



TIM S.A.

Publicly-Held Company
Corporate Taxpayer's ID (CNPJ/ME): 02.421.421/0001-11
Corporate Registry (NIRE): 33.300.324.631

MATERIAL FACT

Presentation of value creation related to the purchase of Oi's mobile assets

TIM S.A., ("TIM" or "Company") (B3: TIMS3; NYSE: TIMB), pursuant to Article 157 of Law No. 6404 and the provisions of CVM Resolution No. 44, and in continuity with the Material Facts published on March 10th, 2020, July 18th, 2020, July 27th, 2020 and August 7th, 2020, September 7th, 2020, December 14th, 2020, January 29th, 2021, January 31st, 2022, February 09th, 2022, April 13th, 2022 and April 20th, 2022 informs its shareholders and the market in general what follows:

As already informed in the Material Fact disclosed on April 20th, 2022, tomorrow, on April 25th, 2022, the Company will hold a conference call with the market at 10:00 am (BRT), based on the attached presentation, only in English, to present the positive effects of the Transaction and the details of this transformational movement for the Company and for the telecommunications sector in Brazil. The connection information was made available on the Company's Investor Relations website (<https://ri.tim.com.br>).

The Company will keep its shareholders and the market in general duly informed of material facts related to this Transaction, pursuant to CVM Resolution No. 44 and applicable legislation.

Rio de Janeiro, April 24th, 2022.

TIM S.A.

Camille Loyo Faria
Chief Financial Officer and
Investor Relations Officer

Oi CLOSING

APRIL 2022

TIMB
LISTED
NYSE

TIMS
B3 LISTED NM
ISE B3



TIM

DISCLAIMER



This presentation **contains declarations that constitute forward-looking statements** regarding the intent, belief or current expectations of value creation, customer base dynamics, 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, those do not represent necessarily a formal guidance.



Financial figures are presented considering impacts from IFRS 16 adoption, unless otherwise indicated.

Normalized numbers in this presentation are adjusted by the effects described in footnotes.

Transaction overview

Overall value
creation for TIM of
R\$16-19bln

coming from commercial
and infrastructure
related synergies

What we are getting...



Subscriber base

(as of dropdown date)

+16.4 mln

(40% of Oi's mobile customer base)

Acquired customer base mix

~44%

Postpaid¹

~56%

Prepaid

Spectrum & Sites

+49 MHz (54% of Oi's spectrum)

Spectrum bands acquired

900 MHz

1,800 MHz

2,100 MHz

2,600 MHz

+2.8 k net additional sites
(after optimization)

How much we are paying...

Adjusted Price⁴

R\$ 6.98 bln

Amount disbursed⁵

R\$ 6.35 bln

Network Capacity Contract²

~R\$ 476 mln

NPV of 10-year contract to provide
transport network capacity

Transition Service Agreement (TSA)³

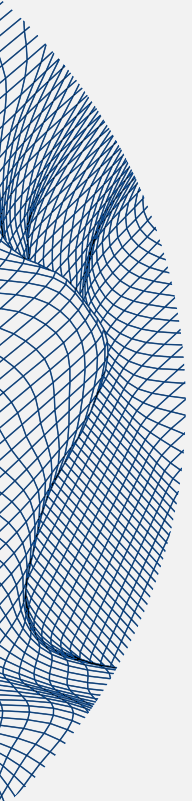
~R\$ 251 mln

Temporary contract to supply
subscriber base management and
NOC maintenance services

- 1) Includes M2M lines
- 2) Take-or-pay contract that will not be considered as debt. Contract provisions a progressive reduction of pre-determined circuits.
- 3) TSA has a 12-month duration and was adjusted to disregard recharge services.

4) Adjusted price includes changes foreseen in the SPA and a net cash position of R\$ 51 million. Oi may be entitled to receive up to R\$ 230 million from TIM, subject to the achievement of certain targets until March 31, 2023.

5) Difference from adjusted price refers to amount retained (R\$ 634 million)



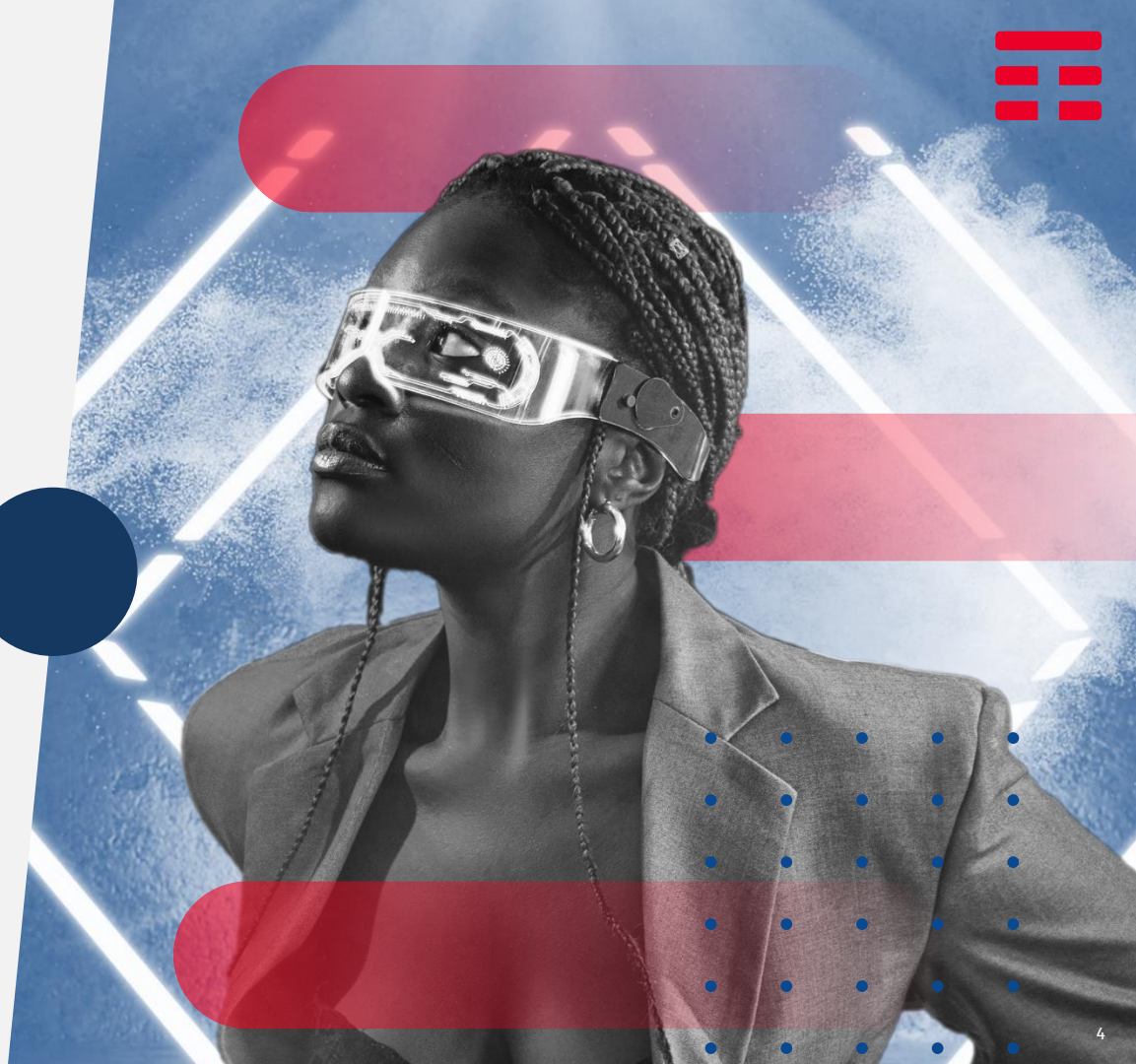
1 Relevance of the transaction for TIM

2 Value creation

3 Impacts on leverage

4 Customer journey during the transition

5 Regulatory conditions

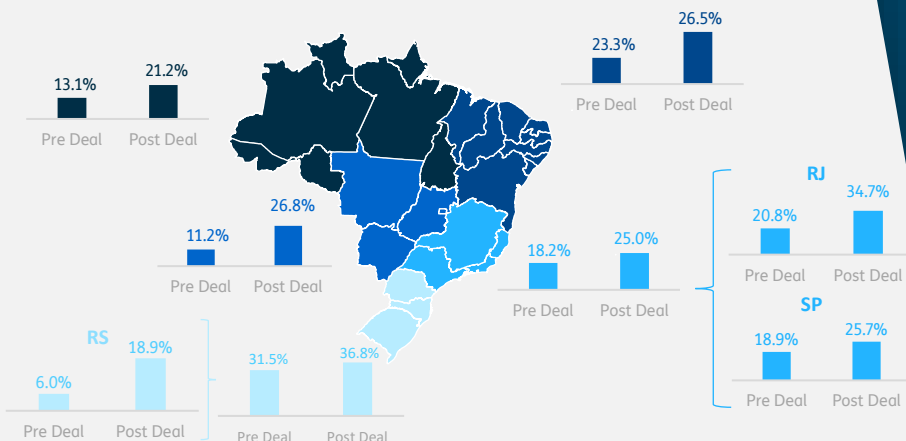


1 THE ACQUISITION IS A GAME CHANGER FOR TIM

A new TIM is emerging from the deal better positioned to be a robust national player...

TIM's national market share (dec/21):

from ~20% to ~27%



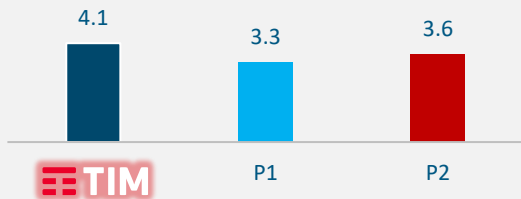
The incorporated customer base strategically **complements TIM's presence in regions with lower market share**, improving our competitiveness in such markets.

**Level playing field for TIM as a solid national player,
changing the CUSTOMER EXPERIENCE GAME**

1 THE ACQUISITION IS A GAME CHANGER FOR TIM

... and leader in spectrum CAPACITY and COVERAGE

Spectrum per subs¹



Reshaping Spectrum Capacity

2.4x more spectrum¹

Improving Coverage

+10% mobile sites²

(1) Considers total spectrum after Oi acquisition plus 2021 spectrum auction excluding 26Ghz and dec/21 customer base.
(2) Increase in mobile sites is net of decommissioning.

The acquired infrastructure will allow TIM to have the **broadest coverage in the country.**

#1 in cities covered

#1 in population served

Level playing field for TIM as a solid national player, changing the CUSTOMER EXPERIENCE GAME

2 SIGNIFICANT VALUE CREATION FROM THE DEAL



Current estimates¹ indicate an overall value creation for TIM of R\$ 16 -19 bln (NPV) of which 45% captured until 2030

	Value Creation Drivers	Value Creation NPV ²	Time to Start Materializing
2a	Commercial Related <ul style="list-style-type: none">Increased scale and fixed cost dilutionMigration to more sustainable churn levelsShift in competitive dynamics: customer experience as a key differentiatorCreation of new revenue opportunities	R\$ 4 - 5 bln	Immediate benefit from increased scale 6-12 months to start materially benefiting from additional effects
2b	Infrastructure Related <ul style="list-style-type: none">Network CAPEX and OPEX savings from additional spectrum availabilityRelevant site overlap allowing for significant OPEX/leasing synergies	R\$ 12 - 13 bln	Additional spectrum allows for savings shortly after closing
2c	Additional Upsides (not yet included in 22-24 strategic plan) <ul style="list-style-type: none">Tax EffectsAccelerated site decommissioningAdditional equity stakes in partners coming from our Customer Platform strategy (not quantified)	~R\$ 0.7 bln ~R\$ 0.3 bln	After transition phase Decommission starts in 3Q22

1) May be updated after closing 2) Value Creation is net of costs to achieve

2a MIGRATED CLIENTS TO PRODUCE DOUBLE-DIGIT GROWTH AS CONTRIBUTION MARGIN HIKES TO THE 70'S

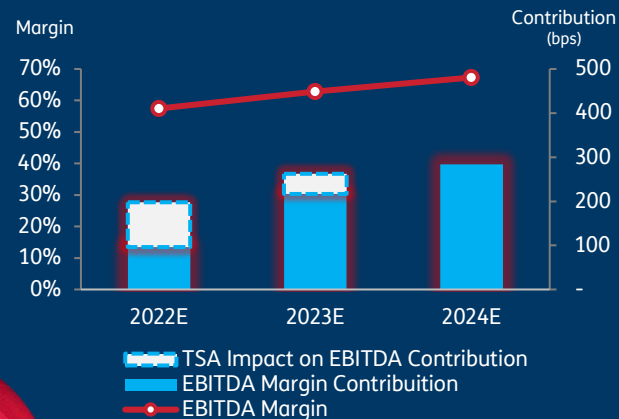
The transaction will bring immediate Revenue and EBITDA growth...

Net Revenue
~R\$ 1.8 bln
(8M22)

EBITDA
~R\$ 1.1 bln
(8M22)

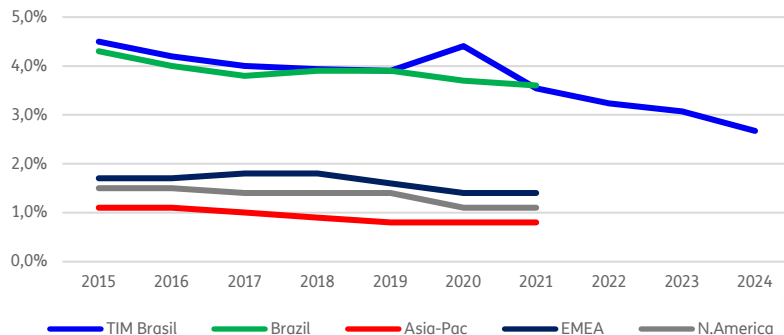
... and relevant increase in margins, especially after TSA and other integration costs are fully absorbed

Margin contribution for migrated clients



2a CHANGING SECULAR CHURN DYNAMICS, WHILE IMPROVING COMPETITIVE ENVIRONMENT

New market structure arising from the transaction is expected to allow **our churn levels to start trending towards international standards...**



Source: Bank of America – Wireless Matrix and internal numbers.

Our churn rate will improve as washing machine effect reduces and customer experience enhances.

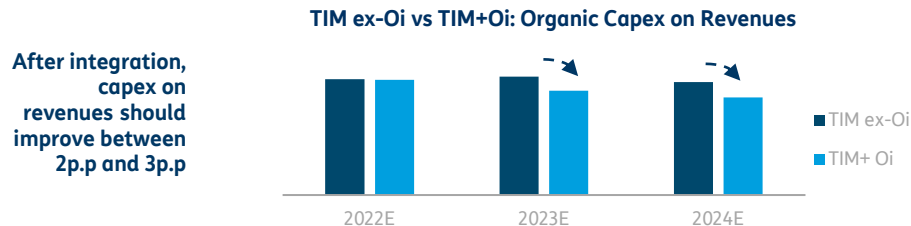
...which coupled with several other positive effects **should improve overall market dynamics.**

GSMA study¹ shows:

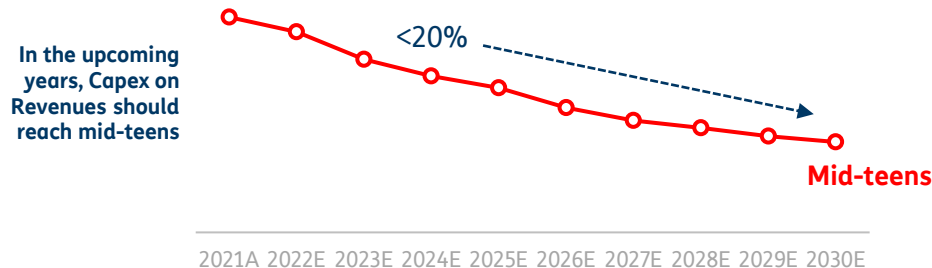
- A 4-to-3 mobile merger intensified competition in quality-related aspects;
- A 3-player market delivered more widely available and faster 4G services than those experienced in four-player markets;
- A merger between the two smallest operators allowed them to significantly outperform other operators with a similar position in the market.

2b TAKING EFFICIENCY TO A HIGHER-LEVEL WITH ACQUIRED INFRASTRUCTURE

Acquired spectrum and network will reduce future CAPEX needs and boost cash flow generation.



Organic Capex on Revenues



Significant site optimization opportunities will translate into relevant future OPEX/leasing reduction.

+7.2k Sites received

~40%

New location

~60%

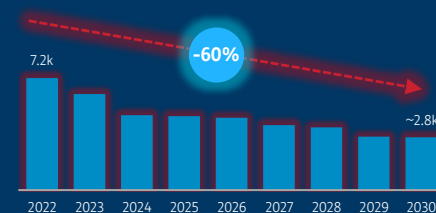
Subject to optimization

Lease contracts

+R\$ 4.1 bln

in IFRS 16 debt

Current Site Deactivation Plan # of sites



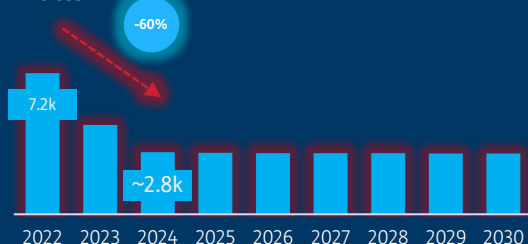
2c THE TRANSACTION MAY BRING ADDITIONAL VALUE CREATION, CURRENTLY NOT INCLUDED IN TIM'S 3-YEAR STRATEGIC PLAN

Accelerated Deactivation Plan

TIM is developing a strategy to accelerate the site optimization plan, reaching “end-game” by the end of 2024.

Accelerated Site Deactivation Plan

#sites



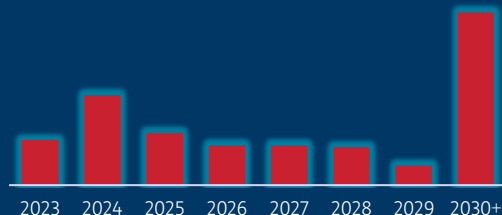
The execution of the plan is NPV accretive, but may generate higher short-term cash-out due to early termination penalties of tower contracts.

Goodwill

Amortization of eligible acquisition goodwill will start after the acquired SPE is merged into TIM S.A. (at the end of the transition period).

Amortization Profile (preliminary estimates)

R\$ (mln)



2023-24 nominal tax savings of ~R\$ 350 mln (preliminary estimates)

Tax savings expected to last until 2042

NPV of value creation on tax savings of ~R\$ 0.7 bln (preliminary estimates)

Customer Platform

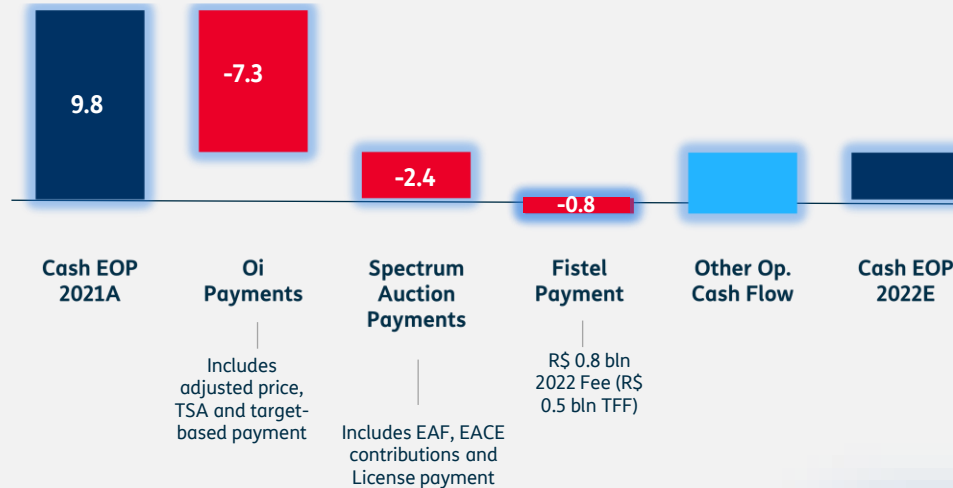
+32%
Customer base
addition

TIM's Customer
Platform initiatives

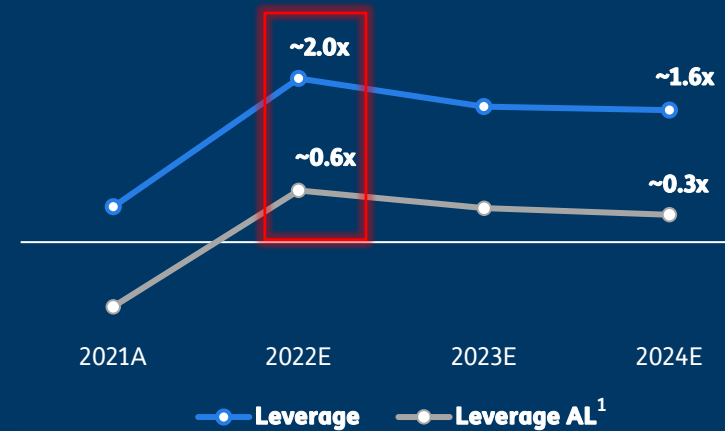
**Additional equity
stakes in Partners**

3 TIM WILL MAINTAIN A HEALTHY LEVERAGE POSITION AFTER CLOSING, AND RAPIDLY DELEVERAGES AFTERWARDS

Main Cash Events for 2022



Leverage Evolution (Net Debt/EBITDA)



Leasing Impact

Sites post closing immediate impact:

- Additional IFRS16 financial debt, ~ R\$ 4.1 bln
- Additional obligation of ~ R\$ 0.6 mln linked to towers (8M22)



Post-optimization outlook:

~60% reduction in leasing obligations and related IFRS 16 financial debt



4 CLIENT'S JOURNEY DURING THE TRANSITION: CARING AND VALUING THE ACQUIRED CUSTOMER BASE

CLOSING

3 months

"ROAMING LIKE"

TIM's mobile network will be opened to Oi's clients, 1 month after the closing.

9 months

"CLIENT MIGRATION"

Customer service and back-office migration:

+9 months

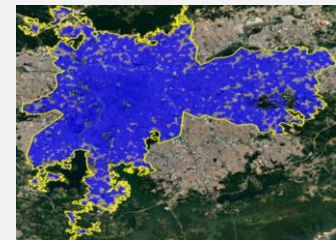
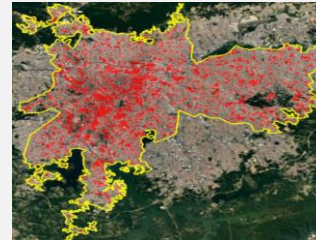
MORE FOR MORE

Improving customer experience

Benefit to client: enhance 4G coverage from 60% to 97%. In day one, migrated customers will already notice an improvement in network quality

Offering better coverage and network quality in high GDP areas

CASE STUDY: Indoor Coverage 4G - Oi vs. TIM





4 CLIENT'S JOURNEY DURING THE TRANSITION: CARING AND VALUING THE ACQUIRED CUSTOMER BASE



- 1 Clients will receive a notice 30 days before their migration window. Web-portal will be available with all the details of the migration and post-migration;
- 2 Clients Migration between Oi and TIM's Systems in Waves (weekly and monthly);
- 3 Brand Awareness: reinforcing TIM's strength;
- 4 Full system migration expected to be completed in 12 months.



**+ DIGITAL
BEST VIDEO
AND VIDEO
CONFERENCE
EXPERIENCE**

Benefit to client: service quality improve further with the incorporation of Oi's spectrum under TIM's network. Migrated and existing clients will benefit from capacity increase.



4 CLIENT'S JOURNEY DURING THE TRANSITION: CARING AND VALUING THE ACQUIRED CUSTOMER BASE



+ Music



+ Entertainment



+ Services




Arriving clients' ARPU ~R\$14.6 (Feb/22), immediately TIM's mobile ARPU will be diluted. But **the commercial synergy and client monetization opportunities are expected to quickly revert the situation.**

5 REGULATORY AND ANTITRUST CONDITIONS DEFINE **EXPECTED AND BALANCED SOLUTIONS**

WHOLESALE RELATIONS

Roaming and MVNO new Reference Offers for small/regional operators

- Timely complied with before closing  and subject to regulatory evaluation

Industrial Exploitation

- Availability to network sharing with small/regional operators [up to 20/10]

Main Conditions

CUSTOMER RELATIONS

Timely and transparent communication to the customers

- Communication Plan submitted to ANATEL 

Migration

- Waiver on “loyalty” clauses + Data Protection guarantees

INFRASTRUCTURE

Offer of 50% of the acquired Radio Base Stations

- Consistent with the network access optimization plan [up to 20/10, but we will implement it well earlier]

Spectrum Lease

- 900 MHz + RF that is not planned to be used [to be submitted up to 20/12 and 20/10, respectively]

GOVERNANCE

Supervisory Entity (Trustee)

- Indication of former CADE and ANATEL Presidents  and subject to CADE approval

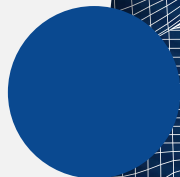
Regulatory monitoring

- ANATEL continuous activities about conditions fulfillment

With everything we've seen so far...

- 1** Significant value creation from the deal
- 2** Improving churn levels and reshaping market dynamics
- 3** Leadership in network coverage and spectrum capacity in Brazil
- 4** Taking efficiency to a higher level
- 5** Transforming customer experience for our clients

...WE WILL MAINTAINING A
STRONG FINANCIAL POSITION
WITH A HEALTHY LEVERAGE LEVEL, WHICH
LEAVES US ROOM FOR A **NEW APPROACH**
TO SHAREHOLDER REMUNERATION



*...We are paving
the way to become:*

“THE NEXT GENERATION TELCO”

Find out more on **May 4th** in the
TIM Brasil Day 2022.
We count on your presence!