

RESULTS PRESENTATION

2ND 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 below.

(1) Due to the reverse incorporation of TIM Participações S.A. by TIM S.A. (former wholly owned subsidiary of TIM Participações S.A.) by the end of August 2020, 2020 results present TIM S.A.'s figures, in accordance with the company's financial statements (ITR and DFP). In order to provide an adequate comparison from the economic standpoint, 2019 (and previous) data disclosed reflect that in TIM Participações's financial statements.

(2) Operating Costs normalized by legal and administrative services (+R\$ 13.7 million in 2Q21). Net income normalized by tax credit (-R\$4.6 million in 2Q21). 2019 and 2020 normalized effects as presented in the 4th quarter release.

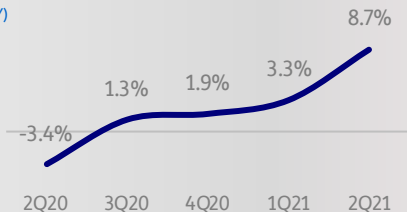


Solid 2Q Results Confirms, Recovery is on Track as the Economy Reopens

6M21 Net Service Revenue
+6.0% YoY

Net Service Revenues

(YoY)

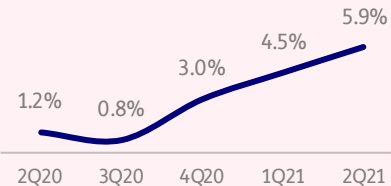


6M21 EBITDA growth
+5.2% YoY

20 quarters of
EBITDA positive growth

EBITDA⁽¹⁾

(YoY)



**Edtech
Partnership with
Cogna Group
(Ampli Platform)**

**Mobile and Live:
New Portfolio
launched
in July**



**Largest
Sustainability-linked
debenture in Brazil**

R\$ 1.6 bln



ESG: Maintaining Consistency is Key for a Long-Term Transformation

SLB Issuance:
Generating positive impact to society while reducing funding costs

R\$ 1.6 bln

ESG Targets

Social
100%
municipalities in Brazil with TIM's 4G coverage by 2023

Environmental
+80%
eco-efficiency increase in data traffic by 2025

Governance

Disclosure improvement

ESG Report
Sustainability Report remodeled into Annual ESG Report

IR Website
A brand-new ESG section



[Link to the ESG Report](#)




[Link to the IR website](#)

Environment Actions

Ongoing commitment with environmental impact

+15 Renewable energy power plants
Power capacity of 25 MWp, supplying 970 antennas and towers in NE and CO

>1,7k Active Biosites
+30 new QoQ



The first biosite in Ouro Preto (MG).

Social Actions

Engaged to a more egalitarian community

Women Empowerment
Partnership with **Mulheres Positivas** app to promote women's career development



LGBTI+ Rights
Admission to the LGBTI+ Business and Rights Forum

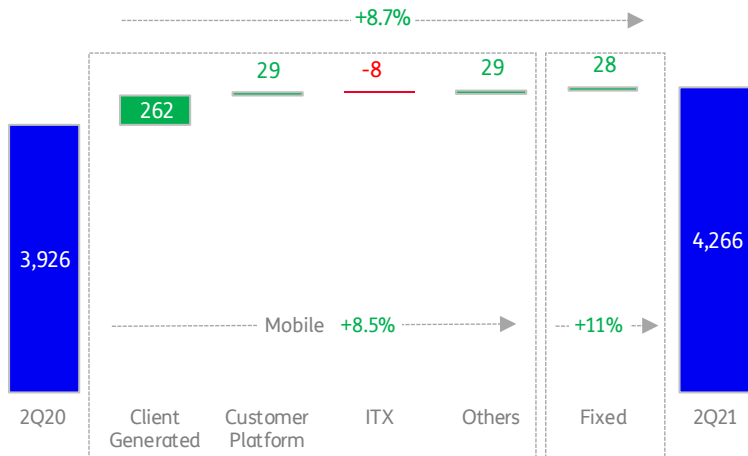


Global Mobile Awards Winner in the Diversity in Tech Award category

Revenues: Positive Contribution From Major Lines

Net Service Revenues Breakdown

(R\$ mln)

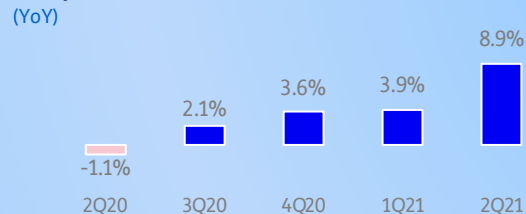


Consistent sequential improvement in a challenge environment (+1% QoQ)

Client generated growth accelerated to 7.8% YoY

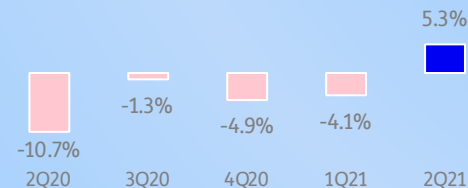
Mobile Service Revenues

Postpaid Revenue (YoY)



Postpaid consistent trend – Growth acceleration

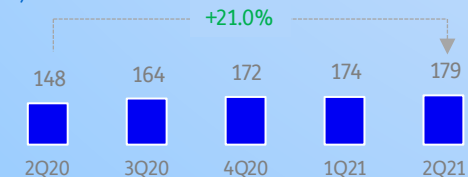
Prepaid Revenue (YoY)



Prepaid recovery – Returning to positive growth

Fixed Revenues

TIM Live Revenue (R\$ mln)



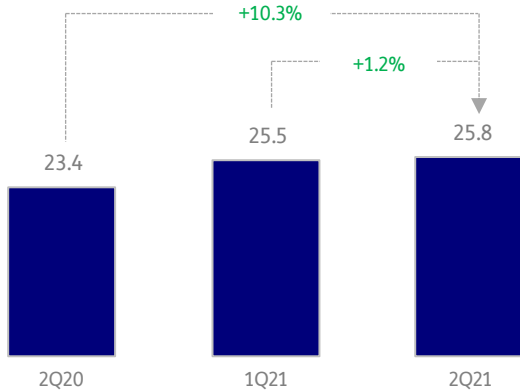
Consistently contributing to the service revenues growth



YoY and QoQ Improvements Driven by ARPU Solid Dynamics, Proving the Positive Impact of Volume to Value Strategy

Mobile ARPU

(RS/mo)



ARPU growing for 22 consecutive quarters, since 2016

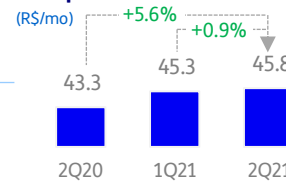
Prepaid

(RS/mo)



Postpaid ex-M2M

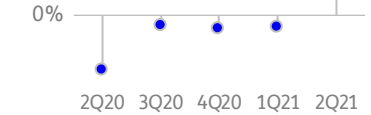
(RS/mo)



Combined improvement of rechargers and sell-out

Avg. Recharges Sell-Out per Business Day

(YoY)



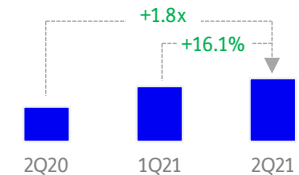
Rechargers

(mln)



Jun-20 Sep-20 Dec-20 Mar-21 Jun-21

Intra segment migrations also helping ARPU¹



Offer Differentiation to Enchant Customers, While also Creating New Sources of Revenues



Deezer GO

- Ad-free consumption on lists created on music preferences
- New attribute of offer differentiation
- Version specially developed to support TIM's market reality



One-stop-shop

- New add-ons in the entertainment hub for TIM Black plans: HBO Max and YouTube Premium



TIM + Ampli

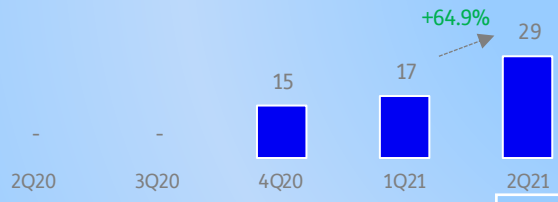
- Edtech partnership with exclusive benefits
- Knowledge bonus: zero rating
- Free access to 400+ courses
- Discounts on distance learning graduation



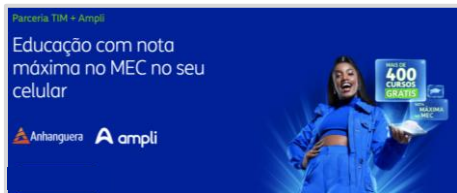
New Venture Announced and Strong Deliveries on Ongoing Projects

Customer Platform Revenue

(R\$ mln)



New Venture in the Customer Platform Portfolio



Using mobile operator assets to accelerate student intake

TIM + Ampli (Cogna Group)

Participating in the fast-growing distance learning segment.

Cogna is the largest education player in Brazil and has the highest quality rate from Education Ministry.

Up to 30% equity stake

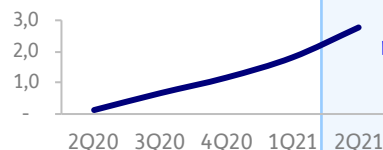
CAC revenues

Potential to acquire 80k students per year

Financial Services R\$ 20 mln in 2Q

LTV improvement with early churn reduction and higher loyalty

C6 Open Accounts (mln accounts accumulated)



Record numbers of accounts opened

New targets accomplished
Total equity stake¹ ~2.9%

~1.4% in 1Q ~1.4% in 2Q

Mobile Advertising – TIM Ads R\$ 9 mln in 2Q

19+ million opt-ins

Audience

Insights platform

Segmentation

Informa TIM
Over the Top Ads

Captive Portal
Video Views Ads

Legacy
Massive Push Ads²

TIM Fun
Games+ Ads

TIM News
Content+ Ads

Channels

~8 mln audience for a single campaign

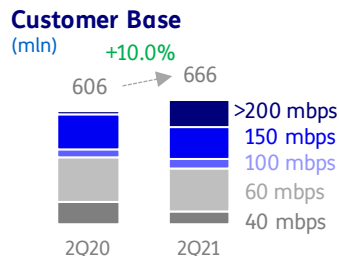
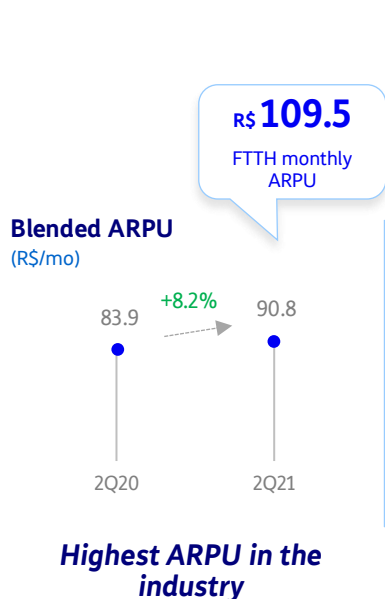
>1.4 mln surveys responses

>200k Informa TIM bonus awards

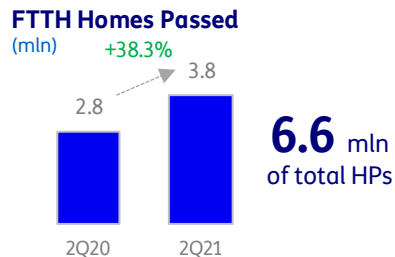
40% of users w/ daily engagement in TIM Fun

Deliveries

All Set to Deliver the Next Wave of Growth: Valuable Portfolio Combined With an Accelerated Rollout



Revenue dynamic driven by organic growth and increasing value of customer base



The best upload speed



New portfolio

500 and 600 mbps plans
New content embedded:
Netflix and Paramount+

FIBER CO

- CADE approval on June 16th

Next steps

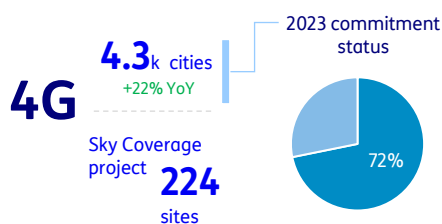
- Anatel's prior consent
- Closing expected for September/October
- Higher secondary considering additional HPs vs deal's original scope
- Smooth transition with a TSA contract
- Additional FTTSite contract to be signed at closing



Fast-paced Network Evolution to Quickly Enjoy the New Opportunities That Will Come With Market Consolidation and 5G

Mobile Access Network

Coverage expansion



Capacity and modernization

M-MIMO
+285 sites QoQ

Site +1,3k sites QoQ
Modernization

700MHz
3.6k cities
 +37% YoY

4.5G
1.5k cities
 +20% YoY

Network Sharing Agreement Update

Single Grid

- Coverage Expansion: >350 cities implemented (each)
- Consolidation: tests started in 20 cities (10 each)

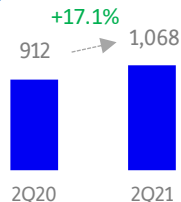
2G switch-off

- Tests underway and rollout expected in 4Q

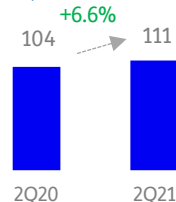
The highest % of customers' time on 4G network and the 2nd in coverage score¹

Transportation Network

FTTCity ('000)

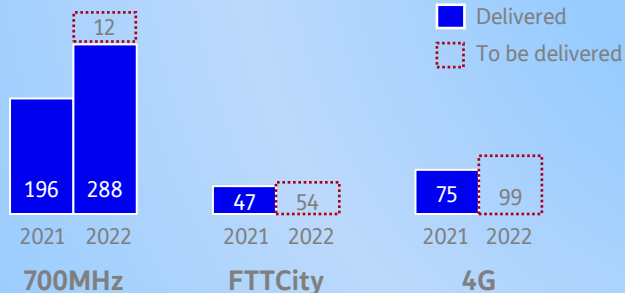


Backbone + Backhaul ('000 km)



Anticipating TAC commitments deliveries

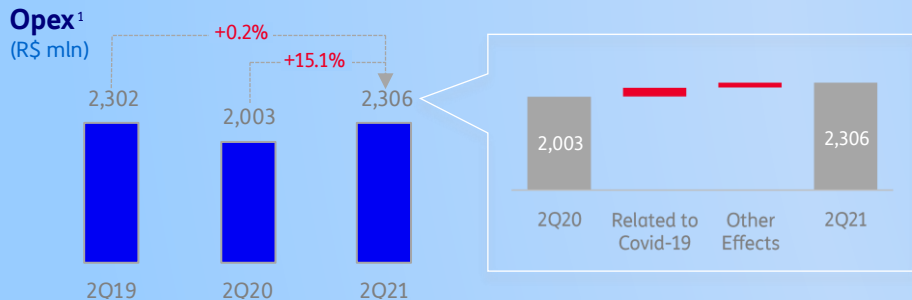
(# cities)





Isolating Volume-Driven Costs Discontinuity, Opex Would've Been Stable With Digitalization Supporting Better Performance on Operational Side

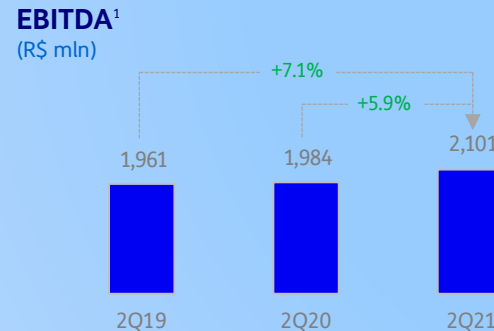
Opex¹
(R\$ mln)



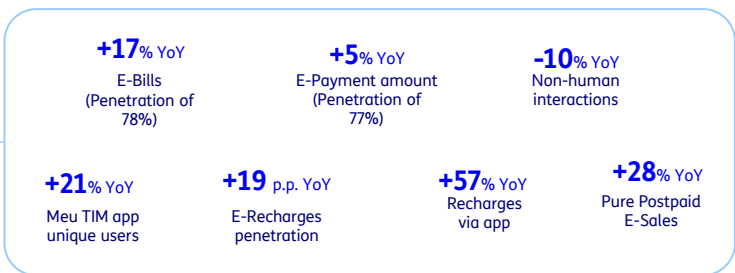
EBITDA¹
(R\$ mln)

+5.2% YoY
1H21 EBITDA

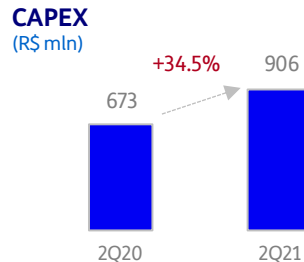
47.1%
EBITDA margin
in 1H21



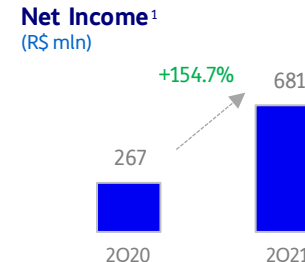
Digital transformation still contributing to put costs on the right path



CAPEX
(R\$ mln)



Net Income¹
(R\$ mln)



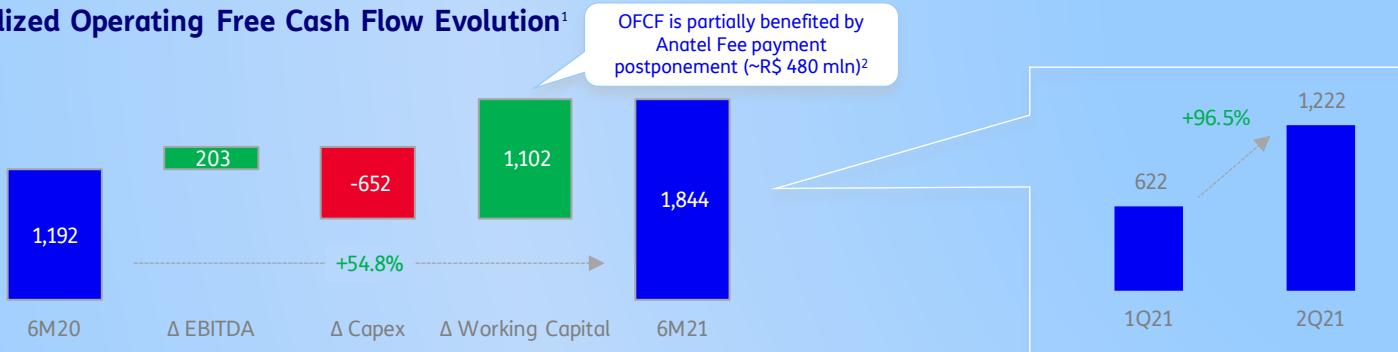


Strong Cash Flow Generation Improving Financial Position Assessment for Oi's Mobile Assets Acquisition

Normalized Operating Free Cash Flow Evolution¹

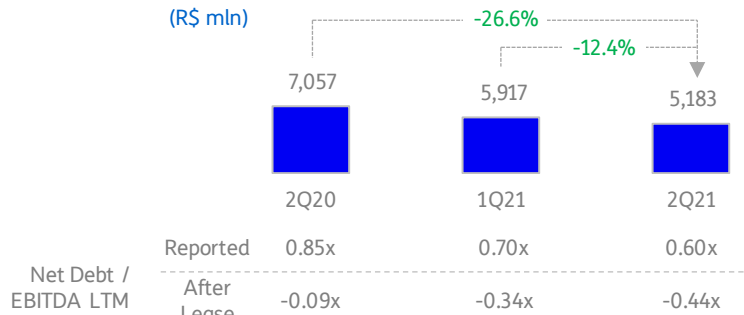
(R\$ mln)

R\$ 7.1 bln
of cash position

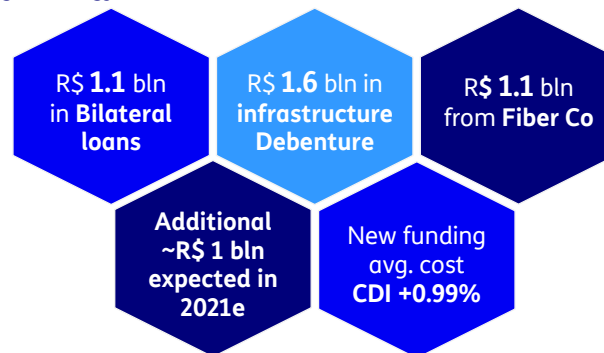


Net Financial Position

(R\$ mln)



Financing Strategy



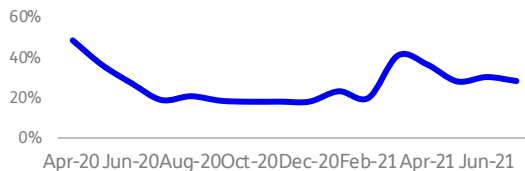


Solid 1H Deliveries Despite Headwinds Confirm a Positive View for 2H

1H21 Recap

Recovery of Pandemic Impacts

% of PoS Closed - Value Channel¹



Financials

+6.0% YoY 6M21 Net Service Revenue

+5.2% YoY 6M21 EBITDA growth

New Sources of Revenues

R\$ 46 mln in Customer Platform Revenues

New partnerships and products launched

M&A Front

Oi Acquisition funding well executed

Signing with IHS for 51% of FiberCo

What to expect for 2H21:

Oi's Assets Acquisition

- Anatel's prior consent and CADE's approval to happen in Q3/Q4
- Positive view on the outcome as the deal already addresses main concerns and respect fundamental rules
- Closing expected for Q4

Spectrum Auction

- Auction expected for Sep/Oct
- Infrastructure development focus is being confirmed

New Partnerships on the Horizon

- Digital Wallet to complement financial services portfolio expected for Q3 (contract negotiation stage)
- E-Health solution more broadly discussed, 10+ players interested (from large companies to startups)

Operations

- Continuous focus on execution to deliver the promises made to the market