

# TIM Brasil

## Institutional Presentation

### 2<sup>ND</sup> QTR 2021

**TIMB**  
LISTED  
NYSE

**TIMS**  
B3 LISTED NM  
ISE B3



 **TIM**  
Imagine as possibilidades

# Disclaimer



This presentation **contains declarations that constitute forward looking statements** regarding the intent, belief or current expectations of the customer base, estimates regarding future financial results and other aspects of the activities.



Such **forward looking statements are not guarantees of future performance** and involve risks and uncertainties, and actual **results may differ materially from those projected** as a result of various factors.



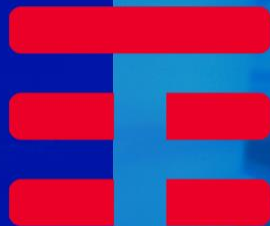
**Analysts and investors are cautioned not to place undue reliance on those forward looking statements**, which speak only as of the date of this presentation. TIM S.A. undertakes no obligation to release publicly the results of any revisions to these forward looking statements.



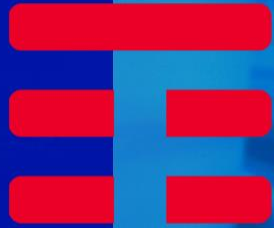
**Financial results are presented considering impacts from IFRS 16 adoption.**

The normalized numbers reported in this presentation are adjusted by the effects listed in the notes.





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# *ABOUT US*

# Challenger with relevant role in the telecom sector



Telecom Italia  
S.p.A.

100%

Telecom Italia  
Finance S.A.

100%

TIM Brasil Serv.  
e Part. S.A.

Free Float

67%

33%

TIM S.A.

100%

Fiberco Soluções de  
Infraestrutura S.A.



## MOBILITY

- Operator with **National Presence**
- **Best and Wider 4G Coverage**
- **High Relevance in the Prepaid Market**, despite the transformation in the customer base
- **>100 thousand km of Fiber optical Network** throughout the country



## RESIDENTIAL

- **>650k Residential Broadband Clients**
- **100% of the Base with High Speed (>34 Mbps)**
- Presence in **28 cities + 7 admin. regions in DF with FTTH coverage**
- **3.8 mln Homes Passed** with FTTH
- **Residential Broadband** offered through **Mobile Network**



## SOLUTIONS

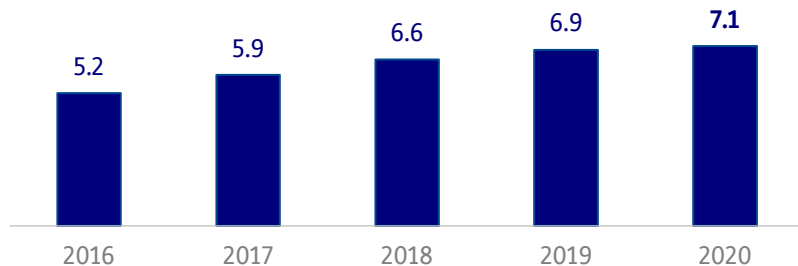
- **IoT: pioneer in Agribusiness vertical solutions, connected car, smart cities** and value added services

# Solid results with sustainable growth

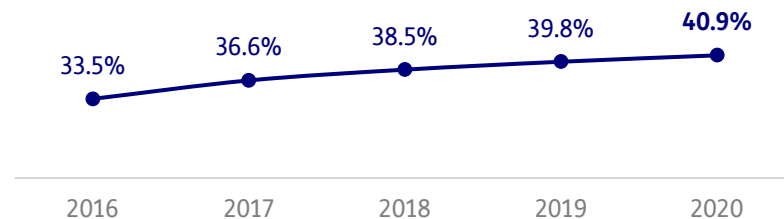


**EBITDA<sup>1</sup>**  
(R\$ bln)

+7.9%  
CAGR

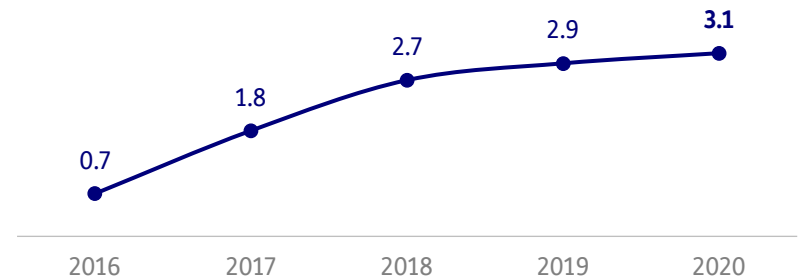


**EBITDA Margin<sup>1</sup>**  
(%)

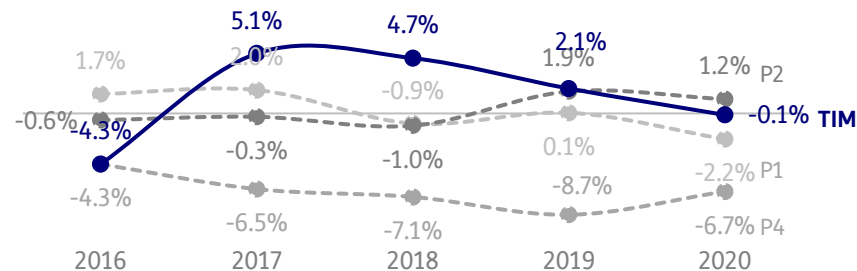


**EBITDA<sup>1</sup> - CAPEX**  
(R\$ bln)

+43.9%  
CAGR



**Net Service Revenues<sup>2</sup>**  
(Δ YoY)



# ESG: A long journey already taken

## MORE THAN A DECADE OF INITIATIVES AND RESULTS

**13 ISE B3** years Brazilian Telco for the longest time in the **Corporate Sustainability Index** of the B3



**Global Compact**  
signatory since 2008

**TIMS**  
B3 LISTED NM

Instituto **TIM**

Since 2013, Instituto TIM has been developing and promoting projects and initiatives for the democratization of education in ST&I

Only Telco in the **Novo Mercado** (since 2011), with the implementation of the **Statutory Audit Committee** since 2013

## Indexes and acknowledgements

(indexes)

**ISE B3** **MSCI**

Teva Indices ESG Mulheres no Conselho®

**ICO2 B3**



FTSE4Good

**CDPR Index**  
Climate Resilience

**Índice S&P/B3 Brasil ESG**

Ambition

**REFINITIV**



Dow Jones Sustainability Indexes

(reports)



Communication on Progress (UN)



GHG Inventory



Sustainability Report



Disclosure of emissions and climate change-related information

(acknowledgements and best practices)



Global Compact Signatory since 2008



1st Telco Pró-Ética Seal (CGU)

**TIMS**

**B3 LISTED NM**  
Novo Mercado since 2011, highest level of corporate governance

**1st in data privacy**

The best rated company in the survey on internet providers' policies for data protection<sup>1</sup>

(certifications)

Quality Management



9001



Environmental System Management



Anti-Bribery Management

Ambition



Information Security Management



# ESG: Materiality matrix review to fine-tuning principles and the new context

The ESG Plan 2021-2023 confirms and reinforces TIM's ESG ambitions, **introducing new objectives and increasing targets** selected on the basis of materiality matrix updated in December 2020.

The objectives are related to a portfolio of initiatives that are a structural part of the Industrial Plan, aiming to a coherent framework among ESG premises, operational dimension and organizational accountability.

## 2020

- **Covid-19:** update of the **materiality matrix (December 2020)**
- **Base documents for analysis:** internal and external (media research, studies and sectorial protocols on materiality in Covid-19 times)
- **Benchmarking:** national and international competitors and ICT companies
- **Interviews with stakeholders:** internal (RIPR VP, HRO VP, BSO, CFO and CEO) and external (government, investors, suppliers, customers and representatives of the press)

## MATERIALITY MATRIX

Energy management

Post-consumer and operational waste management

*Health, wellness* and employee management

*Diversity promotion and equal opportunities*

Digital inclusion *and access to connectivity*

Investment in infrastructure and *net reliability*

Ethics and governance in business

Innovation applied to products and services

Customer experience and service quality

Data protection, customer privacy and *cyber security*

Strategic and responsible supplier management



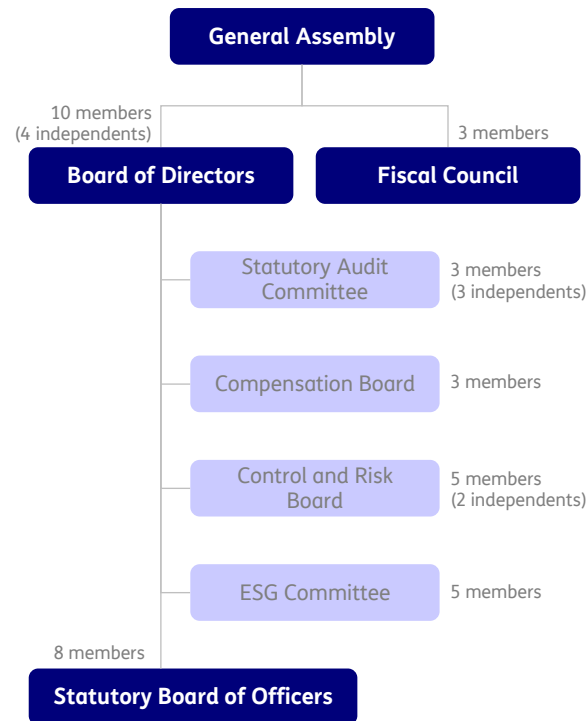
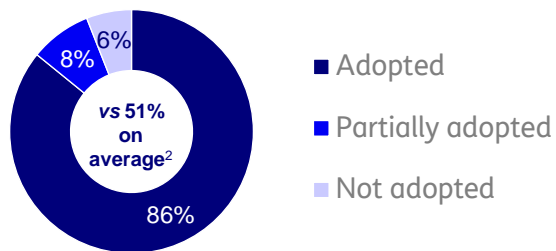
# ESG: Highest level of Corporate Governance



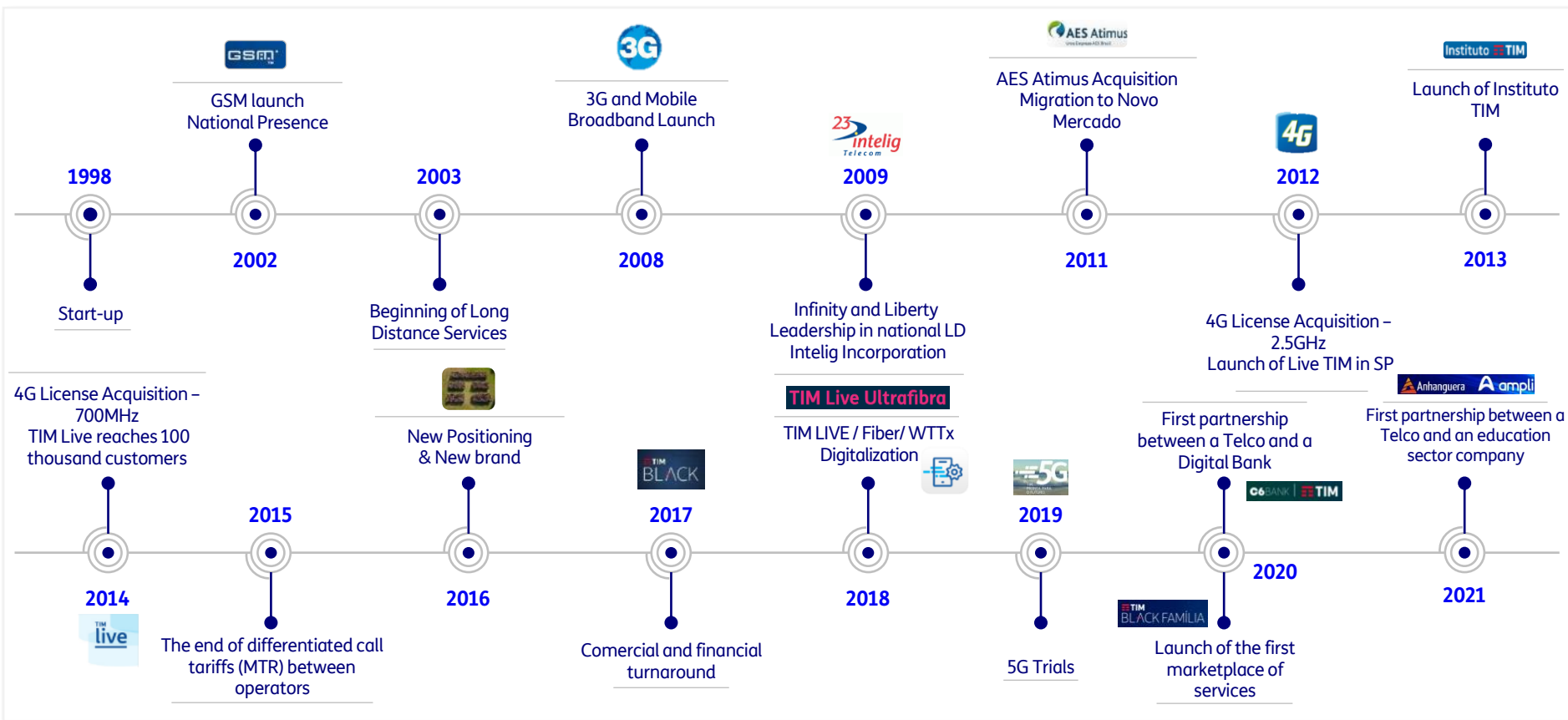
## STRUCTURE TO REINFORCE AND GUARANTEE A SOLID CORPORATE GOVERNANCE

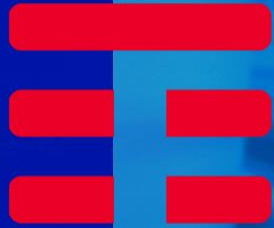
- Unique Telco **listed on the Novo Mercado segment**: Equal rights – vote, dividends and tag along
- **Stock-based long-term incentives**: compensation aligned to shareholders' interests
- Board of directors: **40% independent + top 12 companies in female representation** (30% of board members)<sup>1</sup>

### Corporate Governance Form (ICVM 586)



# Milestones: Innovation DNA





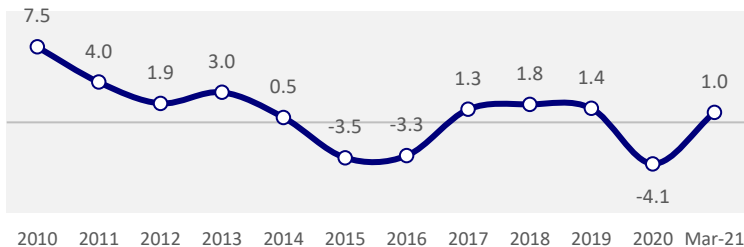
# *MARKET OVERVIEW*

# Structural drivers point to a challenger post-pandemic environment



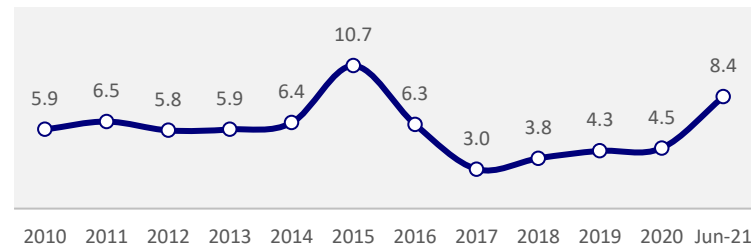
## GDP Growth

(% YoY, YTD)<sup>1</sup>



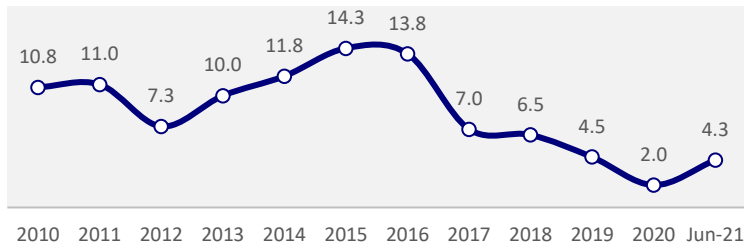
## IPCA

(% p.y., LTM)



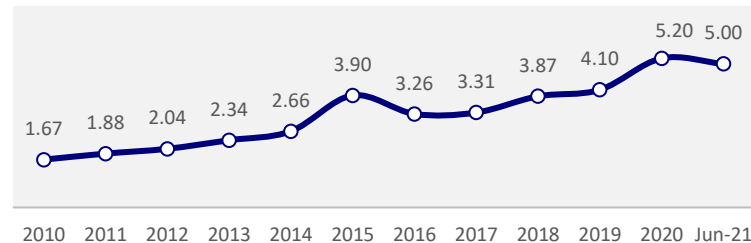
## Interest Rate – Selic Target

(% p.y., EOP)



## Exchange Rate

(R\$ / US\$, EOP)

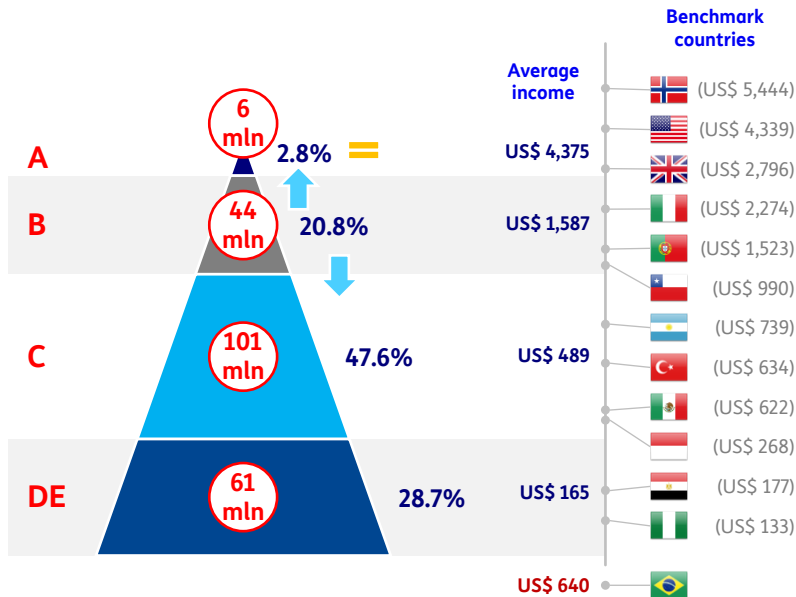


Brazilian economy was showing early signs of improvement when social distancing measures were adopted to contain the spread of the novel Coronavirus in the country. The 2<sup>nd</sup> quarter of 2020 was the mostly impacted so far.

# The consumers still feels past years crisis and the Covid-19 outbreak impacts, affecting the sector dynamics

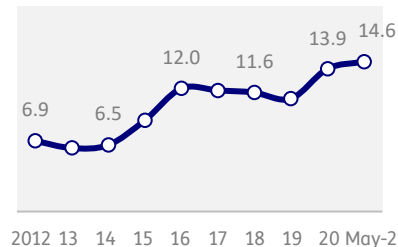


Brazilian population by social class



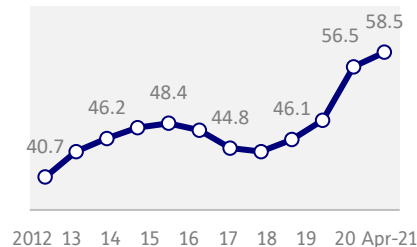
Unemployment Rate

(% EOP)



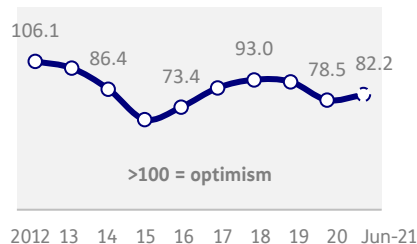
Household Debt

(%, EOP)



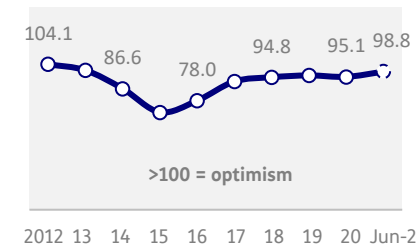
Consumer Confidence

(0-200, EOP)



Business Confidence

(0-200, EOP)

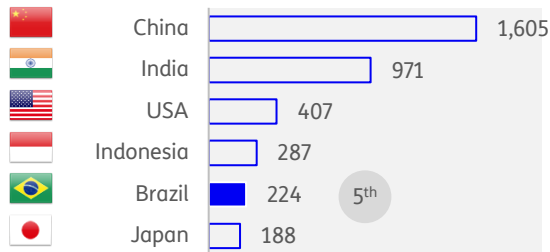


# Brazilian market is relevant globally with room for ARPU growth

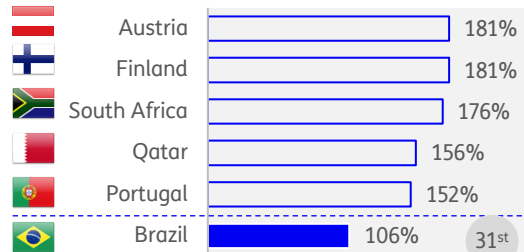


## Mobile Customer Base Ranking

(mln)

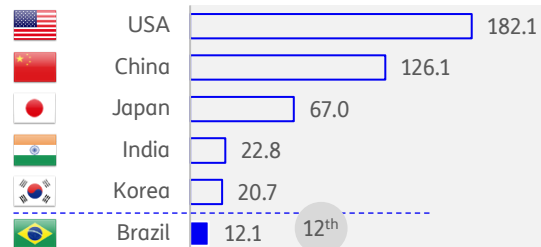


## Mobile Penetration Ranking



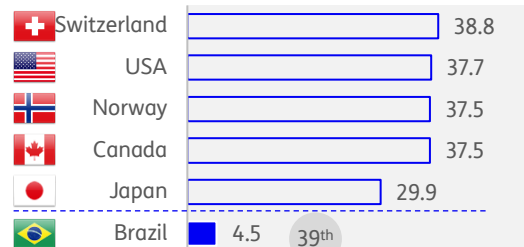
## Mobile Service Revenues Ranking

(US\$ bln / year)



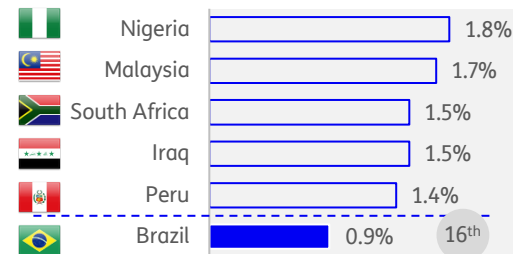
## Mobile ARPU Ranking

(US\$ / mo)



## Mobile Wallet Share<sup>1</sup>

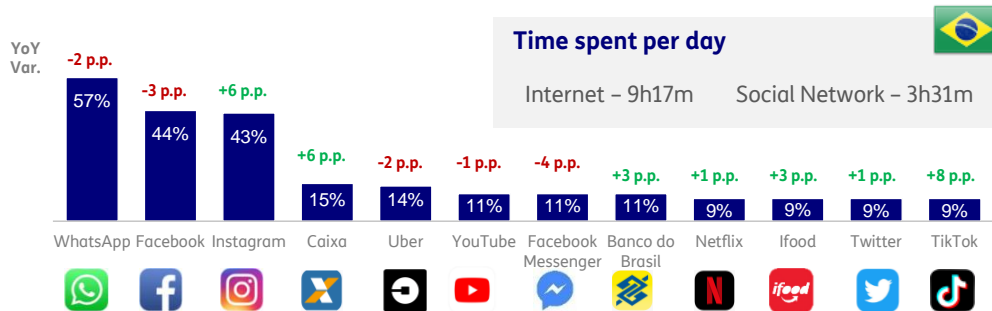
(Mobile ARPU / per capita GDP)



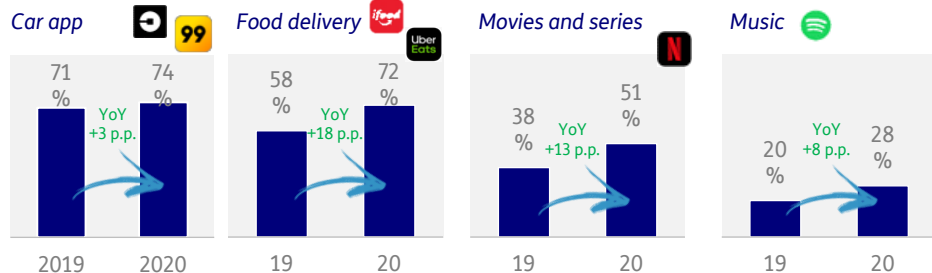
# New consumer habits reinforce data service as essential, especially over mobile network



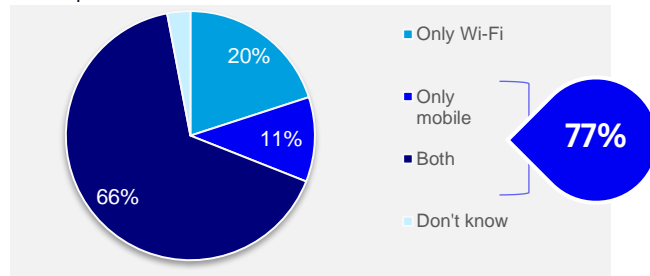
## 12 Most popular apps at the Brazilian's mobile smartphone home screen (% of Smartphones with the app at the home screen)



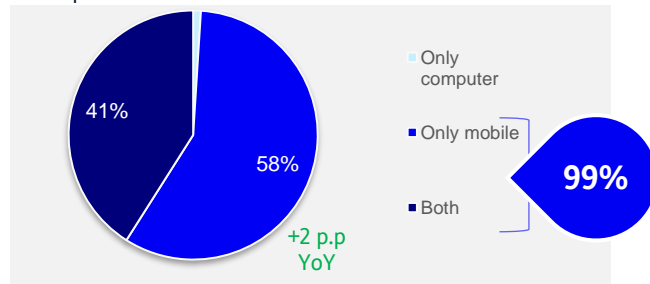
## App users (% of smartphone users)



## Internet users by connection type (2019 | % of mobile internet users)



## Internet users by device (2019 | % of internet users)

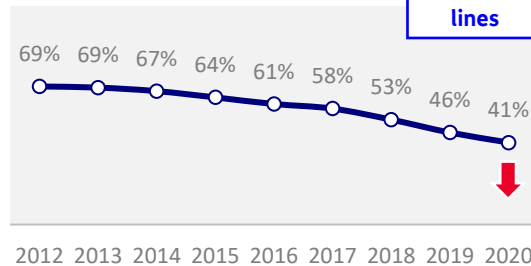


Previous year usually updated in November according to the survey disclosure.

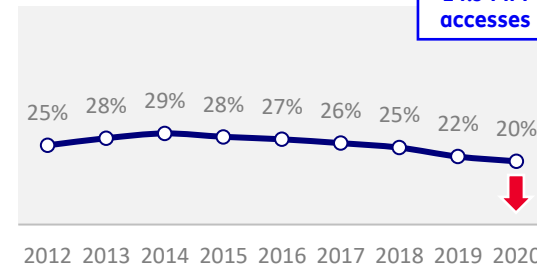
# Traditional services have been losing relevance in this new framework and internet has been gaining prominence



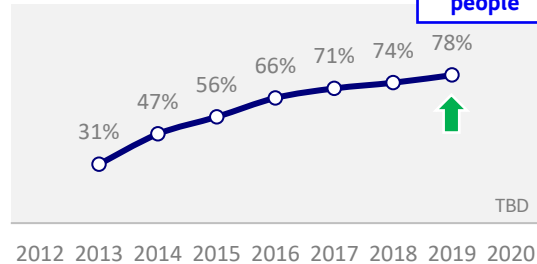
**Fixed Voice Penetration**  
(% of households)



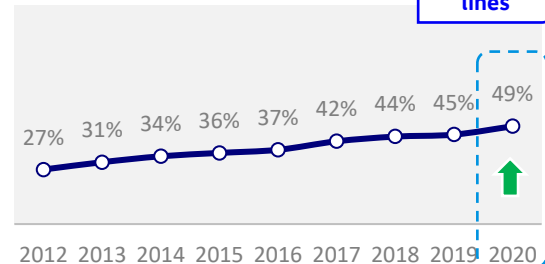
**Pay TV Penetration**  
(% of households)



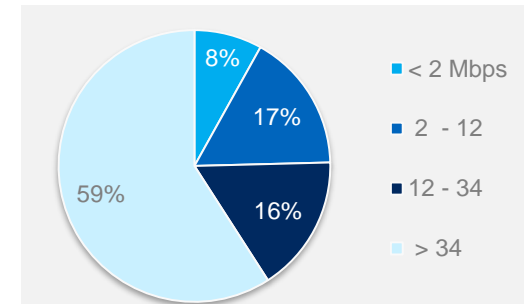
**Mobile Internet Users<sup>2</sup>**  
(% of ≥ 10 years population)



**Fixed Broadband Penetration**  
(% of households)



**Fixed Broadband Connections Speed**



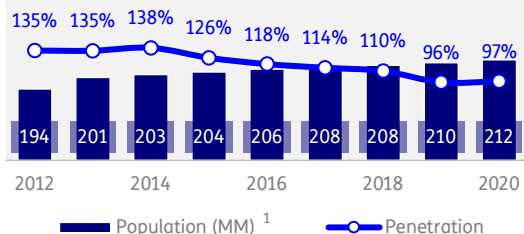


# Change in market structure combined with new consumption habits resulted in a transformation of the base profile



## Mobile Penetration

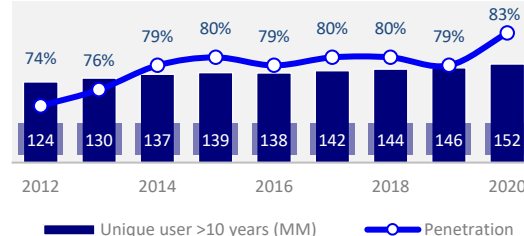
234 MM  
SIM Cards



Penetration decreasing due to SIM cards reduction: weakening of the “community effect” with ITX tariff decrease and dissemination of communication apps.

## Unique Users Penetration<sup>2</sup>

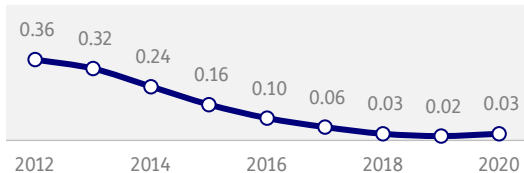
146 MM  
people



Mobile market has been experiencing organic growth in total unique users.

## MTR Evolution

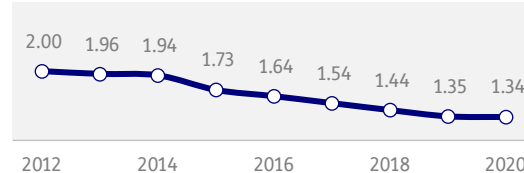
(R\$ / min)



The maintenance of a high interconnection tariff pushed the “community effect (on-net)” through the possession of multiple SIM cards.

## SIM Cards per Unique User<sup>2</sup>

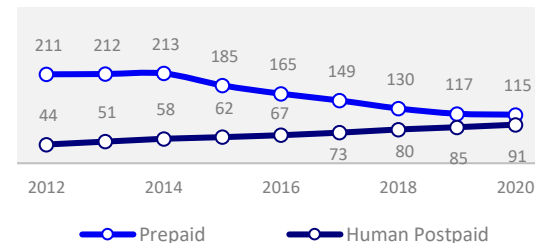
(Unit)



SIM consolidation despite the growing number of mobile users.

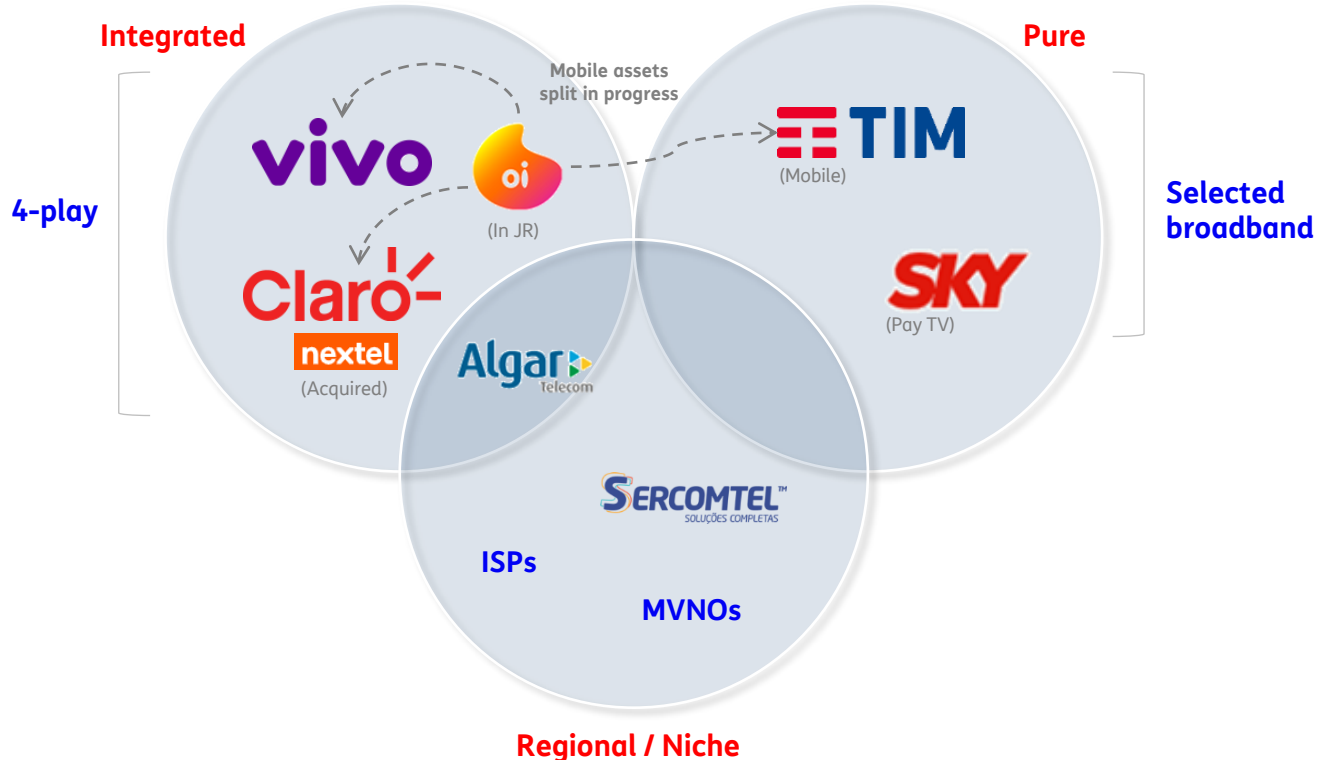
## Mobile Base per Segment

(MM)



Postpaid base already represents ~50% of unique users, besides that >60 MM Brazilians are in the credit bureau blacklist.

# Three major players working in integrated manner, TIM with relevant performance in mobile and selected approach in broadband

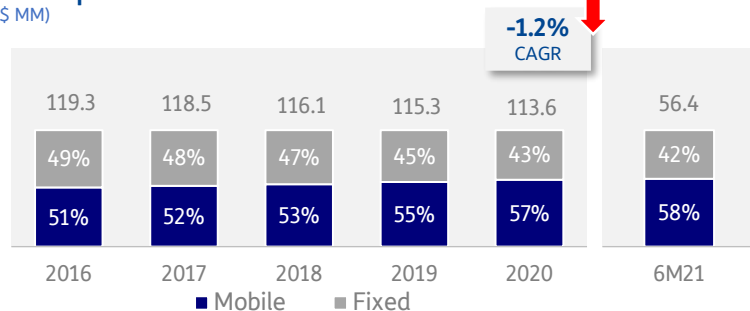


# Market revenue dynamic indicates mobile growth, and highlights TIM's evolution



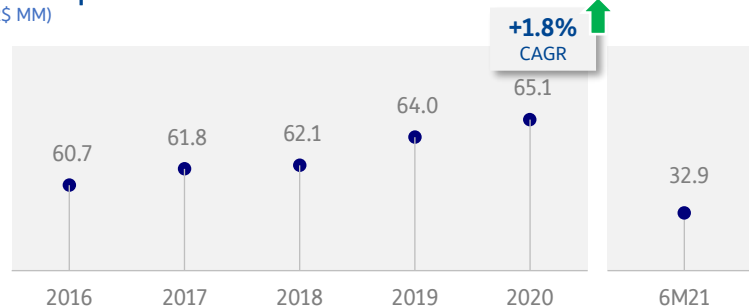
## Market | Total Services Net Revenues

(R\$ MM)



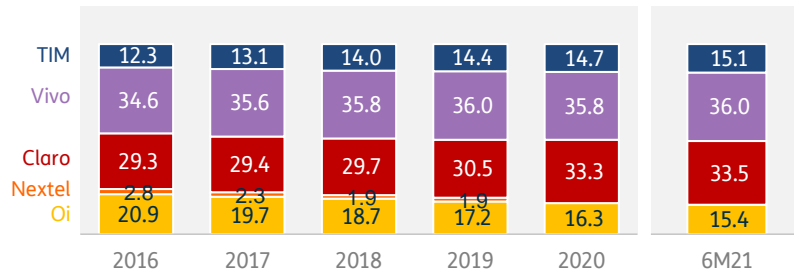
## Market | Mobile Service Net Revenues

(R\$ MM)



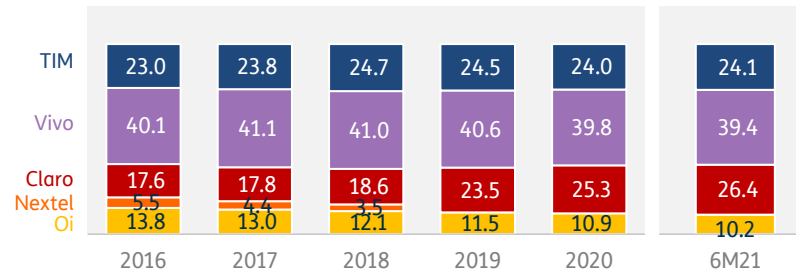
## Total Services Net Revenues Share

(%)



## Mobile Service Net Revenue Share

(%)



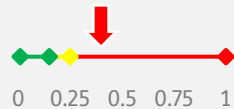
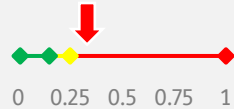
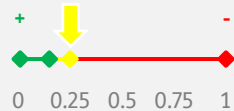
# Mobile and broadband market are competitive but have been showing evolution towards more rationality. Changes in market structure may reinforce this path



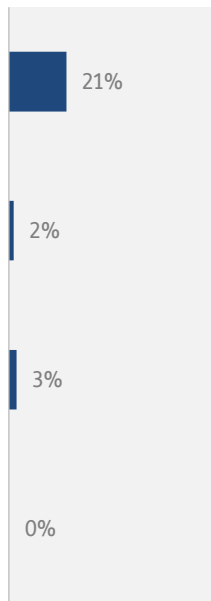
(Market Share | Jun-21)

## HHI Index

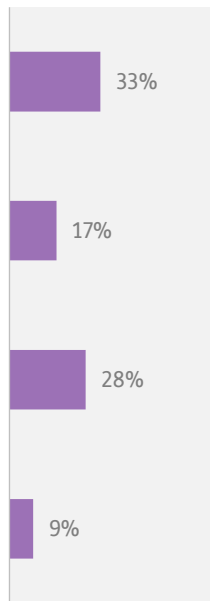
Level of competitiveness



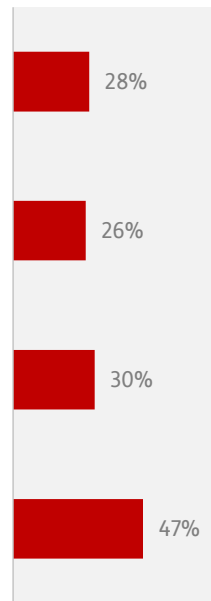
**TIM**



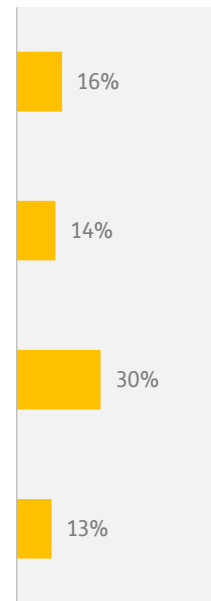
**vivo**



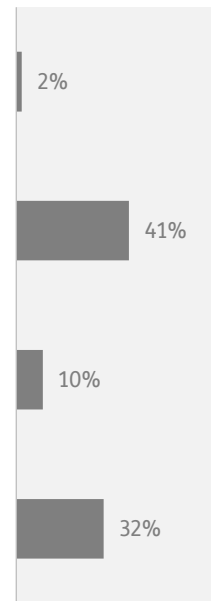
**Claro**

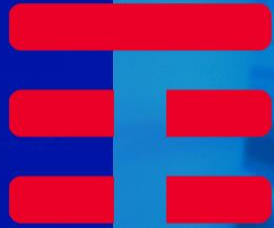


**oi**



**Others**





# *STRATEGY FRAMEWORK*

# During the next years, some relevant trends will have structural implications on operators' business model in Brazil, while economy will recover, but still at uncertain pace



## Mobile market consolidation



## Acceleration in digital consumption



## Wave of asset separation



## Monetization of Consumer Platform



## Paving the way for 5G



## IoT and M2M technology

### Dynamic

Moving from 5 to 4 after Nextel acquisition and from 4 to 3, after Oi's mobile assets sale is completed

Data demand growth for mobile and fixed, further accelerated by Covid-19

Increasing **initiatives of network separation** (InfraCo vs. ServCo)

Increasing numbers of **digital business leveraging Telco's Consumer Platform** (e.g. digital wallet, data monetization)

**Preparation to launch 5G**, with 5G DSS as marketing positioning, auction and vendor analysis

**Exponential number of use cases in several industries** (e.g. agribusiness, connected cars, utilities, health)

### Implications and Opportunities

Foster more **balanced competitive landscape** (e.g. pairing spectrum gap)

**Revenue growth** on data monetization  
Increase **pressure** over network **cash costs**

Geographical expansion of fiber

Partnership negotiation to finance **network expansion and modernization**

**New revenues sources** for telco operators leveraging new digital disruptors (e.g. fintech, data provider, OTT content)

**Focus on 5G network rollout** with proposed auction framework, **Release 16 as catch up** for the country

**Expand business beyond connectivity** (e.g. applications, data monetization, implementation)



# Adapting the approach but reinforcing the strategic pillars



## Strategic Paths



### Strengthen the core

Enhance and accelerate the transition from **volume to value**, to sustain mobile business growth, focusing on customer experience

Fill current **infrastructure gap with M&A**, also fostering inorganic growth and capturing potential synergies

Capture **ultrabroadband** market **growth opportunity** with new financial and business models

### Build the future

Expand **new sources of value** (e.g. IoT, C6, Mobile Advertising, Customer Data Monetization, Health, Education) leveraging the customer base platform through ecosystem and partnerships

Implement **transformational projects** on infrastructure (e.g. 5G, ORAN, M-MIMO, cloudification)



## Transformational Enablers

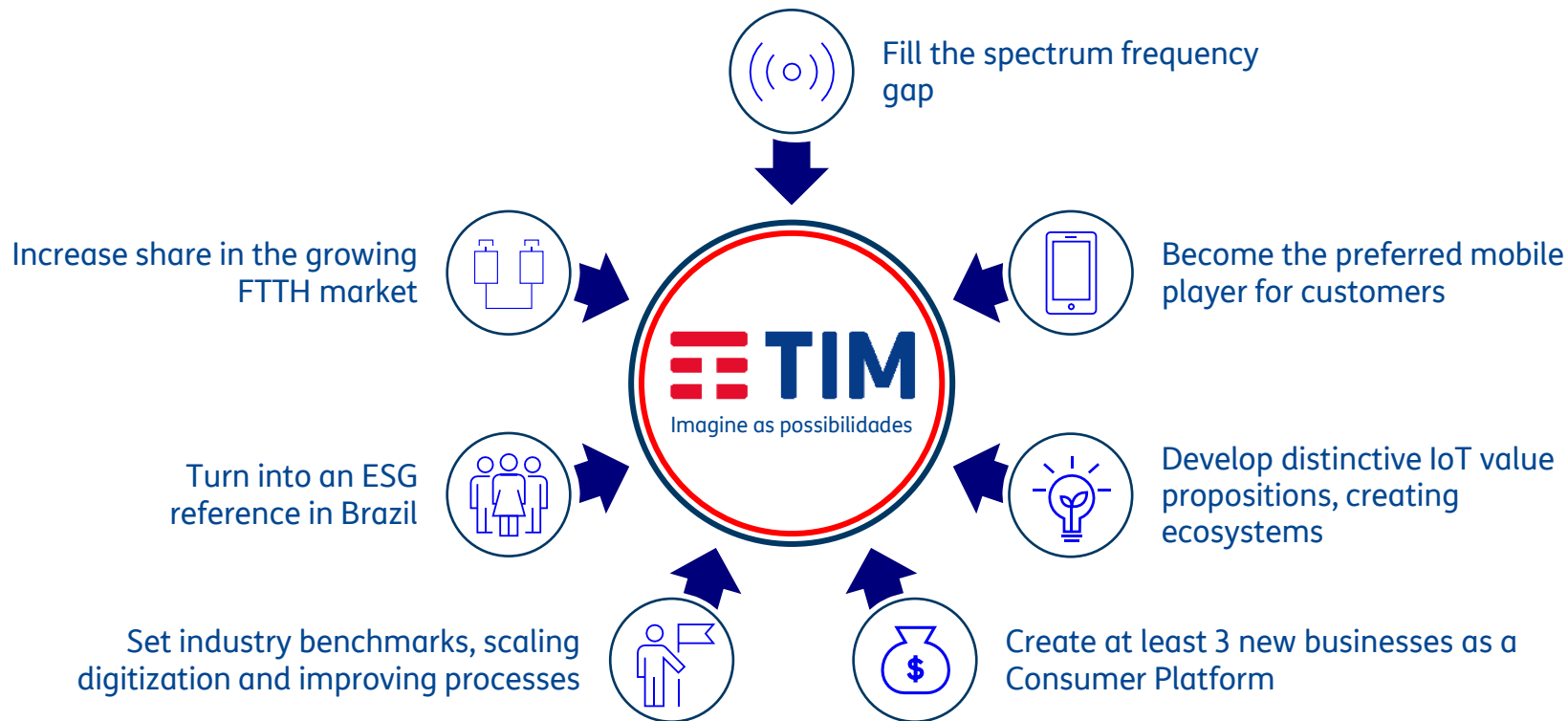
### Boost disruptive efficiencies

Boost **disruptive efficiencies** through digitalization, automation and new operating models, leveraging skills and capabilities enhancement

### Strengthen sustainability

Strengthen and consolidate **ESG proposition** making a positive transformation

# ***“Imagine as possibilidades”: Our aspirations for 2023 reflect market opportunities and trends***



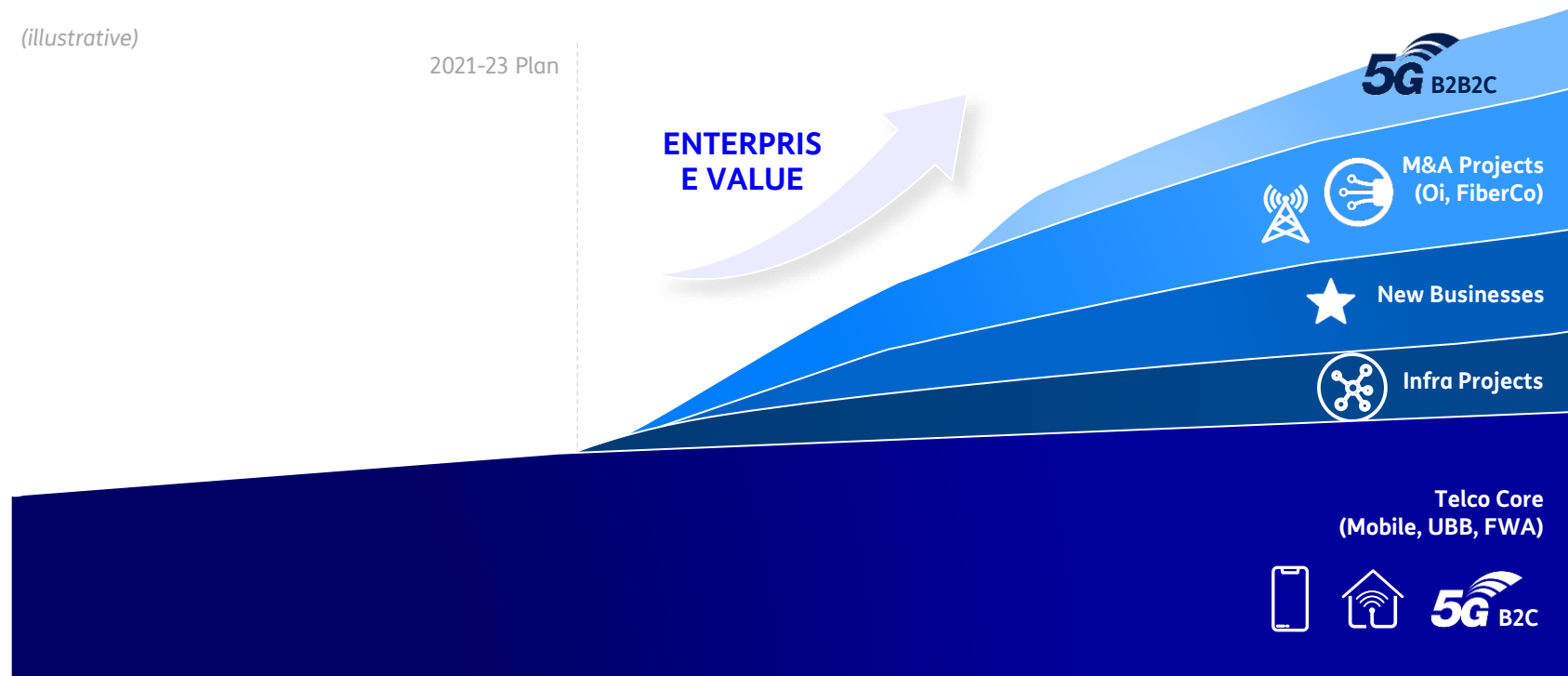


# Value Creation through time

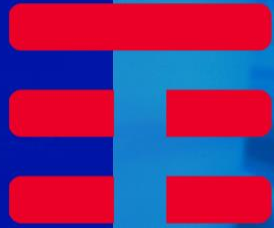
(illustrative)

2021-23 Plan

**ENTERPRIS  
E VALUE**



Time



# *STRATEGY AND POSITIONING: CORE*



# *We will further accelerate the volume to value transition focusing on customer experience*



## A Brand

Promote a **brand** “**aspirational**” and “**credible**” by refreshing DNA, a new tag line and innovation format and content

1. Promote our network quality
2. Foster brand engagement
3. Invest in digital media

## B Marketing

Increase **product differentiation** through innovative value proposition and customer experience simplification (e.g. journey digitalization)



## C Sales

Focus on **customer experience, productivity and sales force optimization**

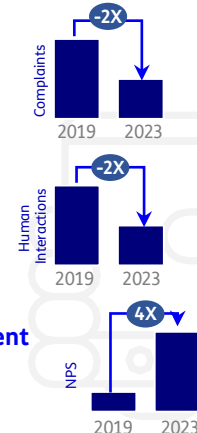
## D Customer Relations

Increase **automation** and offer differentiation in service level

New Caring Model

New Digital Channels

New Management Tools



# “More for more”: Stepped portfolio addressing consumer wishes through relevant partnerships



First Edtech partnership, with exclusive benefits

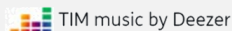
## POSTPAID

### TIM Pré Top

from  
**3GB**

#### TIM Beta

Additional benefits for digital customers.



### TIM+ Vantagens

The first advantage program for prepaid client.

#### Data Stack

Data bonus for recurrent recharges.

≥R\$ 15/two weeks

### TIM Controle

from  
**5GB**

#### TIM + C6

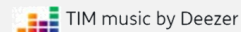
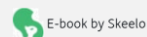
The first joint effort between a telco and a digital bank



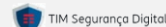
≥R\$ 50/mo

### TIM Black

from  
**15GB**



**TIM Black Família**  
shared benefits and content marketplace



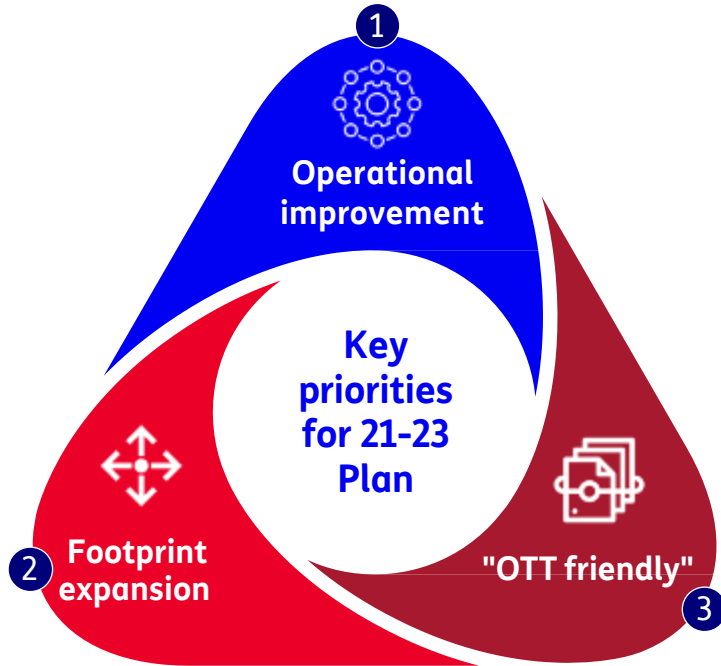
**International roaming**



≥R\$ 110/mo

← **Increase CEX with better Quality and Value Proposition** →

# *In order to capture ultrabroadband market growth opportunity, we focus on 3 main pillars*



**1**

- Time-to-market and commercial assertiveness
- Efficiency and quality on Sales and Post-Sales
- Increase of self-service and expansion of forms of contact
- Network QoS and Field Service Efficiency

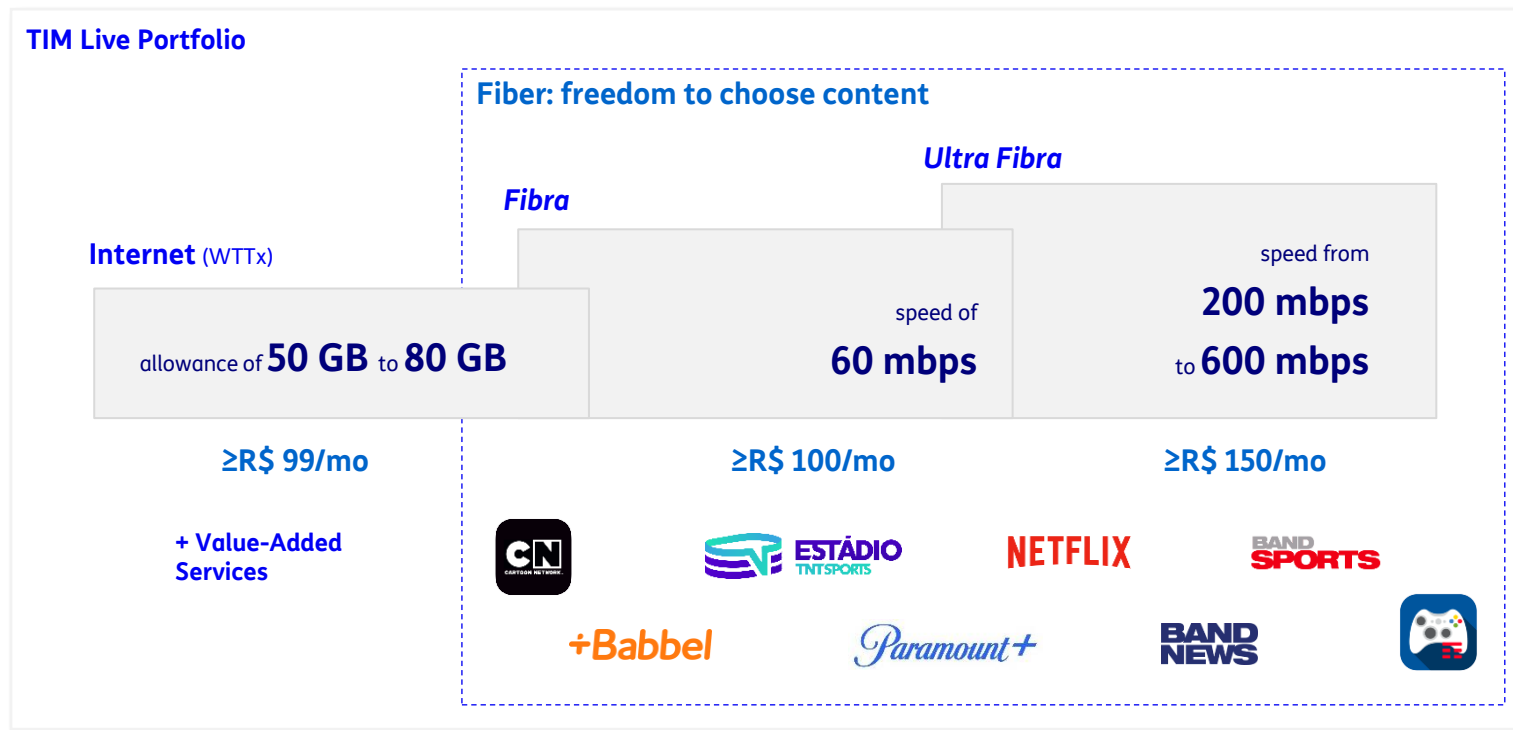
**2**

- Consolidation of current clusters and launch of new ones
- Partnership to grow with financial discipline
- Selective FTTH overlay over FTTC
- Cherry picking deployment

**3**

- Refresh Key Visual and Communication
- Portfolio evolution to "Power Home" concept and evolve content embedded (Smart Hub)
- Ultra speed and relevant content claim positioning

# Exploring accelerated growth opportunities: Residential broadband



# Signing with IHS, an Industrial Player with Expertise to Accelerate FTTH Rollout

## FIBER CO

- **TIM will hold 49%** of the capital of the new company;
- FiberCo will **deploy, operate and maintain last mile infrastructure**, participating as well in other network projects (e.g., FTTSite). All commercial and customer service activities will remain with TIM;
- Preserving the **prerogative on rollout decisions, with 6 months of exclusivity period** on the use of the network in new areas;
- Expected **closing for 2H21**.

## DEAL HIGHLIGHTS



R\$ **2.6** bln  
of Enterprise Value

Primary of  
R\$ **600** mln

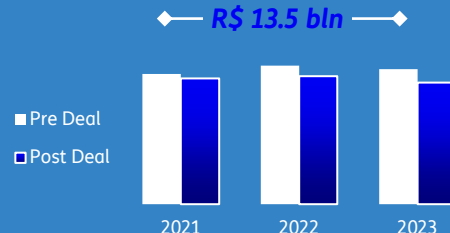
~R\$ **1.1** bln  
Secondary to be paid at closing to help fund Oi's assets acquisition

*Deconsolidation of fiber rollout investments:  
~2/3 of TIM Live's Capex*

↓ Capex + ↑ Opex should positively impact FCF

*Positive impacts expected for customer base and revenue*

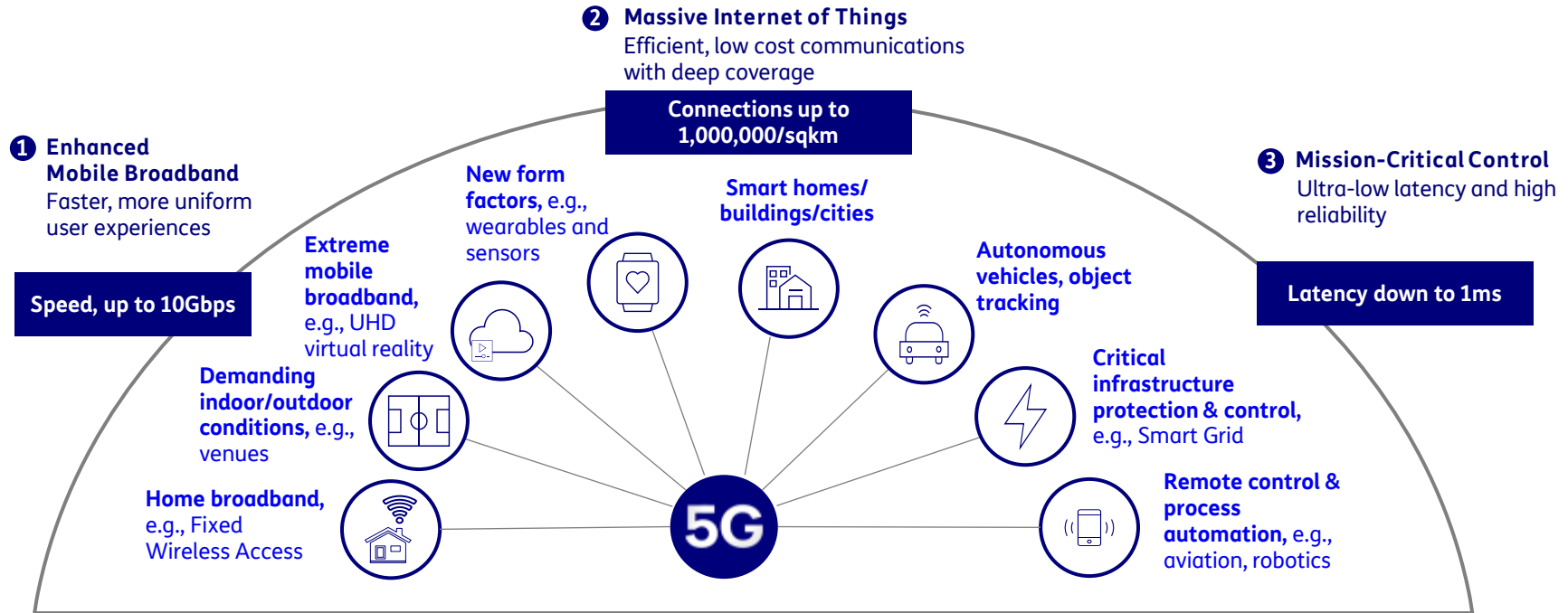
Capex released in the Industrial Plan<sup>1</sup>  
(R\$ bln)



- **TIM will contribute with 6.4<sup>2</sup> mln homes passed** – 3.5 mln of FTTH and 3.5 mln of FTTC
- **FiberCo's 4-year plan expects to reach 8.9 mln of FTTH homes passed**

(1) Investment plan considering the combination of Oi's assets;  
(2) Considering a coverage overlap of 577k between FTTH and FTTC.

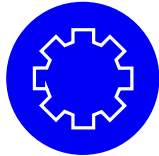
# 5G will unlock use cases enhancing mobile broadband, massive internet of things and mission-critical control use cases







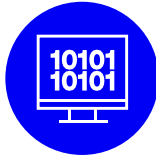
# *We are taking cash cost efficiency to the next level with a holistic approach using 4 levers*



## **Improve process efficiency**

**Bad Debt** (e.g. new credit models development, collections systems improvement)

**Legal processes** (e.g. predictive models to reduce JEC expenses)



## **Accelerate digital & automation**

**3S's: self-provisioning, self-healing and self-caring**

**Boost digital channels** for sales and customer services (e.g. E-payment)

**Increased usage of AI and cognitive systems** (e.g. Cognitive IVR) in call centers, back office, operations and Legal

**Cloudification (journey to the cloud)** decreasing TCO and allowing fast response

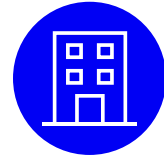


## **Traditional efficiency initiatives**

**Administrative processes**

**Pay-roll management**

**IT Planning & Development**

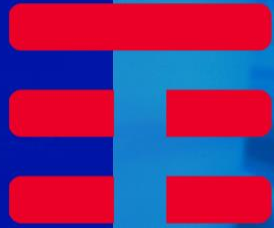


## **Real Estate/Energy efficiency plan**

**Office space optimization** due to smart working and cloudification

Increased use of **renewable energy sources**

**Reassessment of buy/sell** due to IFRS 16



# *STRATEGY AND POSITIONING: NEW BUSINESSES*

# ***TIM Consumer Platform Strategy: A unique approach that can unlock significant value with digital start-ups***

## **Differentiated Approach**

**1**

### **Strategic partnerships**

Explore industrial synergies beyond simple commercial agreements, speeding up time to market, and lowering execution risk and investment (not in house development).

**2**

### **“Best of breed”**

Choose high flying players that have the best chance to disrupt their industries and generate value.

## **Where we can generate additional value**

### **Core Business**

Add value to our customer base



Increase customer loyalty

Unique positioning



Cost reduction

### **Beyond the Core**



Generate new revenue streams

Improve customer profiling

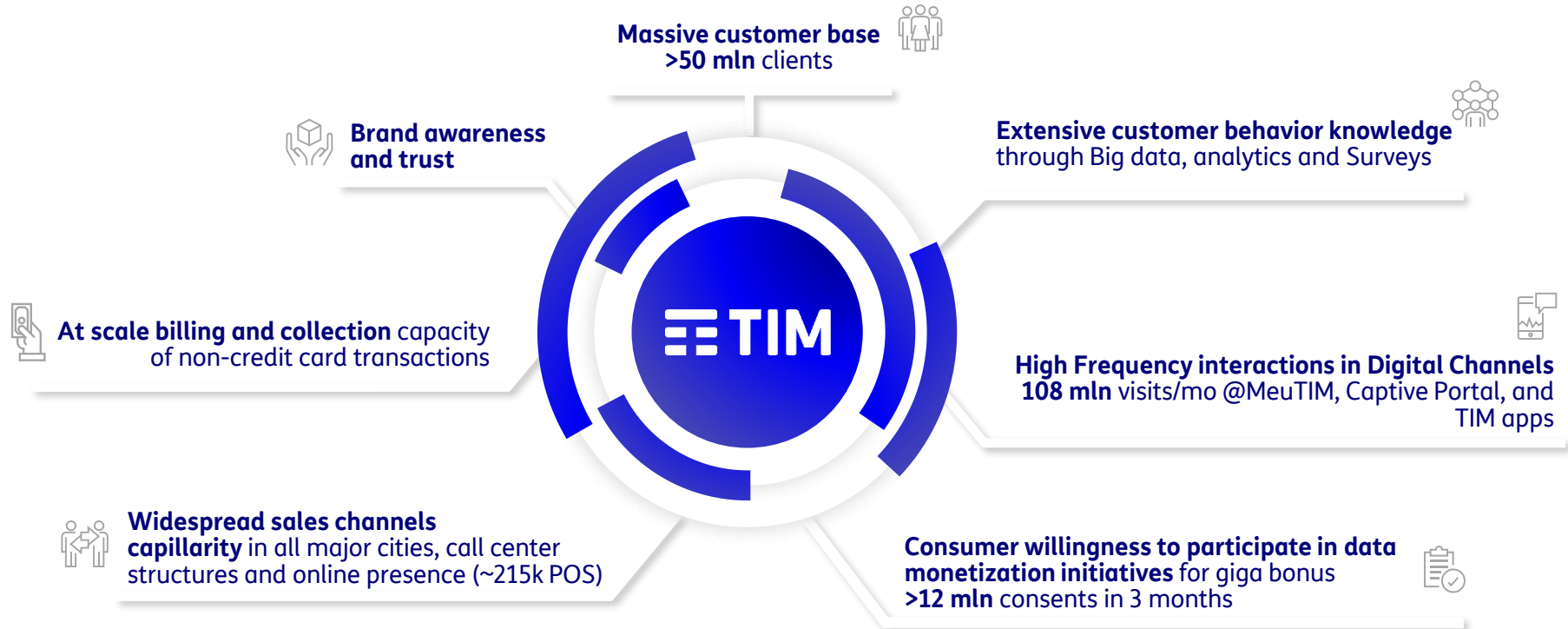


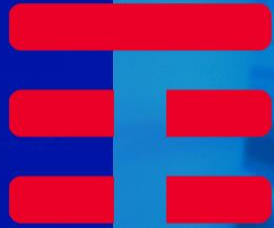
### **Equity diversification**



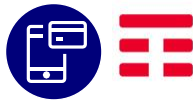
Share of highly valuable ventures

# ***TIM has unique assets and key capabilities that enable the Consumer Platform strategy***





*M&A*



# Perimeter of the transaction with Oi

## Subscriber base



**+14.5 mln**

40% of Oi's Mobile customer base

Acquired customer base mix

**~40%**

Postpaid<sup>1</sup>

**~60%**

Prepaid

## Sites and towers

**+7.2k**



Acquired towers overlap

**~40%**

New location

**~60%**

Same/near location

## Spectrum

**+49 MHz**



54% of Oi's spectrum holdings

Spectrum bands acquired

**900 MHz**

**1,800 MHz**

**2,100 MHz**

**2,600 MHz**

## Price of the Assets

44,3% of the bidding price for Oi assets (R\$ 6.98 billions)

## Transition Service Agreement

Temporary contract to serve subscriber base (e.g. supporting care, bill-to-cash) and NOC maintenance during the transition (TIM's part is R\$ 318 millions)

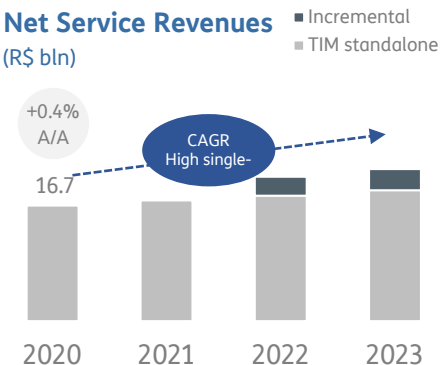
## Long term capacity contract

Long-term contract to provide backhaul/backbone capacity, with connectivity assurance services between access and core network (TIM's part has an NPV of ~R\$ 476 millions)<sup>2</sup>

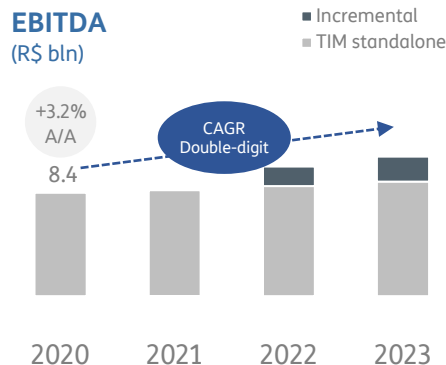


# Oi's assets integration could transform TIM Brasil by 2023

**Net Service Revenues**  
(R\$ bln)

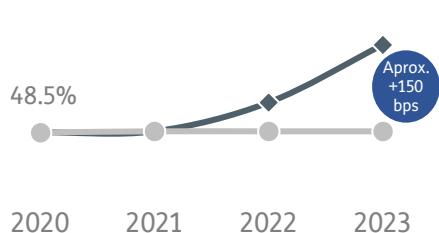


**EBITDA**  
(R\$ bln)



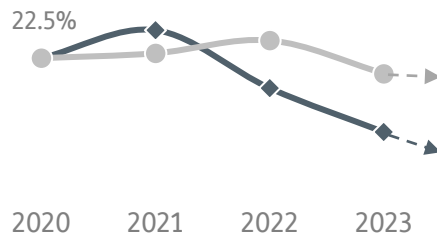
**EBITDA Margin**  
(%)

—●— TIM+Oi  
—●— TIM  
standalone



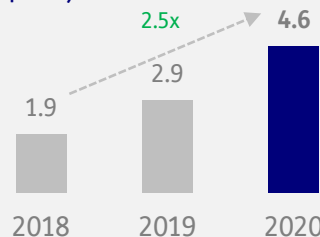
**Capex / Revenues**  
(%)

—●— TIM+Oi  
—●— TIM  
standalone

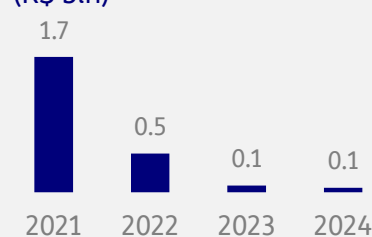


## TIM's cash balance and current loans schedule

**Cash Balance**  
(R\$ bln)



**Loans pre-hedge**  
(R\$ bln)



## Deal's Funding

### Sources of Financing

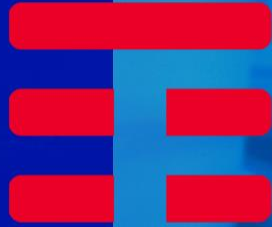
- ✓ Local debt
- ✓ Current cash balance
- ✓ Internally generated cash

### Instruments mix to be used

- ✓ Debentures
- ✓ Lines of credit already contracted with major Brazilian development banks
- ✓ Bilateral agreements with international banks (100% hedged)

### Amount of debt to be raised in 2021

- ✓ ~R\$ 6 bln, including refinancing of current debt's portion with maturity in 2021



# *REVENUE PROFILE TRANSFORMATION*

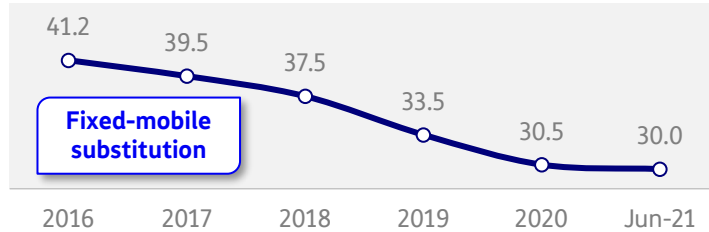


# TIM is well positioned to serve the new demand, with no legacy to defend



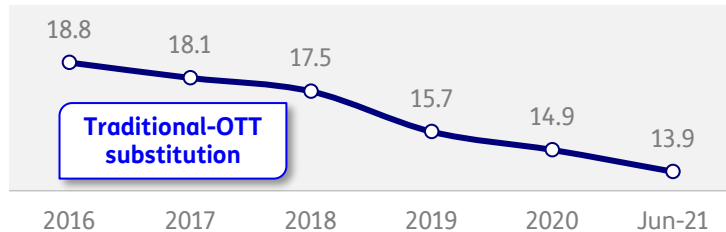
**Fixed Line Base**  
(MM)

Market  
-5.6%  
CAGR



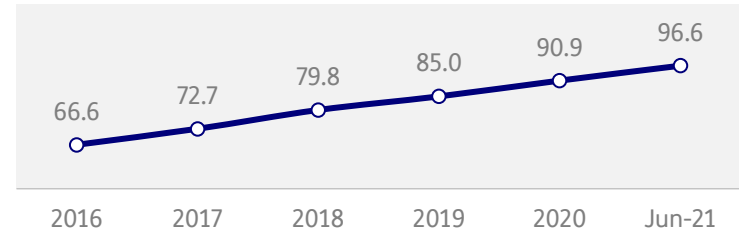
**Pay-TV Base**  
(MM)

Market  
-5.4%  
CAGR



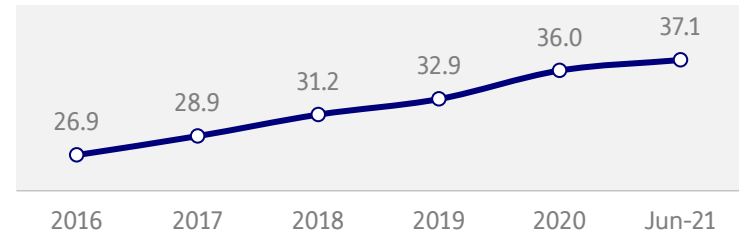
**Human Postpaid Base (ex-M2M)**  
(MM)

Market  
+7.0%  
CAGR



**Broadband Base**  
(MM)

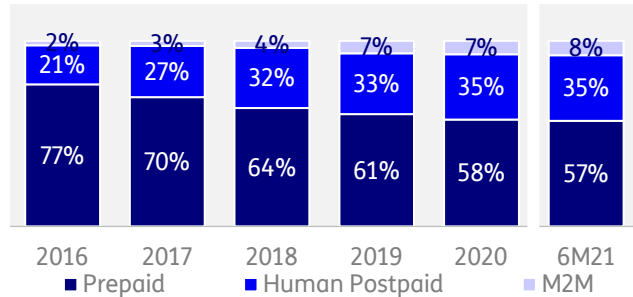
Market  
+6.1%  
CAGR



# Transformation process of customer base seeks value in mobile and ultra-broadband



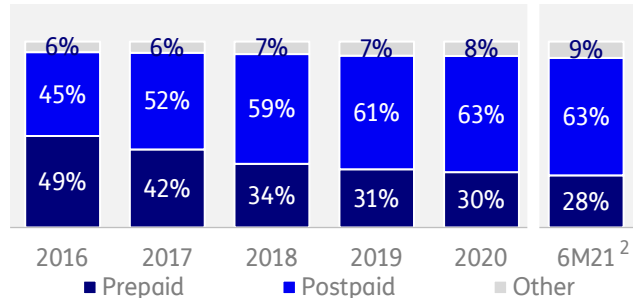
**TIM Mobile Base Mix**



+0.3 p.p.  
(vs. 2020)



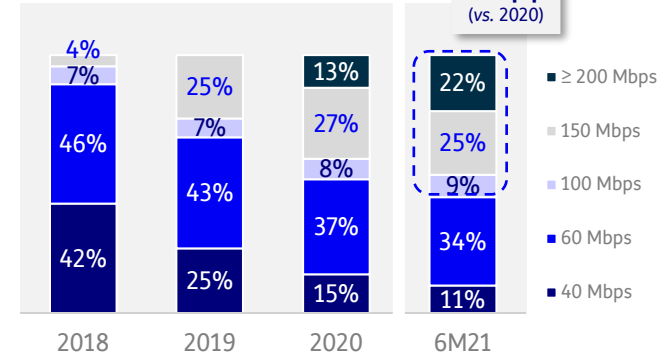
**Mobile Service Revenue Mix**



+0.7 p.p.  
(vs. 2020)



**TIM Live UBL Base Mix**

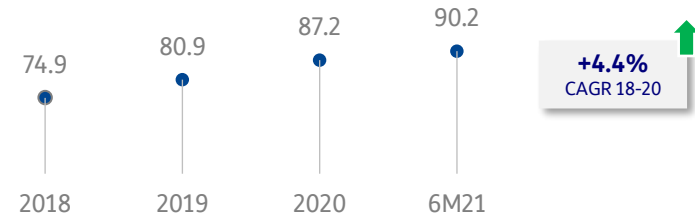


+6.7 p.p.  
(vs. 2020)



First FTTH cities launched in 4Q17.

**TIM Live ARPU**  
(R\$/mo)



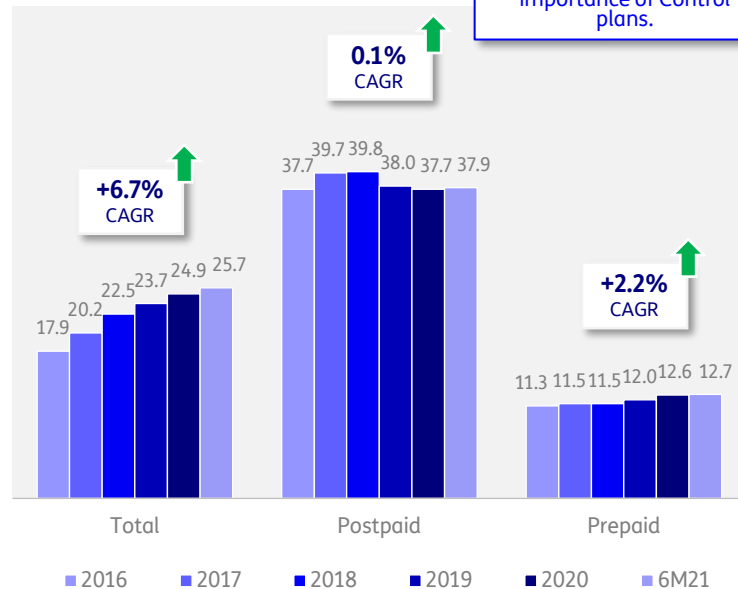
+4.4%  
CAGR 18-20



# Approach to ensure higher value captured and sustainable growth

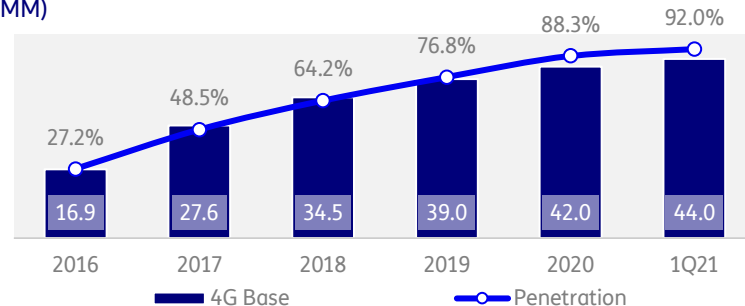


**Mobile ARPU<sup>1</sup>**  
(R\$ / mo)



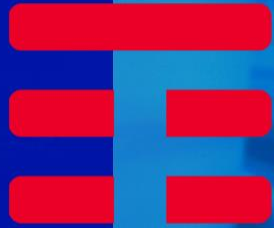
Reduction due to Postpaid mix, with greater importance of Control plans.

**Base 4G**  
(MM)



**BOU**  
(avg. MB / mo)





# *INFRASTRUCTURE*

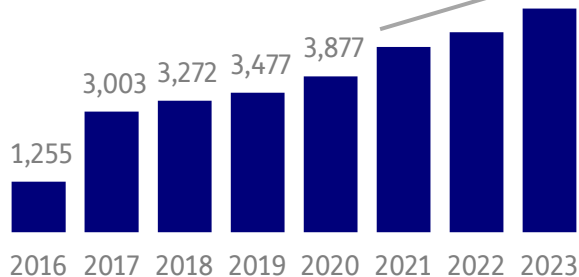


# Network Plan

**4G Evolution**  
(# Cities)

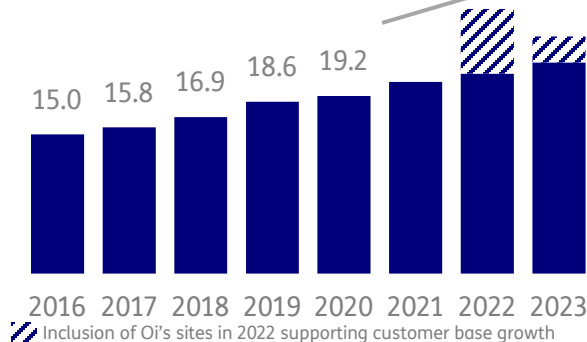
Reach 100% of  
Brazilian municipalities

+ 44%



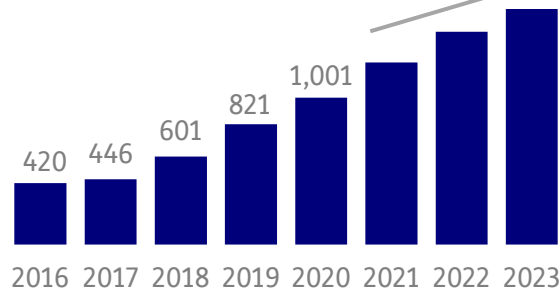
**Access Site**  
(# Sites x1,000)

+ 33%



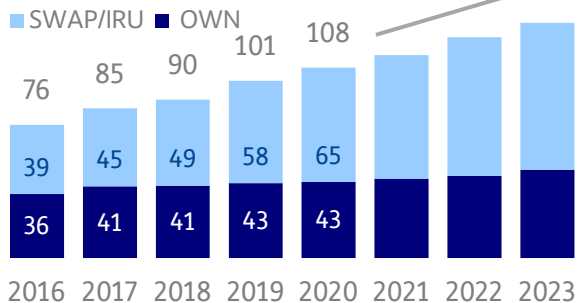
**FTTCity Evolution**  
(# Cities)

+ 61%



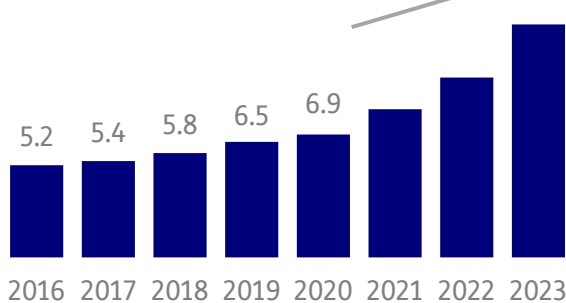
**Optical Backbone**  
(# Km FO x1,000)

+ 24%



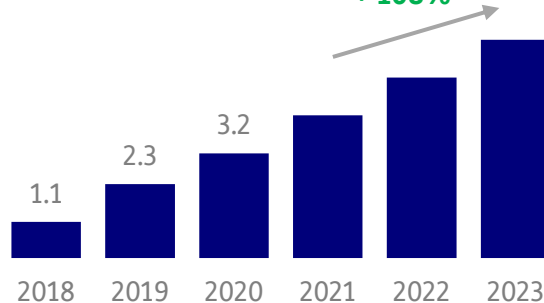
**FTTS Evolution**  
(# Sites x1,000)

+ 90%



**FTTH Coverage**  
(# Household x1MM)

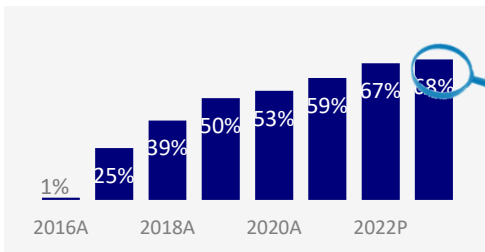
+ 108%



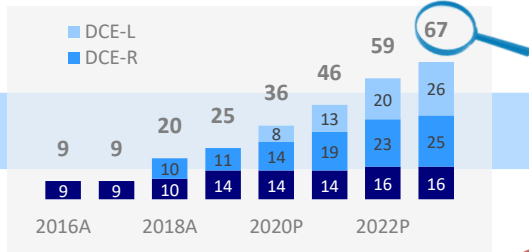
# Excellency – Combining Network Virtualization and Edge Computing to bring the best experience to our customers



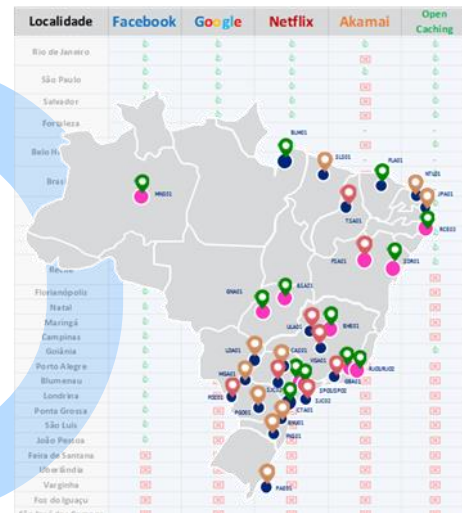
## Network Functions Virtualization %



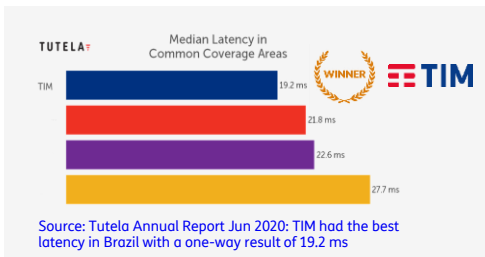
## Distributed Data Centers #



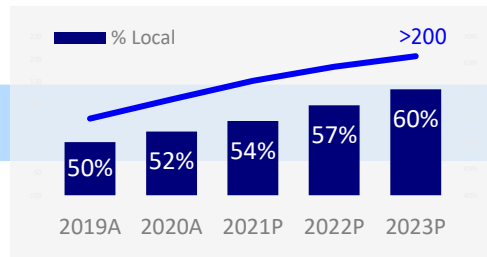
Caching agreements are helping TIM to latency reduce for a customer's content request



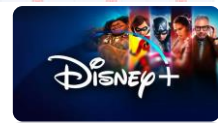
## The Best Latency in Brazil



## Local Traffic %



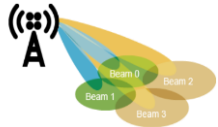
Open Cache



# Innovation beyond 4G: Massive MIMO and 5G DSS



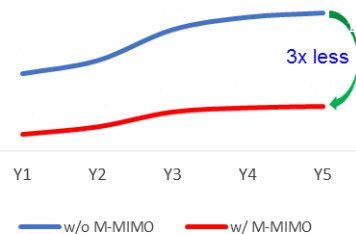
## M-MIMO as the cornerstone of the 4G Capacity strategy



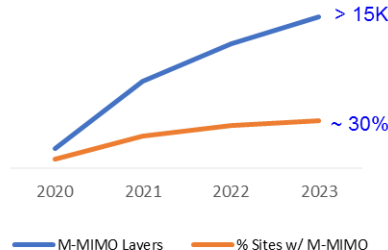
- Expected gain on massive deployment: up to **3x capacity**
- New sites avoidance: **2k less capacity sites needed per year, reducing TCO<sup>1</sup>**
- Remaining sites needed for densification to be addressed with innovative **Biosite solution**



### New Sites Needed for Capacity



### M-MIMO Deployment



## 5G DSS – Dynamic Spectrum Sharing

Investments in Network to **activate the 5G DSS**

- 5G clusters in the main cities, covering **strategic business markets**, taking advantage of **TIM 5G Readiness**

### 7 active clusters:

- São Paulo (2)
- Rio de Janeiro (2)
- Curitiba (1)
- Belo Horizonte (1)
- Brasília (1)



Cluster Rio de Janeiro “Southern Zone”

- 3 trial cities:** Itajubá-MG, B. Gonçalves-RS and Três Lagoas-MS
- DSS Feature use allowing **fast activation** on sites 5G ready
- Full synergy with **4G capacity reinforcement**, improving CEX through Massive MIMO solution

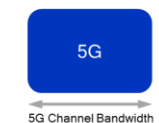
### LTE-only Low Band



### DSS between LTE & NR

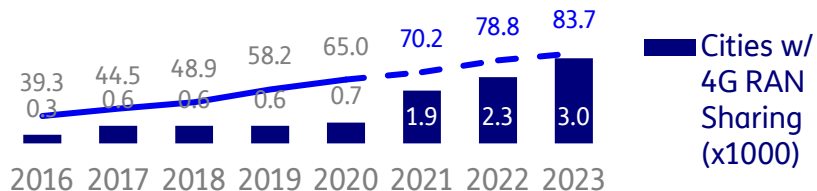


### Refarming to NR



# Efficiency – Smart Capex approach to expand coverage and increase capacity for the mobile network

## INNOVATION THROUGH SHARING AGREEMENTS SINCE 2013 TO OPTIMIZE TCO1 AND IMPROVE CEX



## SHARING ACCESS

### 2013

4G RAN Sharing 2.6 GHz  
TIM & OI  
1st Deal in Latin America

### 2015

4G RAN Sharing 2.6 GHz  
TIM & OI & VIVO  
VIVO joins deal

### 2019

Single Grid & Coverage Expansion  
2G Switch-off  
TIM & VIVO  
1st Consolid. Deal for cities < 30k hab.

### 2021-'23

Single Grid Expansion: 350+ cities (each)  
Single Grid Consolid.: 800+ cities potential (each)  
2G Switch-off: 6,000+ potential sites (each)

## SHARING OPTICAL FIBER

Long distance and metropolitan optical fiber and ducts swap deals, expanding optical connectivity

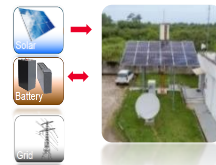
## Sky Coverage – Efficient and Unplugged

### New business model for leveraging coverage:

- ✓ Coverage expansion to previously non economic viable locations
- ✓ Disruptive Business Model
- ✓ ELC (Extreme Low Cost) and ESG compliant solutions

### Coverage Targets:

- ✓ Districts and villages ~1.4k
- ✓ Roads ~6,000 Km
- ✓ Resorts and Touristic Spots >40



## Biosites (Density and capacity)

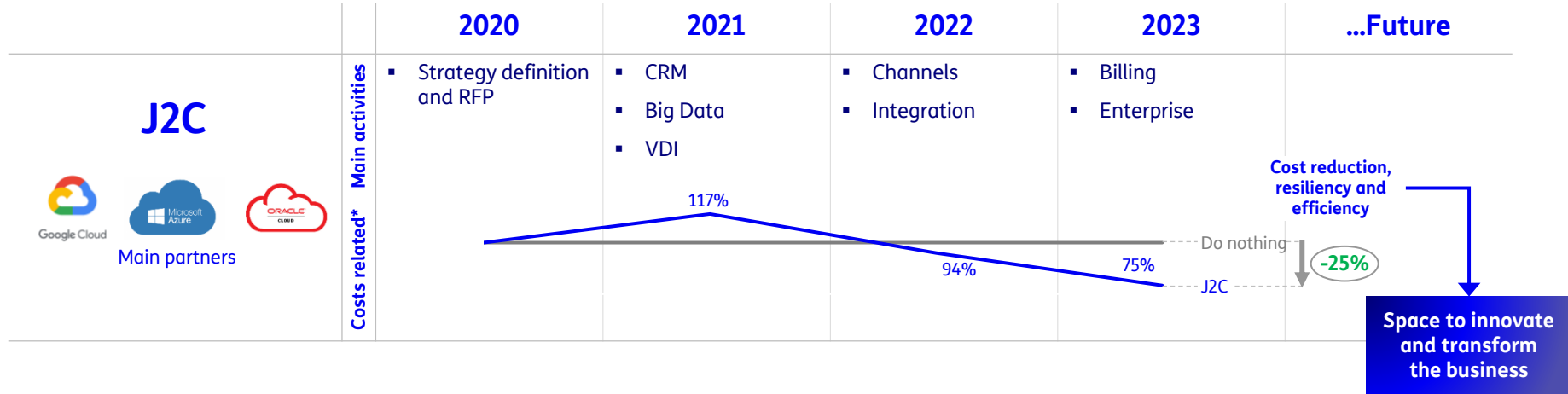
- **Main solution** for capacity sites densification
- **Smaller footprint** for infrastructure deployment
- **Multifunctionality:** teleco tower, street lighting, vigilance cameras
- **Lower visual impact in harmony** with the environment
- **Fast deployment & cost efficient**

### Biosites deployed and planned ('000)





# Journey to Cloud: Benefits



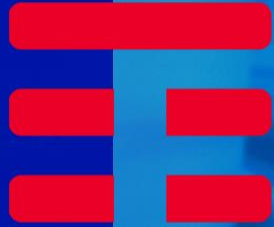
## Business Benefits

- Deliver **best-in-class availability** to TIM's customers
- Minimize time-to-market** for our business
- Guarantee the **best trade-off between service excellence and spending**
- Define/Optimize** the current DCs asset strategy



## Technology Benefits

- Harmonize the evolution strategy** across technology department
- Greater **alignment to group technology** strategy
- Process, Tools and Technologies **standardization**
- Guarantee **infrastructure agility, availability and security**
- Re-focus on **differentiating DCs capabilities and related skills**

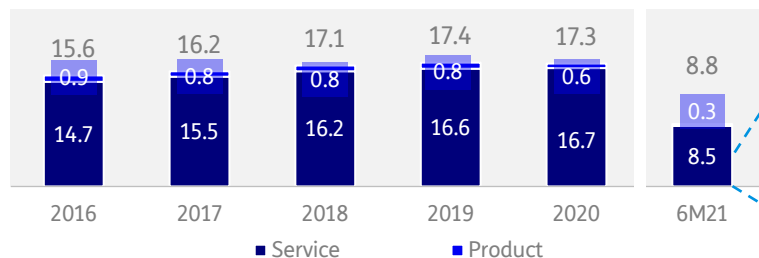


# *FINANCIAL EVOLUTION*

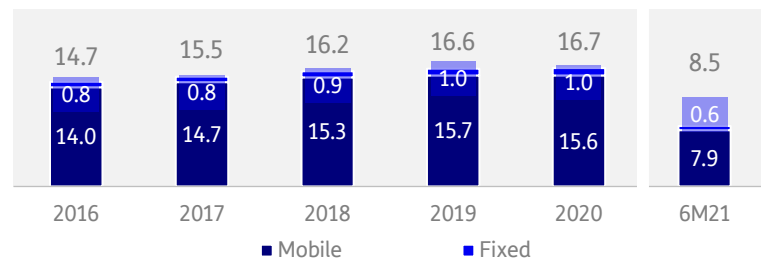
# Strategy and execution adjustments have recovered TIM's results and set the company's path to financial sustainability



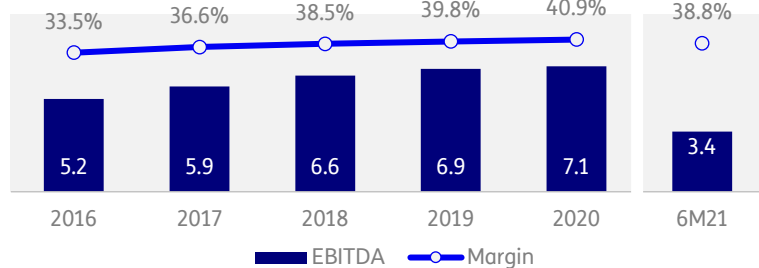
**Net Revenue**  
(R\$ bln)



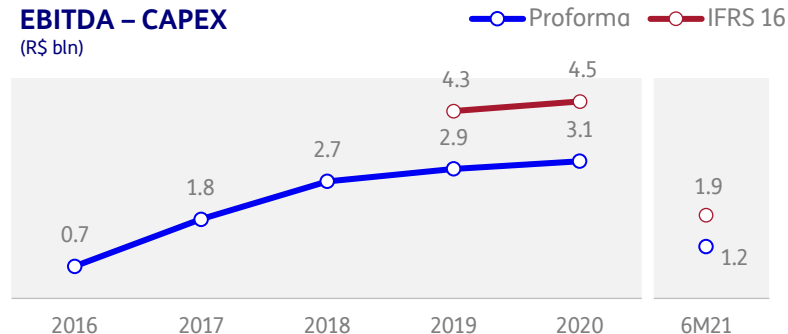
**Net Service Revenues**  
(R\$ bln)



**EBITDA and EBITDA Margin**  
(R\$ bln)



**EBITDA – CAPEX**  
(R\$ bln)

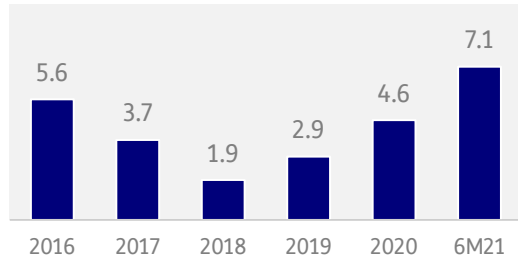


# Solid financial position: Maintaining a strong balance sheet and increasing distribution to shareholders



## Cash Position<sup>1</sup>

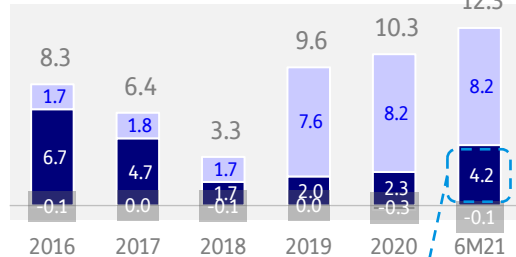
(R\$ bln)



## Gross Debt<sup>2</sup>

(R\$ bln)

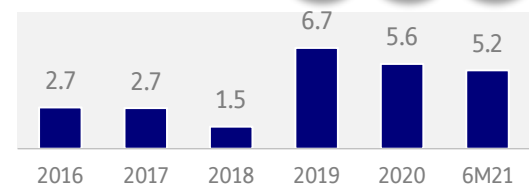
■ Derivatives Position ■ Bank ■ Leasing



## Net Debt

(R\$ bln)

Net Debt-AL<sup>3</sup>

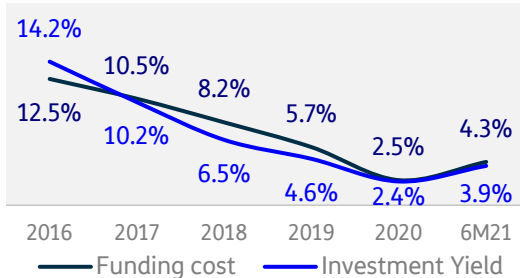


Net Debt / EBITDA 12M<sup>4</sup>

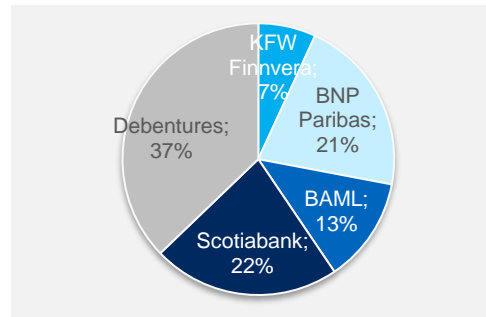


## Funding Cost vs Investment Yield

(avg. p.y.)

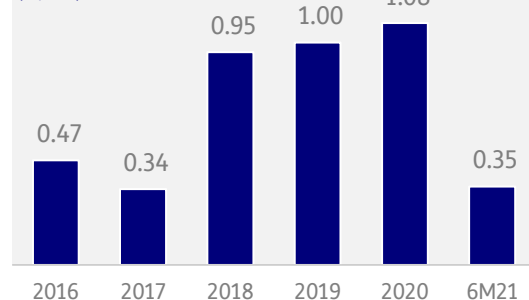


## Bank Debt by Lender (pre-hedge)



## Declared IoC

(R\$ bln)



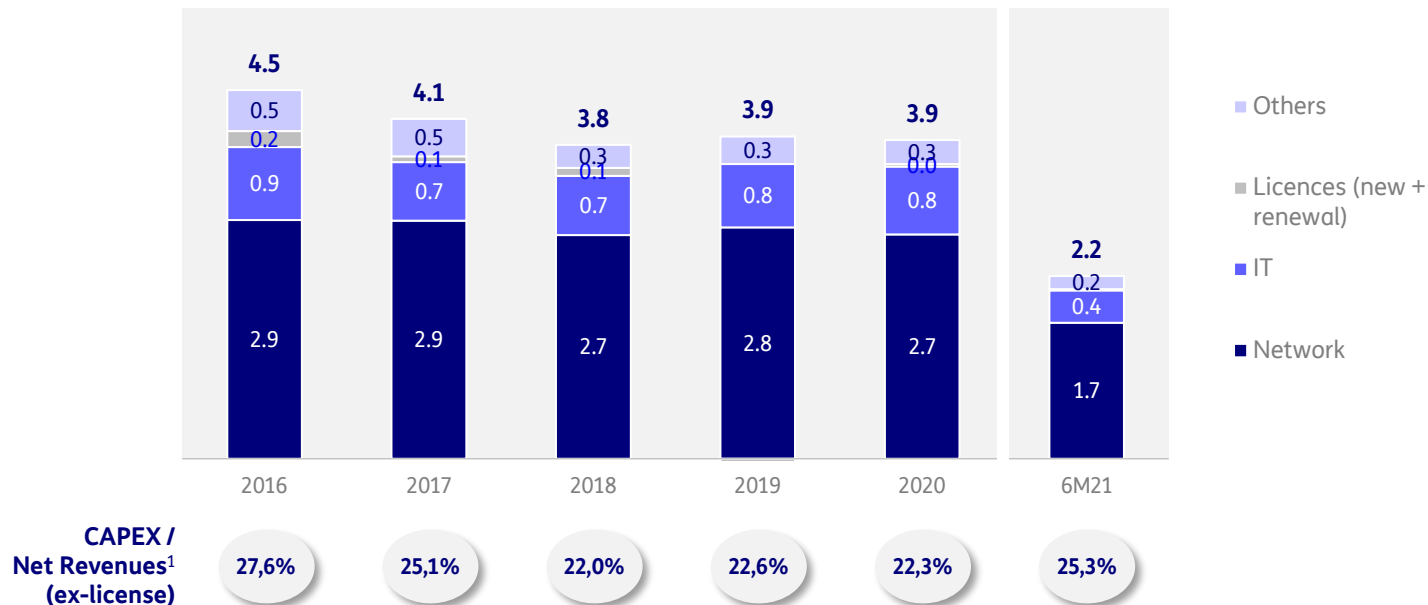
(1) Cash, Cash equivalents and short-term investments; (2) The Derivatives position excludes the subscription bonus in C6 Bank capital (Financial Statements, Note 37). Leasing related to the sale of towers, the LT Amazonas project and lease contracts with terms exceeding 12 months pursuant to IFRS 16; (3) Net Debt-After Leasing does not consider any current and non-current leasing liabilities; (4) EBITDA normalized.

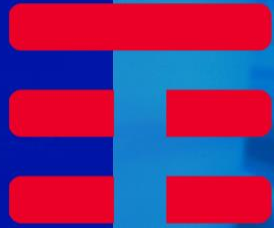
# Investing in a smart and efficient way: Focusing mobile evolution and fiber optic infrastructure



## CAPEX Evolution

(R\$ bln, Proforma<sup>1</sup>)





# *OUTLOOK*

# Market guidance 21-23 shows Revenue and EBITDA growth, and positive impact coming from M&A



GOALS	SHORT TERM TARGETS (2021)	LONG TERM TARGETS
Revenue Growth Sustainability	Service Revenues Growth: <b>Mid single digit (YoY)</b>	Service Revenues Growth (CAGR '20-'23): <b>Mid single digit standalone</b> <i>High single digit combining Oi's assets</i>
Improve Profitability	EBITDA Growth: <b>Mid single digit (YoY)</b> <i>(Including preparation costs)</i>	EBITDA Growth (CAGR '20-'23): <b>Mid single digit standalone</b> <i>Double digit combining Oi's assets</i>
Infrastructure Development	Capex: <b>~R\$ 4.4 bln</b> <i>(including preparation investments)</i>	Capex (cumulated 2021-'23): <b>~R\$ 13.0 bln standalone</b> <i>~R\$ 13.5 bln combining Oi's assets</i> <i>(Capex on revenues declining starting in 2022 combining Oi's assets)</i>
Expand Cash Generation	EBITDA-Capex on Revenues: <b>~24%</b> <i>(including preparation costs and investments)</i>	EBITDA-Capex on Revenues: <b>≥ 29% in 2023 combining Oi's assets</b>

**READY**

- ✓ 5G auction and launch
- ✓ Fiber assets carve-out

*(elements not fully incorporated in the Plan numbers)*

# Boosting initiatives that increase our ESG impact

**Legend**  
 \*new\* New commitment  
 ↑ Target increase

## Environmental

We want to be green

### Enablers

- Increasing **efficiency** and taking advantage of **green energy** cost reduction
- Developing **cloud data centers** to deliver more to our customers with less impact on operations
- Demobilizing obsolete technologies through **innovation** and **infrastructure sharing**
- Promoting efficient and responsible **solid waste** management

## Social

New capabilities are a key factor in maintaining leadership

- Promoting an **inclusive environment**, with **equal** opportunities, valuing **talents** and caring for the **health and integrity** of employees
- Developing **digital education** to support the demand for connectivity
- Keeping **Instituto TIM** as a reference in **ST&I and education projects**
- Extending access to 4G **connectivity** to all municipalities in Brazil

## Governance

Efficient mechanisms to fairly balance the interests of all stakeholders

- Maintaining the recognition as a company with **the highest level of commitment** to transparency and corporate governance
- Disseminating **ESG principles to high-risk suppliers**
- Adopting best practices related to **compliance, information security, data protection and privacy**
- Promoting **customer empowerment** through **digital transformation**

### Commitments

### Targets

Carbon neutral (tCO <sub>2</sub> e, scopes 1 and 2)	-100%		2030
Eco-efficiency in data traffic <sup>1</sup> (bit/Joule)	+80%	↑	
Renewable energy	≥90%	new	2025
Indirect emissions <sup>1</sup> (tCO <sub>2</sub> e, scope 2)	-70%		
Solid waste recycling	≥95%	new	
Employee Engagement (per year)	≥80%	↑	
Black employees	≥40%	new	
Women in leadership	≥35%	new	
Employees trained in ESG culture	≥99%	↑	
Employees trained in digital skills	+5,000	↑	2023
4G presence	100%	new	
Customer complaints <sup>1</sup> (Regulatory agency)	-50%	new	
ISE, Novo Mercado and Pró-Ética	Maintain	new	
ISO 14001 and ISO 9001	Maintain	new	
ISO 27001 and ISO 37001	Obtain		2022





## *For further information*

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