

TIM Brasil Plan Update 2023-2025

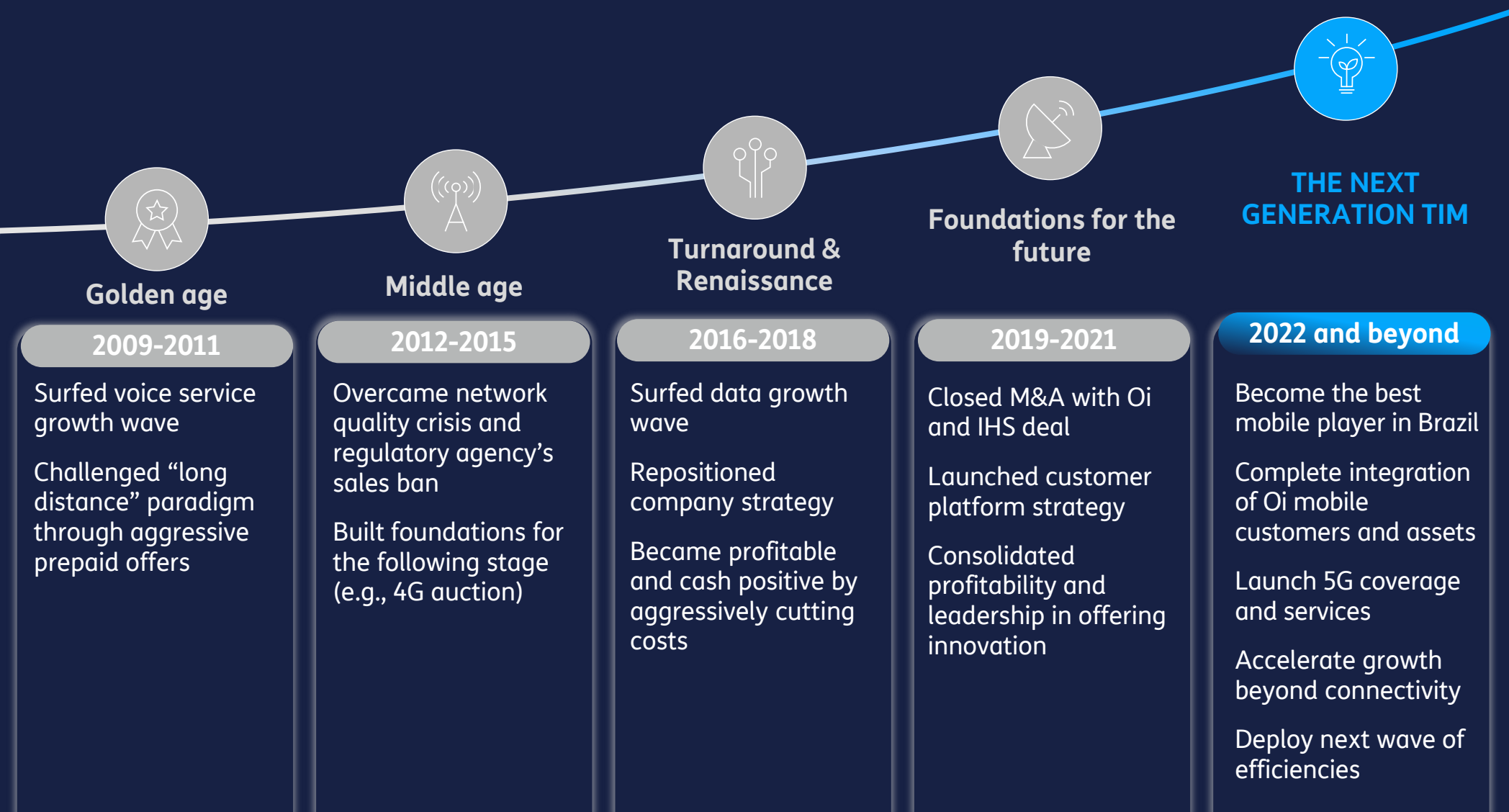


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AFTER A LONG AND INTENSE JOURNEY OF DEVELOPMENT AND TRANSFORMATION, NOW IT'S TIME FOR THE **NEXT GENERATION** TIM



WE BUILT A SOLID PLATFORM TO SUPPORT OUR JOURNEY TOWARDS **NEXT GENERATION TIM**



LARGEST MOBILE COVERAGE also due to Oi transaction (100% of municipalities by 2022)



INNOVATION DNA WITH UNIQUE MOBILE OFFERS (e.g., choice bundle for postpaid, in-flight connectivity for domestic flights and Prime Video for prepaid)



5G LEADERSHIP IN OUR KEY MARKETS (São Paulo, Rio de Janeiro, Curitiba and Recife), with broader coverage and commercial approach



HEAD START IN B2B/IOT SELECTED VERTICALS (e.g., agribusiness and logistics)



DISTINCTIVE CUSTOMER PLATFORM and adjacent services strategy by partnerships across industry verticals



LOWER DRAG FROM LEGACY BUSINESSES VS. COMPETITORS (e.g., shrinking revenue pools in fixed voice and Pay TV)



LEANEST OPEX/CAPEX STRUCTURE (ability to deliver efficiency with EBITDA growing consistently and improving Capex over Revenues to lowest levels)

UNIQUE ASSETS TO LEVERAGE THE POTENTIAL OF OUR ASPIRATIONS

ON THE PATH TO REACH OUR ASPIRATION AFTER A TRANSFORMATIONAL 2022, **THE NEXT GENERATION TIM STEP 2**



MOBILE

- Improve customer perception on **mobile service quality**
- **Ensure value capture from Oi integration and take network quality to the next level**
- Evolve customer experience, promoting step-changing improvements
- Continue in the forefront of innovation

Become the best mobile operator in Brazil



BROADBAND

- Drive **client lifetime value**:
 - Improve quality with FTTC to FTTH migration;
 - Focus on customer value
- **Accelerate growth through partnerships**



Sustain and strengthen our broadband business



B2B/IOT TECH

- Become a full **orchestrator in B2B/IOT in selected verticals**
- **Partner with industrial leaders**
- Foster 5G opportunities through **partnerships and innovation initiatives**

Create a portfolio of E2E solutions for selected verticals



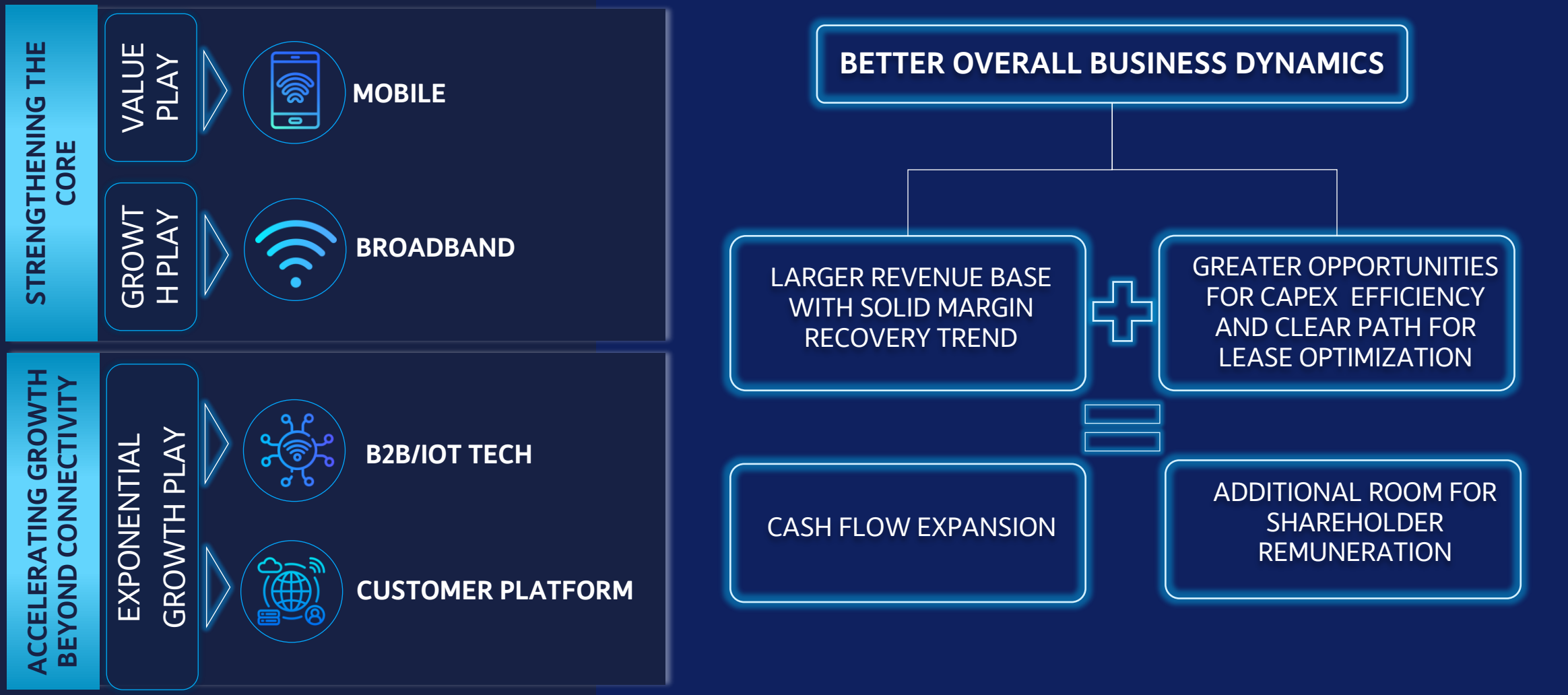
CUSTOMER PLATFORM

- **Scale-up** partnership portfolio and maximize value capture from existing verticals
- **New partnership in Health Care:**
Commercial partnership with “Grupo Cartão de Todos”

Evolve customer platform strategy






ESG AGENDA INSERTED IN THE COMPANY'S STRATEGY AND THROUGHOUT THE PLAN'S INITIATIVES

STRENGTHENING OUR CORE BUSINESS TO GENERATE CASH-FLOW TO SUSTAIN NEW AVENUES OF GROWTH AND INCREASE SHAREHOLDER REMUNERATION



NEXT GENERATION TIM STEP 2: UPDATED GUIDANCE 2023-25



OBJECTIVES	DRIVERS	SHORT-TERM TARGETS (2023)	MID-TERM TARGETS (until 2025)
 Revenue Sustainability	<ul style="list-style-type: none"> Maintain focus on value with better customer base trend; Rational competitive environment; Churn normalization process; Broadband and new initiatives as a complement to growth dynamics. 	Service Revenues Growth: High single-digit YoY	Service Revenues Growth: Mid single-digit (above inflation) CAGR 22-25
 Sustain High Profitability	<ul style="list-style-type: none"> Manage inflationary pressure with traditional cost control; Contribution margin from Oi's former clients; Digital transformation: new opportunities with Oi's former clients and new initiatives. 	EBITDA Growth: Low double-digit YoY	EBITDA Growth: High single-digit CAGR 22-25
 Efficient Investments	<ul style="list-style-type: none"> Secure synergies from acquired spectrum; 4G Traffic offload following 5G fast-paced rollout; Maintenance of an asset-light approach to FTTH expansion. 	Capex on revenues: Ratio < 20%	Capex: ~R\$ 13.3 bln Σ 23-25
 Expand Cash Generation	<ul style="list-style-type: none"> EBITDA contribution as business dynamics evolves; Capex allocation: opportunities to "do more with less" in infrastructure; Execute Site Decommissioning Plan: "short-term pain for long-term gain". 	EBITDA-AL minus CAPEX Growth: Double-digit YoY	EBITDA-AL minus CAPEX Growth: Double-digit CAGR 22-25
 Share Value Creation with Shareholders	<ul style="list-style-type: none"> Cash generation as the main driver for shareholder remuneration¹; Net Income is NOT the limit (distributable reserves ~R\$ 7.5 billion). 	~ R\$ 2.3 bln	Continuous evolution

Note: guidance does not consider tax reforms, regulatory changes, and new spectrum auctions; (1) Refers to total announcements and for IOC considers the gross amount.