

EARNINGS RELEASE 1ST QTR 2021



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2021 FIRST QUARTER RESULTS (Including the effects of IFRS 9, 15 and 16)

From volume to value: contributing to the recovery of commercial dynamics and generating operational resilience

- **Mobile ARPU posted strong growth of 6.6% YoY**, reaching R\$ 25.5;
- **TIM Live's UBB customer base was up by 13.3% YoY**, totaling 662k connections;
- **TIM Live's ARPU posted robust growth of 6.1% YoY**, reaching R\$ 89.6.

Continuous infrastructure expansion, offering the best customer experience

- **Leader in 4G coverage expanding to over 4k cities**, with emphasis to 700MHz frequency expansion, now reaching 3,468 cities;
- **VoLTE technology now available in more than 4k cities**, improving users' voice experience;
- **Acceleration of FTTH expansion with 3.5 million homes passed** by fiber optic and presence in 27 cities and 7 administrative regions in the Federal District by the end of March.

Strong Revenue and EBITDA performances boosting recovery pace

- **Total Service Revenues accelerated growth to 3.3% YoY** in 1Q21;
- **Mobile Service Revenues continued to increase, posting a 2.8% YoY growth**, driven by better performances of postpaid and prepaid segments;
- **TIM Live Revenues maintained its strong growth pace, up by 20.4% YoY** in 1Q21;
- **Provision for Doubtful Accounts (Bad Debt) fell 34.5% YoY**, contributing to keep Opex under control, increasing less than inflation (+1.7% YoY);
- **Normalized EBITDA* reached R\$ 2.0 billion, up 4.5% YoY**, mainly due to revenue acceleration;
- **Normalized EBITDA Margin* came to 46.6% in the quarter**, up by +0.7 p.p. YoY;
- **Normalized Net Income was up by 57.9% YoY**, totaling R\$ 277 million in 1Q21;
- **Investments totaled R\$ 1.3 billion**, with the pick-up of projects reprioritized in 2020 and the start of the preparation to receive Oi Mobile assets.

	DESCRIPTION	1Q21	1Q20	% YoY	4Q20	% QoQ
Operational	Mobile Customer Base ('000)	51,728	52,826	-2.1%	51,433	0.6%
	Prepaid	29,509	31,153	-5.3%	29,603	-0.3%
	Postpaid	22,219	21,673	2.5%	21,829	1.8%
	Human Postpaid	18,279	17,880	2.2%	18,036	1.3%
	4G Users Base ('000)	43,971	39,040	12.6%	42,043	4.6%
	TIM Live Customer Base ('000)	662	584	13.3%	645	2.5%
Financial (R\$ million)	Net Revenues	4,340	4,215	3.0%	4,678	-7.2%
	Services Revenues	4,228	4,091	3.3%	4,441	-4.8%
	Mobile Service	3,947	3,840	2.8%	4,164	-5.2%
	Fixed Service	281	251	12.1%	277	1.6%
	Normalized* Operating Expenses	(2,319)	(2,281)	1.7%	(2,298)	0.9%
	Normalized* EBITDA	2,020	1,934	4.5%	2,380	-15.1%
	Normalized* EBITDA Margin	46.6%	45.9%	0.7p.p.	50.9%	-4.3p.p.
	Normalized* Net Income	277	175	57.9%	1,038	-73.3%
	Capex (Ex-licenses aquisition)	1,324	904	46.5%	1,464	-9.5%

*Normalized EBITDA according to the items in the Costs section (+R\$ 27.2 million in 4Q20, +R\$ 2.6 million in 1Q20). Net income normalized by tax credit and other effects (-R\$ 2.4 million in 4Q20).

Conference in English:

May 6, 2021 at:
10:00 a.m. Brasilia Time
09:00 a.m. US (NY)

Conference in Portuguese:

May 6, 2021 at:
10:00 a.m. Brasilia Time
09:00 a.m. US (NY)

Available via webcast. [Click here](#)

Simultaneous translation from English into Portuguese available via webcast. [Click here](#)

FINANCIAL PERFORMANCE (Including the effects of IFRS 9, 15 and 16)

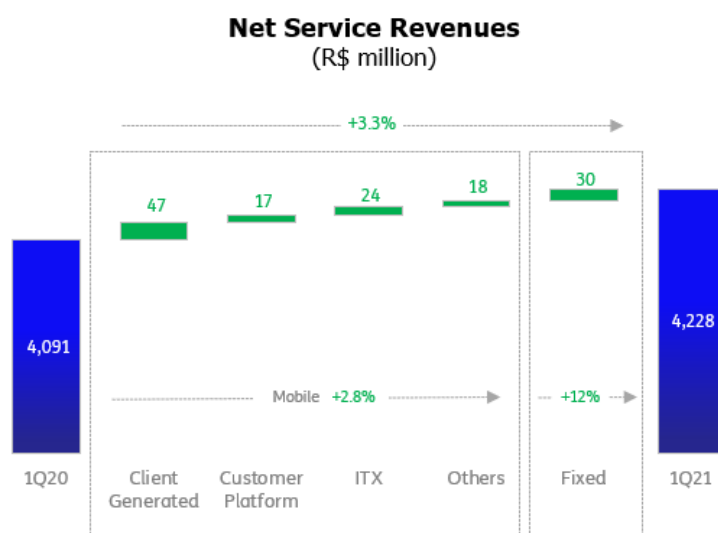
OPERATING REVENUE

DESCRIPTION	1Q21	1Q20	% YoY	4Q20	% QoQ
R\$ million					
Net Revenues	4,340	4,215	3.0%	4,678	-7.2%
Services Revenues	4,228	4,091	3.3%	4,441	-4.8%
Mobile Service	3,947	3,840	2.8%	4,164	-5.2%
Client Generated	3,600	3,553	1.3%	3,838	-6.2%
Interconnection	136	111	22.0%	136	-0.1%
Customer Platform*	17	-	n.a.	15	16.3%
Others	194	176	10.2%	176	10.4%
Fixed Service	281	251	12.1%	277	1.6%
of which TIM Live	174	144	20.4%	172	1.2%
Product Revenues	112	124	-10.1%	237	-53.0%

*The Customer Platform includes revenues from new initiatives, such as Financial Services and Mobile Advertising.

In 1Q21, Net Revenues were R\$4,340 million, up 3.0% YoY, endorsing its recovery trend since 3Q20. This improvement was partially offset by the new wave of COVID-19 pandemic in March.

Net Service Revenues increased by 3.3% YoY in 1Q21, boosting its growth compared to previous quarters. All service items positively contributed to this performance. Net Product Revenues interrupted its recovery trend and were down by 10.1% YoY in 1Q21. It was the line most impacted by the closing of brick-and-mortar stores and mobility restrictions due to the pandemic.



Breakdown of Mobile Segment (net of taxes and deductions):

Mobile Service Revenues (MSR) totaled R\$3,947 million, up by 2.8% compared to 1Q20, almost doubling growth pace when compared to 4Q20 figures (+1.5% YoY), due to better performances both in prepaid and postpaid segments.

Breaking down each mobile segment in the first quarter:

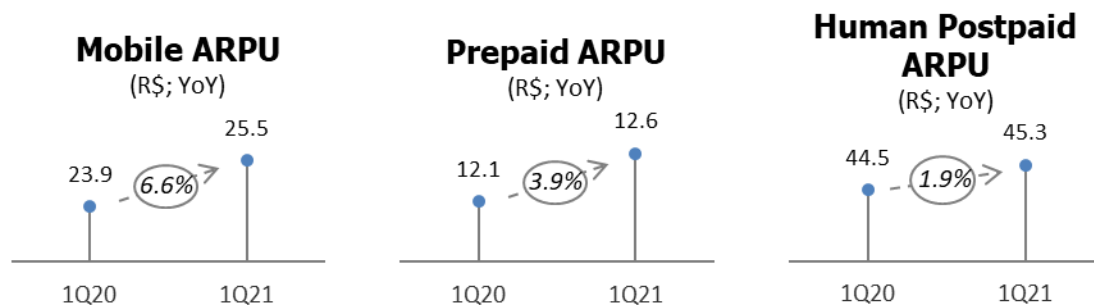
- (i) Prepaid segment, although impacted by the worsening of the pandemic, maintained the gradual recovery seen in the beginning of the second half of 2020. Rechargers improved in 1Q21, reaching positive figures in March in a yearly comparison. The increased penetration of TIM Pré TOP has

contributed to a stronger recurrence and expansion of the segment's ARPU. All effects combined, **Prepaid Revenues dropped 4.1% YoY**, reducing losses versus the drop recorded in 4Q20 (-4.9% YoY).

- (ii) Postpaid segment's recovery has been reinforced by continuous focus on a "Value" approach, emphasizing churn management and an offer portfolio geared towards ARPU increase. In 1Q21, human postpaid churn stood at 2.7% per month, contributing to positive net additions. **Postpaid Revenues grew 3.9% YoY in the quarter.**

ARPU's (Average Monthly Revenues per User) dynamics continues to drive MSR growth. **Consolidated mobile indicator grew 6.6% YoY and reached R\$25.5**, reflecting TIM's successful efforts to monetize its customer base through migrations to higher value prepaid and postpaid plans.

The segments' ARPU, which excludes Other Mobile Revenues and Customer Platform, **increased in prepaid by 3.9% YoY and by 1.9% YoY in postpaid (ex-M2M).**



In 1Q21, Interconnection Revenues (ITX) grew 22.0% YoY, reflecting the impact from a higher MTR rate (Mobile Termination Revenue +17.2% YoY) in addition to an increase in incoming traffic (+30.5% YoY). **The incidence of MTR on Net Service Revenues reached 2.6% in the quarter.**

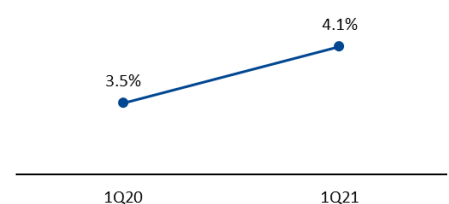
Customer Platform Revenues totaled R\$ 17 million in 1Q21, of which R\$ 11 million were generated by Financial Services, and R\$ 6 million from Mobile Advertising (the latter being the first quarter recording revenue and helped by the evolution of platforms such as TIM Ads and *Informa* TIM).

The Other Revenues line was up by 10.2% YoY in 1Q21, mainly due to increased revenues from network sharing and swap agreements, in line with the company's strategy to expand the fiber optic transport infrastructure (backbone and backhaul) with higher efficiency in asset allocation (Capex and Opex).

Breakdown of Fixed Segment (net of taxes and deductions):

Fixed Service Revenues totaled R\$ 281 million in the quarter, a 12.1% increase from 1Q20. This performance continues to reflect **TIM Live's performance, which rose 20.4% YoY in 1Q21** and continued to account for approximately 62% of fixed service revenues. Other fixed services were up by 0.8% YoY.

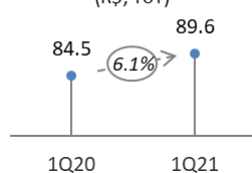
Contribution of Live on Service Revenues



At the end of the quarter, TIM Live was present in 27 cities and 7 administrative regions of the Federal District.

TIM Live ARPU

(R\$, YoY)



TIM Live's ARPU (Average Monthly Revenues per User) was up by 6.1% YoY. The performance is explained by the penetration of higher-value FTTH offers with faster speeds (connections over 100 Mbps accounts for 50% of customer base) and price readjustments as of July 2020 in most plans.

OPERATING COSTS AND EXPENSES

DESCRIPTION	1Q21	1Q20	% YoY	4Q20	% QoQ
R\$ million					
Reported Operating Expenses	(2,319)	(2,284)	1.5%	(2,325)	-0.2%
Normalized* Operating Expenses	(2,319)	(2,281)	1.7%	(2,298)	0.9%
Personnel	(277)	(257)	8.0%	(249)	11.3%
Selling and Marketing	(815)	(802)	1.6%	(766)	6.3%
Network & Interconnection	(720)	(627)	14.8%	(650)	10.8%
General & Administrative	(167)	(158)	5.9%	(165)	1.1%
Cost Of Goods Sold (COGS)	(146)	(159)	-8.3%	(294)	-50.6%
Bad Debt	(123)	(189)	-34.5%	(97)	26.7%
Other operational revenues (expenses)	(70)	(90)	-21.6%	(74)	-5.1%
Normalized* Operating Expenses Ex-COGS	(2,174)	(2,123)	2.4%	(2,003)	8.5%

*Operating Costs normalized by adjustments to towers' sale-leaseback contract (+R\$ 2.6 million in 1Q20), legal and administrative services related to special projects (+R\$ 27.2 in 4Q20).

Reported Operating Costs and Expenses totaled R\$ 2,319 million in 1Q21 (+1.5% YoY). This performance is slightly impacted by non-recurring items accounted in 1Q20 – in the amount of R\$ 2.6 million – related to adjustment to towers' sale-leaseback contract. In this quarter, the line was not impacted by non-recurring expenses.

In 1Q21, Normalized Operating Costs and Expenses came to R\$ 2,319 million, up by 1.7% YoY. Even though variable and fixed costs returned to previous levels, due to a more intense pick-up of commercial activities in the first two months of the year, performance remains positively impacted by a solid execution of cost controls and efficiency on multiple fronts, despite the inflation for the period (12M IPCA: 6.10%).

Breakdown of Costs and Expenses Performance:

Personnel Costs increased by 8.0% YoY in 1Q21. This performance was mainly influenced by organic elements, such as inflation on wages and benefits and increased expenses with labor contingencies in social security proceedings.

Selling and Marketing Expenses were up by 1.6% YoY in 1Q21, mainly impacted by higher product marketing and advertising expenses, derived from increased media exposure, and higher FISTEL expenses. This was partially offset by efficiency gains from process digitalization and higher penetration of digital channels and a scenario of reduced sales in the yearly comparison, with lower commissioning expenses from rechargers and line activations.

The Network and Interconnection group rose 14.8% YoY in 1Q21, boosted by higher costs from the interconnection subgroup (ITX), mainly explained by: (i) a higher mobile termination rate (MTR) as from February 2021; and (ii) increased pressure of outgoing traffic to other operators due to the pandemic. Network expenses also increased in 1Q21, stemming from higher costs in infrastructure sharing contracts, compared to an improvement to energy costs.

Normalized General and Administrative (G&A) Expenses were up by 5.9% YoY in the quarter. This increase is mostly explained by the net effect of: (i) higher IT maintenance and rental expenses; and (ii) lower expenditures with professional services (especially legal), and cleaning/surveillance regular services and transportation.

Cost of Goods Sold (COGS) totaled R\$ 146 million in 1Q21 (-8.3% YoY), following the drop in Product Revenue due to a lower volume of handset sales, despite the increase in higher-value product mix. The performance mainly reflects the closing of TIM's brick-and-mortar stores (the Company's main handset sales channel) during March, due to measures to contain COVID-19 in Brazil.

In 1Q20, the Provisions for Doubtful Accounts (Bad Debt) fell 34.5% YoY, the fourth consecutive quarter with a yearly drop, showing the continuous efforts to enhance customer acquisition through more robust credit models and policies, and higher efficiency in collection and recovery. **In absolute figures, Bad Debt came to R\$ 123 million, accounting for 2.02% of TIM's Gross Revenue.**

Normalized Other Operating Expenses¹ were down by 21.6% YoY in 1Q21, explained by (i) reduced expenses from losses with civil and labor lawsuits; and iii) increased provisioning for labor lawsuits, partially offset by a lower spending with civil lawsuit provisions. This line's share over the quarter's total normalized Opex stood at 3.0% in 1Q21 (versus 3.9% in 1Q20).

Subscriber Acquisition Costs (SAC = subsidy + commissioning + advertising expenses) totaled R\$ 52.1 per gross addition in 1Q21, down by 12.6% YoY, impacted by the higher M2M gross additions volume in 1Q21 compared to 1Q20.

2.0
Months
payback

The SAC/ARPU ratio (payback per client) fell YoY, reaching 2.0 months from 2.5 months in 1Q20.

¹ The Other Operating Expenses line had negative non-recurring impact in 1Q20 (R\$ 2.6 million), related to adjustments to towers' sale-leaseback contract.

FROM EBITDA TO NET INCOME

DESCRIPTION	1Q21	1Q20	% YoY	4Q20	% QoQ
R\$ million					
Normalized* EBITDA	2,020	1,934	4.5%	2,380	-15.1%
Normalized* EBITDA Margin	46.6%	45.9%	0.7p.p.	50.9%	-4.3p.p.
Depreciation & Amortization	(1,428)	(1,409)	1.4%	(1,379)	3.6%
Depreciation	(980)	(935)	4.8%	(945)	3.6%
Amortization	(448)	(473)	-5.4%	(433)	3.3%
Normalized* EBIT	592	525	12.8%	1,002	-40.8%
Normalized* EBIT Margin	13.7%	12.5%	1.2p.p.	21.4%	-7.8p.p.
Normalized Net Financial Results	(225)	(251)	-10.4%	(44)	407.7%
Financial expenses	(293)	(320)	-8.5%	(280)	4.5%
Financial income	67	61	8.6%	240	-72.2%
Net exchange variation	1	7	-90.0%	(4)	n.a.
Normalized* EBT	367	274	34.0%	957	-61.6%
Normalized* Income tax and social contribution	(90)	(99)	-8.4%	81	n.a.
Normalized* Net Income	277	175	57.9%	1,038	-73.3%
Total Normalized Items	-	(3)	n.a.	(25)	n.a.
Reported EBITDA	2,020	1,931	4.6%	2,353	-14.1%
Reported EBITDA Margin	46.6%	45.8%	0.7p.p.	50.3%	-3.7p.p.
EBIT	592	523	13.4%	974	-39.2%
EBIT Margin	13.7%	12.4%	1.3p.p.	20.8%	-7.2p.p.
Net Financial Results	(225)	(251)	-10.4%	(44)	407.7%
Income before taxes	367	271	35.3%	930	-60.5%
Income tax and social contribution	(90)	(99)	-8.4%	83	n.a.
Net Income	277	173	60.3%	1,013	-72.7%

*EBITDA normalized according to the items in the Costs section (+R\$ 27.2 million in 4Q20 and +R\$ 2.6 million in 1Q20). Net income normalized by tax credit and other effects (-R\$ 2.4 million in 4Q20).

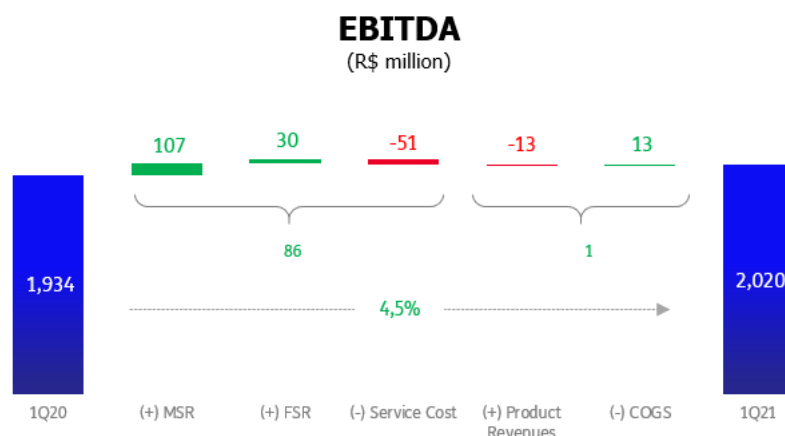
EBITDA² (Earnings before Interest, Taxes, Depreciation and Amortization)

Normalized EBITDA² in 1Q21 totaled R\$ 2,020 million, up 4.5% YoY. Main performance drivers were (i) Mobile Service Revenue growth resumption, (ii) maintenance of solid Fixed Service Revenues growth.

As a result of 1Q21, TIM has posted positive EBITDA growth for 19 quarters, showing its strategy consistency and the commitment to business profitability.

Normalized EBITDA Margin² came to 46.6%, translating in a 0.7 p.p. growth compared to 1Q20.

² EBITDA normalized according to items in the Operating Costs and Expenses section.



DEPRECIATION AND AMORTIZATION (D&A) / EBIT

In 1Q21, D&A was up by 1.4% YoY, explained by increased Depreciation of 4G equipment and right of use related to a larger lease agreement base, even though it was offset by lower software amortization.

Normalized EBIT³ in 1Q21 grew 12.8% YoY, reflecting EBITDA growth. Normalized EBIT Margin ended the quarter at 13.7%, 1.2 p.p. up compared to 1Q20.

NET FINANCIAL RESULTS

Net Financial Results in 1Q21 were negative by R\$ 225 million, R\$ 26 million better than 1Q20.

This difference is mainly related to lower financial expenses from the net effect of: (i) lower spending with interest from financing, lower expenses from the monetary restatement of civil and labor contingencies; and (ii) higher volume of interest on leasing.

INCOME TAX AND SOCIAL CONTRIBUTION

In 1Q21, Reported Income Tax and Social Contribution totaled -R\$ 90 million, compared to -R\$ 99 million in 1Q20, the reduction is mainly due to the higher use of tax benefits in 1Q21. On a Normalized basis, there was a ~R\$ 9.0 million reduction in 1Q21 when compared to -R\$ 99 million in 1Q20, for the reasons already explained above, considering the absence of relevant non-recurring effects. **In 1Q21, the effective rate stood at -24.6%** vs. -36.0% in 1Q20 (on a Normalized basis).

NET INCOME⁴

In 1Q21, Normalized Net Income⁴ increased by 57.9% compared to 1Q20, totaling R\$ 277 million. Normalized Earnings per Share (EPS) was R\$ 0.11 vs. R\$ 0.07 in 1Q20.

³ EBIT normalized according to items in the Operating Costs and Expenses section.

⁴ Net Income normalized according to items in the Operating Costs and Expenses section.

CASH FLOW, DEBT AND CAPEX

DESCRIPTION	1Q21	1Q20	%YoY	4Q20	% QoQ
R\$ million					
EBITDA Normalized*	2,020	1,934	4.5%	2,380	-15.1%
Capex	(1,324)	(904)	46.5%	(1,464)	-9.5%
EBITDA - Capex	696	1,030	-32.4%	916	-24.0%
Δ Working Capital	(74)	(1,425)	-94.8%	1,181	n.a.
Non recurring operating items	-	(3)	n.a.	(27)	n.a.
Operating Free Cash Flow	622	(398)	n.a.	2,070	-70.0%

*EBITDA normalized according to the items in the Costs section (+R\$ 2.6 million in 1Q20, - R\$ 2.4 million in 4Q20).

Operating Free Cash Flow (OFCF) in 1Q21 was positive by R\$ 622 million, a growth of R\$ 1,020 million, reversing the negative R\$ 398 million in 1Q20. This result mainly reflects a more positive Change in Working Capital.

In 1Q21, EBITDA-Capex came to R\$ 696 million, a decrease of 32.4% YoY, taking EBITDA-Capex over Net Revenues to 16.0% (vs 24.4% in 1Q20).

In an exercise to exclude the leases effects from these indicators, 1Q21 EBITDA was recalculated considering the impact of the lease contracts over the operating expenses. Therefore, EBITDA-AL (After Lease) minus Capex would sum up to R\$ 235 million (-60.7% YoY).

CAPEX

Capex totaled R\$ 1,324 million in 1Q21, up by 46.5% compared to 1Q20. The hike is mainly explained by the return of investments after two quarters impacted by project reevaluation due to the pandemic. Additionally, the company has begun to prepare itself for the integration of Oi Mobile assets.

Investments are still being allocated to infrastructure (95% of the total), mainly to projects in IT, 4G technology through 700 MHZ, transport network and FTTH expansion (which received approximately 9.6% of 1Q21 investments).

CHANGE IN WORKING CAPITAL

Change in working capital was negative by R\$ 74 million, a 94.8% YoY improvement, mostly due to the reduction of the impact on the Suppliers account (the Suppliers account delta changed from R\$ 1,305 million in 1Q20 to R\$ 474 million in 1Q21). Additionally, in comparison with the 1Q20, in the present quarter, the line was positively impacted by the variation in Trade Accounts Receivable, Recoverable Taxes and Prepaid Expenses.

Additionally, it is important to note that, regarding Fistel fees, in 1Q20, their payment was postponed (about R\$ 789 million) – usually due in March – to August 31, 2020. In 3Q20, we paid nearly R\$ 300 million related to said taxes, related to Condecine and CFRP, negatively impacting Change in Working Capital and Cash Flow for that quarter. In 1Q21, we paid nearly R\$ 73 million related to CFRP. The remaining Fistel (TFF) amount, related to both years, is still suspended, without a defined payment date.

DEBT AND CASH

Gross Debt ended 1Q21 at R\$ 10,235 million, up by R\$ 79 million YoY. The current balance includes (i) leasing recognition in the total amount of R\$ 8,180 million (related to the sale of towers, the LT Amazonas project and lease contracts with terms exceeding 12 months pursuant to IFRS 16); (ii) financing with banks summing up to R\$ 2,545 million; and (iii) hedging derivatives⁵ position in the amount of R\$ 651 million (reducing gross debt).

By the end of 1Q21, financings (after hedge) totaled R\$ 2,056 million, being composed by contracts with foreign private banks and fully hedged in local currency. **The average cost of debt excluding leases was 2.8% p.y. in the quarter**, down when compared to 4.5% p.y. in 1Q20.

As mentioned during 2020, in April/20, the Company's Board of Directors approved the borrowing of R\$ 1,000 million to enhance liquidity ahead of possible impacts that the COVID-19 pandemic could cause on the economy. Of that amount, R\$ 574 million were borrowed from The Bank of Nova Scotia in the same month. During 2Q20, TIM assessed the best conditions for borrowing the remaining sum and in July the company contracted R\$ 426 million from BNP Paribas. Also, in July, TIM fully paid its Debentures (~R\$1,000 million) originally distributed in January 2019.

In March, TIM's Board of Directors approved the financing program for the acquisition of Oi's mobile assets. The approved financial strategy consists of contracting foreign loans in foreign or national currency - with exchange and interest rate coverage - in the amount of up to R\$ 4 billion, for a period of up to 4 years. In April 2021, two contracts were signed with foreign banks, in the total amount of R\$ 1.072 billion.

In April, the Company received authorization from the Ministry of Communications to issue up to R\$ 5.75 billion in incentive debentures, the highest approval ever made by the Government within the scope of the program. The contribution may be used to finance TIM's infrastructure project, which covers the evolution of the fixed and mobile network, including 5G, and the virtualization of the telecommunication network, with the objective of increasing the quality and availability of the offered services.



At the end of the quarter, Cash and Securities totaled R\$ 4,319 million, an increase of R\$ 2,723 million YoY.

The average cash yield was 2.4% p.y. in 1Q21, flat compared to the 1Q20, above the Selic rate performance.

⁵ The Derivatives position excludes the subscription bonus in C6 Bank capital – TIM S.A. Financial Statements, Note 36.

In 1Q21, Net Debt totaled R\$ 5,917 million, down by R\$ 2,644 million when compared to the same period of the prior year, when net debt was R\$ 8,561 million. This reduction is explained by the growth of Cash and Short-term Investments outpacing the rise of debt and leasing balance. Net Debt excluding leasing effects, Net Debt-AL, would reach -R\$ 2,480 million, in other words, a “net cash” position with an improvement of R\$ 2,873 million compared to the previous year.

Net Debt/EBITDA stood at 0.70x in the quarter. Excluding financial leases, Net Debt-AL/EBITDA-AL was -0.37x in 1Q21, down compared to 0.06x in 1Q20.

QUARTERLY EVENTS AND SUBSEQUENT EVENTS

CELEBRATION OF AGREEMENT WITH IHS OF SHAREHOLDING IN FIBERCO

On May 5th, 2021, TIM S.A., informed its shareholders and the market in general that, at a meeting of the Company's Board of Directors held today, an agreement ("Agreement") was approved between TIM S.A. and IHS Fiber Brasil - Cessao de Infraestruturas Ltda. ("IHS"), in order to acquire an equity stake in FiberCo Soluções de Infraestrutura Ltda. ("FiberCo"), a vehicle established by the Company for the segregation of network assets and the provision of infrastructure services.

IHS is a large and diversified telecommunications infrastructure provider focused on emerging markets and operating in 9 countries in Africa, Middle East and Latin America. IHS, besides owning more than 28 thousand towers, seeks the expansion of the value chain in infrastructure services.

In the Agreement, TIM will sell 51% of FiberCo's share capital in favor of IHS, and the remaining 49% will remain under the Company's control. The relationship between the partners will be governed by a shareholders' agreement to be entered into upon closing of the transaction.

FiberCo's initial asset base will consist of TIM's secondary network infrastructure contribution covering approximately 6.4 million households, of which 3.5 million are FTTH and 3.5 million FTTC. In addition, other assets, contracts and employees will be transferred to FiberCo, all exclusively related to its activities. These transfers will only take place after the Agreement is approved by the competent authorities.

In this context, the Enterprise Value of FiberCo was established at R\$ 2.6 billion. The transaction includes a primary component (R\$ 609,000,000.00) going to FiberCo's cash and secondary component (R\$ 1,027,590,000) to be paid to TIM.

FiberCo's mission is to deploy, operate and maintain last-mile infrastructure for broadband access to be offered in the wholesale market. Nevertheless, the terms of the agreement define TIM as anchor customer, having the prerogative of a 6 months exclusivity period after the entrance in new areas.

This transaction is expected to support the Company's plan to accelerate the provision of fiber connectivity services to B2C and B2B customers. Accordingly, FiberCo's business plan is to reach 8.9 million FTTH households within 4 years. FiberCo will also participate in other infrastructure projects, such as FTTSite, together with TIM.

This transaction has always been seen by the company from an industrial perspective, seeking the evolution and growth of its broadband business. However, the positive financial and economic impacts cannot be left aside. It is expected that the deal will enable the Company to deconsolidate a relevant part of its CAPEX, causing a positive effect on its cash flow. In parallel, TIM expects to use the proceeds of this transaction to help meeting its investment obligations, such as the acquisition of Oi Mobile's assets.

This transaction is subject to the fulfillment of certain preceding conditions, including, among others, the contribution of assets described above and the obtaining of authorizations from the competent authorities, such as the Agência Nacional de Telecomunicações - Anatel and the Conselho Administrativo de Defesa Econômica - CADE.

CREDIT AGREEMENTS WITH FOREIGN BANKS

In April 2021, the Company entered into two loan agreements with Banks BNP and Bank of Nova Scotia, in the total amount of R\$ 1.1 billion. Those agreements are payable in three years. (Financial Statements, Note 20)

TAX CONTINGENCY

In March 2011, the Company received the tax assessment notice 10480.721765/2011-46, drawn up by the Brazilian Federal Revenue, in the amount of R\$ 1,265 million, which addresses corporate income tax (IRPJ) and social contribution (CSL) related to: (i) goodwill; (ii) undue offset of tax losses and negative basis; (iii) allegedly improper use of the Sudene tax benefit; (iv) withholding income tax (IRRF) deductions; (v) deduction of estimates and (vi) fines.

The result of the judgment in the administrative trial court was the full maintenance of the assessment, but the voluntary appeal filed by the company was partially accepted. The company was notified of the judgment on April 28, 2021. As a result, the partial success of R\$ 736 million (historical values) and R\$ 1.4 billion (updated values) was confirmed.

Of the aforementioned total amount, R\$ 43 million (historical values) and R\$ 79 million (updated values) were already classified as remote risk and the remainder as possible risk. The full amount corresponding to the partial success will be definitively excluded from the tax contingency and the remaining amount will continue to be discussed in the course of the administrative proceeding, which will still be brought to the attention of the Upper Chamber of the Administrative Council of Tax Appeals (CARF). (Financial Statements, Note 24)

OPERATING AND MARKETING PERFORMANCE

DESCRIPTION	1Q21	1Q20	% YoY	4Q20	% QoQ
Mobile Customer Base ('000)	51,728	52,826	-2.1%	51,433	0.6%
Prepaid	29,509	31,153	-5.3%	29,603	-0.3%
Postpaid	22,219	21,673	2.5%	21,829	1.8%
Human Postpaid	18,279	17,880	2.2%	18,036	1.3%
4G Users Base ('000)	43,971	39,040	12.6%	42,043	4.6%
Market Share	21.5%	23.3%	-1.8p.p.	22.0%	-0.4p.p.
Prepaid	25.4%	27.3%	-1.9p.p.	25.8%	-0.4p.p.
Postpaid	17.9%	19.3%	-1.4p.p.	18.3%	-0.4p.p.
Human Postpaid	19.4%	20.7%	-1.4p.p.	19.8%	-0.5p.p.
Net Additions ('000)	296	(1,621)	-118.2%	274	8.0%
Fixed Telephony Customer Base ('000)	887	1,101	-19.4%	935	-5.1%
TIM Live Customer Base ('000)	662	584	13.3%	645	2.5%

MOBILE SEGMENT:

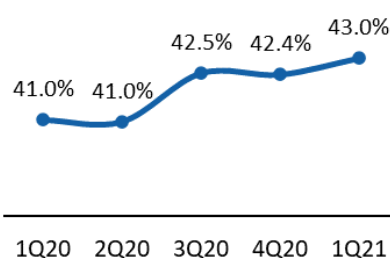
GENERAL MARKET

The mobile market reported a growth of 6.2% YoY in 1Q21, reinforcing the positive evolution of the base, observed for the first time since 2015, in the last quarter. In the past 12 months, postpaid net additions reached 12.0 million users (68% were human postpaid lines). Prepaid reached 2.0 million new lines, posting net additions after 6 years.

TIM

TIM ended 1Q21 with a total of 51.2 million users, reporting a slight increase of 0.6% QoQ and a drop of 2.1% YoY. In line with the market movement, the new increase in the quarter reaffirms the discontinuation of reduction trend seeing since 2016.

Postpaid Base Mix
(% over Total Customer Base)



The postpaid base ended the 1Q21 with 22.2 million lines (+2.5% YoY), representing 43.0% of the total base (+2.0 p.p. YoY). In the period, the human lines mix remained flat, representing 82.3% over the total segment's base.

At the end of the quarter, human postpaid reached 18.3 million lines (+2.2% YoY), with net additions of 399 thousand lines in the last 12 months. 1Q21 was marked by new lockdown measures to combat the COVID-19 pandemic in relevant regions in the country. Despite the impact on commercial activity in the period, the segment maintained a lower level of monthly churn rate (2.7% in 1Q21), as recorded in the last quarters.

The M2M base ended the quarter with 3.9 million users (+3.9% YoY). In the last 12 months, net additions accumulated 147 thousand lines. The acceleration of the segment still depends on an increase in demand from corporate customers, which is associated with a more intense level of economic activity.

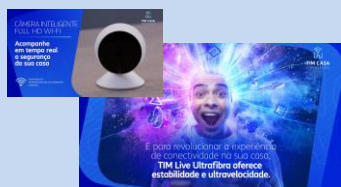
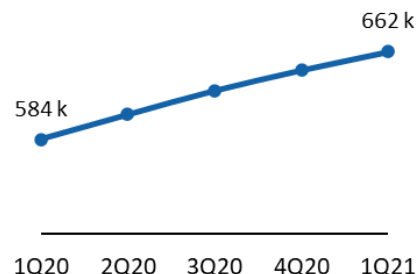
In 1Q21, the prepaid base reached 29.5 million lines, down 5.3% YoY. The net additions of the segment accumulated a volume of disconnections lower than previous periods, 1.6 million in the last 12 months. Urban mobility restrictions directly impacted the sell-out dynamics over the period, however results from April-21 already show a more accelerated recovery in the segment's recharges performance.

The 4G base ended the period with 44.0 million users, accelerating once again the pace and returning to the double-digit growth level (+12.6% YoY). The 4G handsets mix in the total human lines base reached its highest historical level, 92% (+12 p.p. YoY).

FIXED SEGMENT:

TIM Live ended the 1Q21 with 662k connections, maintaining the accelerated growth pace (+13.3% YoY). In the last 12 months, net additions reached 78 thousand lines, where above 200 mbps speed plans were responsible for the expansion dynamics of the period. This was the first quarter of which the higher-value plans, with speed above 100 mbps, exceeded 50% of the total base.

TIM Live Clients Evolution
(# users)



In 1Q21, TIM Live started to have **product options for home automation in the TIM Tech Store**. The launch of online store aims to give exclusive discounts to customers of the service in this marketplace. The product strategy complements the service offering in standalone mode and OTT content already offered, adding even more value to connectivity.

The network's rollout continued to accelerate, prioritizing the consolidation of already active clusters. As a result, the total of homes passed grew 39.9% YoY, with the total number of locations stable compared to the last quarter (27 cities and 7 administrative regions).

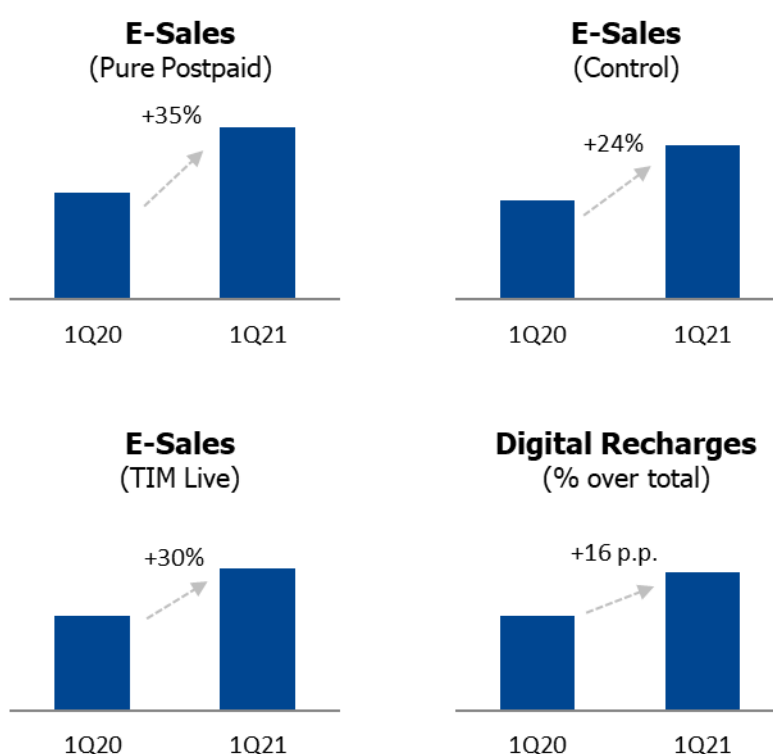
QUALITY AND NETWORK

QUALITY AND CUSTOMER EXPERIENCE

In the challenging scenario brought by the COVID-19 pandemic in 2020, and amid a dynamic socio and economic recovery, the **digital transformation** strategy continues to gain even more relevance. In this recovery, all of TIM's efforts over the past years, through its digital initiatives and its network's ongoing development, aimed to reinforce its positioning in the market, always seeking to offer the best experience to its customers and society, has proven to be consistent.

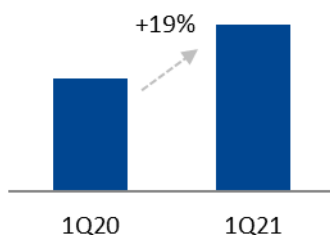
Accordingly, our digital channels' positive results and the excellence of services offered to our customers prove not only TIM's capacity to adapt to several situations without losing its efficiency and quality, but also the right decision we made and reinforce our purpose of **"evolving together with courage, transforming technology into freedom"**.

For yet another quarter, efforts to simplify self-service and boost digital sales channels have generated positive results. In 1Q21, pure postpaid digital sales were up by 35.4% YoY, while Consumer Control increase by 23.7% YoY. TIM Live's digital sales gained relevance, posting a 30.4% YoY growth. Additionally, the digital recharges mix continued to increase (+15.8 p.p. compared to 1Q20).

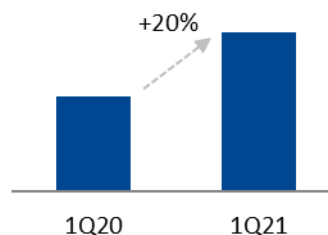


Accordingly, digital mechanisms for billing and payment kept their growth pace in the quarter. Invoices delivered through digital channels posted a 19.4% YoY growth, with a base penetration of 77.2% (+11.1 p.p. YoY). The number of customers digitally paying up their invoices also increased (+19.9% YoY) representing a penetration of 75.3% (+7.7 p.p. YoY). Another convenience offered to TIM's customers is the possibility to recharge and/or check balances and usage limits, as well as the opportunity to receive their invoices through WhatsApp.

E-Billing
(# e-bills delivered)

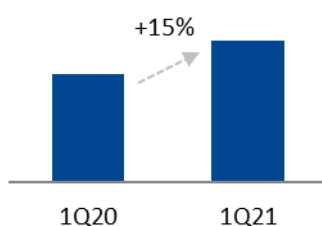


E-Payment
(# of accesses with payment by e-methods)

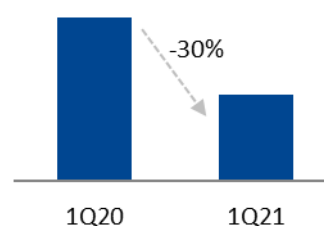


Another fundamental factor is the simplification of caring processes. Therefore, in 1Q21, Meu TIM app continued to be an important tool to achieve this goal, offering customers greater transparency and control to manage their plans. The 15.0% YoY growth in the app's monthly average of unique users, once again demonstrates customer's increasingly acceptance of this channel. Furthermore, the 29.7% YoY decline in human interactions also reinforces the channel's importance, reducing dependency on call centers.

MEU TIM
(single users)



Human Interactions
(# interactions)



Another ingenious initiative explored by the Company is the use of artificial intelligence at the customer service center. These innovations bring benefits to customers, by implementing tools that can automatically identify possible problems in the services provided to users, suggesting corrective measures, or solving them. TIM's cognitive self-service provide voice responses, in natural language and in real time, to consumers' doubts or demands about the benefits of each plan, invoice payment, in addition to other services such as hiring data service, unblock lines, question information and others. In 1Q21, we had **4 million self-services per month on average through the cognitive assistant**. Since its implementation in 2020, **over 34 million calls have come through the new cognitive IVR, of which 12 million only in 1Q21**. We expect to reach 50 million cognitive services by the end of the year.

NETWORK DEVELOPMENT

A key pillar in TIM's strategic plans, expansion and improvement of network infrastructure is related to the continuous improvement of our services. In difficult times, "more than never, we need to be connected", and, therefore, TIM reinforced even further its commitment to ensuring the best network quality and user experience, meeting the needs of our customers and society'.

Therefore, in the quarter, **Capex allocated to infrastructure projects (Network + IT) surpassed 95%**, using analytical tools to ensure efficient allocation of resources. Some of the most important initiatives are:

- Expansion of the fiber optic network (backbone, backhaul and FTTH);
- Network sharing agreements;
- Frequency refarming;
- Carrier aggregation;
- Site densification.

Among the main actions and projects underway, which are focused on the modernization and enhancement of our infrastructure, we highlight:

- Commitment to expand of the **4G coverage to all Brazilian cities by 2023**;
- Installation of multiple data centers to enhance experience, being 14 DCC (Data Center Core) and 19 DCE (Data Center Edge) - 33 in total at the end of 1Q21;
- Expansion of **4.5G coverage to 1,480 cities in 1Q21 and**;
- Expansion of **700MHz frequency 4G use for 3,468 cities** by the end of the year;
- Expansion of **VoLTE, available in 4,086 cities**;
- Extension of **refarming of 2.1 GHz frequency in 4G, reaching 338 cities**;
- Infrastructure virtualization project;
- Expansion of network capacity through the **Massive MIMO** solution;
- Mobile infrastructure sharing agreement with Vivo, geared towards efficiency in Capex and Opex allocation;
- Expansion to **122 sites installed in the Sky Coverage project** (sustainable and extreme low-cost solution with social benefits to provide coverage in remote areas);
- Consolidation of **NB-IoT network, present in more than 3,529 municipalities by the end the 1Q21**, enabling the creation of IoT solutions in big cities as well as in distant municipalities.

DESCRIÇÃO	1T21	1T20	%A/A	4T20	%T/T
Cidades 4G	4,121	3,506	17.5%	3,877	6.3%
das quais 700 Mhz habilitadas	3,468	2,436	42.4%	3,294	5.3%
das quais VoLTE habilitadas	4,086	3,459	18.1%	3,860	5.9%
População Urbana Coberta (4G)	96%	94%	2.0p.p.	95%	1.0p.p.
das quais 700 Mhz habilitadas	92%	82%	10.0p.p.	92%	n.a.
das quais VoLTE habilitadas	95%	93%	2.0p.p.	94%	1.0p.p.
Cidades 3G	3,821	3,285	16.3%	3,506	9.0%
População Urbana Coberta (3G)	93%	92%	1.0p.p.	93%	n.a.

Once again, **TIM ensures its leadership in 4G Coverage, surpassing 4k cities connected through this technology**. Therefore, the Company continues its mission to offer the best 4G coverage to all Brazilian cities. **In the quarter, 4G coverage has expanded to 4,121 cities, or 96% of urban population covered**. The 21% YoY growth in this technology's network elements in the period reinforces the Company's commitment to the evolution of mobile network infrastructure's quality and capacity. As a result, 4G data traffic reached 91%, up by 4 p.p. compared to the previous year.

The expansion of fixed broadband coverage evolved positively throughout the quarter, surpassing 3.5 million homes passed with FTTH while FTTC ended March at 3.5 million HPs. This totals 6.4 million homes passed in 29 cities and 7 administrative regions of the Federal District (FTTH +FTTC)⁶.

In transport infrastructure, TIM reached **more than 109k km with fiber optic** for backbone and backhaul, a 7.0% YoY increase, and in the FTTCity project reached to 1,021 cities. This evolution continues to support the increase in traffic in both Mobile and Fixed services.

Finally, **with 1,709 active Biosites at the end of 1Q21**, the development of Biosite installation projects is also aligned with the company's corporate social responsibility values. These structures provide a solution for the densification of the mobile access network (antennas/towers) with an extremely low visual and urban impact. Biosites also contribute to the harmonization with the environment and urban infrastructure – having a multifunctional capability of aggregating telecommunications transmission, lighting and security cameras – , besides being cheaper and faster to install.

Currently, the company is authorized to use more than 110 MHz, with 36 MHz in frequencies below 1 GHz distributed as follows:

Average Spectrum Weighted by Population					
700 MHz	850 MHz	900 MHz	1,800 MHz	2,100 MHz	2,500 MHz
20	11	5	35	22	20

⁶ Rio de Janeiro (RJ), São Gonçalo (RJ), Nilópolis (RJ), Nova Iguaçu (RJ), São João do Meriti (RJ), Duque de Caxias (RJ), São Paulo (SP), Mauá (SP), Poá (SP), Suzano (SP), Francisco Morato (SP), Franco da Rocha (SP), Diadema (SP), Guarulhos (SP), Salvador (BA), Lauro de Freitas (BA), Camaçari (BA), Feira de Santana (BA), Recife (PE), Olinda (PE), Jaboatão dos Guararapes (PE), Paulista (PE), Goiânia (GO), Aparecida de Goiânia (GO), Anápolis (GO), Manaus (AM), Belo Horizonte (MG), Betim (MG), Contagem (MG), Brasília (DF), Taguatinga (DF), Samambaia (DF), Ceilândia (DF), Águas Claras (DF), Guará (DF) and Candangolândia (DF).

ENVIRONMENTAL, SOCIAL & GOVERNANCE

1Q21 ESG HIGHLIGHTS

TIM has established a new and more ambitious plan named [ESG Plan](#), for the 2021-23 three-year period. Based on the ambitions laid down in the previous Industrial Plan (2020-2022), the Company introduces new goals related to a set of initiatives, which are part of its strategy, contributing to a consistent inter-relation between ESG topics, business operation and organizational accountability.

7 new goals were added to the 8 previously created and improved:

- At least 95% of solid waste recycled by 2023;
- 90% of energy consumed from renewable sources by 2025;
- Black people to make up 40% of the workforce by 2023;
- Females to hold 35% of the leadership positions by 2023;
- Bring 4G coverage to all Brazilian municipalities by 2023;
- Reduce customer complaints at Anatel by 50% until 2023, based on 2019 figures;
- Maintain ISO 14011 and ISO 9001 certifications by 2023.

For TIM, building the future begins with a strong basis and setting up the right strategic path. As a pioneer in Environmental, Social & Governance (ESG) topics in the Brazilian Telecommunications industry, the Company has continually acted to strengthen this culture. For instance, we can name the creation of the ESG Committee, an advisory body to the Board of Directors (BoD) and the development of an ESG Indicator System, which enables the monitoring and management of several environmental and social performance indicators.

2021-23 ESG PLAN



ENVIRONMENTAL

- 64% of TIM's energy matrix comes from renewable sources. In March 2021, 34 own power plants, including solar, hydroelectric and biogas plants were operational. By 2021, the company expects to reach 80% of its matrix from renewable sources.
- TIM was the first operator to have 100% of its data centers in the cloud, a measure which will contribute to TIM's neutral carbon goal by 2030, because it reduces Scope 1 and 2 emissions.
- Since 2010, the Company takes stock of its emissions at the Public Emission Record of the Brazilian GHG Protocol Program.
- The Company is part of the B3's Carbon Efficiency Index, a portfolio of companies that take stock of greenhouse gas and are committed to fighting climate change, and is also part of the ICDPR-70, CDP Brazil's Climate Resilience Index.
- TIM is certified by ISO 9001 standard, since 2000, and ISO 14001, since 2010. In March 2021, the Company received ISO 14001 recertification.

SOCIAL

- TIM joined the Women's Empowerment Principles (WEP), as an effective way to guide its gender equality journey, in line with the ESG Plan and the material topic "Promotion of diversity and equal opportunities".
- As part of the Diversity and Inclusion Program, and to celebrate the International Women's Day, TIM organized the Women's March Campaign, which consisted of internal and external initiatives focused on the appreciation and respect for women and to raise awareness against "sexist" expressions that are no longer acceptable.
- TIM was the winner of the 2021 Anatel Telecommunication Accessibility Award, dedicated to companies that make physical and virtual environments accessible to people with disabilities or who encourage, disclose and ensure their rights.
- The company gave priority to employee health and safety by keeping the remote work regime to the entire workforce in 2021, including 100% of call center workers, due to the COVID-19 pandemic.
- Creation of the English Time program, an online and free-of-charge English course offered to the entire TIM staff, who can also share the benefit with a person that does not work for the Company, free of charge.

GOVERNANCE

- TIM was the first operator to receive ISO 37001 certification, attesting the security and efficiency of its anti-bribery system. TIM achieved one of its ESG Plan's goals one year in advance;
- Since 2011, the Company is listed in Novo Mercado segment, B3's highest governance level;
- It has been the first and so far, the only telecommunications company to receive the *Pró-Ética* Seal of the Brazilian Office of the Comptroller General ("CGU");
- In March 2021, during TIM Day, the Company presented its 2021-23 ESG Plan, as an improvement to the Industrial Plan (2020-2022), with seven new goals and others that have been upgraded,
- The ESG Committee held 3 meetings and resolved, among other matters, on the election of the Committee's chairman and approved the 2021 work plan.

To have access to the Environmental, Social & Governance quarterly Report, go to: www.tim.com.br/ri/ESG-Report.

DISCLAIMER

The consolidated financial and operating information disclosed in this document, except where otherwise indicated, is presented in accordance with the International Financial Reporting Standards (IFRS) and in Brazilian Reais (R\$), in compliance with the Brazilian Corporate Law (Law 6,404/76). Comparisons refer to the first quarter of 2021 (1Q21), except when otherwise indicated.

This document may contain forward-looking statements. Such statements are not statements of historical fact and reflect the beliefs and expectations of the Company's management. The words "anticipates," "believes," "estimates," "expects," "forecasts," "plans," "predicts," "projects," "targets" and similar words are intended to identify these statements, which necessarily involve known and unknown risks and uncertainties foreseen, or not, by the Company. Therefore, the Company's future operating results may differ from current expectations and readers of this report should not base their assumptions exclusively on the information given herein. Forward-looking statements only reflect opinions on the date on which they are made and the Company is not obliged to update them in light of new information or future developments.

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ATTACHMENTS

Attachment 1: Balance Sheet

Attachment 2: Income Statement

Attachment 3: Cash Flow Statement

Attachment 4: Operating Indicators

The Complete Financial Statements, including the Explanatory Notes, are available on the Company's Investor Relations website.

Attachment 1
TIM S.A.
Balance Sheet

DESCRIPTION	1Q21	1Q20	% YoY	4Q20	% QoQ
R\$ million					
ASSETS	41,117	38,988	5.5%	41,654	-1.3%
CURRENT ASSETS	10,048	7,215	39.3%	10,412	-3.5%
Cash and cash equivalents	2,717	1,571	73.0%	2,575	5.5%
Short-term investments	1,602	25	6330.1%	2,070	-22.6%
Accounts receivable	2,818	3,208	-12.2%	3,052	-7.6%
Inventories	301	269	12.1%	247	22.1%
Indirect recoverable taxes	449	419	7.2%	374	20.2%
Direct recoverable taxes	1,240	1,109	11.8%	1,421	-12.7%
Prepaid expenses	243	409	-40.7%	150	61.9%
Derivative contracts	400	49	708.3%	263	52.1%
Leasing	23	5	334.3%	5	336.1%
Other assets	255	151	69.1%	254	0.1%
NONCURRENT	31,069	31,773	-2.2%	31,243	-0.6%
Noncurrent assets	3,805	4,727	-19.5%	4,115	-7.5%
Long-term investments	7	4	79.2%	7	-0.4%
Accounts receivable	111	71	56.1%	129	-14.2%
Indirect recoverable taxes	789	835	-5.5%	857	-7.9%
Direct recoverable taxes	1,057	2,387	-55.7%	1,277	-17.2%
Deferred income and social contribution taxes	486	-	n.a.	551	-11.8%
Judicial deposits	781	884	-11.6%	795	-1.7%
Prepaid expenses	81	62	31.5%	74	10.6%
Derivative contracts	265	273	-2.9%	239	10.6%
Leasing	194	150	29.3%	157	23.8%
Other assets	34	62	-44.5%	30	14.3%
Permanent Assets	27,264	27,046	0.8%	27,128	0.5%
Property, plant and equipment	18,443	17,874	3.2%	18,101	1.9%
Intangibles	8,821	9,172	-3.8%	9,027	-2.3%
LIABILITIES	41,117	38,988	5.5%	41,654	-1.3%
CURRENT LIABILITIES	7,903	5,937	33.1%	8,302	-4.8%
Loans and financing	2,261	1,150	96.7%	1,689	33.8%
Derivative contracts	13	4	221.2%	7	83.1%
Leasing	1,107	886	25.0%	1,055	5.0%
Suppliers	2,661	2,625	1.4%	3,129	-14.9%
Salaries and related charges	312	252	23.6%	273	14.4%
Indirect taxes, charges and contributions	1,076	585	84.0%	936	15.0%
Direct taxes, charges and contributions	81	74	9.3%	296	-72.8%
Dividends payable	52	-	n.a.	539	-90.3%
Authorizations payable	105	89	18.1%	103	2.9%
Deferred revenues	225	220	2.5%	266	-15.5%
Other liabilities	9	53	-83.4%	10	-9.2%
NON CURRENT LIABILITIES	9,750	10,818	-9.9%	10,170	-4.1%
Loans and financing	284	1,312	-78.3%	656	-56.7%
Derivative contracts	-	-	n.a.	29	-100.0%
Leasing	7,290	7,283	0.1%	7,324	-0.5%
Authorizations to pay	238	239	-0.6%	233	2.0%
Indirect taxes, charges and contributions	3	3	2.8%	3	0.6%
Direct taxes, charges and contributions	212	213	-0.4%	212	-0.2%
Deferred income and social contribution taxes	-	177	-100.0%	-	n.a.
Provision for contingencies	908	748	21.4%	887	2.3%
Pension plan	7	6	27.0%	7	n.a.
Deferred revenues	739	808	-8.5%	755	-2.2%
Other liabilities	69	30	131.7%	63	10.0%
SHAREHOLDERS' EQUITY	23,464	22,234	5.5%	23,183	1.2%
Capital	13,478	13,476	0.0%	13,478	n.a.
Capital reserves	399	38	940.1%	397	0.4%
Income reserves	9,317	8,550	9.0%	9,317	0.0%
Accumulated losses	-	-	n.a.	-	n.a.
Equity valuation adjustments	(5)	(4)	27.0%	(5)	n.a.
Treasury stocks	(3)	-	n.a.	(5)	-46.4%
Net Income for the period	277	173	60.3%	-	n.a.

PS: Accounting of Fiscal Incentive Reserve changed from Capital reserves to Income reserves.

Attachment 2
TIM S.A.
Income Statement

	DESCRIPTION	1Q21	1Q20	% YoY	4Q20	% QoQ
Reported	R\$ million					
	Net Revenues	4,340	4,215	3.0%	4,678	-7.2%
	Services Revenues	4,228	4,091	3.3%	4,441	-4.8%
	Mobile Service	3,947	3,840	2.8%	4,164	-5.2%
	Client Generated	3,600	3,553	1.3%	3,838	-6.2%
	Interconnection	136	111	22.0%	136	-0.1%
	Customer Platform	17	-	n.a.	15	16.3%
	Others	194	176	10.2%	190	1.9%
	Fixed Service	281	251	12.1%	277	1.6%
	of which TIM Live	174	144	20.4%	172	1.2%
	Products Revenues	112	124	-10.1%	237	-53.0%
	Operating Expenses	(2,319)	(2,284)	1.5%	(2,325)	-0.2%
	EBITDA	2,020	1,931	4.6%	2,353	-14.1%
	EBITDA Margin	46.6%	45.8%	0.7p.p.	50.3%	-3.7p.p.
	Depreciation & Amortization	(1,428)	(1,409)	1.4%	(1,379)	3.6%
	Depreciation	(980)	(935)	4.8%	(945)	3.6%
	Amortization	(448)	(473)	-5.4%	(433)	3.3%
	EBIT	592	523	13.4%	974	-39.2%
	EBIT Margin	13.7%	12.4%	1.3p.p.	20.8%	-7.2p.p.
	Net Financial Results	(225)	(251)	-10.4%	(44)	407.7%
	Financial expenses	(293)	(320)	-8.5%	(280)	4.5%
	Financial income	67	61	8.6%	240	-72.2%
	Net exchange variation	1	7	-90.0%	(4)	n.a.
	Income before taxes	367	271	35.3%	930	-60.5%
	Income tax and social contribution	(90)	(99)	-8.4%	83	n.a.
	Net Income	277	173	60.3%	1,013	-72.7%
Normalized*	Operating Expenses	(2,319)	(2,281)	1.7%	(2,298)	0.9%
	Personnel	(277)	(257)	8.0%	(249)	11.3%
	Commercial	(815)	(802)	1.6%	(766)	6.3%
	Network & Interconnection	(720)	(627)	14.8%	(650)	10.8%
	General & Administrative	(167)	(158)	5.9%	(165)	1.1%
	Cost Of Goods Sold (COGS)	(146)	(159)	-8.3%	(294)	-50.6%
	Bad Debt	(123)	(189)	-34.5%	(97)	26.7%
	Other operational revenues (expenses)	(70)	(90)	-21.6%	(74)	-5.1%
	EBITDA	2,020	1,934	4.5%	2,380	-15.1%
	EBITDA Margin	46.6%	45.9%	0.7p.p.	50.9%	-4.3p.p.
	Net Financial Results	(225)	(251)	-10.4%	(44)	407.7%
	Income tax and social contribution	(90)	(99)	-8.4%	81	n.a.
	Net Income	277	175	57.9%	1,038	-73.3%
	<i>Total Normalized Items</i>	-	(3)	n.a.	(25)	n.a.

*EBITDA normalized according to the items in the Costs section (+R\$ 27.2 million in 4Q20 and +R\$ 2.6 million in 1Q20). Net income normalized by tax credit and other effects (-R\$ 2.4 million in 4Q20).

Attachment 3
TIM S.A.
Cash Flow Statement

DESCRIPTION	1Q21	1Q20	% YoY	4Q20	% QoQ
R\$ million					
Initial Cash Balance	2,575	2,285	12.7%	2,125	21.2%
Earnings Before Taxes Normalized*	367	274	34.0%	957	-61.6%
Non recurring operating items	-	(3)	n.a.	(27)	n.a.
Depreciation & Amortization	1,428	1,409	1.4%	1,379	3.6%
Income from equity accounting	-	-	n.a.	-	n.a.
Provision for legal and administrative proceedings	79	90	-12.2%	77	2.8%
Monetary adjustments to deposits, administrative and legal proceedings	16	55	-70.2%	27	-39.2%
Interest, monetary and exchange variations of borrowings and other financial adjustments	36	68	-46.6%	18	98.0%
Lease interest payable	192	166	15.4%	307	-37.4%
Lease interest receivable	(5)	(5)	5.1%	(11)	-53.9%
Provision for doubtful debts	123	189	-34.5%	97	26.7%
Others	6	5	20.6%	(105)	n.a.
Decrease (increase) in operating assets	407	(184)	n.a.	(7)	n.a.
Trade accounts receivable	142	(152)	n.a.	(165)	n.a.
Taxes and contributions recoverable	397	245	61.7%	80	395.1%
Inventory	(54)	(65)	-16.6%	(40)	36.9%
Prepaid expenses	(101)	(230)	-56.2%	116	n.a.
Judicial deposit	27	40	-33.5%	71	-62.0%
Other current assets	(4)	(23)	-81.0%	(70)	-93.9%
Increase (decrease) in operating liabilities	(696)	(1,547)	-55.0%	990	n.a.
Payroll and related charges	39	35	12.8%	(14)	n.a.
Suppliers	(474)	(1,305)	-63.7%	955	n.a.
Taxes, charges and contributions	(97)	(50)	92.5%	145	n.a.
Authorizations payable	4	-	n.a.	8	-50.3%
Payments for legal and administrative proceedings	(88)	(105)	-16.8%	(104)	-15.6%
Deferred revenues	(58)	(81)	-29.1%	31	n.a.
Other current liabilities	(23)	(41)	-42.8%	(32)	-27.2%
Income tax and social contribution paid	(4)	(27)	-87.0%	(3)	32.1%
Net Cash (used in) from operations	1,950	489	298.6%	3,699	-47.3%
Capex	(1,324)	(904)	46.5%	(1,464)	-9.5%
Marketable securities	468	617	-24.1%	(558)	n.a.
Others	1	6	-77.5%	1	2.3%
Net cash used in investment activities	(854)	(281)	203.8%	(2,020)	-57.7%
New borrowing	-	800	-100.0%	-	n.a.
Repayment of borrowing	-	(666)	-100.0%	(70)	n.a.
Interest paid - borrowing and financings	(8)	(33)	-77.3%	(10)	-24.2%
Payment of financial lease	(264)	(213)	23.5%	(248)	6.2%
Interest paid - leases	(198)	(211)	-6.5%	(197)	0.5%
Dividends and interest on shareholder's equity paid	(487)	(598)	-18.6%	(555)	-12.4%
Others	1	-	n.a.	(147)	n.a.
Net cash used in financing activities	(954)	(921)	3.5%	(1,228)	-22.3%
Cash Flow	141	(714)	n.a.	451	-68.7%
Final Cash Balance	2,717	1,571	72.9%	2,575	5.5%

*EBT normalized according to the items in the Costs section (+R\$ 27.2 million in 4Q20 and +R\$ 2.6 million in 1Q20).

Attachment 4
TIM S.A.
Operating Ratios

DESCRIPTION	1Q21	1Q20	% YoY	4Q20	% QoQ
Mobile Customer Base ('000)	51,728	52,826	-2.1%	51,433	0.6%
Prepaid	29,509	31,153	-5.3%	29,603	-0.3%
Postpaid	22,219	21,673	2.5%	21,829	1.8%
Postpaid (ex-M2M)	18,279	17,880	2.2%	18,036	1.3%
4G Users Base ('000)	43,971	39,040	12.6%	42,043	4.6%
Market Share	21.5%	23.3%	-1.8p.p.	22.0%	-0.4p.p.
Prepaid	25.4%	27.3%	-1.9p.p.	25.8%	-0.4p.p.
Postpaid	17.9%	19.3%	-1.4p.p.	18.3%	-0.4p.p.
Postpaid (ex-M2M)	19.4%	20.7%	-1.4p.p.	19.8%	-0.5p.p.
Gross Additions ('000)	6,664	5,357	24.4%	6,425	3.7%
Net Additions ('000)	296	(1,621)	-118.2%	274	8.0%
Monthly Churn (%)	4.1%	4.3%	-0.2p.p.	4.0%	0.1p.p.
Mobile ARPU (R\$)	25.5	23.9	6.6%	27.0	-5.8%
Prepaid	12.6	12.1	3.9%	13.9	-9.5%
Postpaid	37.7	37.2	1.4%	39.7	-5.1%
Postpaid (ex-M2M)	45.3	44.5	1.9%	48.5	-6.5%
SAC/Gross (R\$)	52	60	-12.6%	47	11.2%
Fixed Telephony Customer Base ('000)	887	1,101	-19.4%	935	-5.1%
TIM Live Customer Base ('000)	662	584	13.3%	645	2.5%
TIM Live ARPU (R\$)	89.6	84.5	6.1%	90.7	-1.1%
Handsets Sold ('000)	154	174	-11.1%	281	-45.1%
Headcount	9,189	9,588	-4.2%	9,421	-2.5%