

CONFERENCE CALL

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CORPORATE PARTICIPANTS

- ▣ **Alberto Griselli** – Chief Executive Officer, TIM S.A.
- ▣ **Andrea Viegas** – Chief Financial Officer, TIM S.A.
- ▣ **Vicente Ferreira** – Investor Relations Officer, TIM S.A.
- ▣ **Luiza Macedo** – Investor Relations, TIM S.A.

CONFERENCE CALL PARTICIPANTS

- ▣ Bernardo Guttman – XP
- ▣ Gustavo Farias – UBS
- ▣ Marcelo Santos – JP Morgan
- ▣ Rogerio Araujo – Bank of America
- ▣ Daniel Federle – Bradesco BBI

PRESENTATION

Vicente Ferreira – Investor Relations Officer, TIM S.A.

Hello, everyone. I'm Vicente Ferreira, Investor Relations Officer of TIM Brazil. Welcome to our earnings conference for the fourth-quarter of 2025. Today, joining me to discuss the highlights of our results, I have the CEO, Alberto Griselli and the CFO, Andrea Viegas. As usual, we close our call with a live Q&A session. So let's get started. Alberto, great to have you here. What can you tell us about the main highlights of the 2025 results?

Alberto Mario Griselli – Chief Executive Officer, TIM S.A.

Thank you, Vicente. Hello, everybody. It's a pleasure to share results that represent more than another solid quarter. They reflect the consistent execution of our strategy and full delivery of our promises, confirming TIM Brazil's track record in meeting its targets. From a financial standpoint, service revenue grew above inflation, with a year-on-year expansion of 5.2% — check.

EBITDA margin expansion, reaching 51% as EBITDA increased 7.5%, check, as well. CapEx was essentially flat versus 2024, check. Operating cash flow grew at double digit, closing the year expanding at 16%, check. And with the dividend anticipation, we closed the shareholder remuneration at BRL4 billion in cash, plus BRL750 million in share buyback, check. In all, guidance was delivered with a combination of strong cash generation and disciplined capital allocation.

**Vicente Ferreira – Investor Relations Officer, TIM S.A.**

Really impressive financial performance, Alberto. But beyond the numbers, what can you tell us in terms of operational results and other achievements that the company made during 2025?

Alberto Mario Griselli – Chief Executive Officer, TIM S.A.

Sure, Vicente. You're right. We had many deliveries that go beyond financials. In 2025, we continued to reinforce our strategic position. TIM remains the leader in 5G in Brazil, with coverage in more than 1,000 cities, 52% more cities than the second-largest player. And we were, once again, the most awarded operator in the latest OpenSignal report, winning in key categories such as consistent quality and reliability.

In B2B, we surpassed BRL1 billion in total contracted value across all verticals and for the third consecutive year, TIM was featured on the CDP A list, confirming our leadership in climate and ESG practices. On top of that, we continue to capture productivity gains, applying digitalization, artificial intelligence and strict discipline in capital allocation.

Vicente Ferreira – Investor Relations Officer, TIM S.A.

Great list of achievements. But Alberto, what can you tell us in terms of the contribution of each area of the company and the support that those different areas were able to deliver for our results as a whole.

Alberto Mario Griselli – Chief Executive Officer, TIM S.A.

Okay, Vicente. When we look inside the business line, 2025 tells a coherent story. In mobile, we strengthened the pillars that have been driving our performance in recent years. Net service revenues grew at a solid pace, supported mainly by mobile services, which increased 5.4% in the year. Postpaid was again the central engine.

Postpaid revenues grew 9.5% in the fourth-quarter, and our base expanded by 8.4% with another year of positive net additions. ARPU in postpaid, excluding machine-to-machine, reached almost BRL55, growing 3.1% year-on-year, which reflects our ability to combine volume and value strengthening value capture across our customers, migrating them to higher value offers while keeping churn under control.

At the same time, the prepaid segment began to show more encouraging signs. The revenue decline has decelerated for the third consecutive quarter, indicating that our actions to stabilize this space through more targeted offers, better segmentation and improved customer experience are starting to gain traction. The combination of robust postpaid expansion and a more stable dynamic in prepaid supports a healthier, more balanced growth profile of our mobile business.

None of these achievements would have been possible without the strength of our network. Throughout 2025, we further consolidated what has become a structural advantage for TIM, our leadership in coverage and technical quality. We maintain the broadest 4G and 5G footprint in Brazil and delivered tangible benefits for our customers.

TIM's excellence was recognized in the latest OpenSignal report, where we took home six national awards, demonstrating that our investments are not just expanding coverage, but actively enhancing customer experience. One of the year's most significant milestones was the completion of our network modernization project in São Paulo, which has transformed the experience in the country's largest market. By modernizing every site in the state, we expanded 5G and 4G coverage, increased capacity and improved overall quality performance.

We are now extending this modernization to other cities with a plan that includes around 6,500 sites to be swapped in major capitals until 2027, establishing new standards of quality and experience for our customers across Brazil. In fixed services, 2025 was a turning point for our broadband operations team, Ultrafibra.



After a period of adjustment and portfolio optimization, broadband revenues returned to growth in the fourth-quarter, supported by an improvement in net additions and nearly complete migration from FTTC to fiber. By the end of the year, we reached 850,000 customers and FTTH ARPU of roughly BRL95. TIM Ultrafibra revenues grew 6.2% year-on-year in the fourth-quarter.

This shows that our strategy of focusing on quality, rationality and operating efficiency is working. And we are building a more sustainable broadband business for the future. Another significant milestone in 2025 is our progress in B2B. Our solutions have achieved meaningful impact across key industries. In agribusiness, TIM coverage surpassed 26 million hectares, enabling precision agriculture, automation and greater productivity across vast rural areas.

In logistics, we expanded to more than 10,000 kilometers of highways connecting major corridors and enabling monitoring, safety and operational intelligence. In utilities, we sold nearly 470,000 smart lighting points, helping cities modernize infrastructure at scale with efficiency and control. And in mining, our advanced connectivity spanning 4G, 5G and IoT supports safer and more automated operations.

These verticals combined allowed us to surpass an important milestone of BRL1 billion in total contracted revenues since the beginning of this journey, confirming B2B as a structural growth engine for TIM, not a future possibility. It is already real, scaled and part of our core.

Vicente, in sum, we saw relevant contribution and strong support from every single line at TIM Brazil.

Vicente Ferreira – Investor Relations Officer, TIM S.A.

Thank you, Alberto. We'll come back to you for your final remarks later on. Now our CFO, Andrea will walk us through the details of our financial performance. Andrea, thank you for joining us.

Andrea Viegas – Chief Financial Officer, TIM S.A.

Thank you, Vicente. Hello, everyone. We closed the year with another strong set of financial results reflecting the disciplined execution of our strategy in 2025. This quarter reinforced a story that has been present all year long, cost optimization, expanding profitability and a clear focus on sustainable value creation. Over the last 12-months, our efficiency program has continued to reshape our cost structure.

Operating costs again grew well below inflation, with OpEx rising just 1.8% year-on-year in 2025. This reflects the structural initiatives underway across the company, showing that this approach is not a temporary effort but a core part of how we operate. This stronger execution contributed to another year of high-level improvement in productivity, with EBITDA increasing by 7.5% and our margin reaching 51%, marking an important milestone.

We also advanced lease-related efficiency initiatives, which already contributed to a strong result in 2025. EBITDA after leases grew 8.3% year-on-year, supported by continued optimization of our industrial cost structure and margin sustainability. In total, we delivered what we committed: BRL4 billion in dividends and IoC plus BRL750 million in buybacks, reaching a 139% payout ratio.

This demonstrated not only our strong financial performance, but also delivered another quarter of double-digit expansion in operating cash flow, which grew 15.7% year-on-year in 2025, lifting the margin to 22.7%. Throughout the entire year, we maintained solid cash conversion, supported by margin expansion and well-managed CapEx.

Finally, our balance sheet remains a source of stability and resilience. Our leverage remains highly comfortable, giving us the flexibility to continue investing with discipline while sustaining attractive shareholder returns. These results give us confidence as we enter 2026. We are well positioned to continue creating value for all stakeholders. Back to you, Alberto.

**Alberto Mario Griselli – Chief Executive Officer, TIM S.A.**

Thank you, Andrea. So as we step back and look at 2025, the conclusion is clear. It was a year of execution, consistency and evolution. We delivered exactly what we promised and built the foundation for advancing our strategy in 2026. Our direction is that we will drive value creation through mobile, B2B and broadband, supported by three key enablers that run across the entire company.

Artificial intelligence, efficiency and ESG. In mobile, our focus remains on strengthening profitability through a customer-first approach, continuously improving the experience and reinforcing the values of our offerings. In B2B, we are ready to capture a new wave of opportunities with a wider and more scalable portfolio that integrates connectivity, infrastructure and digital services.

The acquisition of V8 was an important step to enhance our capabilities. And in broadband, we entered 2026 with a more efficient operation, a more reliable service and portfolio aligned with sustainable expansion. Supporting all this, artificial intelligence becomes a transformational layer in our operating model helping us automate, simplify and accelerate decisions across every area.

Our efficiency agenda remains a hallmark of execution, ensuring discipline in capital allocation and allowing us to explore new growth avenues while protecting margins. And ESG continues to be a structural component of who we are, shaping our culture and guiding long-term value creation. Confirming this long-term path, in 2025, after many years, we finally reached an important milestone for our shareholders and the financial community: our return on capital is higher than the consensus cost of capital.

Now let's move to the live Q&A session.

Operator

Before proceeding to the Q&A session, I will pass the floor to Alberto Griselli. Please, Mr. Alberto, the floor is yours.

Alberto Mario Griselli – Chief Executive Officer, TIM S.A.

Introductory note, -- good morning, everybody. Today, we took an important step in our broadband strategy by acquiring full control of I-Systems. This will allow us to improve the efficiency of our broadband operation to deliver a better end-to-end customer experience and position ourselves for future movements. Now we can actually proceed to the live Q&A session.

QUESTIONS AND ANSWERS

Operator

Next question from Bernardo Guttman, XP

Bernardo Guttman – XP

Congrats on the solid results. again. Actually, I have two questions here. The first one on margins and efficiency. You delivered strong margin expansion this quarter with EBITDA growing much faster than revenues. How much of this



efficiency is structural and how much was more temporary or specific to this quarter. And if I may, the second one on I-Systems.

With the consolidation of the company, how should we read this strategic move? Does this suggest a stronger long-term commitment to the asset and a lower probability of a potential sale of the fiber business. And looking ahead, what would be natural next step? Does it make sense to revisit M&A opportunities, maybe looking at regional fiber players? Or is the focus now fully on organic growth?

Alberto Mario Griselli – Chief Executive Officer, TIM S.A.

Bernardo, let me go with the second one, and then I will pass it to Andrea for the margin expansion. When you look at our broadband operation, I think this quarter was marked by positive news on industrial performance because, after the fine-tuning, we managed to return to revenue growth. So we are back on track on something that had been underperforming in previous quarters last year.

So in the last quarter, we managed to return to a growth pattern and consolidate and optimize our model. At the same time, we need to recognize that the neutral model we wanted to implement faced a number of challenges. As a result, the expected benefits of scale did not materialize.

So the acquisition of control of I-Systems provides us with a number of benefits. The first one is that we get control of the end-to-end operation of our customers, which supports one key indicator: churn management and customer service levels. The second one is that we will be able to increase our operational efficiency.

So this measure is going to be accretive to margin expansion and a bit dilutive to CapEx, but overall, it is going to be neutral to free cash flow generation. And the third and most strategic point is that we position ourselves for our next step. So the question is what our next step is, and we addressed this in previous calls, where we said that we are looking at a number of different options.

And as a matter of fact, the sale of our broadband operation has never actually been on the table. We said that we have external opportunities and are assessing them, but all of these opportunities are intended to increase the value generation of our business. A sale was not an option, so we just want to clarify this.

Andrea Viegas – Chief Financial Officer, TIM S.A.

Bernardo, regarding margin efficiency, this is the consequence of the cost optimization we have been working on over the past years. This year, as we mentioned several times, we have an efficiency program in place, and the result is structural for the most part. This quarter, we had some effects, one of them being visitor interconnection costs, which affected this quarter.

If you look at the first quarter, we had an increase in visitor interconnection. And in this quarter, we had a decrease. Remember that interconnection costs refer to the full year, so we have this balance between quarters. Another effect in this quarter was the reduction in taxation on overtime pay. But again, these two effects affected this quarter specifically, while the result reflects the structural efficiency we have achieved and, as a consequence, we are delivering on our commitment to expand margins.

Operator

Next question from Gustavo Farias, UBS.

**Gustavo Farias – UBS**

First of all, congrats on the results. So my first question regarding margins. We saw a decrease in the network and interconnection expense, which was really a highlight to us. If you could comment on the main drivers behind that. You mentioned in the release a cost optimization of digital content providers? And how to think about this line going forward?

My second question is on mobile competition. We've been seeing some less positive figures on mobile portability in Q4 based on data from the regulator compared to past periods for TIM. How do you see this competition, especially given this mobile portability numbers we have been seeing lately? And if this -- you think this comes from any new cell impacts?

Alberto Mario Griselli – Chief Executive Officer, TIM S.A.

Okay, Gustavo. So let me take, again, the second, and then I will pass the word to Andrea for the first one. So when it comes to the dynamics of portability, the -- when you look at our report, you see that our churn level is almost stable over the quarters. And therefore, the increase of portability means as a matter of fact, that the share of portability within our churn is increasing. And this depends on a number of things.

One of them is the commercial practices of our competitors. But our churn level was fairly stable during the quarters of last year. Looking ahead, you will see that, in the first quarter, we are executing our price adjustments, and this tends to put some pressure on churn, as usual. We started by messaging and informing our customers in December.

And as a consequence, churn is going to be a bit higher in the first quarter, resulting in softer net additions. Regarding new entrants and market dynamics, I would say that, from a general perspective, I believe the market is pretty rational and remains rational. And our ability to attract customers remains broadly the same.

Unfortunately, Anatel stopped sharing the number of new cell subscribers. And therefore, we cannot rely on an independent source to measure the growth of the numbers. So what we see, it's our internal view and our internal view is based on a number of KPIs that we use and the impact is not material at this stage.

Andrea Viegas – Chief Financial Officer, TIM S.A.

Gustavo, regarding network and interconnection, we have some items that are increasing and others that are decreasing. One item that is decreasing is visitor interconnection, which I just mentioned. What is increasing, for example, is content provider costs related to the offers we launched last year, where we included streaming for our customers. So we have an increase in this item, and we also have an increase in network costs related to 5G expansion.

Operator

Next question from Marcelo Santos, JP Morgan.

Marcelo Santos – JP Morgan

I just wanted to zoom in a bit more on personnel expenses, taxes and overtime hours. Was there any retroactive recognition of this gain? I just wanted to better understand whether this is something that is going to change going forward, and whether the fourth quarter included changes that were, let's say, retroactive to previous periods.



I just want to understand the sustainability of these gains over time and how recurrent they are. I think that's the first question. The second question is that there was an improvement in broadband ARPU. Does this signal a more rational market in your view? Or is it more of a TIM-specific effect?

Alberto Mario Griselli – Chief Executive Officer, TIM S.A.

So I'll start, Marcelo, with the second one. On ARPU dynamics, I think this is, in our numbers, more related to our own execution in terms of ARPU expansion. We optimized a number of things throughout 2025 in order to better serve our customers and increase the efficiency of our operations. As we discussed in previous quarters, one of the things we did was evolve our commercial distribution in a way that is now more pull and less push.

And the results of this are beneficial in a number of ways because, at the end of the day, the quality of the customers we are bringing in is better. So this is one driver. Then there is a second benefit: pull channels tend to be less expensive than push channels. The other driver is more related to what we call below-the-line marketing activities, whereby we manage our customer base and move it, as in mobile, from one plan to another or when customers call to renegotiate.

So there are a number of commercial activities related to customer management, and we have been tweaking things in the right direction. This has had a positive effect on ARPU. So it is more about our own execution than the overall market dynamics, which remain competitive.

Andrea Viegas – Chief Financial Officer, TIM S.A.

Marcelo, the impact of overtime pay affects both the past and the future. But in the fourth quarter, the impact was higher because it concentrated effects from previous years. So in the future, we will continue to see this impact, but it will be a smaller amount compared with the fourth quarter. But bear in mind, these gains are not that sizable in our overall OpEx.

Operator

Next question from Rogerio Araujo, Bank of America.

Rogerio Araujo – Bank of America

I have a couple here. First, on tower leases, if you could mention how the negotiations are evolving with lessors? And are you renegotiating terms ahead of maturities or mailing upon renewals? Also, incentives stepped up in the 4Q. What has driven that? And how should we think about incentive trajectory in the upcoming quarters?

And last on tower leases, what is our latest view on lease expenses as a percentage of revenue over the next two, three-years? And can ongoing renegotiations offset incremental 5G and tower needs? This is the first one. And the second on Brazil's tax reform. Do you have any early estimates to share with us about the impact of the effective sales tax from 2027 onwards. And also, if an increase is expected, how much of that do you believe is passed through to consumers versus absorbed by the company?

**Andrea Viegas – Chief Financial Officer, TIM S.A.**

Rogerio, let's talk first about tower leases. The tower lease line ultimately reflects what we have been doing over the past years. We have been working very hard on several efficiency levers in leases. This year was challenging because we had the impact of additional towers and inflation, and even so, we delivered margin expansion in EBITDA after leases.

So this efficiency continues. We have several agreements with tower companies. We announced one of them a few weeks ago. What we expect for the ratio between leases and revenues is to keep it broadly stable, with a slight decrease, considering that we are continuously expanding our network related to 5G. Moving to tax.

Alberto Mario Griselli – Chief Executive Officer, TIM S.A.

Andrea, just to complement, Rogerio, on towers. When you look at our lease costs, there are a number of things inside. The big chunk is clearly network cost, but there are other elements. Complementing Andrea's point, we finalized the negotiation with American Tower last year. When we look forward, we see both challenges and objectives for this year.

We have another important ongoing negotiation on the table. This is part of our plan. And, as you know, network-sharing discussions are proceeding, and I see opportunities to do more in the future. So this initiative is part of the overall portfolio, alongside the build initiatives that we put together.

So when you look at our guidance and what we shared with the market, besides network deployment, which puts pressure on costs, and besides inflation, which also puts pressure on costs, we are going to manage to keep these leases growing at most in line with inflation and, therefore, slower than revenues. So when it comes to the share of this cost versus revenues, this is the answer looking forward.

That's what we have been sharing and implementing over the last years, and we plan to do this in 2026 as well. For the tax, I will hand it back to Andrea again.

Andrea Viegas – Chief Financial Officer, TIM S.A.

Regarding tax reform, what we can say now is that 2026 has no impact, and 2027, which is the year already included in our guidance, is neutral to free cash flow.

Rogerio Araujo – Bank of America

Okay. And can you share, maybe after the full transition period by 2033, if there are any early estimates on the impact?

Andrea Viegas – Chief Financial Officer, TIM S.A.

Rogerio, we have not yet announced our guidance for that period. So we are talking only about the years we have already announced, which are 2025 to 2027.

Operator

Next question from Daniel Federle, Bradesco BBI.



Daniel Federle – Bradesco BBI

Congrats on the strong results. The first one is just if you could provide more color on the price increases in the first quarter: whether they are front book, back book and the magnitude, if possible. The second question is regarding CapEx. CapEx ended up a little bit closer to the top of the range. So any update in terms of CapEx demands, requirements or pressure from FX would be helpful.

Alberto Mario Griselli – Chief Executive Officer, TIM S.A.

Okay, Daniel, let me go to the price increase first, and then we'll hand it over to Andrea for the CapEx one. When you look at the more-for-more strategy, just recapping generally what we do, we upgrade our back-book prices and front-book prices. The back-book price adjustment for postpaid is happening as we speak. So it's the one that I mentioned in the previous answer.

So it is underway as it was last year, and we are executing it. The magnitude is fairly similar to the one we had last year. Of course, it does not apply to 100% of the customer base. As discussed, it happens in a couple of phases throughout the year. But the mechanics in the first phase are fairly similar to the amount we executed last year.

We are also internally discussing front-book price adjustments in control. We executed this in June last year, so we are planning to follow a similar pattern this year. And we are pretty confident that we can do something on postpaid as well this year.

For the CapEx, Andrea.

Andrea Viegas – Chief Financial Officer, TIM S.A.

Daniel, we are on track in CapEx. We maintain the CapEx guidance we announced. The point here is that when we see an opportunity to anticipate CapEx, if we generate some efficiency and have an opportunity to anticipate CapEx, we will do so. But again, 2025 was exactly what we expected in terms of investments. We are also always controlling CapEx and focusing on free cash flow.

CLOSING

Alberto Mario Griselli – Chief Executive Officer, TIM S.A.

Thank you all for joining today's video call. I would like to extend a big thank you to our entire team for their efforts and for the great results that we achieved together in 2025. (technical difficulty)