazil (“X” Band – 2,500 MHz) until 2027 (associated with SMP service) (a renewal request for an additional 15 years was made in 2024);
- Alagoas, Ceará, Minas Gerais, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, Sergipe (450 MHz). ANATEL declared the extinction, by resignation, of Telefônica Brasil’s concession in the 450 MHz band, according to Analysis No. 114/2022/VA and Judgment No. 391, of 12/21/2022. We have not yet opened a formal notification; and
- in the areas identified by the National Codes 13, 14, 15, 16, 17, 18 and 19, in the state of São Paulo (SP), until 2027 (associated to SMP, SCM and STFC services) ANATEL declared the extinction, by resignation, of Telefônica Brasil’s concession in the 450 MHz band, according to Analysis No. 114/2022/VA and Judgment No. 391, of 12/21/2022. We have not yet opened a formal notification.

In September 2014, ANATEL auctioned off six blocks in the 700 MHz frequency. We acquired three blocks resulting in nationwide coverage in the 700 MHz frequency band. The spectrum licenses may be renewed in 2029.

In December 2015, ANATEL auctioned off the remaining spectrum lots in the 1,800 MHz, 1,900 MHz, 2,500 MHz and 3,500 MHz bands, Telefônica acquired seven lots of the 2,500 MHz frequency band. These lots are associated to six different States, five of them the capital cities of the States of São Paulo, Rio de Janeiro, Rio Grande do Sul, Santa Catarina, and Tocantins and one city in the State of Mato Grosso do Sul. Such frequencies are used for the provision of 4G mobile services. The spectrum license may be renewed in 2031.

The licenses above may be renewed successively; (i) for an additional term of 15 years; and (ii) upon payment of 2% of our net revenues from usage charges in the applicable region in the previous year. The payment is also due every two years during the extension period.

In November 2021, ANATEL held the largest spectrum auction in its history, which included 4G and, for the first time, 5G blocks, with 700 MHz, 2.3 GHz, 3.5 GHz and 26 GHz lots. On that occasion, we acquired 3.5 GHz and 26 GHz national licenses (100 MHz and 600 MHz bandwidths, respectively). We also won regional 2.3 GHz licenses, with 50 MHz bandwidth in the southeast region of Brazil (except for the São Paulo and PGO Sector 3) and 40 MHz bandwidth in São Paulo state and in the north and Midwest regions of Brazil (except for PGO Sectors 22 and 25). These acquired licenses, which we purchased for a total of R\$4.45 billion, of which R\$0.93 billion is related to licenses and the remaining amount is related to the obligations ANATEL established. The licenses ensure we have the required spectrum to provide 5G services, and are valid for 20 years (renewable under the then-existing legal conditions at the expiration of this term).

D. Exchange Controls

There are no restrictions on ownership of common shares by individuals or legal entities domiciled outside of Brazil, provided that they comply with the registration requirements set forth in the applicable regulation enacted by the Central Bank, CMN and the CVM.

The right to convert dividend or interest payments and proceeds from the sale of shares into foreign currency and to remit such amounts outside Brazil are allowed by Brazilian foreign investment legislation, provided that the interested owner of such proceeds presents to the financial institution authorized to operate in the Brazilian foreign exchange market the necessary documents to properly back the economic grounds of the foreign exchange transaction, which may include the need of presenting also evidence that the relevant investment was disclosed to the Central Bank and the CVM, as applicable.

Failure to evidence the economic background of a foreign exchange transaction or to comply with regulations on registration and disclosure of information to the Central Bank and the CVM may hinder or prevent the custodian for the common shares represented by ADSs or holders of common shares from converting dividends, distributions or the proceeds from any sale of these common shares into U.S. dollars and remitting the U.S. dollars abroad. Holders of ADSs could be adversely affected by delays in, or refusal to grant any, required government approval to convert Brazilian currency payments on the common shares underlying the ADSs and to remit the proceeds abroad. Additionally, considering that the criteria of how much information is needed to back the legality of a foreign exchange transaction is defined by the financial institution liquidating the remittance of funds abroad, holders of ADSs can experience the need to provide different levels of detail and varied information depending on the policies of the chosen financial institution.

As from March 30, 2015, the different forms of foreign portfolio investments in Brazil, including investments via depository receipts, were regulated by Resolution No. 4,373, and by Law No. 4,131/1962. However, Brazil has recently faced a foreign exchange legal and regulatory reform. Therefore, the Law No. 4,131/1962 was recently significantly amended by Law No. 14,286/2021, which came into effect on December 29, 2022 turned into the main foreign exchange rule in Brazil. Law No. 4,131/1962 was regulated by Central Bank of Brazil through the issuance of Resolutions No. 277, 278, 279, 280 and 281, all of which were published on December 31, 2022, and which set forth rules on, among other things, foreign capital in Brazil, Brazilian capital in foreign countries and the definition of resident and non-resident for purposes of Law No. 14,286/2022. The Central Bank Resolution No. 281, which was also published on December 31, 2022. Central Bank Resolutions No. 278 and 281 were amended by Resolution No. 348, published on October 17, 2023, which, among other things, extended the transition period of for Resolution No. 281, initially set to expire on October 31, 2023, extending the period for compliance with articles 2, 4, 5 and 6 and items I, III and V of article 3 of the referred resolution to October 1, 2024. As of 2024, Resolution No. 4,373 has also been replaced by Joint Resolution No. 13/2024.

Currently, Joint Resolution No. 13/2024 is the rule responsible for regulating the flows, stocks, investor registration, and the provision of information related to non-resident investors in the Brazilian financial and capital market, including through depository receipts. In addition, CVM Resolution No. 13/20, as amended by CVM Resolutions No. 64/22 and 216/24, also regulates, under the Brazilian securities regulation, the registration, the operations and the provision of information from non-resident investors in Brazil.

As a general rule, Brazilian non-residents who intend to invest in securities and/or other financial assets in the Brazilian capital market must obtain prior registration with the CVM, and appoint a financial institution in Brazil as their legal representative according to applicable rules, while Brazilian non-resident individuals who intend to invest in the Brazilian capital market are exempted from registering as foreign investors before CVM, and appointing a financial institution as their legal representative in the country.

However, as an exception to the abovementioned rule, Joint Resolution No. 13/24 sets forth that Brazilian non-resident investors who intend to invest exclusively in the Brazilian capital market via depositary receipts are not subject to the obligations of prior registration with CVM or appointing a financial institution as their legal representative.

The proceeds from the sale of the Depositary Receipts by holders outside Brazil are free of Brazilian foreign investment controls, and holders of the Depositary Receipts may be entitled to favorable tax treatment. See “—E. Taxation—Brazilian Tax Considerations.” Under Resolution No. 13/2024, foreign investors registered with the CVM may buy and sell Brazilian securities, including the common shares, on Brazilian stock exchanges without obtaining separate certificates of registration for each transaction. The registered foreign investors may also be entitled to favorable tax treatment. See “—E. Taxation—Brazilian Tax Considerations.”

Notwithstanding, if the ADS program is canceled or exchanged for common shares, the Brazilian non-resident investors who are not deemed as a natural person and holds such common shares will need to: (i) appoint a financial institution as their legal representative in Brazil, who will be responsible for reporting relevant information on their behalf to the Central Bank and CVM before remitting the funds from the conversion abroad; and (ii) register themselves with CVM as a Brazilian non-resident investor; according to Joint Resolution No. 13/24 and CVM Resolution No. 13/24, as amended. Thereafter, any holder of common shares may not be able to convert into foreign currency and remit outside Brazil the proceeds from the disposition of, or distributions with respect to, such common shares, unless such holder is a duly qualified investor under the Central Bank of Brazil and CVM rules.

If the holder does not qualify under the applicable CMN rules as a Brazilian non-resident investor and does not appoint a representative in Brazil to act directly in the Brazilian market to acquire common shares, the holder will be subject to a less favorable Brazilian tax treatment than a holder of ADSs. Regardless of registration under the applicable CMN rules, residents of tax havens are subject to less favorable tax treatment than other foreign investors. See “—E. Taxation—Brazilian Tax Considerations.”

Under current Brazilian legislation, the Central Bank may impose temporary restrictions on remittances of foreign capital abroad in the event of a serious negative impact or risk of events of serious negative impact on Brazil’s trade balance. For approximately six months in 1989 and early 1990, the federal government froze all dividend and capital repatriations held by the Central Bank that were owed to foreign equity investors, to conserve Brazil’s foreign currency reserves. These amounts were subsequently released in accordance with federal government directives. There can be no assurance that the federal government will not impose similar restrictions on foreign repatriations in the future.

E. Taxation

The following discussion contains a description of the material Brazilian and U.S. federal income tax consequences arising from the acquisition, ownership and disposition of common shares or ADSs by certain holders or beneficial owners, as described below. This summary is based upon the tax laws and regulations of Brazil and the United States as of the date of this annual report, which are subject to change, possibly with retroactive effect, and to differing interpretations. You should consult your own tax advisers as to the Brazilian, U.S. federal or other tax consequences of the acquisition, ownership and disposition of common shares or ADSs, including, in particular, the effect of any state, local or non-U.S., non-Brazilian tax laws.

Although there is presently no income tax treaty entered into between Brazil and the United States, the tax authorities of the two countries have had discussions that may culminate in such a treaty. No assurance can be given, however, as to whether or when a treaty will enter into force or how it will affect the U.S. holders of common shares or ADSs. Brazil and the United States have, however, entered into a Tax Treaty Information Exchange Agreement, in order to establish an effective exchange of tax-related information between the two countries.

Brazilian Tax Considerations

The following discussion summarizes the main Brazilian tax consequences applicable to the purchase, ownership and disposal of common shares or ADSs by a holder that is not domiciled in Brazil for purposes of Brazilian taxation, or a Non-Resident Holder, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to these matters based upon the particular circumstances of a holder. Each Non-Resident Holder should consult his or her own tax adviser concerning the Brazilian tax consequences of an investment in common shares or ADSs. This summary is based upon federal tax laws of Brazil in effect as of the date hereof, which are subject to change and differing interpretations.

Although there is presently no income tax treaty between Brazil and the United States, the tax authorities of the two countries have had discussions that may culminate in such a treaty. No assurance can be given, however, as to whether or when a tax treaty will enter into force or how such a treaty would affect a U.S. holder of common shares or ADSs. The tax considerations described below do not take into account tax treaties entered into by Brazil and other countries.

Taxation of Dividends

Until 2025, dividends distributed to Brazilian or foreign shareholders were exempt from Brazilian income tax, as Article 10 of Law No. 9,249, of December 26, 1995, expressly exempted from taxation in Brazil any distributions of profits generated as of January 1, 1996.

This regime was substantially amended by Law No. 15,270, of November 26, 2025, which took effect as of January 1, 2026, and introduces new 10% withholding tax (WHT) levy on (i) dividends paid, by the same legal entity to the same Brazilian individual, in a monthly amount exceeding R\$50,000.00; and (ii) dividends paid to foreign shareholders (regardless of amount and period).

With respect to the taxation of dividend remittances to foreign shareholders, if the combined burden of corporate income taxation levied on the company and the WHT imposed on the shareholder exceeds the nominal IRPJ and CSL rates (34%), the shareholder will be entitled to a tax credit. The amount of such credit shall be calculated by multiplying the amount of profits and dividends distributed by the difference between the company's effective tax rate, increased by 10%, and the applicable nominal IRPJ and CSL rates (i.e., 34% in this case).

The foreign shareholder may claim the corresponding tax credit within a period of up to 360 days, counted from the end of each fiscal year. The specific procedures and the applicable timeline for claiming the credit have not yet been defined and will be regulated by the Executive Branch, which will establish the mechanisms for the recovery and monetization of such credit, as well as define the ancillary obligations and reports that companies may have to present to their shareholders for the purposes of this credit. The legislation also provides for a transitional rule pursuant to which profits generated up to December 31, 2025 and declared in 2025 will not be subject to the new taxation, provided that the relevant corporate act specifies the exact amount to be distributed and the payment date.

Pursuant to the transitional rule, profits declared in the 2025 fiscal year may be distributed on a tax-exempt basis, provided that such distribution is made by 2028 and fully complies with all applicable corporate law requirements, as well as with the specific conditions set forth in the relevant corporate approval act.

Law No. 11,638/2007, or Law No. 11,638, significantly changed the Brazilian Corporate Law in order to align Brazilian generally accepted accounting principles with IFRS Accounting Standards.

Profits determined pursuant to Law No. 11,638, or IFRS Accounting Standards Profits, may differ from the profits calculated pursuant to the accounting methods and criteria as effective on December 31, 2007, or 2007 Profits.

While it was the general market practice to distribute exempted dividends with reference to the IFRS Accounting Standards Profits, Rule No. 1,397, issued by the Brazilian tax authorities on September 16, 2013, established that legal entities should observe the 2007 Profits in order to determine the amount of profits that could be distributed as exempted income to their beneficiaries.

Any profits paid in excess of said 2007 Profits, or Excess Dividends, should, in the tax authorities' view and in the specific case of non-resident beneficiaries, be subject to the following rules of taxation: (1) 15.0% WHT, in case of beneficiaries domiciled abroad, but not in a Low or Nil Tax Jurisdiction, and (2) 25.0% WHT, in the case of beneficiaries domiciled in a Low or Nil Tax Jurisdiction.

In order to mitigate potential disputes on the subject, Law No. 12,973, dated May 13, 2014, or Law No. 12,973, in addition to revoking the RTT, introduced a new set of tax rules (the "New Brazilian Tax Regime"), including new provisions with respect to Excess Dividends. Under these new provisions: (1) Excess Dividends related to profits assessed from 2008 to 2013 are exempt; (2) potential disputes remain concerning the Excess Dividends related to 2014 profits, since Law No. 12,973 has not expressly excluded those amounts from taxation and Rule No. 1,492, issued by the Brazilian tax authorities on September 17, 2014, established they are subject to taxation when distributed by companies which have not elected to apply the New Brazilian Tax Regime in 2014; and (3) as of 2015, as the New Brazilian Tax Regime is mandatory and has completely replaced the RTT, dividends calculated based on IFRS Accounting Standards Profits should be considered fully exempt.

With the enactment of Law No. 15,270 of 2025, as described in the subsection above, all dividends distributed as from 2026 will be subject to the new WHT rule (10%).

Distribution of Interest on Shareholders' Equity

Law No. 9,249, dated December 26, 1995, as amended, allows a Brazilian corporation, such as the Company, to make payments to shareholders of interest on shareholders' equity as an alternative to carrying out dividend distributions and treat those payments as a deductible expense for the purposes of calculating Brazilian corporate income tax and social contribution on net income.

For tax purposes, this interest is limited to the daily variation of the pro rata variation of the TJLP, as determined by the Central Bank from time to time applied to certain equity accounts, and the amount of the distribution may not exceed the greater of:

- 50% of net income (after the deduction of the social contribution on net income and before taking into account the provision for corporate income tax and the amounts attributable to shareholders as interest on shareholders' equity) for the period in respect of which the payment is made; or
- 50% of the sum of retained profits and profits reserves for the year prior to the year in respect of which the payment is made.

In this context, payments of interest on shareholders' equity to a Non-Resident Holder are now subject to WHT at the rate of 17.5% (as opposed to the previous 15% rate), or 25.0% if the Non-Resident Holder is domiciled in a Low or Nil Tax Jurisdiction.

These payments may be included, at their net value, as part of any mandatory dividend. To the extent that such payments are accounted for as part of the mandatory dividend, under current Brazilian law, we are obliged to distribute to shareholders an additional amount sufficient to ensure that the net amount received by the shareholders, after payment by us of applicable WHT, plus the amount of declared dividends, is at least equal to the mandatory dividend. The distribution of interest on shareholders' equity must be proposed by our board of directors and is subject to subsequent ratification by the shareholders at the shareholders' meeting.

As of January 2024, some of the rules regarding interest on shareholders' equity foreseen by Law No. 9,249 were altered by Law No. 14,789/2023, or Law No. 14,789. Alterations are mainly aimed at how the interest on shareholders' equity payable by legal entities has to be calculated.

Capital Gains

Sale of ADSs

According to Law No. 10,833, capital gains earned on the disposal of assets located in Brazil by a Non-Resident Holder, whether to another non-Brazilian resident or to a Brazilian resident are subject to taxation in Brazil.

Our understanding is that ADSs do not qualify as assets located in Brazil for the purposes of Law No. 10,833 because they represent securities issued and renegotiated in an offshore exchange market and, therefore, should not be subject to the Brazilian WHT. However, considering the lack of any judicial court ruling in respect thereto, we cannot assure you of how tax authorities and Brazilian courts would interpret the definition of assets located in Brazil in connection with the taxation of gains realized by a Non-Resident Holder on the disposal of ADSs to another non-Brazilian resident. If the ADSs are deemed to be assets located in Brazil, gains recognized by a Non-Resident Holder from the sale or other disposition to either a non-resident or a resident in Brazil may be subject to income tax in Brazil as further described below.

Conversion of ADSs into Common Shares

Although there is no clear regulatory guidance, the exchange of ADSs for common shares should not be subject to Brazilian tax. Non-Resident Holders may exchange ADSs for the underlying common shares, sell the common shares on a Brazilian stock exchange and remit abroad the proceeds of the sale, according to the regulations of the Central Bank.

Upon receipt of the underlying common shares in exchange for ADSs, Non-Resident Holders may also elect to register with the Central Bank the U.S. dollar value of such common shares as a foreign portfolio investment under Resolution No. 4,373, which will entitle them to the tax treatment described above.

Alternatively, a Non-Resident Holder is also entitled to register with the Central Bank the U.S. dollar value of such common shares as a foreign direct investment under Law No. 4,131/62, in which case the respective sale would be subject to the tax treatment applicable to transactions carried out of by a Non-Resident Holder that is not registered before the Central Bank and the CVM in accordance with Resolution No. 4,373.

Sale of Common Shares

Capital gains assessed on a Non-Resident Holder on the disposition of common shares carried out on a Brazilian stock exchange (which may include transactions carried out on the organized over-the-counter market, or OTC) are:

- exempt from income tax when realized by a Non-Resident Holder that (1) has registered its investment in Brazil with the Central Bank under the CMN rules, and (2) is not resident or domiciled in a Low or Nil Tax Jurisdiction;
- subject to income tax at a rate of 15.0% in the case of gains realized by (1) a Non-Resident Holder that (A) does not comply with CMN rules and (B) is not resident or domiciled in a Low or Nil Tax Jurisdiction; or (2) a Non-Resident Holder that (A) does not comply with CMN rules, and (B) is resident or domiciled in a Low or Nil Tax Jurisdiction. In this case, a withholding income tax of 0.005% of the sale value shall be applicable and withheld by the intermediary institution (i.e., a broker) that receives the order directly from the Non-Resident Holder, which can be later offset against any income tax due on the capital gain earned by the Non-Resident Holder; or

- subject to income tax at a rate of up to 25.0% in the case of gains realized by a Non-Resident Holder that (1) does not comply with CMN rules, and (2) is resident or domiciled in a Low or Nil Tax Jurisdiction. In this case, a withholding income tax of 0.005% of the sale value shall be applicable and withheld by the intermediary institution (i.e., a broker) that receives the order directly from the Non-Resident Holder, which can be later offset against any income tax due on the capital gain earned by the Non-Resident Holder.

Any other gains assessed on a sale or disposition of common shares that is not carried out on a Brazilian stock exchange are subject to (1) income tax at a rate ranging from 15.0% up to 22.5% when realized by a Non-Resident Holder that is not resident or domiciled in a Low Tax Jurisdiction; and (2) income tax at a rate of 25.0% when realized by a Non-Resident Holder that is domiciled or resident in a Low Tax Jurisdiction. If these gains are related to transactions conducted on the Brazilian non-organized over-the-counter market with intermediation, a WHT of 0.005% on the sale value will also apply and can be used to offset the income tax due on the capital gain.

Any exercise of preemptive rights relating to common shares or ADSs will not be subject to Brazilian withholding income tax. Any gain on the sale or assignment of preemptive rights relating to common shares by the depository on behalf of holders of ADSs will be subject to Brazilian income taxation according to the same rules applicable to the sale or disposal of common shares.

In the case of a redemption of common shares or a capital reduction by a Brazilian corporation, such as the Company, the positive difference between the amount received by a Non-Resident Holder and the acquisition cost of the common shares redeemed, including these underlying ADSs, is treated as a capital gain derived from the sale or exchange of shares not carried out on a Brazilian stock exchange market, and is therefore subject to income tax at the progressive rate from 15% to 22.5%, and 25% for residents in a Low or Nil Taxation Jurisdiction.

As a general rule, the gains realized as a result of the disposal of common shares, including these underlying ADSs, is the positive difference between the amount realized on the sale or exchange of the common shares and their acquisition cost.

There is no assurance that the current preferential treatment for a Non-Resident Holder of ADSs or common shares that complies with the applicable CMN rules will continue or that it will not change in the future.

Gains on the exchange of common shares for ADSs

The deposit of common shares in exchange for ADSs may be subject to Brazilian income tax on capital gains if the amount previously registered with the Central Bank as a foreign investment in common shares or, in the case of other market investors under the applicable CMN rules, the acquisition cost of the common shares, as the case may be, is lower than:

- the average price per common share on the Brazilian stock exchange on which the greatest number of such common shares were sold on the day of deposit; or
- if no common shares were sold on that day, the average price on the Brazilian stock exchange on which the greatest number of common shares were sold during the 15 preceding trading sessions.

The difference between the amount previously registered, or the acquisition cost, as the case may be, and the average price of the common shares, calculated as set forth above, is considered a capital gain.

Discussion on Low or Nil Taxation Jurisdictions

On June 4, 2010, the Brazilian tax authorities enacted Normative Ruling No. 1,037 listing (1) the countries and jurisdictions considered as Low or Nil Taxation Jurisdictions or where the local legislation does not allow access to information related to the shareholding composition of legal entities, to their ownership or to the identity of the effective beneficiary of the income attributed to non-residents, and (2) the privileged tax regimes, which definition is provided by Law No. 11,727, of June 23, 2008, or Law No. 11,727.

A Low or Nil Taxation Jurisdiction is a country or location that (1) does not impose taxation on income, (2) imposes income tax at a maximum rate lower than 20.0%, or (3) imposes restrictions on the disclosure of shareholding composition or the ownership of the investment. A regulation issued by the Brazilian tax authorities on November 28, 2014 (Ordinance No. 488, of 2014) decreased, from 20.0% to 17.0%, the minimum threshold for certain specific cases. The reduced 17.0% threshold applies only to countries and regimes aligned with international standards of fiscal transparency in accordance with rules to be established by the Brazilian tax authorities. Although Ordinance No. 488 has lowered the threshold rate, Normative Ruling No. 1,037, which identifies the countries considered to be Low or Nil Tax Jurisdictions and the locations considered as privileged tax regimes, has not been amended yet to reflect such threshold modification.

Law No. 11,727 created the concept of “privileged tax regimes,” which encompasses the countries and jurisdictions that (1) do not tax income or tax it at a maximum rate lower than 20.0%; (2) grant tax advantages to a non-resident entity or individual (a) without the need to carry out a substantial economic activity in the country or jurisdiction, or (b) conditioned to the non-exercise of a substantial economic activity in the country or jurisdiction; (3) do not tax or tax proceeds generated abroad at a maximum rate lower than 20.0%; or (4) restrict the ownership disclosure of assets and ownership right or restrict disclosure about economic transactions carried out. Although we believe that the best interpretation of the current tax legislation is that the above mentioned “privileged tax regime” concept should apply solely for purposes of Brazilian transfer pricing and thin capitalization rules, among other rules that make express reference to the concepts, we can provide no assurance that tax authorities will not interpret the rules as applicable also to a Non-Resident Holder on payments of interest on shareholders’ equity.

Currently, the understanding of the Brazilian tax authorities is that the rate of 15.0% of WHT applies to payments made to beneficiaries resident in privileged tax regimes (Answer to Advance Tax Ruling Request COSIT No. 575, of December 20, 2017). In any case, if Brazilian tax authorities determine that payments made to a Non-Resident Holder under a privileged tax regime are subject to the same rules applicable to payments made to Non-Resident Holders located in a Low or Nil Tax Jurisdictions, the withholding income tax applicable to such payments could be assessed at a rate up to 25.0%.

We recommend investors to consult their own tax advisors from time to time to verify any possible tax consequence arising from Normative Ruling No. 1,037 and Law No. 11,727. If the Brazilian tax authorities determine that payments made to a Non-Resident Holder are considered to be made under a “privileged tax regime,” the WHT applicable to such payments could be assessed at a rate of up to 25.0%.

Other Brazilian Taxes

There are no Brazilian federal inheritance, gift or succession taxes applicable to the ownership, transfer or disposal of common shares or ADSs by a Non-Resident Holder. Gift and inheritance taxes, however, may be levied by some states on gifts made to or inheritances bestowed by the Non-Resident Holder on individuals or entities resident or domiciled within such states in Brazil. There is no Brazilian stamp, issue, registration or similar taxes or duties payable by a Non-Resident Holder of common shares or ADSs.

Taxation of Foreign Exchange Transactions (IOF/Exchange)

Pursuant to Decree No. 6,306/07, the conversion into foreign currency or the conversion into Brazilian currency of the proceeds received or remitted by a Brazilian entity from a foreign investment in the Brazilian securities market, including those in connection with the investment by a Non-Resident Holder in the common shares and ADSs, may be subject to the Tax on Foreign Exchange Transactions, or IOF/Exchange. In 2025, Decrees No. 12,466/25 and No. 12,467/25 were enacted, which expanded the taxable events and increased the tax burden of the IOF applicable to several transactions. As a result of these changes, the IOF/Exchange rate may reach up to 3.5%, depending on the nature of the transaction.

Currently, foreign currency exchange transactions carried out for the inflow of funds in Brazil for investment in the Brazilian financial and capital market made by a foreign investor (including a Non-Resident Holder, as applicable) are subject to IOF/Exchange at a 0% rate. The IOF/Exchange rate will also be 0% for the outflow of resources from Brazil related to these types of investments, including payments of dividends and interest on shareholders' equity and the repatriation of funds invested in the Brazilian market. Furthermore, the IOF/Exchange is currently levied at a 0% rate for the conversion of ADSs into common shares held by foreign investors under CVM Resolution No. 13/2024. In any case, the Brazilian government is permitted to increase the rate to a maximum of 25% at any time, with respect to future transactions. Any increase in the rate would not apply retroactively.

Tax on Bonds and Securities Transactions (IOF/Bonds)

Pursuant to Decree 6,306/07, the Tax on Bonds and Securities Transactions, or IOF/Bonds, may be imposed on any transaction involving bonds and securities even if the transactions are performed on a Brazilian stock exchange. The rate of this tax for transactions involving common shares is currently 0%, but the Brazilian government may increase such rate up to 1.5% per day, with respect to future transactions. Currently, the issuance of depositary receipts traded outside of Brazil which underlying shares are issued by a Brazilian company and listed on a Brazilian stock exchange are also subject to IOF/Bonds at the 0% rate. Any increase in the rate would not apply retroactively.

Supplementary Law No. 224/2025

On December 26, 2025, Supplementary Law No. 224 of 2025 was enacted, providing for a linear reduction of 10% in federal tax incentives and benefits. This reduction applies to the incentives and benefits expressly listed in the text of Supplementary Law No. 224, as well as to those classified as "tax expenditures" in the 2026 appropriations act, which, as of this date, remains pending enactment into law by the Brazilian president.

This is a recent change that may have effects on some of Telefônica Brasil's tax obligations. At the stage, the scope of the new rule is still being analyzed.

U.S. Federal Income Tax Considerations

The following are the material U.S. federal income tax consequences to U.S. Holders (as defined below) of owning and disposing of common shares or ADSs, but this is not a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to hold such securities. The discussion applies only to U.S. Holders that hold common shares or ADSs as capital assets for U.S. federal income tax purposes, and it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including any minimum tax consequences, the potential application of the provisions of the Internal Revenue Code of 1986, or the Code, known as the Medicare contribution tax, the effects of any state, local or non-U.S. tax laws and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding common shares or ADSs as part of a hedge, "straddle," integrated transaction or similar transaction;

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- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships or other pass-through entities for U.S. federal income tax purposes;
- tax-exempt organizations;
- regulated investment companies;
- real estate investment trusts;
- insurance companies;
- persons that own or are deemed to own 10% or more of our stock by vote or value;
- persons required for U.S. federal income tax purposes to conform the timing of income accruals to their financial statements under Section 451 of the Code;
- persons who acquired our common shares or ADSs pursuant to the exercise of any employee stock option or otherwise as compensation; or
- persons holding common shares or ADSs in connection with a trade or business conducted outside of the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds common shares or ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding common shares or ADSs and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of the common shares or ADSs.

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury regulations, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis. This discussion is also based in part on representations by the depository and assumes that each obligation under the Deposit Agreement and any related agreement will be performed in accordance with its terms.

You are a “U.S. Holder” if, for U.S. federal income tax purposes, you are a beneficial owner of common shares or ADSs and you are:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS INTENDED FOR GENERAL INFORMATION PURPOSES ONLY. U.S. HOLDERS OF COMMON SHARES OR ADSs ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISERS WITH RESPECT TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING OR DISPOSING OF COMMON SHARES OR ADSs, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAWS.

In general, if you own ADSs, you will be treated as the owner of the underlying shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if you exchange ADSs for the underlying shares represented by those ADSs.

This discussion assumes that we are not, and will not become, a passive foreign investment company, as described below.

Taxation of Distributions

Distributions paid on common shares or ADSs (including distributions to shareholders that are treated as interest on shareholders' equity for Brazilian tax purposes) will generally be treated as dividends to the extent paid out of current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations that may vary depending upon your circumstances, dividends paid by "qualified foreign corporations" to certain non-corporate U.S. Holders are taxable at the rates applicable to long-term capital gains. A foreign corporation is treated as a "qualified foreign corporation" with respect to dividends paid on stock that is readily tradable on a securities market in the United States, such as the NYSE, where our ADSs are traded. You should consult your tax adviser regarding the availability of the reduced tax rate on dividends in your particular circumstances.

The amount of a dividend will include any amounts withheld in respect of Brazilian taxes. The amount of the dividend will be treated as foreign-source dividend income to you and will not be eligible for the dividends-received deduction generally allowed to U.S. corporations under the Code. Dividends will be included in your income on the date of your, or in the case of ADSs, the depository's, receipt of the dividend. The amount of any dividend income paid in reais will be a U.S. dollar amount calculated by reference to the exchange rate in effect on the date of such receipt, regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, you should not be required to recognize foreign currency gain or loss in respect of the dividend income. If the dividend is not converted into U.S. dollars on the date of receipt, you will have a basis in reais equal to the U.S. dollar value on the date of receipt. You may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Subject to applicable limitations that may vary depending upon your circumstances, Brazilian income taxes withheld from dividends on common shares or ADSs might be creditable against your U.S. federal income tax liability. The rules governing foreign tax credits are complex, and, therefore, you should consult your tax adviser regarding the availability of foreign tax credits in your particular circumstances. In particular, you may use foreign tax credits to offset only the portion of your U.S. tax liability that is attributable to foreign-source income. This limitation on foreign taxes eligible for credit is calculated separately with regard to specific classes of income. In addition, you must satisfy minimum holding period requirements in order to be eligible to claim a foreign tax credit for foreign taxes withheld on dividends. Certain treasury regulations, which apply to foreign taxes paid or accrued in taxable years beginning on or after December 28, 2021 (the "Final Treasury Regulations"), impose significant additional requirements on the foreign taxes (including withholding taxes) for which a foreign tax credit can be claimed. However, the IRS has released guidance in the form of notices which provide temporary relief from the requirements of the Final Treasury Regulations for taxable years, ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance).

Instead of claiming a credit, you may, at your election, deduct otherwise creditable Brazilian taxes in computing your taxable income, subject to generally applicable limitations under U.S. law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all taxes paid or accrued in the taxable year to foreign countries and possessions of the United States.

Sale or Other Disposition of Common Shares or ADSs

For U.S. federal income tax purposes, gain or loss you realize on the sale or other disposition of common shares or ADSs will generally be capital gain or loss, and will generally be long-term capital gain or loss if you held the common shares or ADSs for more than one year. The amount of your gain or loss will equal the difference between your tax basis in the common shares or ADSs disposed of and the amount realized on the disposition, in each case, as determined in U.S. dollars. If a Brazilian tax on gains is withheld on the sale or disposition of common shares or ADSs, a U.S. Holder's amount realized will include the gross amount of the proceeds of such sale or disposition before deduction of the Brazilian tax. See “—Brazilian Tax Considerations—Capital Gains” for a description of when a disposition may be subject to taxation by Brazil. Such gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The limitations of the Final Treasury Regulations may generally preclude you from claiming a credit for all or a portion of any Brazilian taxes imposed on any such U.S.-source gains. In addition, for any foreign taxes paid or accrued in taxable year beginning on or after December 28, 2021, the Final Treasury Regulations generally would preclude you from claiming a foreign tax credit with respect to any tax imposed on gains from the disposition of shares by a jurisdiction, such as Brazil, that does not have an applicable income tax treaty with the United States, although such taxes may be applied to reduce the amount realized by you on the disposition. However, certain issued guidance provides temporary relief from certain of the new requirements of the Final Treasury Regulations, as discussed above. You may also, at your election, deduct otherwise creditable Brazilian income taxes in computing taxable income, subject to generally applicable limitations under U.S. law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year. You should consult your tax adviser as to whether the Brazilian tax on gains may be creditable against your U.S. federal income tax on foreign-source income from other sources.

Other Brazilian Taxes

You should note that any Brazilian IOF/Exchange tax (as discussed above under “—Brazilian Tax Considerations”) will not be a creditable foreign tax for U.S. federal income tax purposes, although you may be entitled to deduct such tax, subject to applicable limitations under U.S. law. You should consult your tax adviser regarding the U.S. federal income tax consequences of the payment of Brazilian IOF/Exchange tax, including whether you may claim a deduction for such tax or should instead include the amount of tax paid in your initial basis in the common shares or ADSs.

Passive Foreign Investment Company Rules

We believe that we were not a “passive foreign investment company,” or a PFIC, for U.S. federal income tax purposes for our 2025 taxable year. However, because PFIC status depends on the composition of a company's income and assets and the market value of its assets from time to time, there can be no assurance that we will not be a PFIC for any taxable year. If we were a PFIC for any taxable year during which a U.S. Holder held common shares or ADSs, gain recognized by such U.S. Holder on a sale or other disposition (including certain pledges) of the common shares or ADSs would be allocated ratably over the U.S. Holder's holding period for the common shares or ADSs. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for such taxable year, and an interest charge would be imposed on the resulting tax liability. Further, to the extent that any distribution received by a U.S. Holder on its common shares or ADSs exceeded 125% of the average of the annual distributions on common shares or ADSs received by the U.S. Holder during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the common shares or ADSs. U.S. Holders should consult their tax advisers to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances. If we are a PFIC for any taxable year during which a U.S. Holder owns our common shares or ADSs, the U.S. Holder will generally be required to file Internal Revenue Service (“IRS”) Form 8621 with its annual U.S. federal income tax return, subject to certain exceptions.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and may be subject to backup withholding, unless (i) you are a U.S. corporation or other exempt recipient or (ii) in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding. The amount of any backup withholding from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is timely furnished to the IRS.

Certain U.S. Holders who are individuals or closely-held entities may be required to report information on IRS Form 8938 relating to their ownership of securities of a non-U.S. person, subject to certain exceptions (including an exception for securities held in certain accounts maintained by financial institutions, in which case the accounts may be reportable if maintained by a non-U.S. financial institution). U.S. Holders are urged to consult their tax advisers regarding the effect, if any, of these rules on their ownership and disposition of common shares or ADSs.

U.S. HOLDERS OF OUR COMMON SHARES OR ADSs SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE BRAZILIAN, U.S. FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF OUR COMMON SHARES OR ADSs BASED UPON THEIR PARTICULAR CIRCUMSTANCES.

F. Dividends and Paying Agents

Not applicable.

G. Statement of Experts

Not applicable.

H. Documents on Display

We are subject to the information requirements of the Exchange Act, except that as a foreign issuer, we are not subject to the proxy rules or the short-swing profit disclosure rules of the Exchange Act. In accordance with these statutory requirements, we file or furnish reports and other information with the SEC. Reports and other information filed or furnished by us with the SEC may be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street NE, Washington, D.C. 20549. Copies of such material may be obtained by mail from the Public Reference Section of the SEC, 100 F Street NE, Washington, D.C. 20549, at prescribed rates. You may also inspect these reports and other information at the offices of the NYSE, 11 Wall Street, New York, New York 10005, on which our ADSs are listed.

In addition, the SEC maintains a website that contains information filed electronically, which can be accessed over the Internet at <http://www.sec.gov>.

We also file financial statements and other periodic reports with the CVM. Copies of our annual report on Form 20-F and documents referred to in this annual report and our bylaws will be available for inspection upon request at our offices at Avenida Engenheiro Luis Carlos Berrini, 1376 – 32nd floor, 04571-936, São Paulo, SP, Brasil.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various market risks as a result of our trading operations, debts obtained to finance our financial derivative activities and instruments, including exchange rate risk, interest rate risk, debt acceleration risk and credit risk. To help us manage our risks, we conduct an assessment of our financial assets and liabilities against market values based on available information and appropriate valuation methodologies. However, the interpretation of market information, as well as the selection of methodologies, requires considerable judgment and reasonable estimates to produce adequate values of achievement. As a result, our valuation estimates do not necessarily indicate the values, which will be realized in the current market. The use of different market approaches and/or methodologies for estimates can have a significant effect on the estimated values of achievement.

We also enter into derivative instruments to manage the risks to which we are exposed in accordance with our risk management policy. We do not have derivative instruments for speculative purposes.

To further assist our risk management, we perform fair value analyses of our derivative financial instruments, as well as sensitivity analyses of our risk variables and our risk of net exposure. For more details on the results of our valuation analysis, risk management strategies and sensitivity analysis of our derivative financial instruments, see note 33 to our audited consolidated financial statements included elsewhere in this annual report.

The Company is exposed to exchange rate fluctuations linked to commodity risk arising from the future revenue associated with copper sales, since both the international price of the metal and the quotation of foreign currencies can affect the amount to be received. Adverse movements in these markets may reduce revenue in reais and increase the volatility of results. To mitigate these risks, the Company entered into hedge transactions accounted for through hedge accounting using financial derivatives designed to simultaneously protect the exposure to foreign exchange rates and to copper price risk. These instruments aim to provide greater predictability to the project's cash flows and minimize the impacts of market fluctuations. See note 32 to our audited consolidated financial statements included elsewhere in this annual report.

Item 12. Description of Securities Other Than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

The depositary, Citibank N.A., collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs or from intermediaries acting for them. The depositary also collects fees for making distributions to holders of ADSs by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid. See Exhibit 2.2 to this annual report for a description of the rights of holders of the ADSs.

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The holder of an ADS may have to pay the following fees and charges related to services in connection with the ownership of the ADS up to the amounts set forth in the table below.

Persons depositing or withdrawing shares, receiving distributions or holding ADSs on the applicable record date, as applicable, must pay:	For:
Up to US\$5.00 per 100 ADSs (or fraction thereof) issued	<ul style="list-style-type: none">• Issuance of ADSs upon deposit of Shares, excluding issuances as a result of distributions
Up to US\$5.00 per 100 ADSs (or fraction thereof) surrendered	<ul style="list-style-type: none">• Delivery of deposited securities against surrender of ADSs
Up to US\$5.00 per 100 ADSs (or fraction thereof) held	<ul style="list-style-type: none">• Distribution of cash dividends or other cash distributions (i.e., sale of rights and other entitlements)• Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs• Distribution of securities other than ADSs or rights to purchase additional ADSs (i.e., spin-off shares)• Depository services
Registration or transfer fees	<ul style="list-style-type: none">• Registration of shares or other deposited securities on the share register and applicable to transfers of shares or other deposited securities to or from the name of the custodian, the depository or any nominees upon the making of deposits and withdrawals, respectively
Expenses and charges of the depository	<ul style="list-style-type: none">• Cable, telex and facsimile transmissions and delivery expenses as are expressly provided in the deposit agreement• Conversion of foreign currency
Taxes (including applicable interest and penalties) and other governmental charges	<ul style="list-style-type: none">• As necessary
Any reasonable and customary out-of-pocket expenses incurred in the conversion of foreign currency and/or on your behalf in complying with exchange control or other governmental requirements	<ul style="list-style-type: none">• As necessary
Fees, charges, costs and expenses incurred by the depository, the custodian, or any nominee in connection with the ADR program	<ul style="list-style-type: none">• As necessary

On November 23, 2020, we entered into a deposit agreement with Citibank N.A., pursuant to which Citibank N.A. became our depository.

Citibank N.A. has agreed to reimburse us for expenses related to the establishment and maintenance expenses of the ADS program. The depository has agreed to reimburse us for our continuing annual stock exchange listing fees. The depository has also agreed to pay the standard out-of-pocket maintenance costs for the ADRs, which consist of the expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, electronic filing of U.S. Federal tax information, mailing required tax forms, stationery, postage, facsimile, and telephone calls. It has also agreed to reimburse us annually for certain investor relations programs or special investor relations promotional activities. In certain instances, the depository has agreed to provide additional payments to us based on any applicable performance indicators relating to the ADR facility. There are limits on the amount of expenses for which the depository will reimburse us, but the amount of reimbursement available to us is not necessarily tied to the amount of fees the depository collects from investors. During 2025, we received from Citibank N.A., our depository, approximately US\$2.4 million, for the services described above.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

As of December 31, 2025, we were not in default under any of our obligations and there were no dividend arrearages or delinquencies.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

On October 1, 2020, the Extraordinary General Meeting of the Company approved, and the Special General Meeting of the Company's Preferred Shareholders ratified, the Conversion of all the preferred shares issued by the Company into common shares, in the proportion of one common share for each one preferred share and its implementation by the Company's officers as well as the relevant changes to our Bylaws to reflect the Conversion.

After the concession and the expiration of the term for shareholders to exercise withdrawal rights, we proceeded with the Conversion, and the last trading session for our preferred shares on the B3 and for our ADSs backed by preferred shares on the NYSE was on November 20, 2020. Therefore, as of November 23, 2020, "VIVT3" represents the only ticker symbol for trading of the Company's common shares on the B3, and ADSs backed by our common shares began trading on the NYSE under the ticker symbol "VIV" with each ADS then representing one common share. Each of our common shares entitles its holder to one vote at our annual and extraordinary shareholders' meetings, whereas prior to the Conversion, holders of our preferred shares were generally not entitled to vote, except under limited circumstances.

For a description of the rights of holders of our common shares and ADSs represented by common shares, see "Item 10. Additional Information—B. Memorandum and Articles of Association—Description of our Bylaws" and Exhibit 2.2 to this annual report.

Item 15. Controls and Procedures

Management's Evaluation over Disclosure Controls and Procedures

Our Chief Executive Officer and our Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this Form 20-F, have concluded that, as of such date, our disclosure controls and procedures were effective.

There are, as described below, inherent limitations to the effectiveness of any internal control system, including disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can provide only reasonable assurance of achieving their control objectives.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance as to the reliability of financial reporting and the preparation of consolidated financial statements for external purposes, in accordance with generally accepted accounting principles. Generally accepted accounting principles refer to the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Telefônica Brasil are being made only in accordance with authorizations of management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Telefônica Brasil's assets that could have a material effect on the consolidated financial statements.

Any internal control system, no matter how well designed, has inherent limitations, including the possibility of human error and the circumvention or overriding of controls and procedures, which may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness for future periods are subject to the risk that controls may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of internal control over financial reporting as of December 31, 2025. In making this assessment, it used the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

Telefônica Brasil's management has excluded from the scope of its assessments of the internal control over financial reporting the operations and related assets of FiBrasil Infraestrutura e Fibra Ótica S.A (hereinafter “FiBrasil”), which Telefônica Brasil integrated from November 12, 2025. Total assets and total revenues subject to FiBrasil's internal control over financial reporting represented 1.5% and less than 1.0%, respectively, for the year ended December 31, 2025. Based on the assessment performed and those criteria, Telefônica Brasil's management concluded that as of December 31, 2025, Telefônica Brasil's internal control over financial reporting was effective.

Report of Independent Registered Public Accounting Firm

PricewaterhouseCoopers Auditores Independentes Ltda., an independent registered public accounting firm (PCAOB ID 1351), has audited the effectiveness of our internal control over financial reporting, as stated in their report as of December 31, 2025, which is included herein. The report is included on page F-2.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) or 15d-15(d) under the Exchange Act that occurred during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [Reserved]

Item 16a. Audit Committee Financial Expert

Our Control and Audit Committee is comprised of a minimum of three and a maximum of five members. See “Item 6. Directors, Senior Management and Employees—C. Board Practices—Committees—Control and Audit Committee.” Our Board of Directors has designated Andrea Capelo Pinheiro, an independent member of our Board of Directors in accordance with the rules of CVM Resolution No. 80/2022 and a member of our Control and Audit Committee, as the Company’s “audit committee financial expert”, as such term is defined by the SEC. There are some similar functions between the Control and Audit Committee and our Fiscal Board (*Conselho Fiscal*), the latter of which meets the requirements of the general exemption from the listing standards for audit committees set forth in Exchange Act Rule 10A-3(c)(3). See “Item 16d. Exemptions from the Listing Standards for Audit Committees Procedures”.

Item 16b. Code of Ethics

Responsible Business Principles

We have implemented a code of business conduct and ethics called the Telefônica Responsible Business Principles. These principles guide the conduct of all company employees, including members of the Board of Directors. They were updated in 2022 to include and/or revise our commitments. Currently, the principles cover ethical and responsible management, corporate governance, human rights and digital rights, environmental commitment, innovation and responsible use of technology, responsible communication, commitment to the customer, employees and societies in which we operate and responsible supply chain management. No waivers were granted in 2025. A copy of the Telefônica Responsible Business Principles is available at <https://www.telefonica.com.br/a-telefonica/vivosustentavel/principios-de-negocio-responsavel>.

The Responsible Business Principles are reviewed periodically and approved by the board. Its global guidelines define how we conduct business with all stakeholders and generate long-term value. In addition, the principles establish mechanisms for decision-making when facing ethical dilemmas or situations that may conflict with the law. We promote periodical training for employees to reinforce the concepts and principles of our code of ethics, reaching 98% of our personnel.

The mission of the Compliance and DPO Department is to ensure the applicability of laws, anti-corruption compliance, and corporate ethics, thereby generating value for stakeholders, protecting the company and its employees, reducing risks of noncompliance, and strengthening our culture of integrity. The Compliance and DPO Department collaborates with other areas of the company to uphold best ethical business practices and provides updates on the compliance program to the Board of Directors through the Audit and Control Committee.

At Telefônica Brasil, the compliance program, called #VivoDeAcordo, applies to all employees of the company, including members of the Board of Directors, representatives and service providers of the Company and has important pillars for its solid implementation: (i) full commitment of senior management; (ii) regular analysis and assessment of business risks; (iii) code of ethics and conduct; (iv) internal policies and standards addressing various subjects (available on our intranet policy portal), such as prevention of corruption, conflicts of interest, gifts and hospitality; (v) periodic training and communications on ethical and anti-corruption issues to all employees; (vi) communication channels to clarify doubts about the entire program; (vii) integrity due diligence; (viii) monitoring and auditing; and (ix) reporting channel.

As part of its commitment to maintaining a robust Compliance Program, the Company has received the DSC 10,000 certification annually since 2020, which is currently valid until December 12, 2026. In 2024, the Company was recognized at the first edition of the Leaders League Compliance Summit & Awards Brazil for having the best “Compliance Department in Telecommunications and Technology,” and in 2025 it was recognized as “Compliance Program of the Year” by the same organization. Furthermore, in 2023, it was recognized as a Pro-Ethics company, an initiative of the Comptroller General of the Union (CGU) and the Ethos Institute, which highlights companies that voluntarily adopt integrity measures to prevent, detect, and remedy acts of corruption and fraud.

These certifications and recognitions underscore that Telefônica Brasil’s Compliance Program has significantly evolved in recent years. The program’s robust mechanisms for preventing and combating corruption have enhanced the perception of ethics and integrity among employees, customers, and partners, solidifying Telefônica Brasil’s reputation as a company committed to ethical practices.

The Company recognizes the importance of its supply chain for its international presence, and the values involved in its business transactions. For this reason, we promote and maintain high standards of responsible behavior with respect to suppliers, ensure compliance with quality and service standards, as well as ethical, social, environmental and privacy standards in all relationships.

Stimulating sustainability throughout the supply chain is an important challenge for the telecommunications sector. At the Company, this business relationship, guided by ethics and transparency, is based on the guidelines of the Sustainability Policy for the Supply Chain, implemented since 2016 and revised in 2025. This policy, approved by the board, establishes the Principles and Minimum Criteria for Responsible Business that suppliers must follow.

As one of the pillars of our code of ethics, respect and commitment to human rights guide the regular and periodic evaluation of the impacts in our value chain. Since 2010, we have been signatories to the Global Compact, a UN initiative to encourage companies to follow corporate social responsibility and sustainability policies through the adoption of ten principles related to human rights, labor, environment and corruption.

Corporate social responsibility has always been present in our agenda, and, in 2020, we adopted the ISO 26000 (Guidance on Social Responsibility) management model. Through the ISO 26000 guidelines, we improve our organizational culture, minimizing the risks of our business, and ensuring an increasingly sustainable performance through ethical and transparent behavior.

Code of Ethics and Conduct Policy - Rules of Conduct for the Financial Executives

In addition to our Responsible Business Principles, we have adopted a code of ethics and conduct policy applicable to the chairperson, chief executive officer and vice presidents of the Company and its subsidiaries, and to any executives of the Company or its subsidiaries that work in the areas of finance, capital markets, treasury, financing, investor relations, accounting and accounting consolidation. A copy of such policy is included as Exhibit 11.1 to this annual report. Since its effective date, we have not waived compliance with our code of ethics and conduct policy.

Item 16c. Principal Accountant Fees and Services

In the chart below we have detailed the expenses accrued in respect of the fees for services rendered by PricewaterhouseCoopers Auditores Independentes, our independent auditor for the fiscal years ended December 31, 2025 and 2024:

	Year ended December 31,	
	2025	2024
	(in millions of reais)	
Audit Fees	16.0	17.4
Audit-Related Fees	0.2	0.2
Total	16.2	17.6

Audit Fees

Services included under this heading are mainly the audit of the annual and reviews of interim financial statements, work to comply with the requirements of the Sarbanes-Oxley Act (Section 404) and the review of the 20-F report to be filed with US Securities and Exchange Commission (SEC).

Audit-Related Fees

This heading mainly includes services related to the review of the information required by regulatory authorities and the review of corporate responsibility reports.

Item 16d. Exemptions From the Listing Standards for Audit Committees Procedures

Brazilian Corporate Law requires that we have a statutory Fiscal Board (*Conselho Fiscal*) composed of three to five members and alternates who are elected by the general shareholders' meeting. The statutory Fiscal Board operates independently from management and from a company's external auditors, and the members of our statutory Fiscal Board are all financially literate. Its main function is to monitor the activities of management, examine the financial statements of each fiscal year and provide a formal report to our shareholders. We are relying on the general exemption from the listing standards relating to audit committees contained in Rule 10A-3(c)(3) under the Exchange Act because our statutory Fiscal Board meets the requirements of the general exemption set forth in Exchange Act Rule 10A-3(c)(3). See "Item 6. Directors, Senior Management and Employees—C. Board Practices—Fiscal Board." Our statutory Fiscal Board is primarily charged with certain advisory, oversight and review functions with respect to the company's financial statements; however, the statutory Fiscal Board, as required by Brazilian Corporate Law, has only an advisory role and does not participate in the management of the company. Indeed, decisions of the statutory Fiscal Board are not binding on the company under Brazilian Corporate Law. Our Board of Directors, under Brazilian Corporate Law, is the only entity with the legal capacity to appoint and retain any independent registered public accounting firm and decide the budget appropriation with respect to such auditors.

Since Brazilian Corporate Law does not specifically grant our statutory Fiscal Board the power to establish receipt, retention and complaint procedures regarding accounting, internal control and audit matters, or create policies for the confidential, anonymous treatment of employee concerns regarding accounting or auditing matters, we have established a Control and Audit Committee as a best corporate governance practice to address these various issues. See "Item 6. Directors, Senior Management and Employees—C. Board Practices—Committees—Control and Audit Committee."

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The Fiscal Board is not the equivalent of, or wholly comparable to, a U.S. audit committee. Among other differences, it is not required to meet the standards of “independence” established in Rule 10A-3 and is not fully empowered to act on matters that are required by Rule 10A-3 to be within the scope of an audit committee’s authority. Nonetheless, we believe that our use of a fiscal board in accordance with Brazilian Corporate Law in combination with our Control and Audit Committee, as opposed to the provisions set forth in Exchange Act Rule 10A-3(b), does not materially and adversely affect the ability of the Fiscal Board to act independently, satisfy the other applicable requirements of Exchange Act Rule 10A-3 (to the extent permitted by Brazilian Corporate Law) or to fulfill its fiduciary and other obligations under Brazilian law.

Item 16e. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Company made the following repurchases under the Program in the year ended December 31, 2025:

Period of Fiscal Year	Total Number of Shares Purchased	Average Price Paid per Share (R\$)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Jan. 1, 2025 to Jan. 31, 2025	—	—	—	376,800,628
Feb. 1, 2025 to Feb. 28, 2025	3,138,000	24.75	3,138,000	373,662,628
Mar. 1, 2025 to Mar. 31, 2025	1,998,600	24.43	5,136,600	368,526,028
Apr. 1, 2025 to Apr. 30, 2025	56	25.28	5,136,656	363,389,372
May 1, 2025 to May 31, 2025	—	—	5,136,656	358,252,716
Jun. 1, 2025 to Jun. 30, 2025	13,537,100	29.73	18,673,756	339,578,960
Jul. 1, 2025 to Jul. 31, 2025	10,698,400	31.23	29,372,156	310,206,804
Aug. 1, 2025 to Aug. 31, 2025	10,039,200	33.38	39,411,356	270,795,448
Sep. 1, 2025 to Sep. 30, 2025	844,200	33.55	40,255,556	230,539,892
Oct. 1, 2025 to Oct. 31, 2025	—	—	40,255,556	190,284,336
Nov. 1, 2025 to Nov. 30, 2025	7,410,000	34.15	47,665,556	142,618,780
Dec. 1, 2025 to Dec. 31, 2025	1,948,300	34.36	49,613,856	93,004,924

(1) For a more detailed description of our plan, see the information above under the heading “—Plan for the Purchase of Shares Issued by the Company” and note 24(b) to our audited consolidated financial statements included elsewhere in this annual report.

On February 23, 2026, our board of directors approved a Share Buyback Program. This program enables the acquisition of shares issued by the Company for subsequent cancellation, sale, or holding in treasury. The purpose of the Legacy Program was to acquire common shares issued by the Company for treasury purposes, future cancellation or sale, with no reduction in capital stock, for the intention of increasing shareholder value through the efficient application of available cash resources, optimizing the Company’s capital allocation. Share buybacks utilize resources available in our statutory profit reserve and the results obtained in fiscal year 2026, up to a maximum amount of R\$1.0 billion. The Program began on February 23, 2026, and was scheduled to end on February 24, 2027, or the date on which the maximum amount was reached. Acquisitions are conducted on the B3 at market prices. The Company’s management is responsible for determining the timing and number of shares to be acquired, in accordance with the limits established by the Program and applicable regulations. The Program succeeded our previous share buyback plan, which was approved by our board of directors on February 25, 2025, and expired on February 23, 2026, under which we repurchased 49.6 million shares.

Item 16f. Change in Registrant’s Certifying Accountant

Not applicable.

Item 16g. Corporate Governance

Principal Differences Between U.S. and Brazilian Corporate Governance Practices

Pursuant to NYSE rules, foreign private issuers that are listed on the NYSE, such as our Company, must disclose any significant ways in which their corporate governance practices differ from those followed by U.S. companies under the listing rules of the NYSE.

The significant differences between our corporate governance practices and the NYSE corporate governance standards are as follows:

Independence of Directors and Independence Tests

The NYSE standards require a majority of the membership of listed company boards to be composed of independent directors and set for the criteria for determining independence. However, controlled companies (whether or not they are foreign private issuers) are not required to have a majority of the members of their board of directors be independent. Therefore, we would be exempt from this NYSE requirement even if we were a U.S. company.

The Brazilian Corporate Law and our bylaws require that our directors be elected by our shareholders at a general shareholders meeting. All our directors were appointed by our common shareholders and nine of such directors are independent in line with the parameters set by CVM Resolution No. 80/2022.

Both the Brazilian Corporate Law and the CVM establish rules in relation to certain qualification requirements and restrictions, investiture, compensation, duties and responsibilities of companies' executives and directors. We believe these rules provide adequate assurances that our independent directors are independent, although such rules allow us to have directors that would not otherwise pass the independence tests established by the NYSE.

Executive Sessions

The NYSE standards require non-management directors of listed companies to meet at regularly scheduled executive sessions without management. In addition, our board of directors' internal rules set forth that the secretary of the board of directors shall summon regular meetings or sessions without the attendance of members of the Company's Board of Executive Officers even if they are a member of the board of directors.

According to the Brazilian Corporate Law, up to one-third of the members of our Board of Directors can be elected to executive positions (Executive Officers). The remaining non-management directors are not expressly empowered to serve as a check on management, and there is no requirement that those directors meet regularly without management. Notwithstanding, our Board of Directors consists of eleven non-management directors. Brazilian Corporate Law also determines that it is prohibited, in publicly held companies, for the Chairman of the Board of Directors to hold the role of the CEO or main executive of the company.

Nominating/Corporate Governance Committee Requirements

The NYSE standards require that listed companies have a nominating/corporate governance committee composed entirely of independent directors, and such committee must have a written charter that addresses the committee's purposes and responsibilities (including certain required purposes and responsibilities) as well as the annual performance evaluation of the committee. However, controlled companies (whether or not they are foreign private issuers) are exempt from this requirement. Therefore, we would be exempt from this NYSE requirement even if we were a U.S. company.

Brazilian Corporate Law does not require us to maintain a committee responsible for nominations or corporate governance. Nevertheless, our board of directors has created our Nominations, Compensation and Corporate Governance Committee, which consists of three to five directors appointed by the Board of Directors to serve for the duration of their respective terms as members of our Board of Directors, one of which is independent in line with the parameters set by CVM Regulation No. 80/2022. Our Nominations, Compensation and Corporate Governance Committee has a written charter, which sets forth its responsibilities, including examining proposals for nominations to our management team and assessing compensation limits for our management, establishing employment agreements for our management and examining corporate governance matters. Unlike the nominating/corporate governance committees of U.S. companies listed on the NYSE (other than controlled companies), our Nominations, Compensation and Corporate Governance Committee is not necessarily responsible for identifying individuals to become board members or overseeing the evaluation of the board and management. See “Item 6. Directors, Senior Management and Employees—C. Board Practices—Committees—Nominations, Compensation and Corporate Governance Committee” for a description of the responsibilities of our Nominations, Compensation and Corporate Governance Committee.

Compensation Committee Requirements

The NYSE standards require listed companies to have a compensation committee composed entirely of independent directors, and such members must meet the additional independence requirements specific to compensation committee membership set forth in the rules. In addition, NYSE standards require the compensation committee to have a written charter that addresses the committee’s purposes and responsibilities (including certain required purposes and responsibilities). Said charter must specify the rights and responsibilities of the compensation committee regarding the authority to retain advisors and provide funding for such advisors. Certain specified factors must be considered regarding such advisers’ independence from management. However, controlled companies (whether or not they are foreign private issuers) are exempt from this requirement. Therefore, we would be exempt from this NYSE requirement even if we were a U.S. company.

As noted above, while Brazilian Corporate Law does not require us to have a compensation committee, our Board of Directors has created our Nominations, Compensation and Corporate Governance Committee. As determined by the Brazilian Corporate Law, the compensation of management is approved by our shareholders at our shareholders’ meeting. Subject to this approval, our Board of Directors establishes the compensation of its members and of our executive officers. The Nominations, Compensation and Corporate Governance Committee provides information and recommendations to the Board of Directors regarding the compensation of our executive officers and managers (see “Item 6. Directors, Senior Management and Employees—C. Board Practices—Committees—Nominations, Compensation and Corporate Governance Committee”). Our Nominations, Compensation and Corporate Governance Committee is not required to perform certain functions that are required of U.S. companies listed on the NYSE (other than controlled companies), such as directly reviewing and approving corporate goals and objectives relating to CEO compensation, evaluating the CEO’s performance in light of those goals and objectives and, either as a committee or together with the other independent Directors, determining and approving the CEO’s compensation level based on this evaluation.

Our Nominations, Compensation and Corporate Governance Committee is not required by the Brazilian Corporate Law or its charter to take into consideration any factors relevant to independence from management when retaining the advice of a compensation consultant, legal counsel or other advisers.

Audit Committee Requirements

The NYSE standards require listed companies (including foreign private issuers) to have an audit committee that satisfies the requirements of Rule 10A-3 under the Exchange Act. However, Rule 10A-3 provides an exemption for companies, such as our Company, that have a board of auditors or statutory auditors, established and selected pursuant to home country legal provisions expressly requiring or permitting such a board or similar body, provided that certain criteria are satisfied. The NYSE standards also set forth additional requirements for the audit committees of listed companies, including that the audit committee must have a minimum of three members, all members of the audit committee must be independent, the audit committee must have a written charter that addresses certain topics, and each listed company must have an internal audit function. As a foreign private issuer, we are exempt from these additional requirements.

Brazilian Corporate Law and our bylaws each require that we have a statutory Fiscal Board (*Conselho Fiscal*). See “Item 6. Directors, Senior Management and Employees—C. Board Practices—Fiscal Board.” Our statutory Fiscal Board meets the requirements of the general exemption from the listing standards for audit committees set forth in Exchange Act Rule 10A-3(c)(3). See “Item 16d. Exemptions from the Listing Standards for Audit Committees Procedures.” Our statutory Fiscal Board is primarily charged with certain advisory, oversight and review functions with respect to the company’s financial statements. However, the statutory Fiscal Board, as required by Brazilian Corporate Law, has only an advisory role and does not participate in the management of the company. Indeed, the decisions of the statutory Fiscal Board are not binding on the company under Brazilian Corporate Law. See “Item 6. Directors, Senior Management and Employees—C. Board Practices—Fiscal Board.”

In addition to our statutory Fiscal Board, we have established a Control and Audit Committee as a best corporate governance practice to comply with the requirements of the Sarbanes-Oxley Act as described in “Item 6. Directors, Senior Management and Employees—C. Board Practices—Committees—Control and Audit Committee.” Our Control and Audit Committee comprises a minimum of three and a maximum of five directors, who are not members of our Board of Executive Officers, and who are appointed by our Board of Directors to serve as members of the Control and Audit Committee for the duration of their respective terms as members of the Board of Directors. All members of our Control and Audit Committee are considered independent. The Committee has its own charter, which was approved by the board of directors.

Shareholder Approval of Equity Compensation Plans

NYSE rules require that shareholders be given the opportunity to vote on all equity compensation plans and material revisions thereto, with limited exceptions.

Corporate Governance Guidelines

NYSE rules require that listed companies adopt and disclose corporate governance guidelines.

We are subject to the corporate governance provisions of the Brazilian Corporate Law and of CVM Resolution 80/2022, as amended, which requires us to disclose certain corporate governance guidelines. Under CVM Resolution 80/2022, we must disclose information regarding our adoption of the governance practices set forth in the Brazilian Corporate Governance Code – Public Companies (the “Governance Code”). Thus, we are required to disclose a report named “Report on the Brazilian Corporate Governance Code – Public Companies” within seven months from the closing date of each fiscal year. Notwithstanding, since the governance practices set forth in the Governance Code are imposed only on a “comply or explain” basis, adherence to the recommendations described therein is not mandatory, however, an explanation must be disclosed with respect to any recommendations set forth therein that we do not adopt.

In addition, we have our corporate governance guidelines, which we disclose to the public on an annual basis.

Corporate Governance Practices

We are a corporation, a corporation organized under the laws of Brazil, and are subject to the corporate governance provisions set forth in the Brazilian Corporate Law. We comply with the regulatory requirements of the Brazilian Corporate Law regarding the independence of our board of directors, the establishment and composition of certain board committees, and the adoption and disclosure of corporate governance guidelines.

We comply with various requirements under Brazilian and international laws to promote strong corporate governance and enhance disclosure of material and other information.

We have implemented several measures to improve our corporate governance practices. We believe that these measures will benefit our current and future shareholders and investors, as well as the market in general. Among the measures we have implemented are:

- we have adopted a policy for the disclosure of material facts or corporate actions and trading of our securities (*Política de Divulgação de Ato ou Fato Relevante e de Negociação de Valores Mobiliários*);
- adopted a policy for internal controls related to the Communication, Recording and Control of Financial and Accounting Information (*Normativa sobre Registro, Comunicação e Controle de Informação Financeiro-Contábil*);
- created the Quality and Sustainability Committee;
- created the Control and Audit Committee;
- established the Nominations, Compensation and Corporate Governance Committee;
- adopted a policy for transactions with the Company's related parties (*Política para Transações com Partes Relacionadas*);
- enacted a procedure for receiving and handling reports of accounting and auditing fraud in the company (Canal de Denúncias);
- enacted a policy of prior approval for the hiring of audit services (*Normativa sobre Aprovação Prévia de Serviços a serem Prestados pelo Auditor Externo*);
- enacted a code of business conduct and ethics (*Princípios de Negócio Responsável*);
- enacted a code of conduct for members of our financial team regulating the conduct of our managers in relation to the recording and control of financial and accounting information and their access to privileged and non-public information and data (*Normas de Conduta para Financeiros*);
- enacted a policy on communicating information to the securities market (*Normativa sobre Comunicação de Informação aos Mercados*); and
- enacted a policy on preventing and combating corruption (*Diretrizes de Prevenção e Combate à Corrupção and Política Anticorrupção*).

As determined by the Brazilian Corporate Law, the annual cap for the aggregate compensation of the board of directors and board of executive officers is approved by our shareholders at a shareholders' meeting. The Nominations, Compensation and Corporate Governance Committee provides information and recommendations to the board of directors regarding the criterion for compensation.

Our policy relating to insider trading currently in effect is determined pursuant to our *Política de Divulgação de Ato ou Fato Relevante e de Negociação de Valores Mobiliários* in accordance with corporate law. This document establishes practices for disclosing, using and preserving the confidentiality of relevant acts and/or facts of the Company, and establishes obligations and mechanisms for the disclosure of said facts to the market. The Company, controlling Shareholders, senior management, members of our Board of Directors, Fiscal Board and any other employee exposed to sensitive information are subject to the restrictions imposed by such rules. In addition to the prohibition on the trading of our shares by such individuals when in possession of insider information, the rules establish blackout trading periods for those periods when insider information is available. In addition, the charter sets forth instructions for dealing with conflicts of interest and mandates disclosure of any such situation.

Data Protection and Privacy Initiatives

Our approach to data protection and privacy aligns with the core principles of information security—confidentiality, integrity, and availability—as well as the obligations established by the LGPD and other applicable laws and regulations. To uphold our commitment and ensure compliance, we have implemented a Privacy and Data Protection Governance Program supported by three key areas:

- *Data Protection Office*: This dedicated team, led by an appointed Data Protection Officer, is responsible for managing the privacy program. Its main functions include monitoring laws and regulations, enhancing transparency with data subjects, raising awareness, and providing employee training on privacy and personal data protection.
- *Information Security*: The Information Security team centralizes all aspects of information security and data protection management. This includes digital security, identity and access management, risk governance, business-centric security, offensive security, cyber defense, cyber threat monitoring and incident response, fraud prevention, and enterprise physical security.
- *Legal*: The Legal team supports the program by analyzing contracts, amendments, and other legal matters related to privacy and data protection.

Since the LGPD came into effect, our privacy program has been evolving to maintain the best privacy and data protection practices and to address the constantly evolving regulatory landscape. We have implemented several measures over the years, which include:

- actively participating in every public consultation by the ANPD;
- actively engaging in discussions on data protection and privacy in Brazil with representative business groups, other companies in the Telecom industry, and independent stakeholders;
- published our Global Employee Privacy Notice in our corporate intranet;
- redesigned and improved our Privacy and Transparency Center to create a unified information and communication channel for data subjects;
- under the organization of Conexis Brasil and together with other Telecom companies, established the Code of Best Practices on Data Protection, outlining compliance protocols for the LGPD to the sector;
- improved our data subject rights request process by introducing a new digital form with enhanced identity authentication through Brazilian government digital signing platform;
- improved our internal personal data mapping process, including a process revision initiative to update every process mapped so far;
- established privacy adequacy programs to be applied to new companies within the group under specific conditions;

- established new internal regulations and work instructions on privacy governance activities;
- adjusted contracts and workflows to fulfill the obligations of the International Data Transfer and Standard Contractual Clauses Regulation; and
- reformulated our Privacy Notice, focusing on promoting transparency and ensuring information accessibility for data subjects.

Item 16h. Mine Safety Disclosure

Not applicable.

Item 16i. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Item 16j. Insider Trading Policies

We have adopted a Rule for Disclosing Information to the Market (*Política de Divulgação de Ato ou Fato Relevante e de Negociação de Valores Mobiliários*), which governs the trading in our securities by our directors, officers and certain other covered persons, and which is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any listing standards applicable to the Company. A copy of such policy is included as Exhibit 11.2 to this annual report. Since its effective date, we have not waived compliance with our statement of trading policies.

Item 16k. Cybersecurity

Overview

The digital ecosystem has significantly expanded access, volume, and speed of information flow, increasing interconnectivity between networks, businesses, and individuals. This context creates relevant opportunities for business and society, but it also increases exposure to risks related to information security, data privacy, and operational continuity, especially for companies operating critical infrastructures and handling large volumes of data.

Due to the nature of our operations, we deal with significant amounts of information, including personal data and sensitive corporate information. In addition to risks related to the confidentiality, integrity, and availability of this information, we are subject to disruptions in networks and systems that may affect the quality, continuity, and reliability of the services provided to our clients.

In today's digital environment, the risks associated with cybersecurity remain among the primary operational challenges, including threats related to unauthorized access, malware, data breaches, systemic failures, and other incidents that could compromise information and operations. The occurrence of such events may adversely affect our operations, reputation, client and partner relationships, as well as our financial results.

Despite ongoing efforts to modernize our technological infrastructure and replace legacy systems, we operate in an environment characterized by high technological complexity, interdependence between systems, and increasing reliance on third parties and cloud services. As a result, we remain exposed to operational and security risks that may materialize even in the presence of controls and mitigation measures.

We seek to identify, assess, and manage these risks through a structured approach to governance and information security risk management, which includes technical, organizational, and administrative measures aligned with best practices and widely recognized frameworks. These measures encompass, among other aspects, access controls, network and system protection, backup and recovery procedures, continuous monitoring, vulnerability management, and initiatives aimed at raising awareness and training employees, as well as managing risks related to third parties.

However, due to the dynamic nature of cyber threats, the complexity of our technological environments, and external factors beyond our control, we cannot assure that such measures will be sufficient to eliminate or fully mitigate all risks. The materialization of adverse events related to information security, operational continuity, or data privacy may result in significant adverse impacts on our operations, financial performance, and competitive position.

For additional information regarding these risks, please refer to “Item 3. Key Information — D. Risk Factors.”

Enterprise Risk Management

In accordance with our principles of corporate governance and responsible business practices, we have adopted a structured approach to identify, assess, monitor, and manage relevant risks to which we are exposed. This approach aims to support decision-making, strategy execution, and the protection of the Company's long-term value, recognizing that risk management is a shared responsibility throughout the organization.

The Board of Directors holds overall responsibility for overseeing our enterprise risk management framework, including risks related to cybersecurity. According to its internal regulations, the Board delegates more detailed oversight of risk management processes, internal controls, and contingency plans to the Audit and Control Committee. The Audit and Control Committee supports the Board by periodically assessing the adequacy and effectiveness of these systems and processes.

To support these oversight activities, an independent Corporate Risk Management area has been established, integrated into the internal audit structure. This area is responsible for overseeing the implementation of corporate risk management processes, as well as for supporting, coordinating, and promoting compliance with the guidelines defined in our corporate risk management policy, as approved by the Board of Directors.

Our corporate risk management model is based on widely recognized market methodologies, including the framework from the Committee of Sponsoring Organizations of the Treadway Commission (COSO ERM). This approach seeks to align risk management with corporate strategy, allowing for the identification, prioritization, and monitoring of key risks, as well as the development of responses and mitigation actions in a coordinated and consistent manner.

The internal audit regularly reports to the Audit and Control Committee information regarding the status of identified key business risks, including those related to cybersecurity, as well as the evolution of controls and associated mitigation actions. However, despite the existence of this governance structure and adopted processes, we cannot assure that all risks will be identified or mitigated in a timely or comprehensive manner.

Cybersecurity Risk Management

The corporate Security department is responsible for continuously identifying, considering, and evaluating material cybersecurity risks, as well as establishing processes to ensure that such potential exposures are adequately monitored. The department is also responsible for implementing mitigation measures consistent with the Company's risk profile and for maintaining information security and cybersecurity programs aligned with best market practices and applicable regulatory requirements.

The corporate Security structure is led by the Chief Security Officer (CSO), who is responsible for the entire Company's Security function. The Chief Information Security Officer (CISO), who reports directly to the CSO, is responsible for managing information security and cybersecurity. The corporate Security structure has approximately 400 dedicated professionals, covering, in an integrated manner, the following disciplines: physical security, security projects, fraud prevention, investigations, governance, planning, risk management, and digital security.

In the area of digital security, the Company maintains capabilities that encompass security architecture, cyber defense, offensive security, digital identity management, and data protection. The CISO, who reports to the CSO, is responsible for matters related to information security and cybersecurity, including overseeing the processes for preventing, detecting, mitigating, and remediating cyber incidents, as well as communicating these matters to relevant individuals and committees.

The CISO has relevant experience in critical sectors and regulated environments, working in financial services, risk management and compliance, information security and cybersecurity, including leading initiatives related to governance and the implementation of security programs aligned with market-recognized standards and practices.

Additionally, a member of the Board of Directors has been appointed to monitor and review the digital security strategy. This advisor meets periodically with the Security area, including the CSO and the CISO, to monitor key issues related to security and cyber risks.

Other Cybersecurity Committees

To strengthen governance and visibility of risks, the information security risk management area participates in various executive committees and forums focused on digital risk and security, including a monthly executive cybersecurity risk committee and specific operational committees. These forums are utilized to report to key executives and other stakeholders any identified material cybersecurity risks along with associated response and monitoring actions.

Additionally, as part of promoting a culture of risk management and mitigating adverse cybersecurity events, the Company conducts periodic training and provides supplementary guidance to employees. These training sessions encompass topics related to key internal regulations and best market practices in information security, with a focus on raising awareness regarding the identification of threats and response to incidents. Among other subjects, training addresses phishing attacks, spam, social engineering techniques, as well as other relevant cybersecurity risks.

Cybersecurity Risk Management Model

For cybersecurity risks, we maintain structured processes for the assessment, classification, and treatment of risks, integrated into our corporate risk management framework. These processes aim to identify, based on scenarios and factors inherent to our activities, threats that may significantly impact our operations, IT environment, customer data, and corporate information.

Our model seeks to ensure that the area responsible for cybersecurity risk management can continuously assess the nature and materiality of baseline risks and define, on a case-by-case basis, response strategies consistent with our risk appetite and the catalog of technology services we utilize. When deemed relevant, these risks are submitted to the appropriate governance bodies for analysis and deliberation.

Cybersecurity risks identified as high or critical are reported to the management responsible for the respective risk area, as well as to the executive cybersecurity risk committee, which meets periodically to monitor such exposures. This committee is composed of senior management members, including executives responsible for technology, risk, internal controls, and information security, and aims to support awareness and decision-making regarding prevention, mitigation, and incident response measures.

Cybersecurity risks that meet the defined materiality thresholds outlined in our internal policies are consolidated into corporate risk management reports and, where applicable, presented to the audit committee, the control committee, and the board of directors, in accordance with our governance structures. This process is designed to provide visibility, at different hierarchical levels, regarding cybersecurity risks that may significantly impact our business, operational results, or financial condition.

Despite these processes and the adoption of technical and organizational controls, we cannot guarantee that all cybersecurity risks will be fully eliminated or that we will not experience significant incidents in the future. Cybersecurity events, including those arising from internal failures, third parties, or malicious agents, may lead to operational disruptions, loss or improper disclosure of data, reputational damage, additional remediation costs, litigation, regulatory sanctions, and other significant adverse impacts.

Third-Party Service Providers

Our cybersecurity risk management department maintains processes to assess and monitor cybersecurity risks associated with third-party service providers relevant to our operations. These processes include, as applicable, due diligence activities, risk assessments, performance monitoring, and periodic reviews of controls, aiming to align third-party security practices with our internal policies and regulatory requirements.

The cybersecurity area acts in a consultative capacity with business units and contracting areas, supporting the identification of relevant risks in third parties, defining mitigation measures, and monitoring action plans according to the identified degree of criticality. Risks classified as high or critical related to third parties are communicated to the executives responsible for contracting, and where applicable, to corporate risk management bodies for evaluation and deliberation regarding potential contractual adjustments, additional controls, or usage restrictions.

In the context of our cybersecurity risk governance, significant incidents involving third-party service providers, including technology and cloud providers, may be considered for the purposes of determining materiality and any regulatory disclosures, in accordance with applicable requirements. These incidents may affect the confidentiality, integrity, or availability of data and systems supporting our operations, potentially leading to service disruptions, remediation costs, reputational damage, litigation, regulatory sanctions, or other significant adverse impacts.

We also maintain insurance policies that may, under certain circumstances and subject to their terms, conditions, limits, deductibles, and exclusions, provide coverage for specific types of cybersecurity incidents, including those related to third parties. However, such policies may not fully cover all losses, costs, or liabilities arising from a material incident, which means we could still experience significant financial and operational impacts, even when insurance coverage is invoked.

Cybersecurity Incidents

For the year ended December 31, 2025, identified security incidents were managed in accordance with our established incident response protocols, including, where applicable, communication with relevant regulatory authorities and other stakeholders. The evaluation and remediation processes take into account, among other factors, the nature, scope, duration, and potential operational, financial, and reputational impacts of the identified incidents.

Based on the information available and analyses conducted as of the date of this report, we have not identified any cybersecurity incident or threat that has resulted, or is reasonably likely to result, in a material adverse impact on our business strategy, operational results, or financial condition. However, we remain subject to the risk that future incidents, including events that have not yet been detected or are under investigation, may have material adverse effects, including through operational disruptions, remediation costs, litigation, regulatory sanctions, or reputational damage.

PART III

Item 17. Financial Statements

We have responded to Item 18 in lieu of responding to this Item.

Item 18. Financial Statements

See our audited consolidated financial statements beginning at page F-1.

Item 19. Exhibits

Exhibit Number	Description
1.1	Bylaws of Telefônica Brasil S.A., as amended (unofficial English translation).
2.1	Form of Deposit Agreement, by and among Telefônica Brasil S.A., Citibank, N.A., as Depositary, and Holders and Beneficial Owners of American Depositary Shares issued thereunder. (Incorporated by reference to Exhibit (a)(i) to the Registration Statement of American Depositary Shares on Form F-6 (No. 333-249516), filed with the SEC on October 16, 2020)
2.2	Description of Securities registered under Section 12 of the Exchange Act
4.1	Grant Contract for Fixed Commuted Telephone Service in Local Modality (Sector 31) between Agência Nacional De Telecomunicações and Telecomunicações De São Paulo S.A. – TELESP dated June 30, 2011 (unofficial English translation). (Incorporated by reference to Exhibit 4(B).1 to our Annual Report on Form 20-F for the year ended December 31, 2011, filed with the SEC on April 20, 2012)
4.2	Grant Contract for Fixed Commuted Telephone Service in Long-Distance Modality (Sector 31) between Agência Nacional De Telecomunicações and Telecomunicações De São Paulo S.A. – TELESP dated June 30, 2011 (unofficial English translation). (Incorporated by reference to Exhibit 4(B).2 to our Annual Report on Form 20-F for the year ended December 31, 2011, filed with the SEC on April 20, 2012)
4.3	Certificate of Authorization to Provide Multimedia Communication Service between Agência Nacional de Telecomunicações – ANATEL and Global Telecom S.A. dated March 19, 2004 (English language summary). (Incorporated by reference to Exhibit 4(B).1 to our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 20, 2013)
4.4	Authorization Agreement of the Personal Mobile Service (Region II) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated January 18, 2010 (English language summary). (Incorporated by reference to Exhibit 4.3 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.5	Authorization Agreement of the Personal Mobile Service (Region III) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated January 18, 2010 (English language summary). (Incorporated by reference to Exhibit 4.4 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.6	Authorization Agreement to Provide Commuted Fixed Telephone Service in Local Modality (Regions I and II) between Agência Nacional De Telecomunicações and Telefônica Brasil S.A. dated September 5, 2011 (English language summary). (Incorporated by reference to Exhibit 4.5 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.7	Certificate of Authorization to Provide Commuted Fixed Telephone Service in National Long-Distance Modality (Regions I and II) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated September 5, 2011 (English language summary). (Incorporated by reference to Exhibit 4.6 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.8	Certificate of Authorization to Provide Commuted Fixed Telephone Service in International Long-Distance Modality (Regions I and II) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated September 5, 2011 (English language summary). (Incorporated by reference to Exhibit 4.7 to our Annual Report on Form 20-F for the year ended December 31, 2013 filed with the SEC on March 19, 2014)
4.9	Authorization Agreement of the Personal Mobile Service (Region I) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated February 7, 2012 (English language summary). (Incorporated by reference to Exhibit 4.8 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.10	Authorization Agreement for Spectrum Blocks Associated with Personal Mobile Service (Region III) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated October 16, 2012 (English language summary). (Incorporated by reference to Exhibit 4.9 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)

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Exhibit Number	Description
4.11	Authorization Agreement for Spectrum Blocks Associated with Personal Mobile Service (Region II) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated October 16, 2012 (English language summary). (Incorporated by reference to Exhibit 4.10 to our Annual Report on Form 20-F for the year ended December 31, 2013 filed with the SEC on March 19, 2014)
4.12	Authorization Agreement for Spectrum Blocks Associated with Personal Mobile Service (Region III) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated October 16, 2012 (English language summary). (Incorporated by reference to Exhibit 4.11 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.13	Authorization Agreement for Spectrum Blocks Associated with Personal Mobile Service and Multimedia Communication (Areas identified by the National Codes 13, 14, 15, 16, 17, 18 and 19, in the state of São Paulo) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated October 16, 2012 (English language summary). (Incorporated by reference to Exhibit 4.12 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.14	Authorization Agreement for Spectrum Blocks Associated with Personal Mobile Service and Multimedia Communication (States of Alagoas, Ceará, Minas Gerais, Paraíba, Pernambuco, Piauí, Rio Grande do Norte and Sergipe) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated October 16, 2012 (English language summary). (Incorporated by reference to Exhibit 4.13 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.15	Authorization Agreement for Conditional Access Service in the entire Brazilian territory between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated March 18, 2013. (Incorporated by reference to Exhibit 4.14 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.16	Authorization Agreement for Conditional Access Service in the entire Brazilian territory between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated March 18, 2013. (Incorporated by reference to Exhibit 4.15 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.17	Authorization Agreement for Conditional Access Service in the entire Brazilian territory between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated March 18, 2013. (Incorporated by reference to Exhibit 4.16 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.18	Authorization Agreement for Conditional Access Service in the entire Brazilian territory between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated March 18, 2013. (Incorporated by reference to Exhibit 4.17 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.19	Authorization Agreement for Conditional Access Service in the entire Brazilian territory between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated March 18, 2013. (Incorporated by reference to Exhibit 4.18 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.20	Authorization Agreement for Conditional Access Service in the entire Brazilian territory between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated March 18, 2013. (Incorporated by reference to Exhibit 4.19 to our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on March 19, 2014)
4.21	Authorization Agreement for Radiofrequency Blocks Associated with Personal Mobile Service (States of Rio de Janeiro, Minas Gerais, Espírito Santo, Bahia, Sergipe, Alagoas, Pernambuco, Paraíba, Rio Grande do Norte, Ceará and Piauí) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated December 2, 2014. (Incorporated by reference to Exhibit 4.22 to our Annual Report on Form 20-F for the year ended December 31, 2014, filed with the SEC on February 27, 2015)
4.22	Authorization Agreement for Radiofrequency Blocks Associated with Personal Mobile Service (Federal District of Brasília and the States of Rio Grande do Sul, Santa Catarina, Paraná, Mato Grosso do Sul, Mato Grosso, Goiás, Tocantins and Rondônia.) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated December 2, 2014. (Incorporated by reference to Exhibit 4.23 to our Annual Report on Form 20-F for the year ended December 31, 2014, filed with the SEC on February 27, 2015)
4.23	Authorization Agreement for Radiofrequency Blocks Associated with Personal Mobile Service (State of São Paulo) between Agência Nacional de Telecomunicações – ANATEL and Telefônica Brasil S.A. dated December 2, 2014. (Incorporated by reference to Exhibit 4.24 to our Annual Report on Form 20-F for the year ended December 31, 2014, filed with the SEC on February 27, 2015)
4.24	Purchase and Sale Agreement of Shares and Other Covenants, dated as of January 28, 2021, by and among Oi Móvel SA - In Judicial Recovery, as seller, Telefônica Brasil S.A., Tim S.A. and Claro S.A., as buyers, and Oi S.A. - In Judicial Recovery and Telemar Norte Leste S.A. - In Judicial Recovery, as intervening parties and guarantors of the seller's obligations. (English free translation). (Incorporated by reference to Exhibit 4.26 to our Annual Report on Form 20-F for the year ended December 31, 2020, filed with the SEC on February 25, 2021)
8.1	List of Subsidiaries
11.1	Copy of our Ethics and Conduct Policy – Rules of Conduct for the Financial Executives of Telefônica Brasil, as adopted on September 18, 2017 (incorporated by reference to Exhibit 11.1 to our Annual Report on Form 20-F for the year ended December 31, 2024, filed with the SEC on February 27, 2025).

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Exhibit Number	Description
11.2	Copy of our Rule for Disclosing Information to the Market, as adopted in October 2011 (free translation) (incorporated by reference to Exhibit 11.2 to our Annual Report on Form 20-F for the year ended December 31, 2024, filed with the SEC on February 27, 2025).
12.1	Section 302 Certification of the Chief Executive Officer
12.2	Section 302 Certification of the Chief Financial Officer
13.1	Section 906 Certification of the Chief Executive Officer
13.2	Section 906 Certification of the Chief Financial Officer
97.1	Telefônica Brasil S.A. Executive Officer Compensation Recoupment Policy, dated November 29, 2023 (incorporated by reference to Exhibit 97.1 to our Annual Report on Form 20-F for the year ended December 31, 2023, filed with the SEC on February 22, 2024)
101	INS XBRL Instance Document — the instance document does not appear on the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File — the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

† Confidential information in portions of this exhibit, marked by brackets, has been omitted pursuant to Instruction 4(a) to Exhibits to Form 20-F because it is both (i) not material and (ii) includes information of the type that we treat as private or confidential. Such confidential information has been filed separately with the Securities and Exchange Commission and confidential treatment has been requested with respect to this omitted information.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

TELEFÔNICA BRASIL S.A.

By: /s/ Christian Mauad Gebara

Name: Christian Mauad Gebara

Title: Chief Executive Officer

By: /s/ David Melcon Sanchez-Friera

Name: David Melcon Sanchez-Friera

Title: Chief Financial Officer

Date: February 23, 2026

Telefônica Brasil S.A.

CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2025 and 2024 and for the years ended
December 31, 2025, 2024 and 2023.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders

Telefônica Brasil S.A

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Telefônica Brasil S.A. and its subsidiaries (the "Company") as of December 31, 2025 and December 31, 2024, and the related consolidated statements of income, other comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and December 31, 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Annual Report on Internal Control over Financial Reporting, management has excluded Fibrasil Infraestrutura e Fibra Ótica S.A. ("Fibrasil") from its assessment of internal control over financial reporting as of December 31, 2025 because it was acquired by the Company in a purchase business combination during 2025. We have also excluded Fibrasil from our audit of internal control over financial reporting. Fibrasil is a subsidiary whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent 1.5% and less than 1.0%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2025.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

- *Revenue recognition - unbilled*

As described in Notes 5 and 25 to the consolidated financial statements, of the total revenue recognized by the Company for the year ended December 31, 2025, R\$ 3,024,347 thousand are related to amounts to be billed to customers (note 5c). When the revenue billing cycle does not align with the account closing date, management estimates the amount to be recognized for services rendered and not yet billed at the month-end. These estimates are based on different cycles of information, on data obtained from different sources and processed by a large number of applications and systems.

The principal considerations for our determination that performing procedures relating to unbilled revenue is a critical audit matter are (i) 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, and (ii) a high degree of audit subjectivity and effort in designing and performing audit procedures to evaluate whether the unbilled revenue estimates are recognized properly.

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Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to revenue recognition, including controls over the determination of estimated unbilled revenue and IT general controls over the main systems involved in the process. These procedures also included, among others, (i) assessing the reasonableness of the criteria employed by management to estimate revenue rendered and not yet billed including the accuracy and completeness of the underlying data, (ii) testing billings completed following the month-end for consistency with the estimates made and (iii) recalculate the unbilled revenue estimated by the Company.

- *Tax and regulatory litigation and uncertainty over income tax treatments*

As described in Notes 8(g) and 20 to the consolidated financial statements, as of December 31, 2025, the Company has (i) recorded provision for tax of R\$ 2,374,229 thousand (Income tax R\$ 269,158 thousand, Note 8(g), and Other taxes R\$ 2,105,071 thousand, Note 20) and regulatory contingencies of R\$ 1,073,962 thousand, and (ii) disclosed contingencies related to tax and regulatory litigation in the amount of R\$ 51,086,071 thousand and R\$ 3,237,934 thousand respectively, and related to uncertain income tax position under discussion with tax authorities in the amount of R\$ 40,028,638 thousand. The Company recognizes provision in the consolidated financial statements for the pending litigation when the Company has a present obligation as a result of a past event, management determined that a loss is probable, and the amount of the loss can be reasonably estimated. No provision for tax litigation is recognized in the consolidated financial statements for unfavorable outcomes when, after assessing the information available, (i) management concludes that it is not probable that a loss has been incurred in any of the pending litigation; or (ii) management is unable to estimate the loss of the pending matters. In the case of income tax pending litigations, management determines whether it is probable or not that the taxation authority will accept the uncertain income tax treatment. If the Company concludes it is not probable that taxation authority will accept the uncertain tax treatment, a provision for income tax is recognized. The Company also discloses the tax and regulatory 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.

The principal considerations for our determination that performing procedures relating to tax and regulatory provisions and contingencies (pending litigations) is a critical audit matter are (i) the significant judgment by management when assessing the likelihood of a loss being incurred and when determining whether a reasonable estimate of the loss and possible outcomes for each claim can be made, (ii) a high degree of auditor judgment, effort, and subjectivity in evaluating management's assessment of the loss contingencies associated with litigations claims and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's evaluation of pending litigation, including controls over determining whether a loss is probable and whether the amount of loss can be reasonably estimated or whether it is probable the taxation authority will accept the income tax pending litigations, as well as financial statement disclosures. These procedures also included among others, (i) obtaining and evaluating the letters of audit inquiry with internal and external legal counsel, (ii) evaluating the reasonableness of management's assessment regarding favorable and unfavorable outcomes, including the amounts involved and (iii) evaluating the sufficiency of the Company's disclosures. Professionals with specialized skill and knowledge were used to assist in the evaluation of Company's assessment regarding unfavorable outcomes.

/s/PricewaterhouseCoopers Auditores Independentes Ltda.

São Paulo, Brazil

February 23, 2026

We have served as the Company's auditor since 2017.

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.

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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					Software under development	Total
	Goodwill ⁽¹⁾	Licenses	Software	Trademarks	Customer portfolio	Other intangible assets		
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 Fibra 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 counterpart 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 12.31.2024
	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	
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.