

# RESULTS PRESENTATION

## 4<sup>TH</sup> QTR 2021

**TIMB**  
LISTED  
**NYSE**

**TIMS**  
B3 LISTED NM  
**ISE B3**



# 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) Operation costs normalized by: sale of the control over the investment in the company I-Systems (-R\$ 782.2 million in 4Q21), specialized legal and administrative services (+R\$ 34.8 million in 4Q21, +R\$ 7.7 million in 3Q21 and +R\$ 13.7 million in 2Q21), expenses with consulting firm for the project of acquisition of Oi mobile assets (+R\$ 4.3 million in 4Q21) and adjustments to the tower sale-leaseback agreement (+R\$ 2.6 million in 1Q20). Net Income normalized by: impact from deferred and current taxes over the revenue generated through the I-Systems transaction (+R\$ 509.2 million in 4Q21), tax credit and other effects (-R\$ 13.3 million in 4Q21, -R\$ 526.8 million in 3Q21 and -R\$ 66 million in 2Q21).

# Strong Execution Delivers Solid Results



## Core

Value Strategy +  
Differentiation  
supporting  
**ARPU +6% YoY**

**Positive 5G  
Auction**  
outcome as  
expected



## New Businesses

Launch of **Ampli  
Partnership**

C6 Partnership with  
great results,  
reaching **4.4%<sup>1</sup>** of  
**Equity**

**Revenues above  
R\$ 100 mln target**



## M&A

Closing of I-  
Systems (FiberCo)  
deal to  
**accelerate FTTH  
rollout**

**Regulatory and  
antitrust approval** of  
the deal with Oi



## Infra Projects

Network preparation  
for **Oi integration**

**85% achievement**  
of 4G coverage TAC  
commitment

J2C supporting  
**customer experience  
improvement and  
cash cost efficiency**



## Financials

**All financial  
targets achieved**

**R\$ 6 bln of OFCF**,  
with more than R\$  
1 bln increase

**Mid-single digit  
growth** for Service  
Revenues and  
EBITDA<sup>2</sup>



DELIVERING ON THE PROMISES WE MADE

- (1) Estimated indirect stake considering the right to exercise subscription bonuses equivalent to approx. 4% of C6's share capital (see note 37 of the Financial Statements) and an additional 0.36% registered in January/22
- (2) EBITDA normalized for the effects detailed in slide 2

# ESG: A Year of Great Achievements and Developments

E

*Committed to reducing environmental impact*

**>1.7<sub>k</sub>**  
Active Biosites



The new biosite in Ouro Preto (MG)

**100%**

of TIM's average electricity consumption from renewable sources

**Zero**

Indirect GHG emissions (scope 2)

**-94%**

scope 1 and scope 2 GHG emissions

S

*Engaged in helping to build a more egalitarian community*

**Empowering Women**  
Partnership with *Mulheres Positivas* Movement



**Diversity Indexes:**

1<sup>st</sup> Telecom worldwide in the Refinitiv Diversity & Inclusion Index and Bloomberg Gender Equality Index

**Digital Inclusion:**  
**100%** until 2023  
municipalities in Brazil with TIM's 4G coverage

**Employability programs** for transgender, 50+ and black people

G

*Aligned with the best standards and practices*

**R\$ 1.6** bln  
in SLB Issuance: Generating positive impact to society while reducing funding costs

**14<sup>th</sup>**

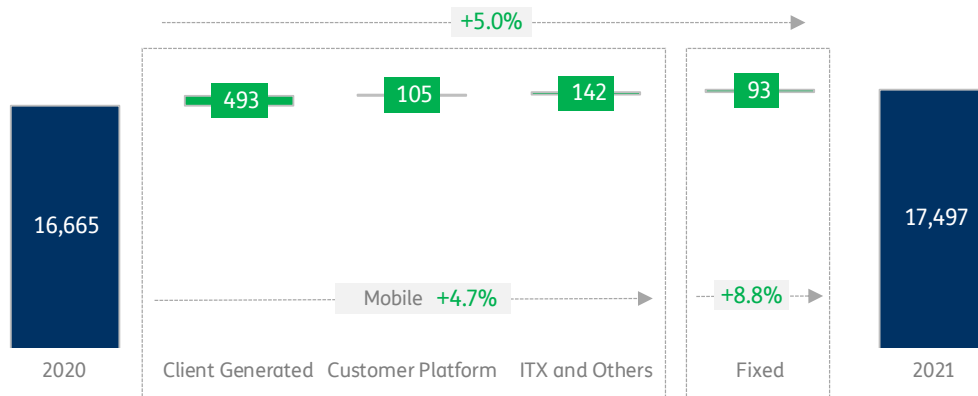
year listed in the B3 Corporate Sustainability Index



**Women on Board Stamp**  
30% of the positions in the Board of Directors held by women

# Revenue Growth on Track, Driven by Postpaid, Customer Platform and TIM Live

**Net Service Revenue Breakdown**  
(R\$ mln)



- ✓ **NET SERVICE REVENUE GROWTH OF 4.0% YOY IN 4Q21**
- ✓ **NET MOBILE SERVICE REVENUE GROWTH OF 3.8% YOY IN 4Q21**



**MOBILE REVENUE GROWTH DRIVEN BY POSTPAID DYNAMICS**

**Postpaid Net Revenue**  
**+5.4%** YoY in 2021  
**+3.7%** YoY in 4Q21  
 % of Net Service Revenue  
**59%** in 2021 and 4Q21

**INITIATIVES BEYOND THE CORE ARE CONTRIBUTING TO REVENUE GROWTH**

**Customer Platform Net Revenue**  
**119** mln in 2021  
**8x** vs. 2020

**TIM LIVE: A SOLID CONTRIBUTION IN 2021, DESPITE THE CHALLENGES DURING THE 2H21**

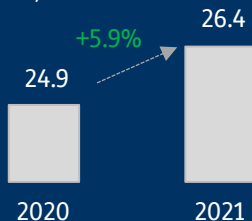
**TIM Live Net Revenue**  
**+14.7%** YoY in 2021  
**+9.4%** YoY in 4Q21

# Solid Execution Driving Consistent Performance

**MOBILE: VOLUME-TO-VALUE WITH OFFER DIFFERENTIATION DRIVING SOLID PERFORMANCE**

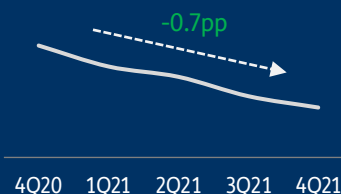


**Mobile ARPU**  
(R\$/mo)



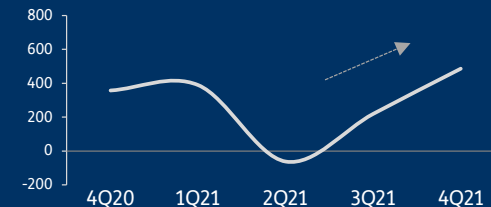
+2.6% YoY in 4Q21

**Voluntary Postpaid Churn (ex-M2M)**  
(%)



Improving Customers Lifetime Value

**Postpaid (ex-M2M) Net Adds**  
(‘000)

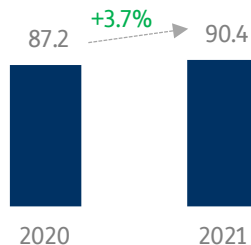


+64% YoY in 2021

**TIM LIVE: A BETTER CUSTOMER BASE MIX SUPPORTS POSITIVE PERFORMANCE**

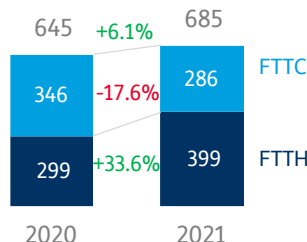


**TIM Live ARPU**  
(R\$/mo)



+0.5% YoY in 4Q21

**Customer Base**  
(‘000)



**Coverage rollout model transition: building to renting**

- Seeking deployment acceleration
- Substituting capex to opex with positive FCF impact
- Closing in November/21
- I-Systems will deploy, operate and maintain last mile infrastructure
- 6 months of exclusivity period in new areas
- R\$ 1.1 bln in secondary proceeds

# Differentiated Value Proposition Combining Innovation and Customer Experience

## MAIN 2021 GO TO MARKET DEVELOPMENTS

B2C Mobile

- Leading value proposition leveraging hub of services and content: pioneer in choice bundle
- Increased brand relevance and offer distinction through music: sponsorship of music events such as Rock in Rio and launch of offers such as Deezer Go
- Customer Platform partnerships (C6 and Ampli) supporting better LTV in mobile



TIM Live

- 1 Giga offer in all markets
- Upload speed as a differentiator
- New content partnerships



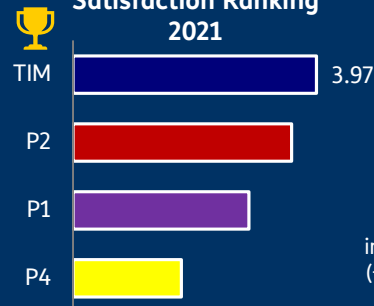
B2B

- Leadership in IoT Agribusiness initiatives
- Industry 4.0 pilot: Stellantis plant automation with AI and cloud computing
- Smart City pilot projects with Rio de Janeiro state government



## IMPROVING CLIENT PERCEPTION METRICS

### Anatel Demands Satisfaction Ranking 2021



**-45%** YoY  
in Anatel's complaints  
Index<sup>2</sup> in 4Q21

**+62** mln  
calls interactions  
via Cognitive IVR  
since its  
implementation  
in 2020

**+34%** YoY  
increase in TIM's NPS  
(+42% YoY in Família  
segment)



**Best video and video conference experience while sustaining the leadership in 4G availability<sup>1</sup>**

# Customer Platform Proving to Be a Solid Opportunity

## FINANCIAL & EDUCATIONAL SERVICES

**C6**BANK

### Keeping up the pace

- **4.4%<sup>1</sup>** of total equity stake
- **Record numbers** of opened bank accounts



**A** ampli

### Acceleration underway

- **>50 thousands** students enrolled in undergrad and online open courses
- **~2x vs 3Q21** more undergrad enrollments through TIM's channels



R\$ **83** mln  
in 2021

## M-ADS & DATA MONETIZATION

**TIM ADS**

### Going beyond traditional advertising channels

- **1 mln** of TIM Fun registered users
- **+5 mln** surveys answered
- **+27 mln** audience



R\$ **36** mln  
2021's Mobile Ads  
Revenue



**Financial advisor hired to help finalize evaluation of partnerships under development and future opportunities**



**TIM Insights and TIM Ads finding the right customer and engaging through the right channel**



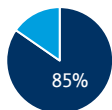
# Continuous Evolution of Our Infrastructure to Support TIM's Transformation

## FOCUS ON COVERAGE AND CAPACITY EXPANSION

### Coverage Expansion

**4G**

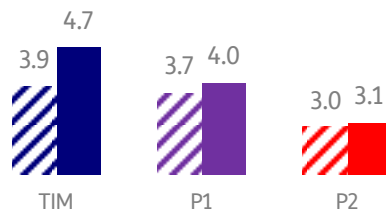
2023 TAC  
commitment  
status (cities  
covered)



Sky  
Coverage  
project

**924**  
sites

### Cities Coverage by Operator (2020 x 2021)



### Capacity and Modernization

**M-MIMO**

**+1.6k** sites in 2021  
Speed catch-up

**+1.4k** sites QoQ  
Site Modernization

### Network Sharing Agreement with Vivo Single Grid

- Coverage expansion: >353 cities implemented by TIM and 363 by Vivo (421 sites each)
- Consolidation: tests started in 21 cities

## JOURNEY TO CLOUD GENERATING EFFICIENCY

### Key strategic plan delivery

**44%**  
of J2C workload  
already migrated

**3,506**  
servers migrated

**90**  
live systems

**4.8PB**  
storage provisioned on  
Cloud Azure and  
Oracle

# Digitalization Efforts are Helping to Offset Cost Pressures

## DIGITALIZATION METRICS REMAIN ON TRACK



**+17p.p.** YoY

Recharges in Digital Channels Adoption



**-12.4%** YoY

Unitary Collection Cost



**+5.6p.p.** YoY

E-Billing Penetration

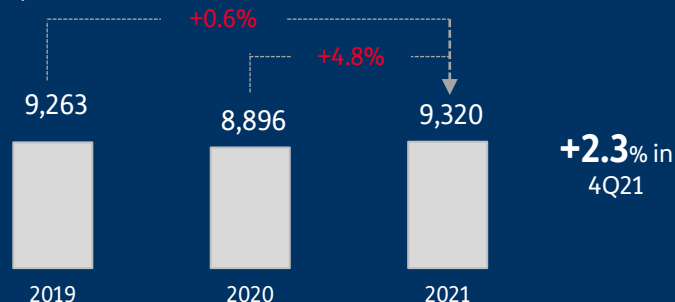


**16%**

PIX penetration in invoice payments

## EFFICIENCY CULTURE CONTINUES TO PAY-OFF

Opex<sup>1</sup>  
(R\$ mln)

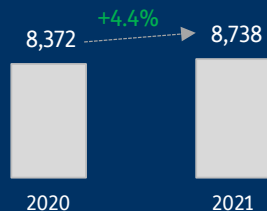


- **IPCA (19-21): 19.99%**
- Bad Debt under control: -1.5% YoY in 2021 (represents 2.1% over Gross Revenues)
- 1.5 months of rent from I-Systems impacts 4Q21 results

# Volume to Value Strategy and Cost Control Drove EBITDA Growth

## Consistent level of EBITDA and Margin

EBITDA<sup>1</sup>  
(R\$ mln)



**48.4%** of EBITDA  
margin<sup>1</sup> in 2021

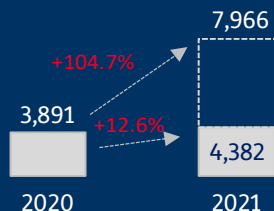
(-0.1 p.p. YoY)

**48.5%** of EBITDA  
margin<sup>1</sup> in 2021 excluding  
I-Systems impact

**+2.9%** YoY of EBITDA<sup>1</sup>  
growth in 4Q21

**51.0%** of EBITDA  
margin<sup>1</sup> in 4Q21

CAPEX  
(R\$ mln)



- Spectrum  
Auction Impacts
- Organic

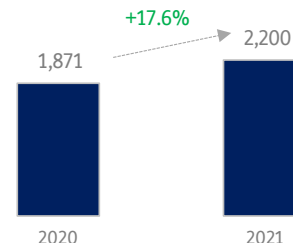
**24.3%** of Capex on  
Revenues in 2021

(+1.7 p.p. YoY)

**22.7%** of Capex on  
Revenues excluding Oi in  
2021

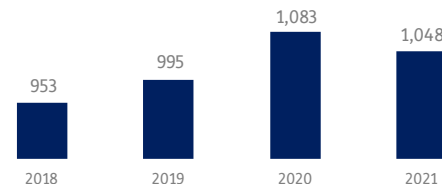
(+0.2 p.p. YoY)

Net Income<sup>1</sup>  
(R\$ mln)



## Sustaining Historical Shareholder Remuneration Levels

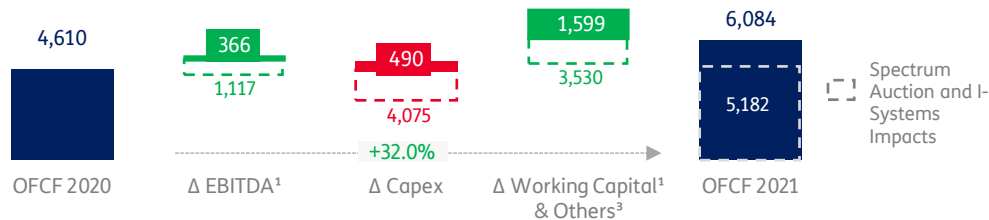
IOC announcements (R\$ mln)



# Consistent Cash Generation Strengthening Financial Performance

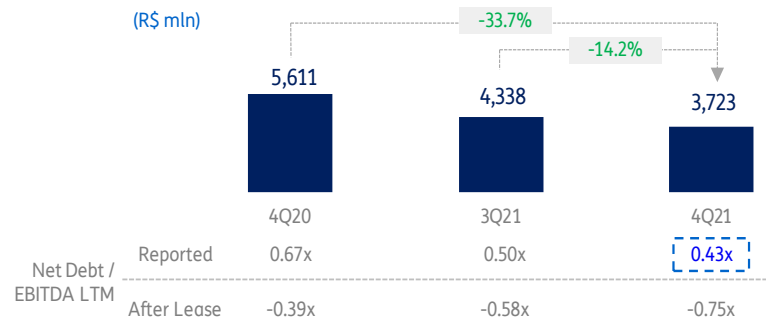
## Operating Free Cash Flow Evolution

(R\$ mln)



## Net Financial Position

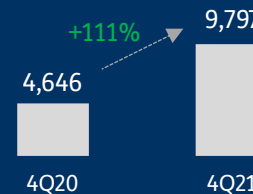
(R\$ mln)



## Increasing Cash Position with cash flow improvements and new debt

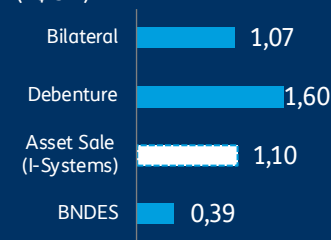
### Cash Position

(R\$ mln)



## New Financing





(R\$ bln)



R\$ 3 bln of New Debt  
+ R\$ 1,1 bln of Asset  
Sales (I-Systems)

# 2021 Guidance Delivered



GOALS	SHORT TERM TARGETS (2021)	RESULTS (Actual)	
 <b>Revenue Sustainability</b>	Service Revenues Growth: Mid single digit (YoY standalone)	+ 5.0% YoY	✓
 <b>Profitability</b>	EBITDA: <ul style="list-style-type: none"><li>• Mid single digit growth (including preparation costs)</li><li>• Stable margin</li></ul>	+ 4.4% YoY  48.4% (stable)	✓
 <b>Infrastructure Development</b>	Capex ~ R\$ 4.4 bln (including preparation investments)	R\$ 4.38 bln	✓
 <b>Cash Generation</b>	EBITDA-Capex on Revenues: ~24%	24.1%	✓

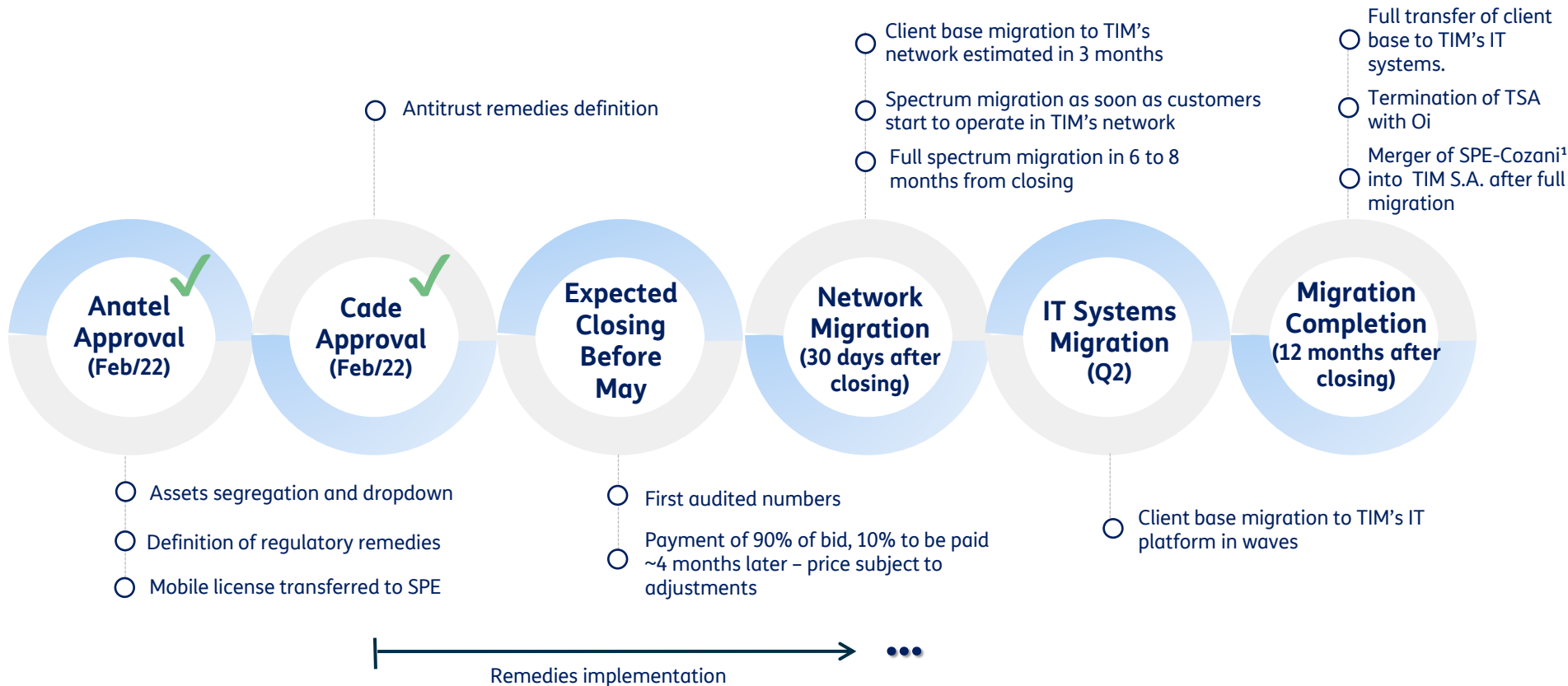
**All targets delivered: another year of solid results**

- Significant improvements in Customer Experience
- Solid developments in brand recognition and positioning
- Innovation and customer needs continued to drive portfolio evolution
- Expansion of opportunities through partnerships in IoT, 5G and Digital Platforms.

A hand holding a smartphone against a blue background with bokeh lights. The phone screen shows a fireworks display.

# Oi Mobile Acquisition Update & New Guidance 2022-2024

# We're Ready to Successfully Integrate the Operations

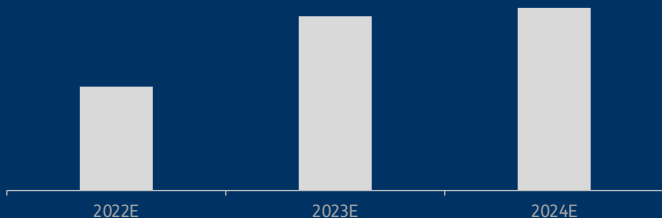


# Full Impact of Oi's Mobile Assets in 2024



## Service Revenues - Migrated Clients Contribution

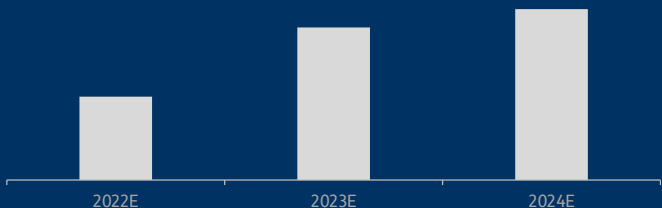
(R\$ bln)



**>15%** of  
TIM's NSR will come  
from migrated  
clients in 2024

## EBITDA - Migrated Clients Contribution

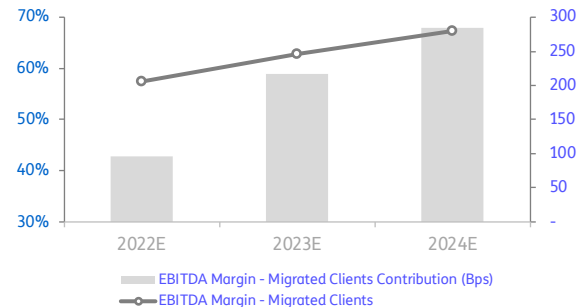
(R\$ bln)



**>20%** of  
TIM's EBITDA will  
come from  
migrated clients in  
2024

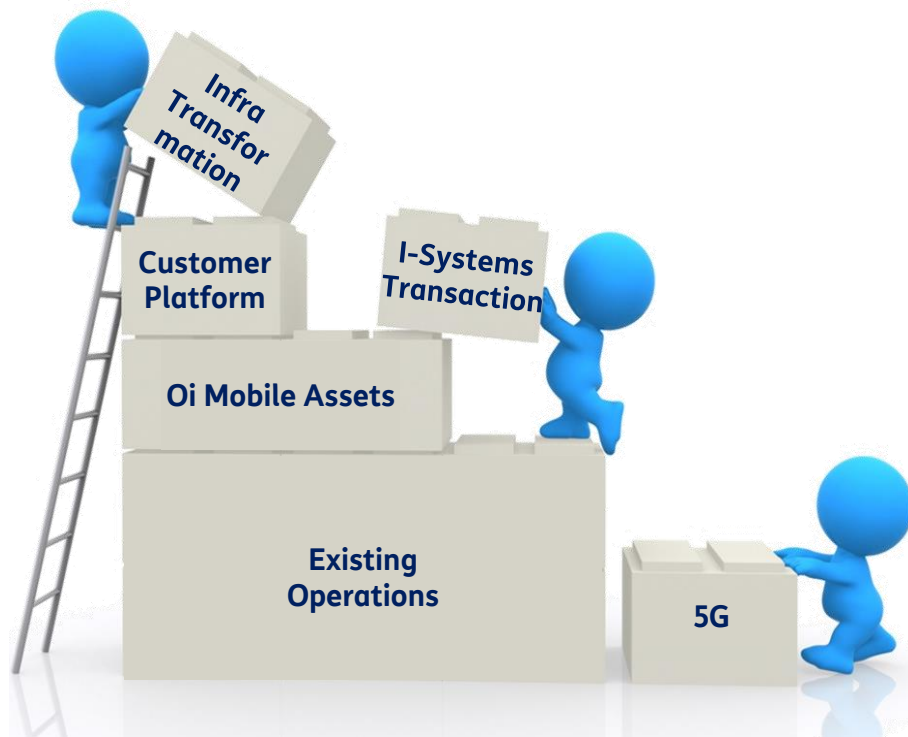
**EBITDA Margin from migrated clients  
will improve as TSA and other  
integrations costs are  
reduced**

## EBITDA Margin - Migrated Clients





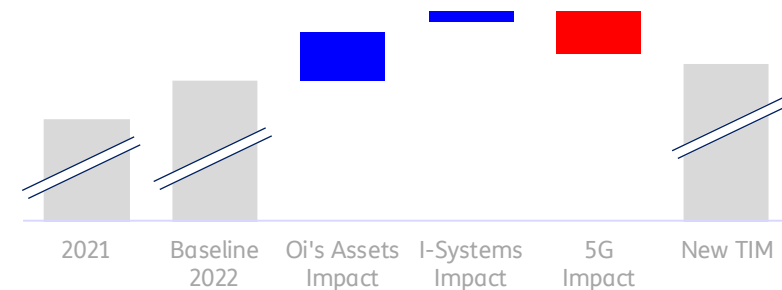
# Building Blocks of the New Plan: What is Changing and Why?



**2022 EBITDA Bridge**  
(R\$)







**2022 EBITDA-Capex Bridge**  
(R\$)



# New Company, New Targets: 2022-2024 Guidance



GOALS	SHORT TERM TARGETS (2022)	LONG TERM TARGETS (2022-2024)
 <b>Revenue Sustainability</b>	Service Revenues Growth: + Double digit YoY	Service Revenues Growth: + Double digit CAGR 21-24
 <b>Profitability</b>	EBITDA Growth: + Double digit YoY	EBITDA Growth: + Double digit CAGR 21-24
 <b>Infrastructure Development</b>	Capex: ~ R\$ 4.8 bln	Capex: ~ R\$ 14 bln $\Sigma$ 22-24 Capex on Revenues: <20% @2024
 <b>Cash Generation</b>	EBITDA-Capex on Revenues: >24%	EBITDA-Capex on Revenues: $\geq$ 29% @2024

## Guidance excludes:

- Additional M&A activity
- New Spectrum auctions
- Tax and regulatory changes
- Upside from Customer Platform partnerships (e.g. value created by equity stakes)

## Previous Guidance:

- Previous guidance did not include 5G auction + rollout and I-Systems deal
- Oi M&A was expected to close in EOY 2021
- On like-for-like comparison, all metrics would be on track versus previous guidance