

TIM Brasil

Institutional Presentation

4th 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 in the notes.





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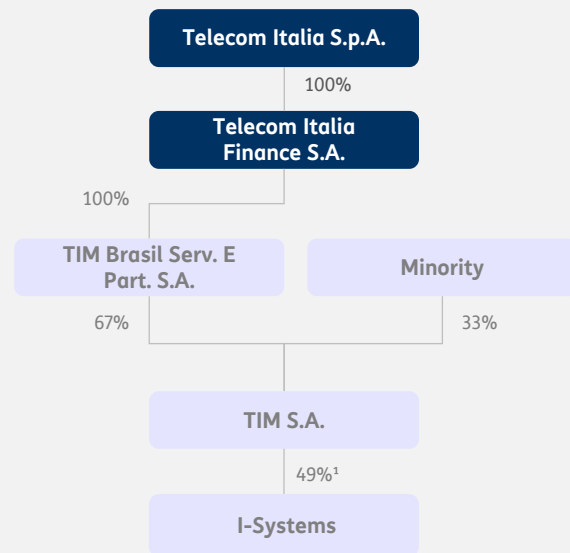


ABOUT US

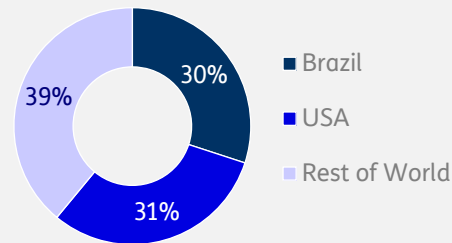
The Company in a nutshell

- Presence in Brazil since 1998
- Telecom Italia subsidiary (67% of shares)
- ~R\$ 32 billions of Market Cap
- 91% of its revenues coming from Mobile Services
- 19 out of 20² quarters of Net Revenues consecutive growth and 22 quarters of EBITDA consecutive growth
- ~R\$ 120 million in Revenues from Customer Platform and ~R\$ 500 million in Equity from partners
- Best and Wider 4G Coverage
- >100k km of fiber optical network throughout the country

SHAREHOLDERS' STRUCTURE



Shares (% of Free Float)

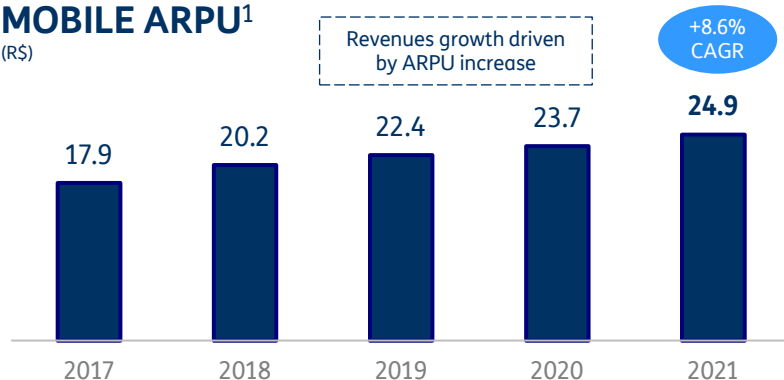


Solid results with sustainable growth



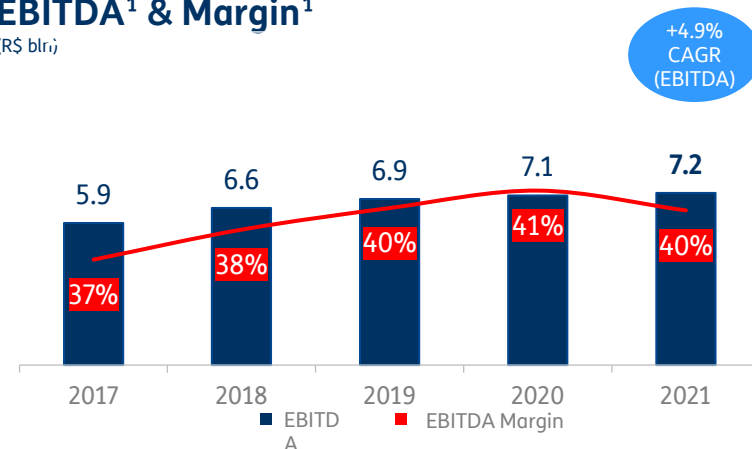
MOBILE ARPU¹

(R\$)



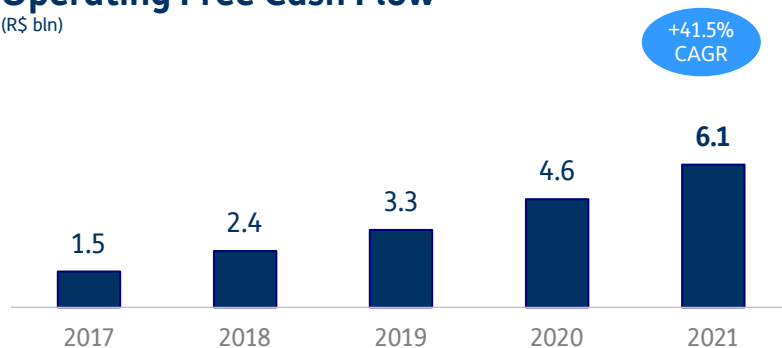
EBITDA¹ & Margin¹

(R\$ bln)



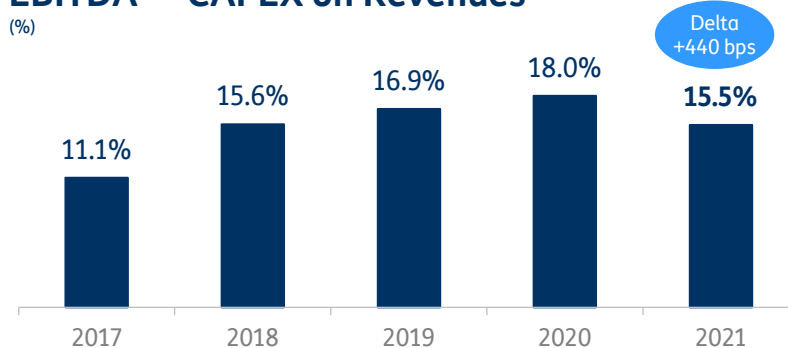
Operating Free Cash Flow

(R\$ bln)



EBITDA¹ – CAPEX on Revenues

(%)



ESG: A long journey already taken

MORE THAN A DECADE OF INITIATIVES AND RESULTS

14 ISE B3 years Brazilian Telco for the longest time in the **Corporate Sustainability Index** of the B3



Global Compact
signatory since 2008

TIMS
B3 LISTED NM

Only Telco in the **Novo Mercado (since 2011)**, with the implementation of the **Statutory Audit Committee** since 2013

Instituto **TIM**

Since 2013, Instituto TIM has been developing and promoting projects and initiatives for the democratization of education in ST&I

Indexes and acknowledgements

(indexes)

ISE B3 **MSCI**

Teva Indices ESG Mulheres no Conselho®

ICO2 B3



FTSE4Good

CDPR Index
Climate Resilience

Índice S&P/B3 Brasil ESG

Ambition

REFINITIV



Dow Jones Sustainability Indexes

(reports)



Communication on Progress (UN)



GHG Inventory



Disclosure of emissions and climate change-related information



Sustainability Report

(acknowledgements and best practices)



Global Compact Signatory since 2008



1st Telco Pró-Ética Seal (CGU)

TIMS
B3 LISTED NM

Novo Mercado since 2011, highest level of corporate governance

1st in data privacy

The best rated company in the survey on internet providers' policies for data protection¹

(certifications)

Quality Management



Environmental System Management



Anti-Bribery Management

Ambition



Information Security Management



ESG: Materiality matrix review to fine-tuning principles and the new context

The ESG Plan 2022-2024 confirms and reinforces TIM's ESG ambitions, **increasing targets** selected on the basis of materiality matrix updated in December 2021.

The objectives are related to a portfolio of initiatives that are a structural part of the Industrial Plan, aiming to a coherent framework among ESG premises, operational dimension and organizational accountability.

2021

→ Achievements:

- >17k Active Biosites
- ZERO Indirect GHG emissions (scope 2)
- 1st Telecom worldwide in the Refinitiv Diversity & Inclusion Index and Bloomberg Gender Equality Index
- Women on Board Stamp (30% of the positions in the board of directors held by women)

MATERIALITY MATRIX

Energy management

Post-consumer and operational waste management

Health, wellness and employee management

Diversity promotion and equal opportunities

Digital inclusion *and access to connectivity*

Investment in infrastructure and *net reliability*

Ethics and governance in business

Innovation applied to products and services

Customer experience and service quality

Data protection, customer privacy and *cyber security*

Strategic and responsible supplier management

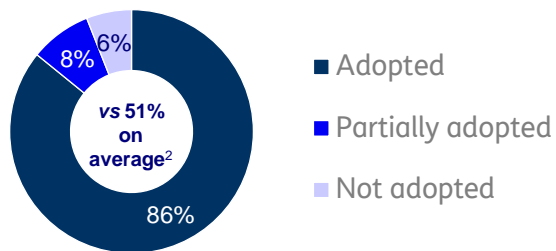
ESG: Highest level of Corporate Governance



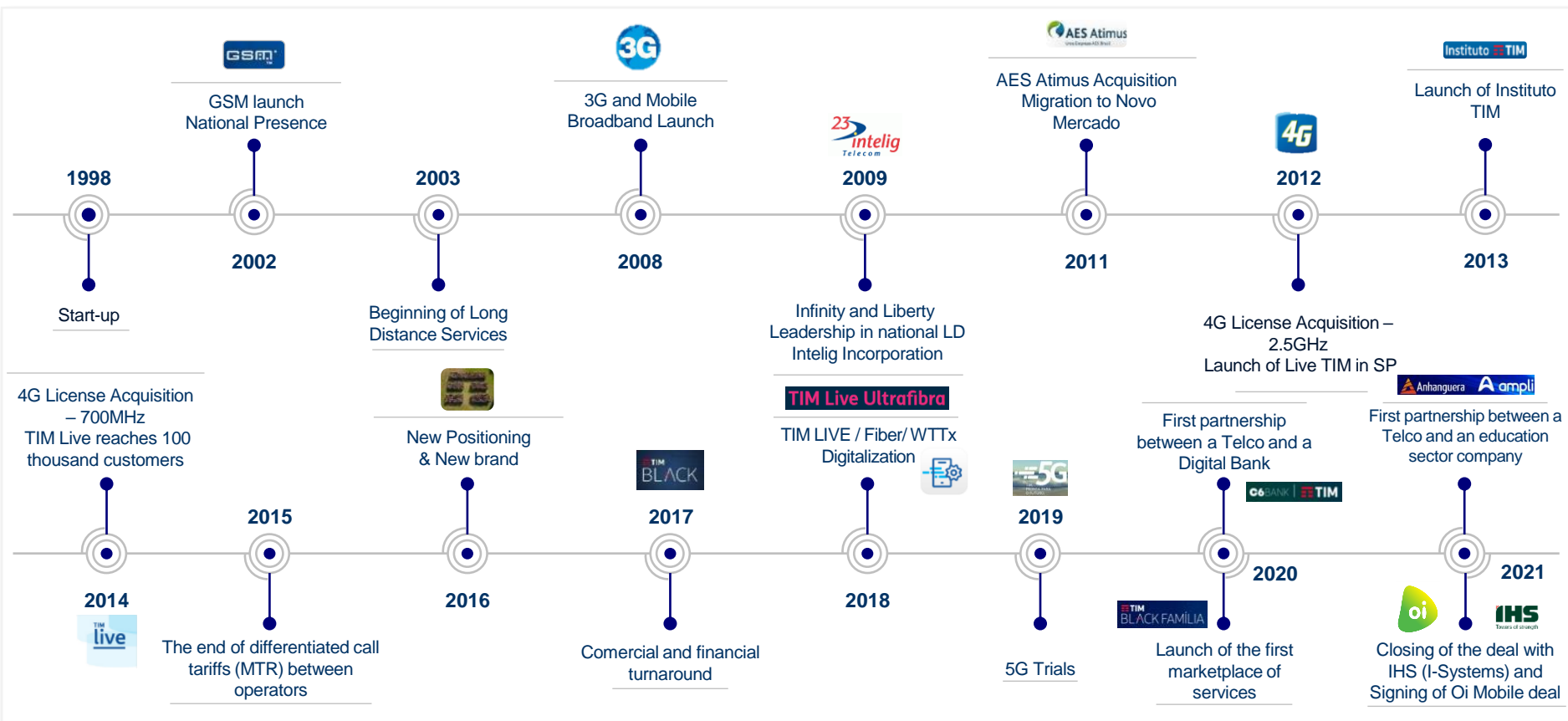
STRUCTURE TO REINFORCE AND GUARANTEE A SOLID CORPORATE GOVERNANCE

- Unique Telco **listed on the Novo Mercado segment**: Equal rights – vote, dividends and tag along
- **Stock-based long-term incentives**: compensation aligned to shareholders' interests
- Board of directors: **40% independent + top 12 companies in female representation** (30% of board members)¹

Corporate Governance Form (ICVM 586)



Milestones: Innovation DNA





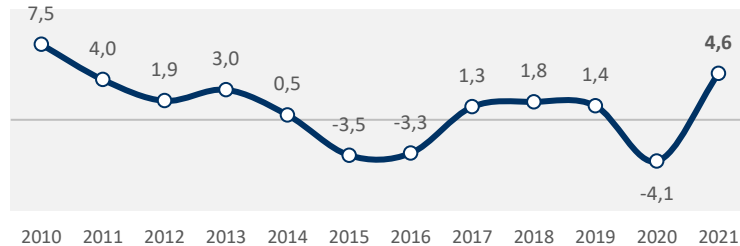
MARKET OVERVIEW

Structural drivers point to a challenger post-pandemic environment



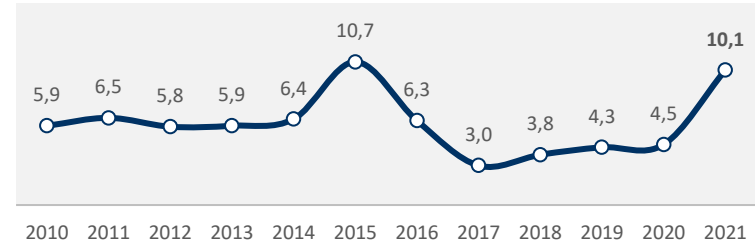
GDP Growth

(% YoY, YTD)¹



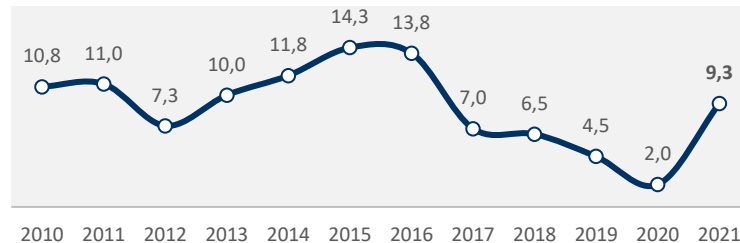
IPCA

(% p.y., LTM)



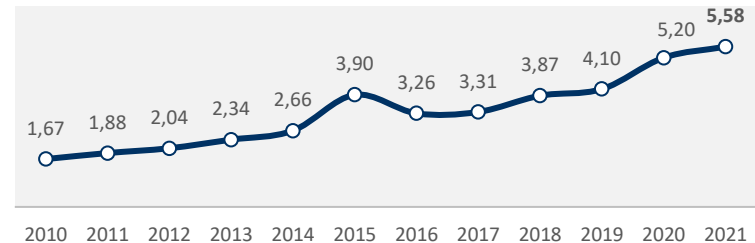
Interest Rate – Selic Target

(% p.y., EOP)



Exchange Rate

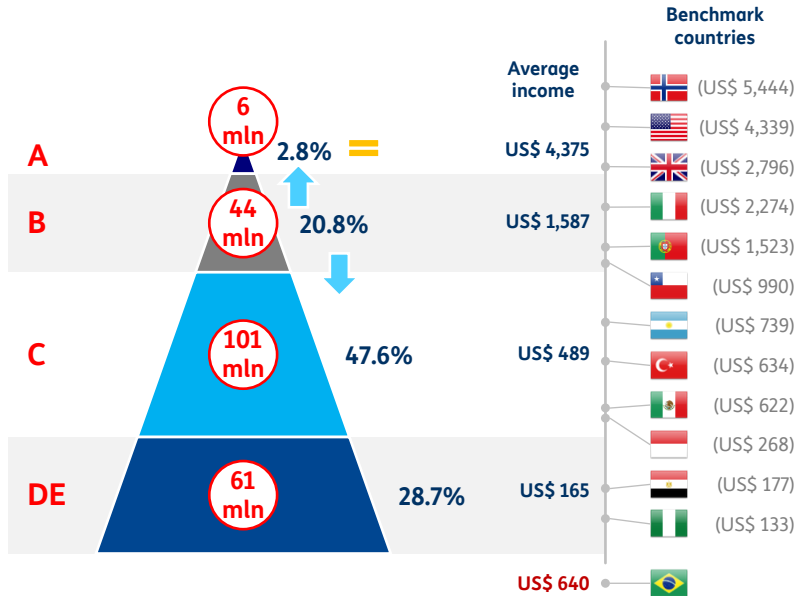
(R\$ / US\$, EOP)



The consumers still feels past years crisis and the Covid-19 outbreak impacts, affecting the sector dynamics

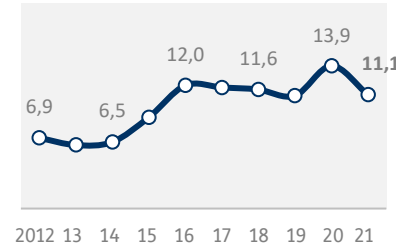


Brazilian population by social class

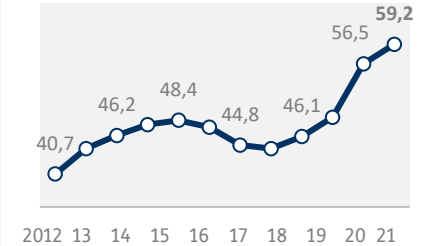


During the past year, class B decreased, while class A increased.

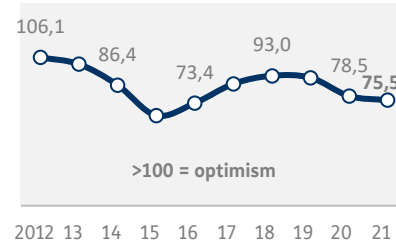
Unemployment Rate
(% EOP)



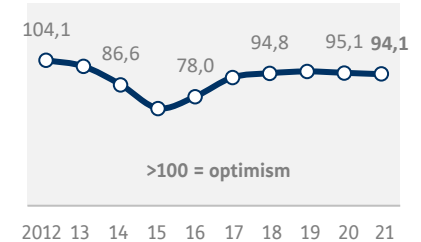
Household Debt
(% EOP)



Consumer Confidence
(0-200, EOP)



Business Confidence
(0-200, EOP)

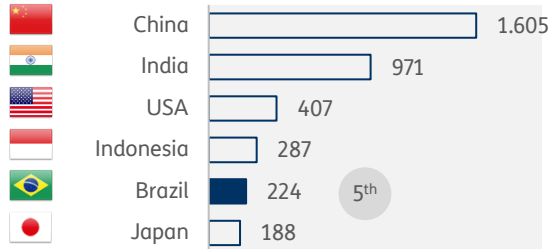


Brazilian market is relevant globally with room for ARPU growth

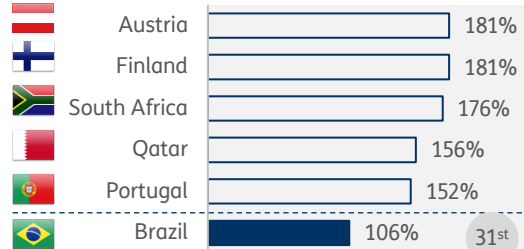


Mobile Customer Base Ranking

(mln)

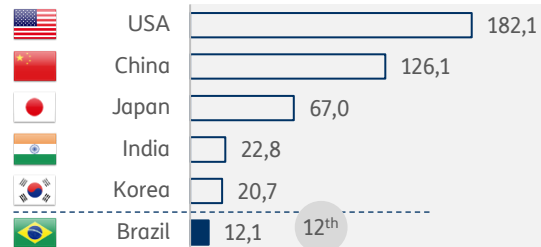


Mobile Penetration Ranking



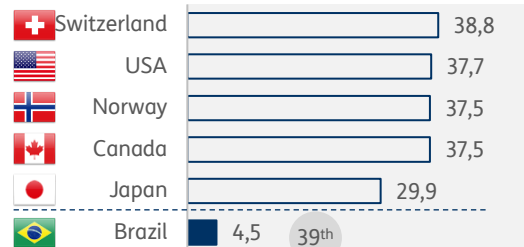
Mobile Service Revenues Ranking

(US\$ bln / year)



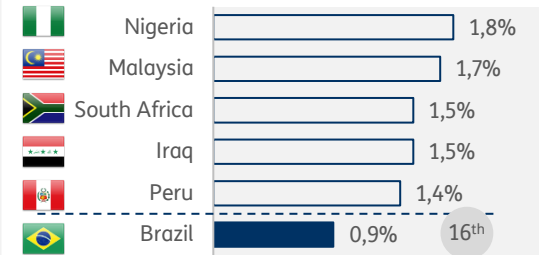
Mobile ARPU Ranking

(US\$ / mo)



Mobile Wallet Share¹

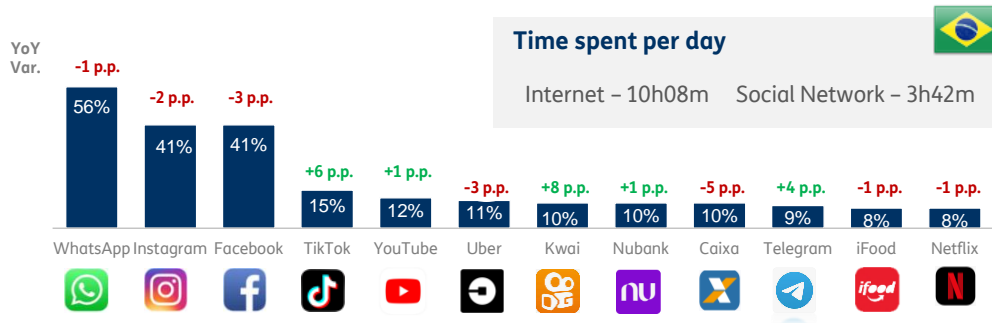
(Mobile ARPU / per capita GDP)



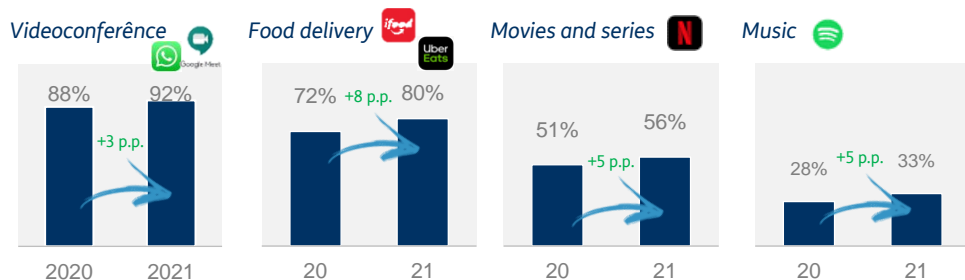
New consumer habits reinforce data service as essential, especially over mobile network



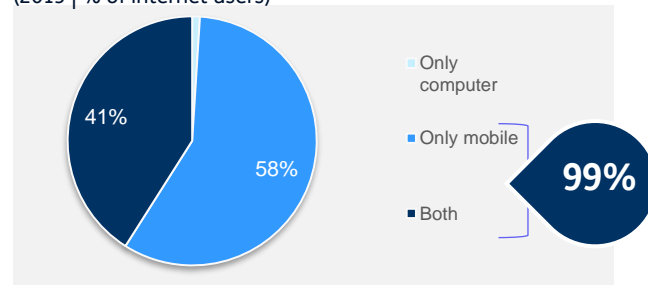
12 Most popular apps at the Brazilian's mobile smartphone home screen (% of Smartphones with the app at the home screen)



App users (% of smartphone users)



Internet users by device (2019 | % of internet users)



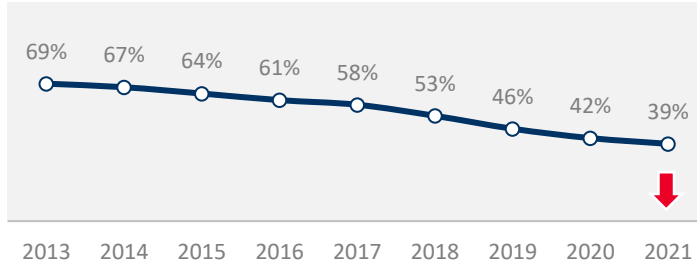
Usually updated in November according to the survey disclosure.

New consumption habits changing Telco's consumer profile



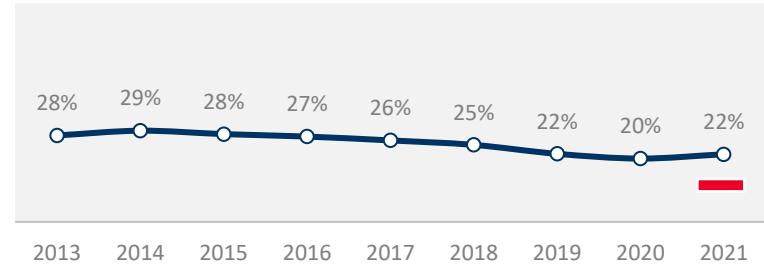
Fixed Voice Penetration
(% of households)

28.7 MM
lines



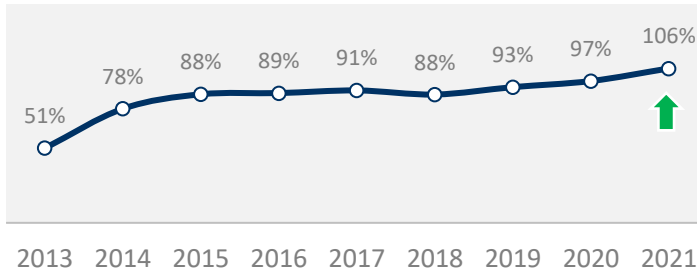
Pay TV Penetration
(% of households)

16.0 MM
accesses



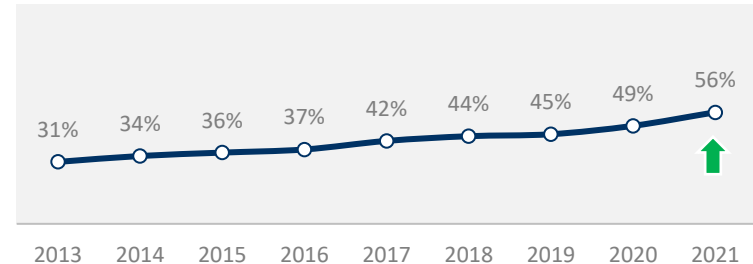
Mobile Broadband Access
(% of population)

227 MM
Access



Fixed Broadband Penetration
(% of households)¹

41.4 MM
lines

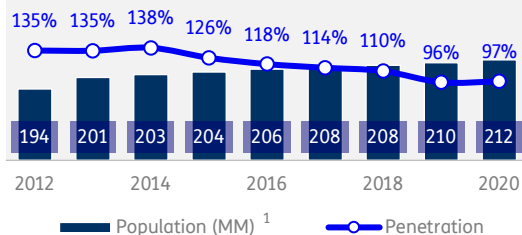


Change in market structure combined with new consumption habits resulted in a transformation of the base profile



Mobile Penetration

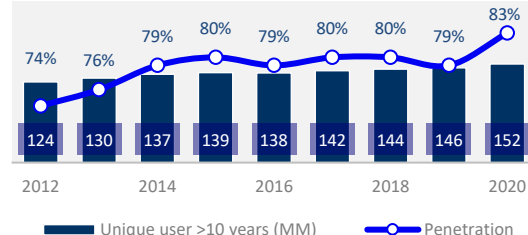
234 MM
SIM Cards



Penetration decreasing due to SIM cards reduction: weakening of the “community effect” with ITX tariff decrease and dissemination of communication apps.

Unique Users Penetration²

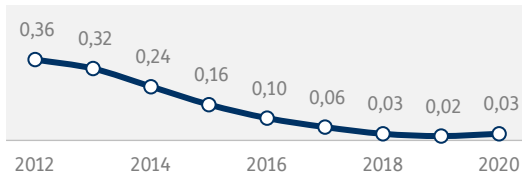
146 MM
people



Mobile market has been experiencing organic growth in total unique users.

MTR Evolution

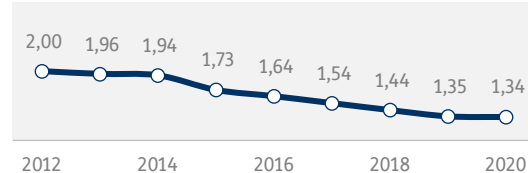
(R\$ / min)



The maintenance of a high interconnection tariff pushed the “community effect (on-net)” through the possession of multiple SIM cards.

SIM Cards per Unique User²

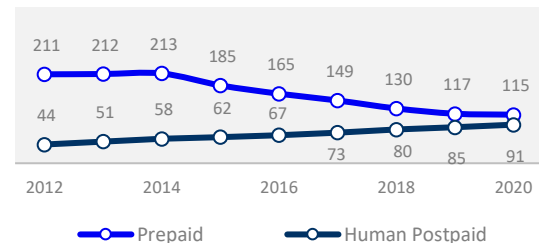
(Unit)



SIM consolidation despite the growing number of mobile users.

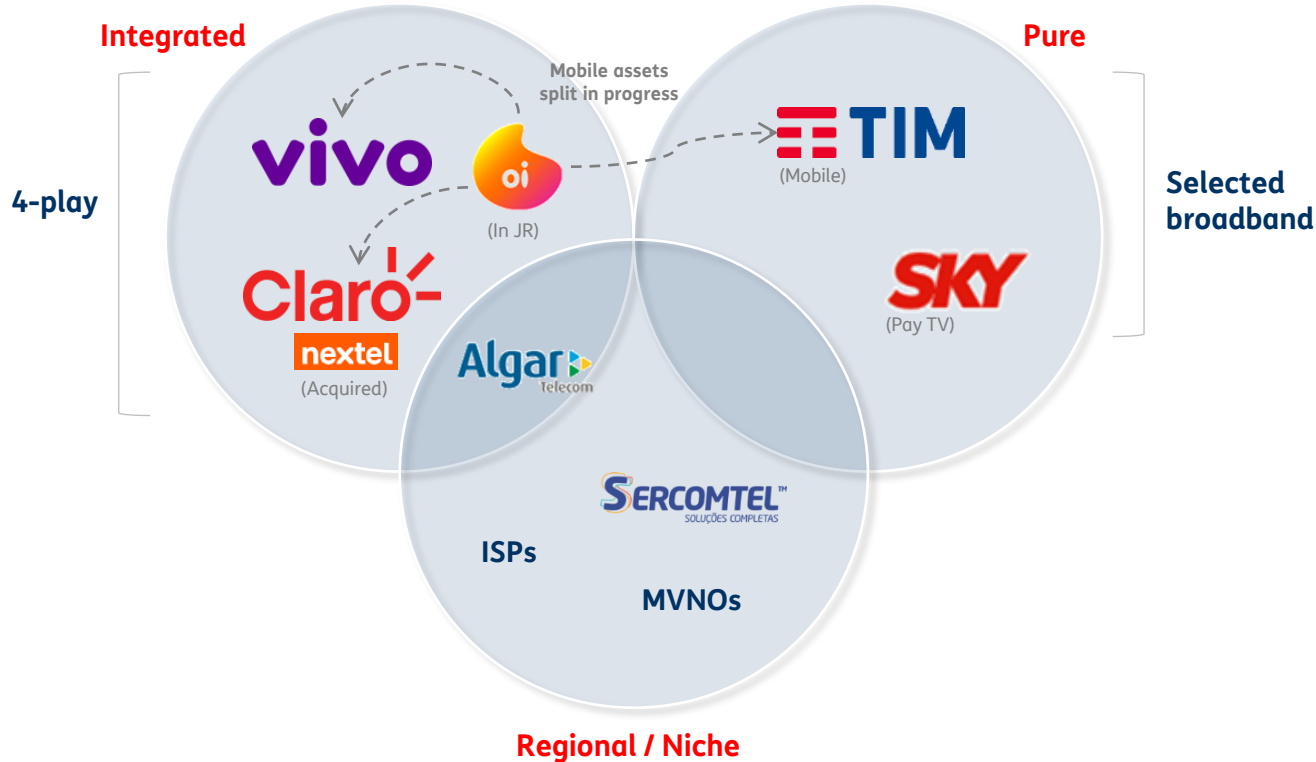
Mobile Base per Segment

(MM)



Postpaid base already represents ~50% of unique users, besides that >60 MM Brazilians are in the credit bureau blacklist.

Three major players working in integrated manner, TIM with relevant performance in mobile and selected approach in broadband

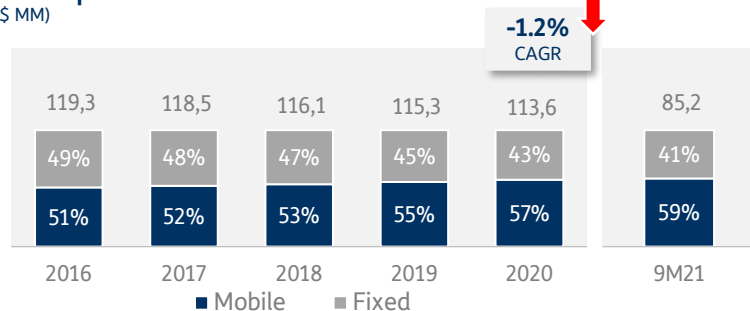


Market revenue dynamic indicates mobile growth, and highlights TIM's evolution



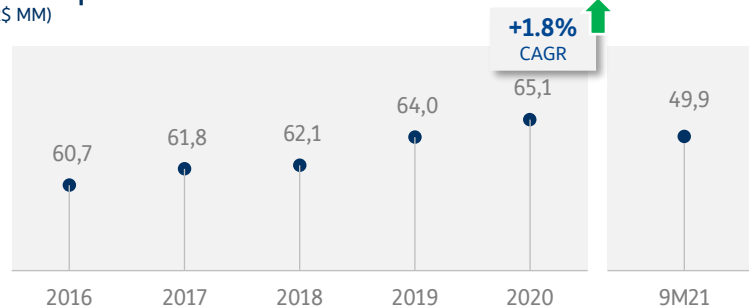
Market | Total Services Net Revenues

(R\$ MM)



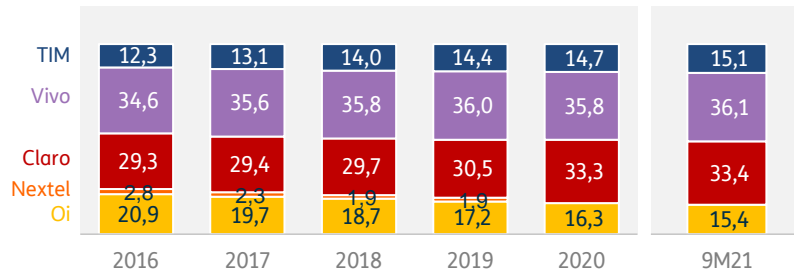
Market | Mobile Service Net Revenues

(R\$ MM)



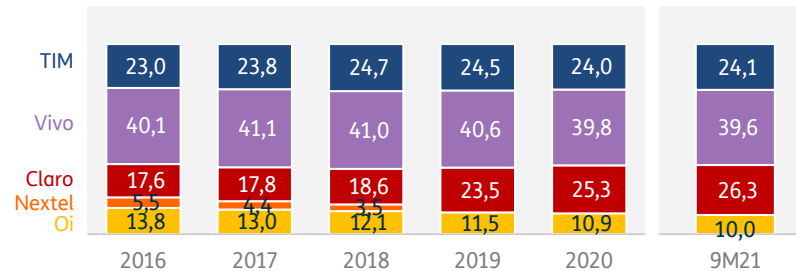
Total Services Net Revenues Share

(%)



Mobile Service Net Revenue Share

(%)



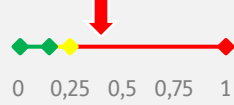
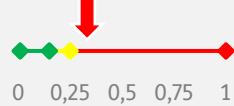
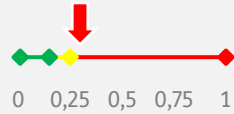
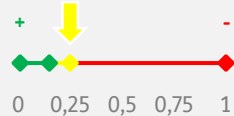
Mobile and broadband market are competitive but have been showing evolution towards more rationality. Changes in market structure may reinforce this path



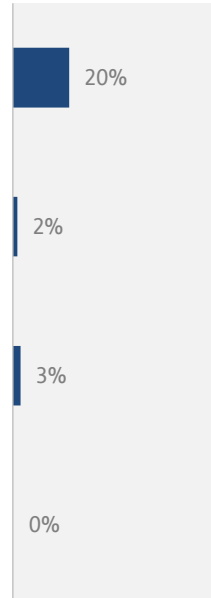
(Market Share | Dez-21)

HHI Index

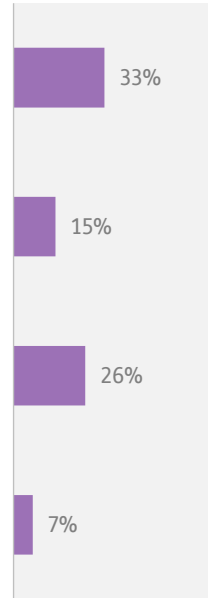
Level of competitiveness



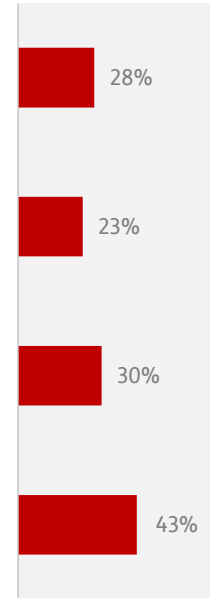
TIM



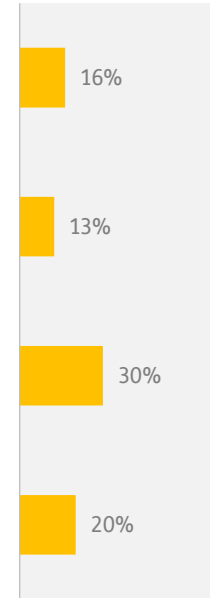
vivo



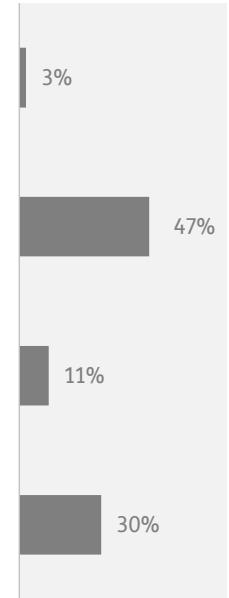
Claro



oi



Others





STRATEGY FRAMEWORK

During the next years, some relevant trends will have structural implications on operators' business model in Brazil, while economy will recover, but still at uncertain pace



Mobile market consolidation



Acceleration in digital consumption



Wave of asset separation



Monetization of Consumer Platform



Paving the way for 5G



IoT and M2M technology

Dynamic

Moving from 5 to 4 after Nextel acquisition and from 4 to 3, after Oi's mobile assets sale is completed

Data demand growth for mobile and fixed, further accelerated by Covid-19

Increasing **initiatives of network separation** (InfraCo vs. ServCo)

Increasing numbers of **digital business leveraging Telco's Consumer Platform** (e.g. digital wallet, data monetization)

Preparation to launch 5G, with 5G DSS as marketing positioning, auction and vendor analysis

Exponential number of use cases in several industries (e.g. agribusiness, connected cars, utilities, health)

Implications and Opportunities

Foster more **balanced competitive landscape** (e.g. pairing spectrum gap)

Revenue growth on data monetization
Increase **pressure** over network **cash costs**
Geographical expansion of fiber

Partnership negotiation to finance **network expansion and modernization**

New revenues sources for telco operators leveraging new digital disruptors (e.g. fintech, data provider, OTT content)

Focus on 5G network rollout with proposed auction framework, **Release 16 as catch up** for the country

Expand business beyond connectivity (e.g. applications, data monetization, implementation)



Adapting the approach but reinforcing the strategic pillars



Strategic Paths



Strengthen the core

Enhance and accelerate the transition from **volume to value**, to sustain mobile business growth, focusing on customer experience

Fill current **infrastructure gap with M&A**, also fostering inorganic growth and capturing potential synergies

Capture **ultrabroadband** market **growth opportunity** with new financial and business models

Build the future

Expand **new sources of value** (e.g. IoT, C6, Mobile Advertising, Customer Data Monetization, Health, Education) leveraging the customer base platform through ecosystem and partnerships

Implement **transformational projects** on infrastructure (e.g. 5G, ORAN, M-MIMO, cloudification)



Transformational Enablers

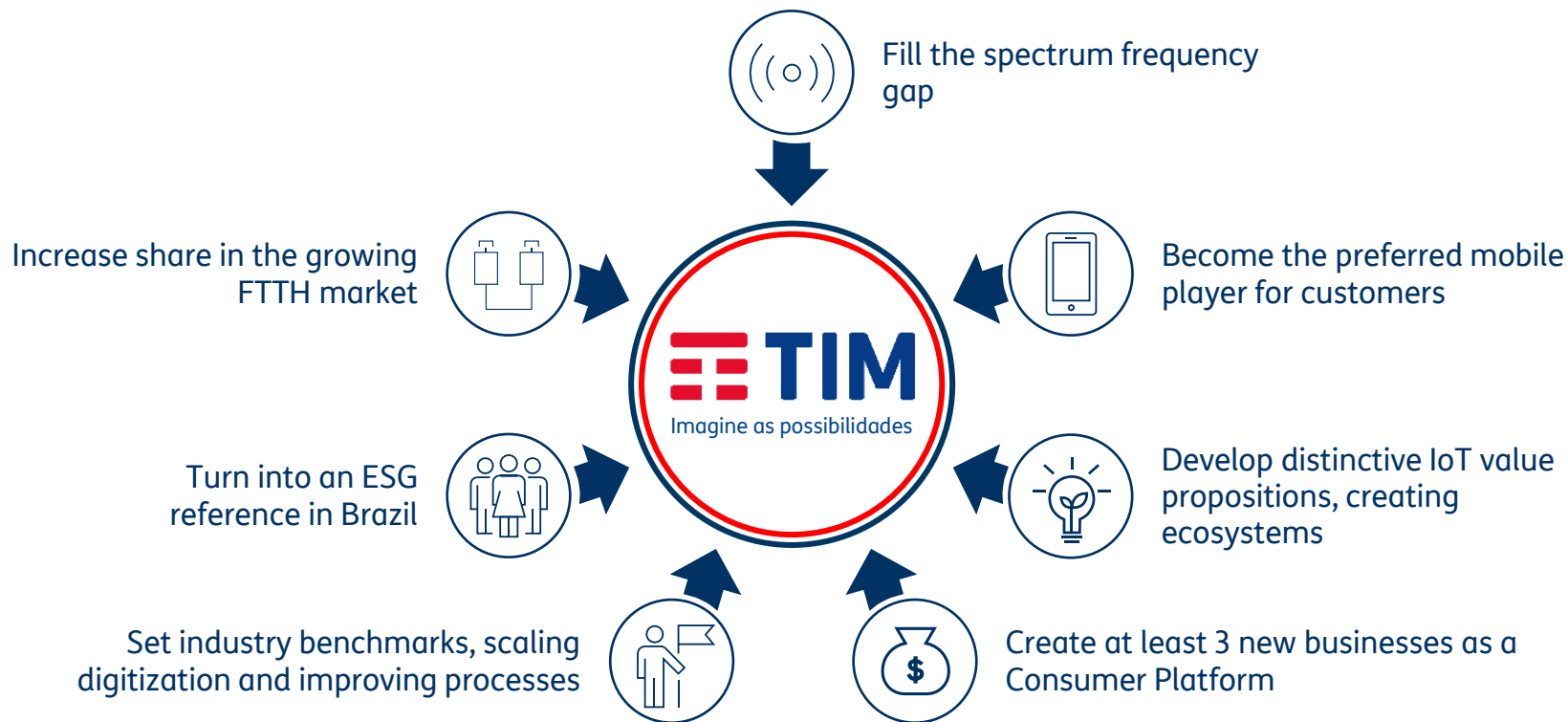
Boost disruptive efficiencies

Boost **disruptive efficiencies** through digitalization, automation and new operating models, leveraging skills and capabilities enhancement

Strengthen sustainability

Strengthen and consolidate **ESG proposition** making a positive transformation

“Imagine as possibilidades”: Our aspirations for 2024 reflect market opportunities and trends

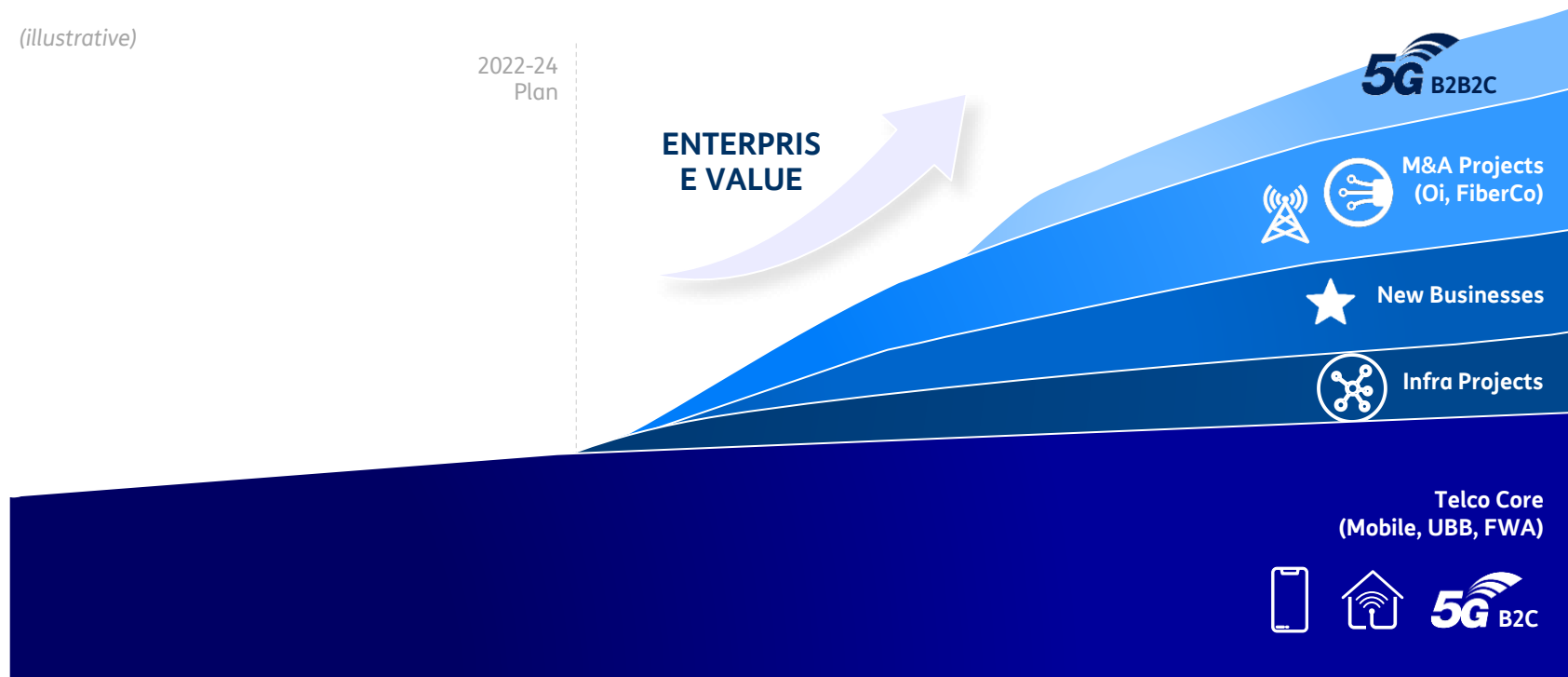


Value Creation through time

(illustrative)

2022-24
Plan

**ENTERPRISE
VALUE**



Time



STRATEGY AND POSITIONING: CORE



We will further accelerate the volume to value transition focusing on customer experience



A Brand

Promote a **brand** “**aspirational**” and “**credible**” by refreshing DNA, a new tag line and innovation format and content

1. Promote our network quality
2. Foster brand engagement
3. Invest in digital media

B Marketing

Increase **product differentiation** through innovative value proposition and customer experience simplification (e.g. journey digitalization)



C Sales

Focus on **customer experience, productivity and sales force optimization**

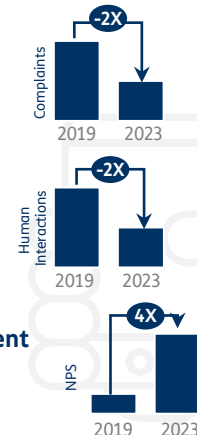
D Customer Relations

Increase **automation** and offer differentiation in service level

New Caring Model

New Digital Channels

New Management Tools



“More for more”: Stepped portfolio addressing consumer wishes through relevant partnerships



First Edtech partnership, with exclusive benefits

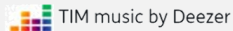
POSTPAID

TIM Pré Top

from
3GB

TIM Beta

Additional benefits for digital customers.



TIM+ Vantagens

The first advantage program for prepaid client.

Data Stack

Data bonus for recurrent recharges.

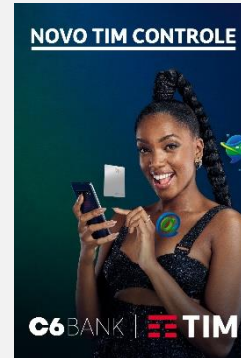
≥R\$ 15/two weeks

TIM Controle

from
5GB

TIM + C6

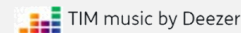
The first joint effort between a telco and a digital bank



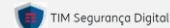
≥R\$ 50/mo

TIM Black

from
15GB



TIM Black Família
shared benefits and content marketplace



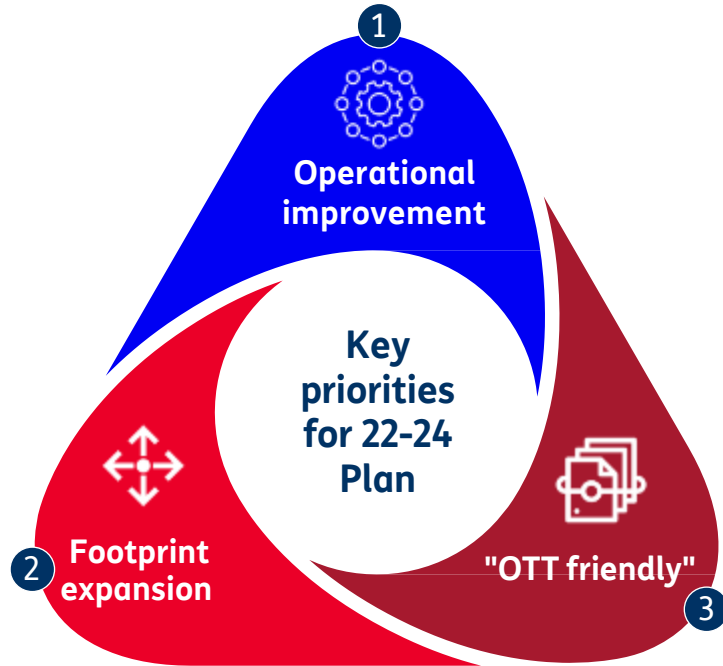
International roaming



≥R\$ 110/mo

← **Increase CEX with better Quality and Value Proposition** →

In order to capture ultrabroadband market growth opportunity, we focus on 3 main pillars



1

- Time-to-market and commercial assertiveness
- Efficiency and quality on Sales and Post-Sales
- Increase of self-service and expansion of forms of contact
- Network QoS and Field Service Efficiency

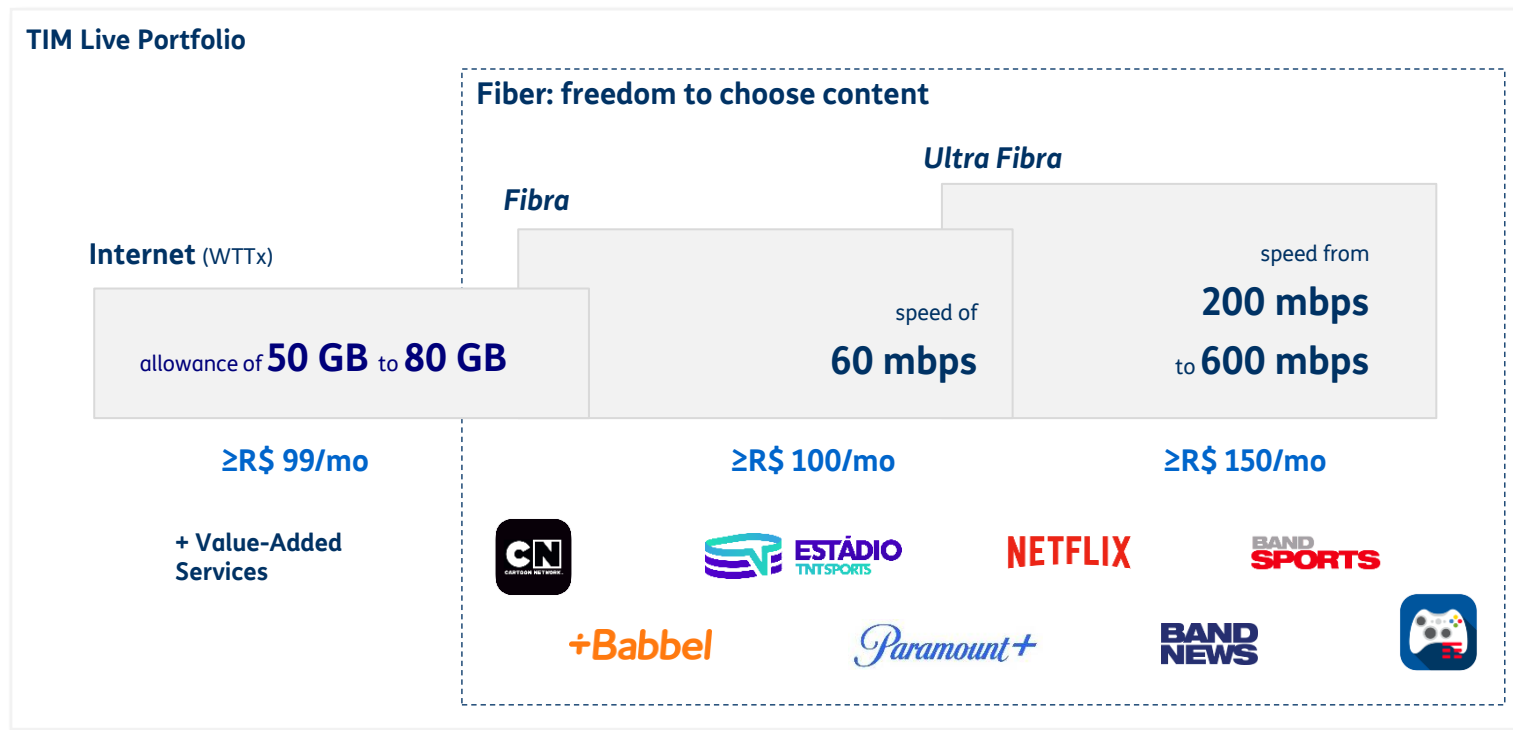
2

- Consolidation of current clusters and launch of new ones
- Partnership to grow with financial discipline
- Selective FTTH overlay over FTTC
- Cherry picking deployment

3

- Refresh Key Visual and Communication
- Portfolio evolution to “Power Home” concept and evolve content embedded (Smart Hub)
- Ultra speed and relevant content claim positioning

Exploring accelerated growth opportunities: Residential broadband



Signed with IHS, an Industrial Player with Expertise to Accelerate FTTH Rollout

FIBER CO (I-Systems)

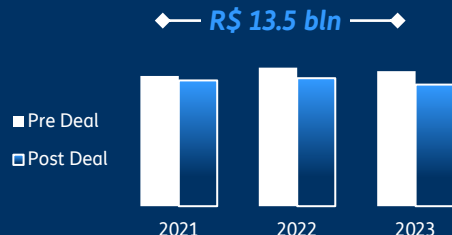
- **TIM now hold 49%** of the capital of the new company;
- FiberCo will **deploy, operate and maintain last mile infrastructure**, participating as well in other network projects (e.g., FTTSite). All commercial and customer service activities will remain with TIM;
- Preserving the **prerogative on rollout decisions, with 6 months of exclusivity period** on the use of the network in new areas;
- Deal was **closed in Nov 16th, 2021**. FiberCo was renamed as I-Systems

*Deconsolidation of fiber rollout investments:
~2/3 of TIM Live's Capex*

↓ *Capex* + ↑ *Opex* should positively impact FCF

Positive impacts expected for customer base and revenue

Capex released in the Industrial Plan¹
(R\$ bln)



DEAL HIGHLIGHTS



R\$ **2.7** bln
of Enterprise Value

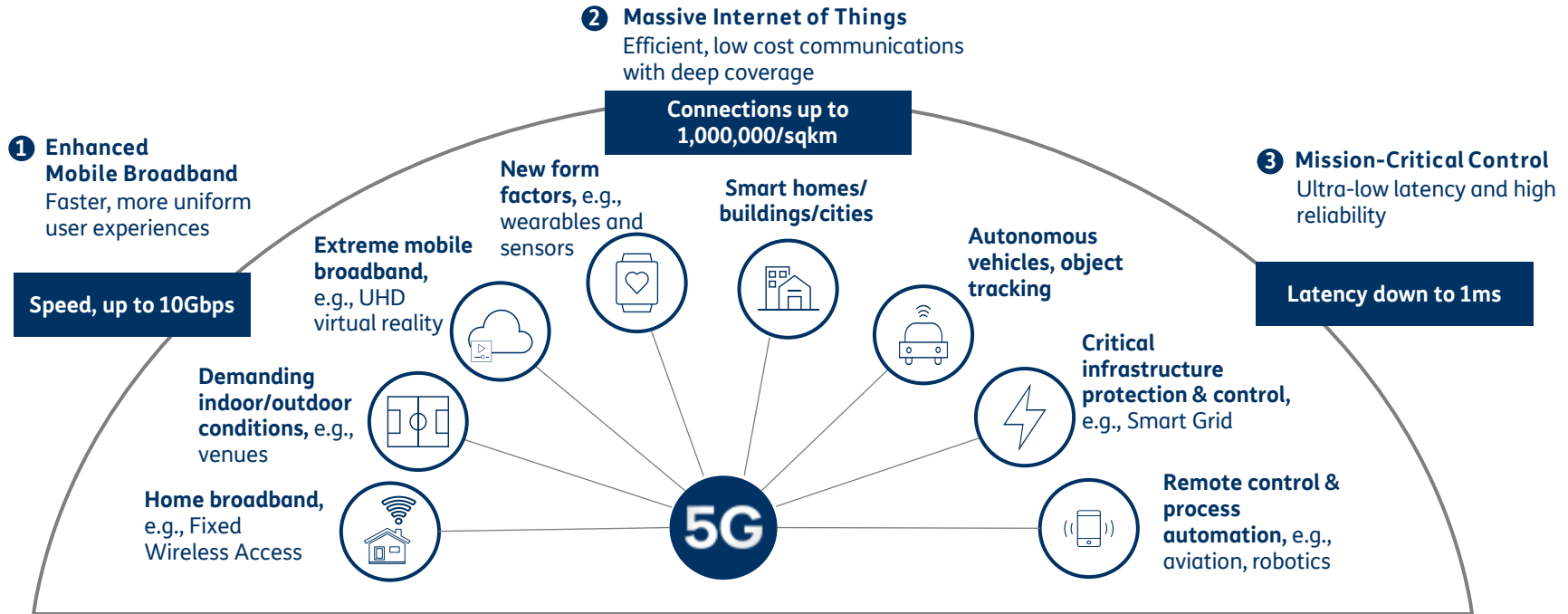
Primary of
R\$ **0.58** bln

~R\$ **1.1** bln
paid at the closing and will help to fund Oi's assets acquisition

- **TIM contributed with 6.4² mln homes passed** – 3.5 mln of FTTH and 3.4 mln of FTTC
- **I-Systems (FiberCo) 4-year plan expects to reach 8.9 mln of FTTH homes passed**

(1) Investment plan considering the combination of Oi's assets;
(2) Considering a coverage overlap of 577k between FTTH and FTTC.

5G will unlock use cases enhancing mobile broadband, massive internet of things and mission-critical control use cases





We are taking cash cost efficiency to the next level with a holistic approach using 4 levers



Improve process efficiency

Bad Debt (e.g. new credit models development, collections systems improvement)

Legal processes (e.g. predictive models to reduce JEC expenses)



Accelerate digital & automation

3S's: self-provisioning, self-healing and self-caring

Boost digital channels for sales and customer services (e.g. E-payment)

Increased usage of AI and cognitive systems (e.g. Cognitive IVR) in call centers, back office, operations and Legal

Cloudification (journey to the cloud) decreasing TCO and allowing fast response



Traditional efficiency initiatives

Administrative processes

Pay-roll management

IT Planning & Development



Real Estate/Energy efficiency plan

Office space optimization due to smart working and cloudification

Increased use of **renewable energy sources**

Reassessment of buy/sell due to IFRS 16



STRATEGY AND POSITIONING: NEW BUSINESSES



TIM Consumer Platform Strategy: A unique approach that can unlock significant value with digital start-ups

Differentiated Approach

1

Strategic partnerships

Explore industrial synergies beyond simple commercial agreements, speeding up time to market, and lowering execution risk and investment (not in house development).

2

“Best of breed”

Choose high flying players that have the best chance to disrupt their industries and generate value.

Where we can generate additional value

Core Business

Add value to our customer base



Increase customer loyalty

Unique positioning



Cost reduction

Beyond the Core



Generate new revenue streams

Improve customer profiling

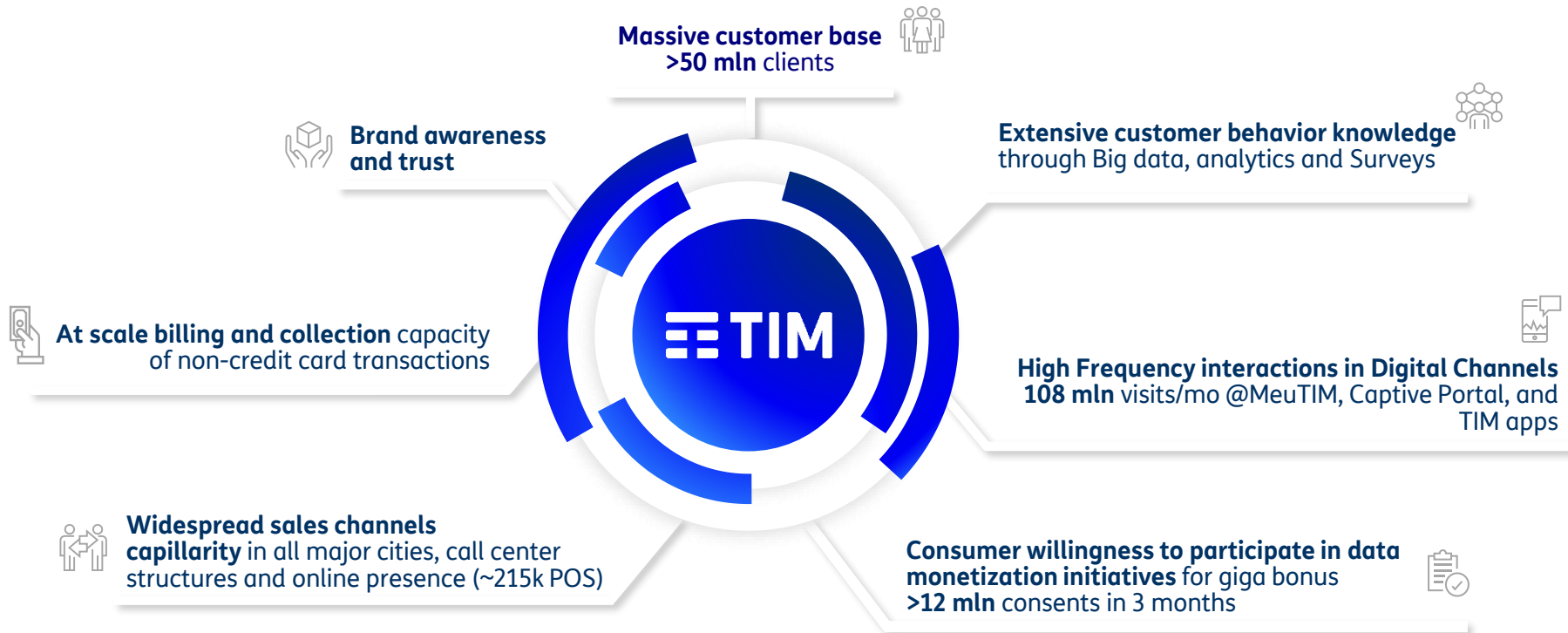


Equity diversification



Share of highly valuable ventures

TIM has unique assets and key capabilities that enable the Consumer Platform strategy








M&A



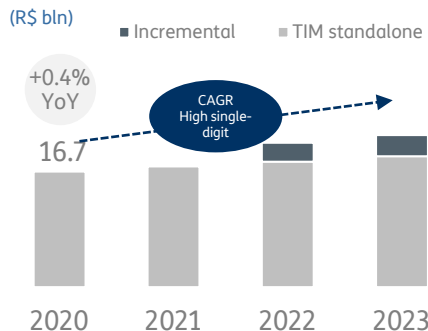
Perimeter of the transaction with Oi

Subscriber base	 +14.5 mln	40% of Oi's Mobile customer base	Acquired customer base mix	<div>~40%</div> <div>Postpaid¹</div>	<div>~60%</div> <div>Prepaid</div>
Sites and towers	+7.2k 		Acquired towers overlap	<div>~40%</div> <div>New location</div>	<div>~60%</div> <div>Same/near location</div>
Spectrum	+49 MHz 	54% of Oi's spectrum holdings	Spectrum bands acquired	<div>900 MHz</div> <div>1,800 MHz</div> <div>2,100 MHz</div> <div>2,600 MHz</div>	
Price of the Assets	44,3% of the bidding price for Oi assets (R\$ 6.98 billions)				
Transition Service Agreement	Temporary contract to serve subscriber base (e.g. supporting care, bill-to-cash) and NOC maintenance during the transition (TIM's part is R\$ 318 millions)				
Long term capacity contract	Long-term contract to provide backhaul/backbone capacity, with connectivity assurance services between access and core network (TIM's part has an NPV of ~R\$ 476 millions) ²				

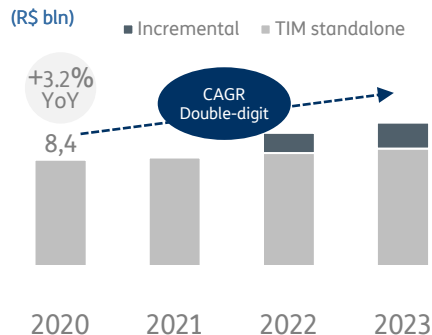


Oi's assets integration could transform TIM Brasil by 2023

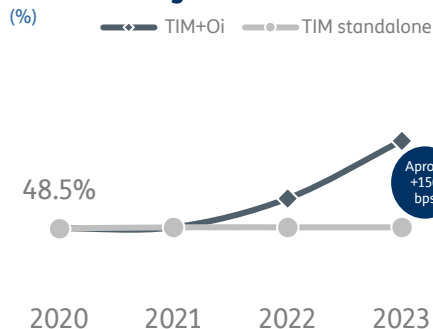
Net Service Revenues



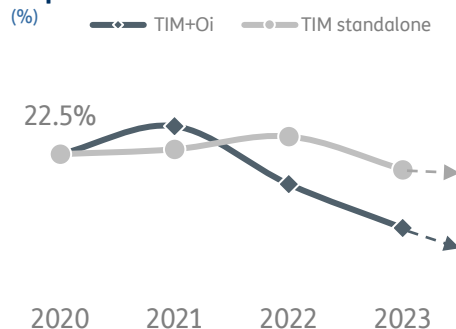
EBITDA



EBITDA Margin



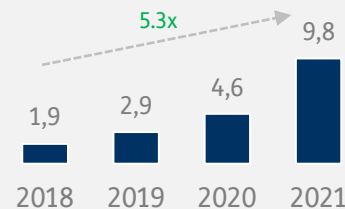
Capex¹/ Revenues



TIM's cash balance and current loans schedule

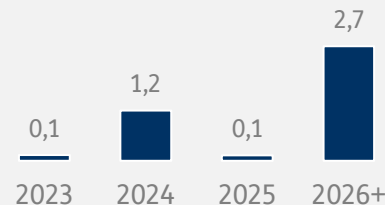
Cash Position¹

(R\$ bln)



Loans pre-hedge

(R\$ bln)



Deal's Funding

Sources of Financing

- ✓ Local debt
- ✓ Current cash balance
- ✓ Internally generated cash

Instruments mix to be used

- ✓ Debentures
- ✓ Lines of credit already contracted with major Brazilian development banks
- ✓ Bilateral agreements with international banks (100% hedged)

Amount needed to fund Oi's deal was already raised during 2021

- ✓ R\$1.1 bln in credit lines, R\$ 1.6 bln in debentures and R\$1.1 bln in a M&A transaction



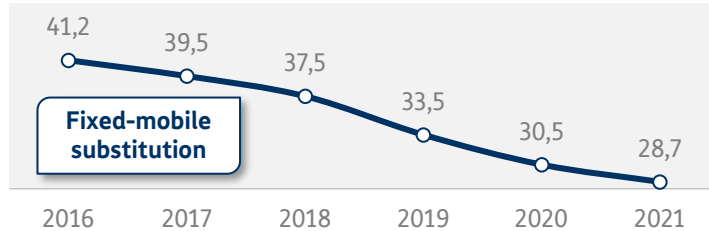
REVENUE PROFILE TRANSFORMATION

TIM is well positioned to serve the new demand, with no legacy to defend



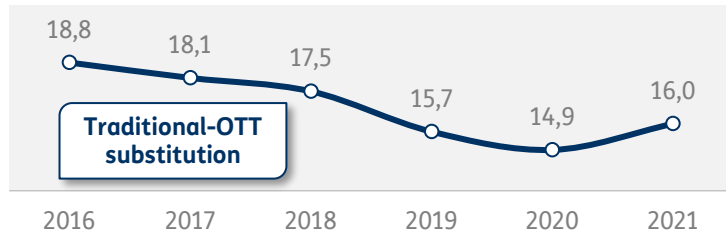
Fixed Line Base
(MM)

Market
-7.3%
CAGR



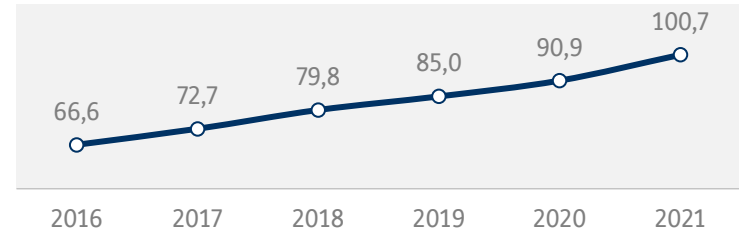
Pay-TV Base
(MM)

Market
-3.3%
CAGR



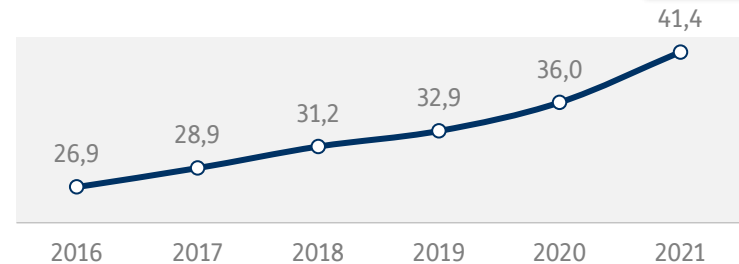
Human Postpaid Base (ex-M2M)
(MM)

Market
+9.1%
CAGR



Broadband Base
(MM)

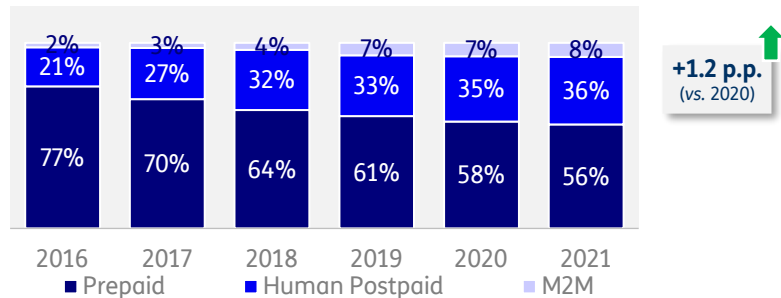
Market
+9.6%
CAGR



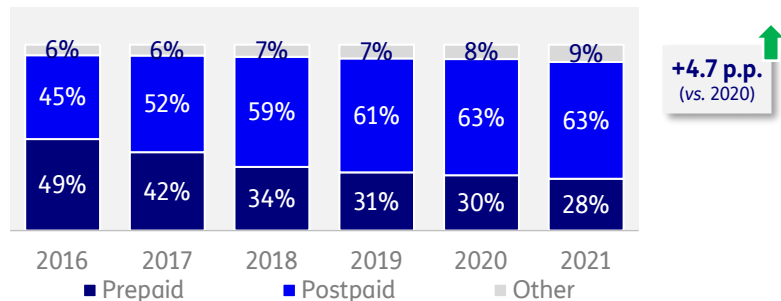
Transformation process of customer base seeks value



TIM Mobile Base Mix

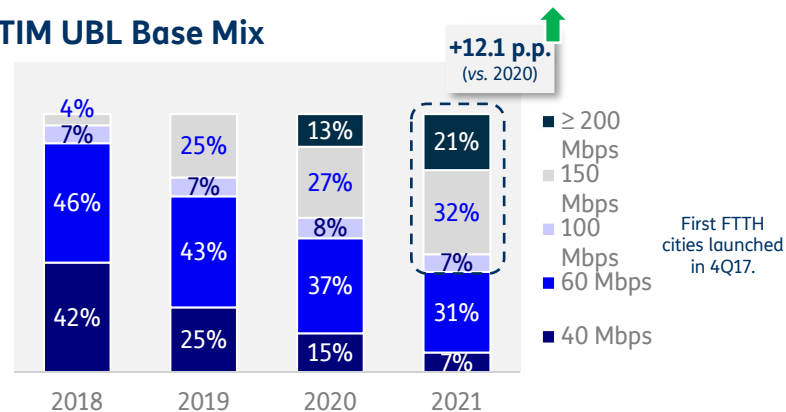


Mobile Service Revenue Mix

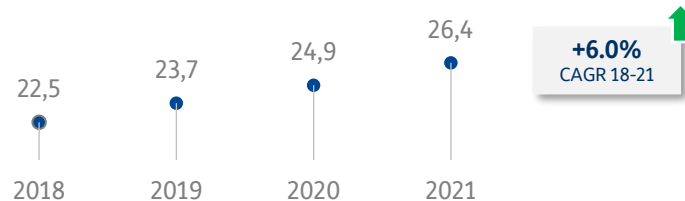


Transformation process from volume to value in mobile does not happen just through segment migration

TIM UBL Base Mix



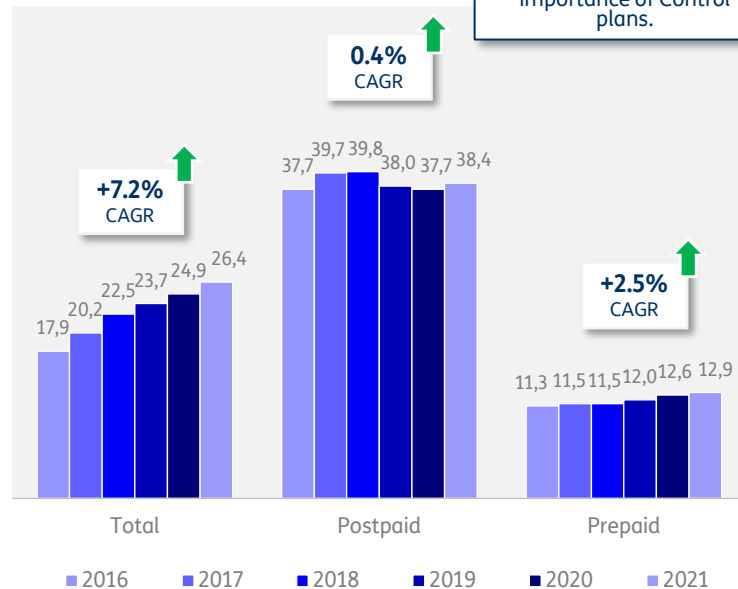
Mobile ARPU (R\$/mo)



Approach to ensure higher value captured and sustainable growth

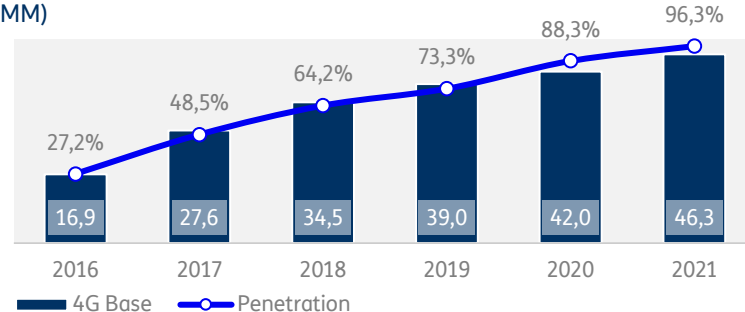


Mobile ARPU¹ (R\$ / mo)



Change in customer base mix, with greater postpaid relevance, was a lever for Total ARPU growth. Upgrade to higher value plans will ensure this continuous and robust increase.

Base 4G (MM)



BOU (avg. MB / mo)





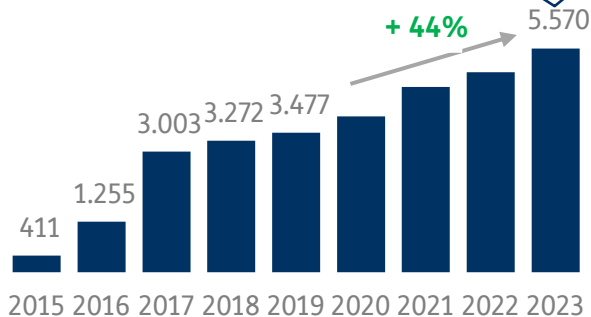
INFRASTRUCTURE



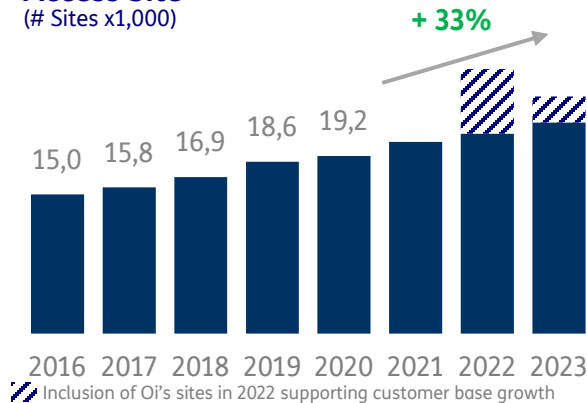
Network Plan

4G Evolution (# Cities)

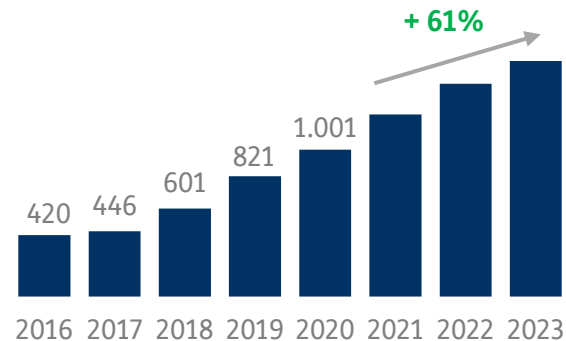
Reach 100% of
Brazilian municipalities



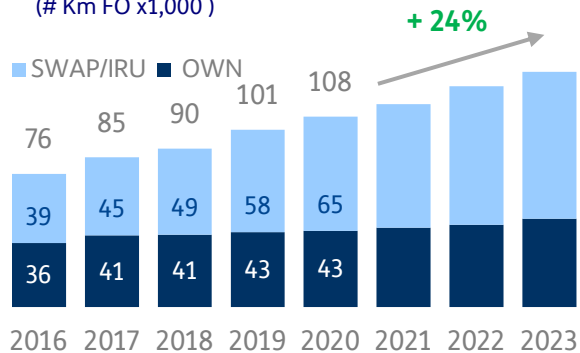
Access Site (# Sites x1,000)



FTTCity Evolution (# Cities)



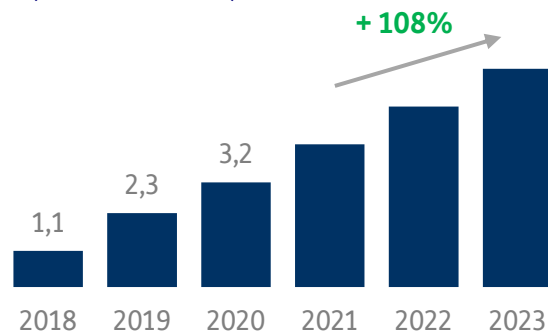
Optical Backbone (# Km FO x1,000)



FTTS Evolution (# Sites x1,000)



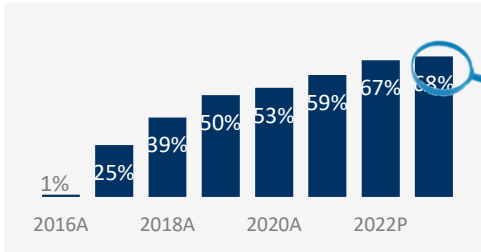
FTTH Coverage (# Household x1MM)



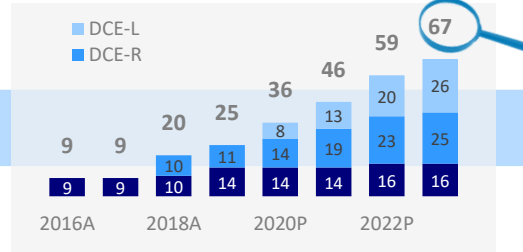
Excellency – Combining Network Virtualization and Edge Computing to bring the best experience to our customers



Network Functions Virtualization %



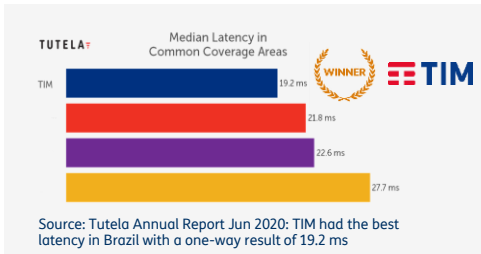
Distributed Data Centers



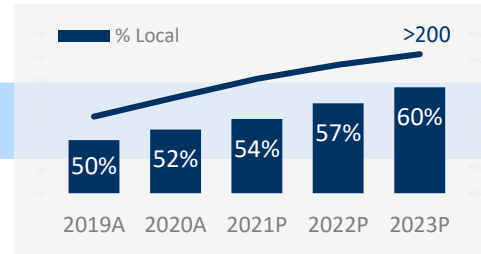
Caching agreements are helping TIM to latency reduce for a customer's content request



The Best Latency in Brazil



Local Traffic %



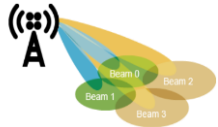
Open Cache



Innovation beyond 4G: Massive MIMO and 5G DSS



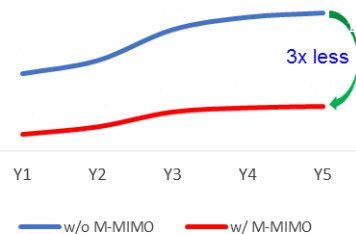
M-MIMO as the cornerstone of the 4G Capacity strategy



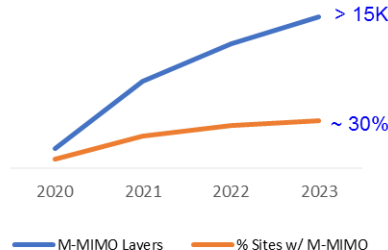
- Expected gain on massive deployment: up to **3x capacity**
- New sites avoidance: **2k less capacity sites needed per year, reducing TCO¹**
- Remaining sites needed for densification to be addressed with innovative **Biosite solution**



New Sites Needed for Capacity



M-MIMO Deployment



5G DSS – Dynamic Spectrum Sharing

Investments in Network to **activate the 5G DSS**

- 5G clusters in the main cities, covering **strategic business markets**, taking advantage of **TIM 5G Readiness**

7 active clusters:

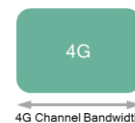
- São Paulo (2)
- Rio de Janeiro (2)
- Curitiba (1)
- Belo Horizonte (1)
- Brasília (1)



Cluster Rio de Janeiro “Southern Zone”

- 3 trial cities:** Itajubá-MG, B. Gonçalves-RS and Três Lagoas-MS
- DSS Feature use allowing **fast activation** on sites 5G ready
- Full synergy with **4G capacity reinforcement**, improving CEX through Massive MIMO solution

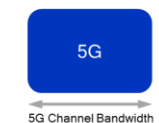
LTE-only Low Band



DSS between LTE & NR

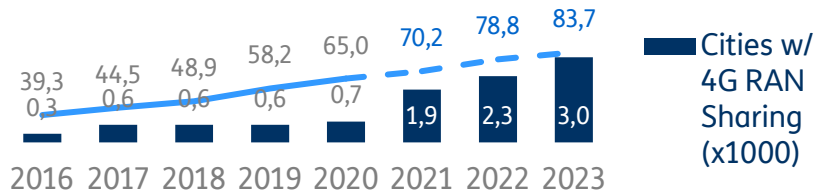


Refarming to NR



Efficiency – Smart Capex approach to expand coverage and increase capacity for the mobile network

INNOVATION THROUGH SHARING AGREEMENTS SINCE 2013 TO OPTIMIZE TCO1 AND IMPROVE CEX



SHARING ACCESS

2013 4G RAN Sharing 2.6 GHz TIM & OI 1st Deal in Latin America	2015 4G RAN Sharing 2.6 GHz TIM & OI & VIVO VIVO joins deal	2019 Single Grid & Coverage Expansion 2G Switch-off TIM & VIVO 1st Consolid. Deal for cities < 30k hab.	2021-'23 Single Grid Expansion: 350+ cities (each) Single Grid Consolid.: 800+ cities potential (each) 2G Switch-off: 6,000+ potential sites (each)
--	---	--	---

SHARING OPTICAL FIBER

Long distance and metropolitan optical fiber and ducts swap deals, expanding optical connectivity

Sky Coverage – Efficient and Unplugged

New business model for leveraging coverage:

- ✓ Coverage expansion to previously non economic viable locations
- ✓ Disruptive Business Model
- ✓ ELC (Extreme Low Cost) and ESG compliant solutions

Coverage Targets:

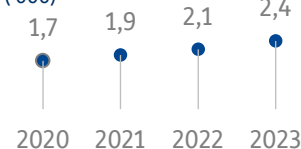
- ✓ Districts and villages ~1.4k
- ✓ Roads ~6,000 Km
- ✓ Resorts and Touristic Spots >40



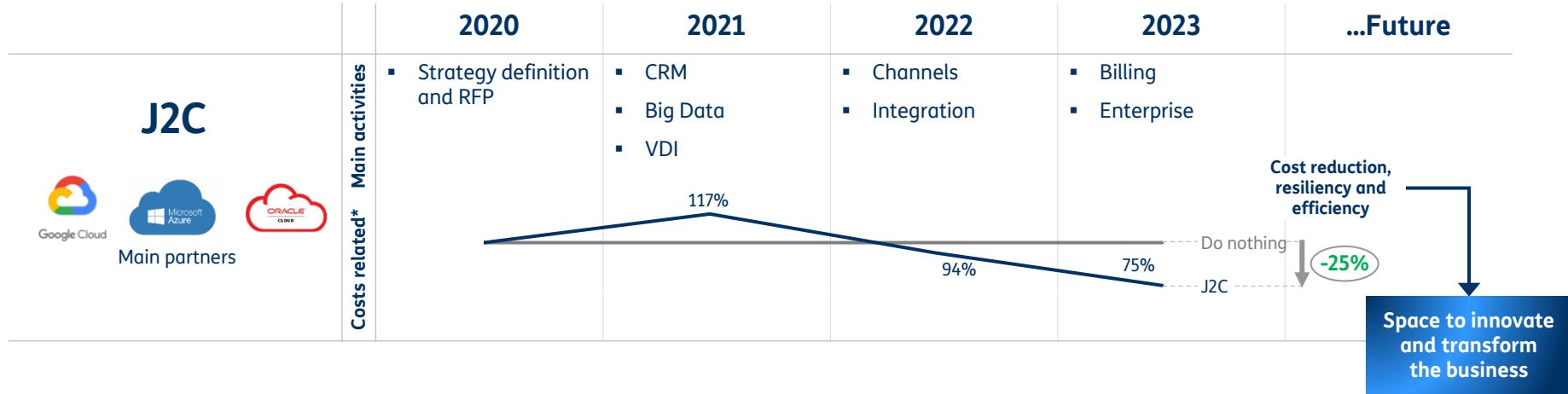
Biosites (Density and capacity)

- **Main solution** for capacity sites densification
- **Smaller footprint** for infrastructure deployment
- **Multifunctionality:** teleco tower, street lighting, vigilance cameras
- **Lower visual impact in harmony** with the environment
- **Fast deployment & cost efficient**

Biosites deployed and planned ('000)



Journey to Cloud: Benefits



Business Benefits

- Deliver **best-in-class availability** to TIM's customers
- Minimize time-to-market** for our business
- Guarantee the **best trade-off between service excellence and spending**
- Define/Optimize** the current DCs asset strategy



Technology Benefits

- Harmonize the evolution strategy** across technology department
- Greater **alignment to group technology** strategy
- Process, Tools and Technologies **standardization**
- Guarantee **infrastructure agility, availability and security**
- Re-focus on **differentiating DCs capabilities and related skills**

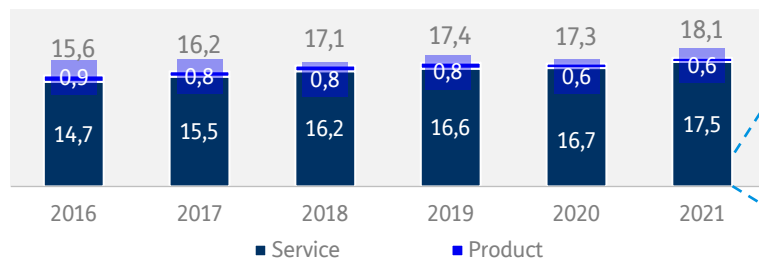


FINANCIAL EVOLUTION

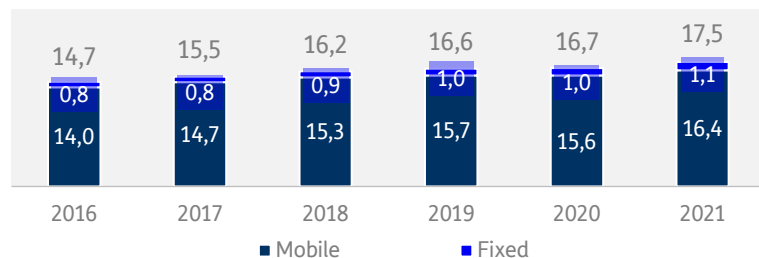
Strategy and execution adjustments have recovered TIM's results and set the company's path to financial sustainability



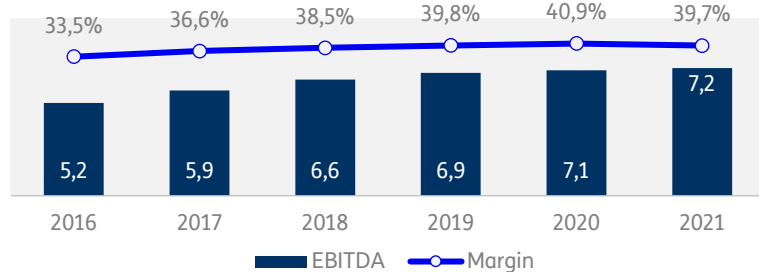
Net Revenue
(R\$ bln)



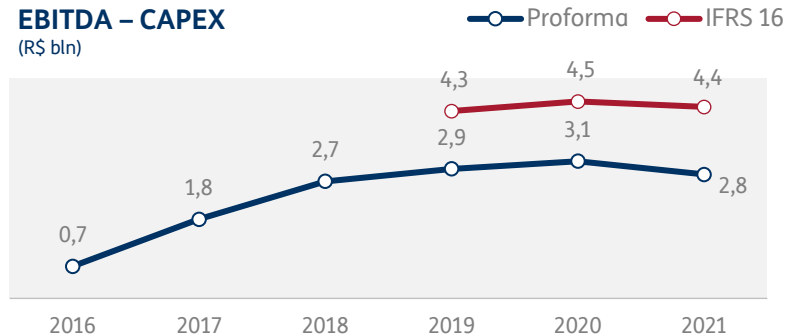
Net Service Revenues
(R\$ bln)



EBITDA and EBITDA Margin
(R\$ bln)



EBITDA – CAPEX
(R\$ bln)

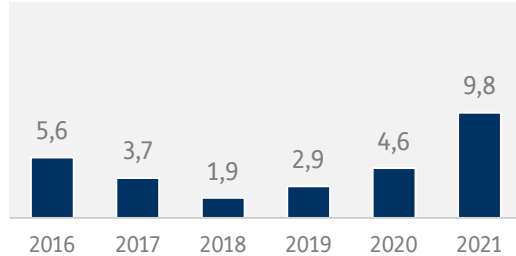


Solid financial position: Maintaining a strong balance sheet and increasing distribution to shareholders



Cash Position¹

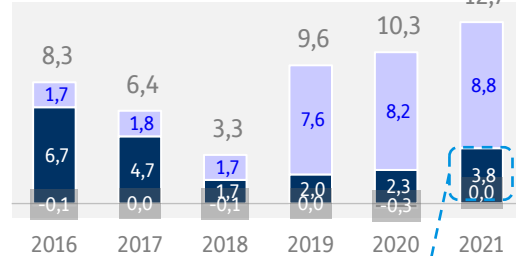
(R\$ bln)



Gross Debt²

(R\$ bln)

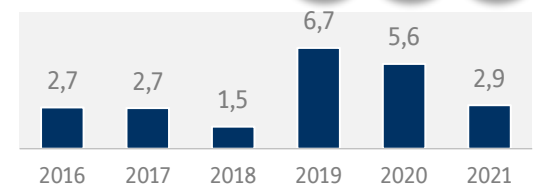
■ Derivatives Position ■ Bank ■ Leasing



Net Debt

(R\$ bln)

Net Debt-AL³

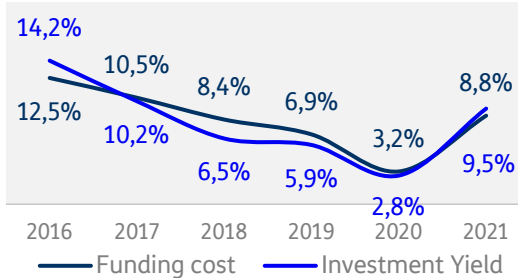


Net Debt / EBITDA 12M⁴

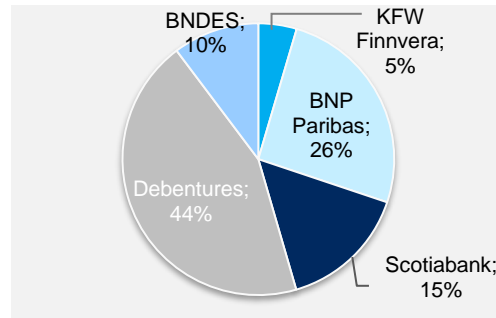


Funding Cost vs Investment Yield

(avg. p.y.)

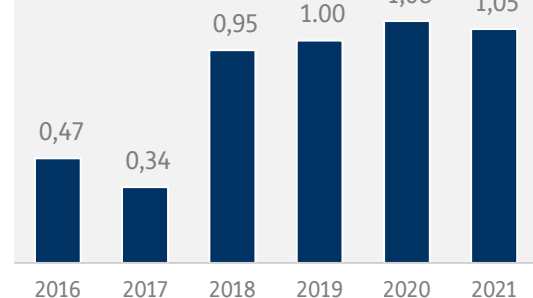


Bank Debt by Lender (pre-hedge)



Declared IoC

(R\$ bln)



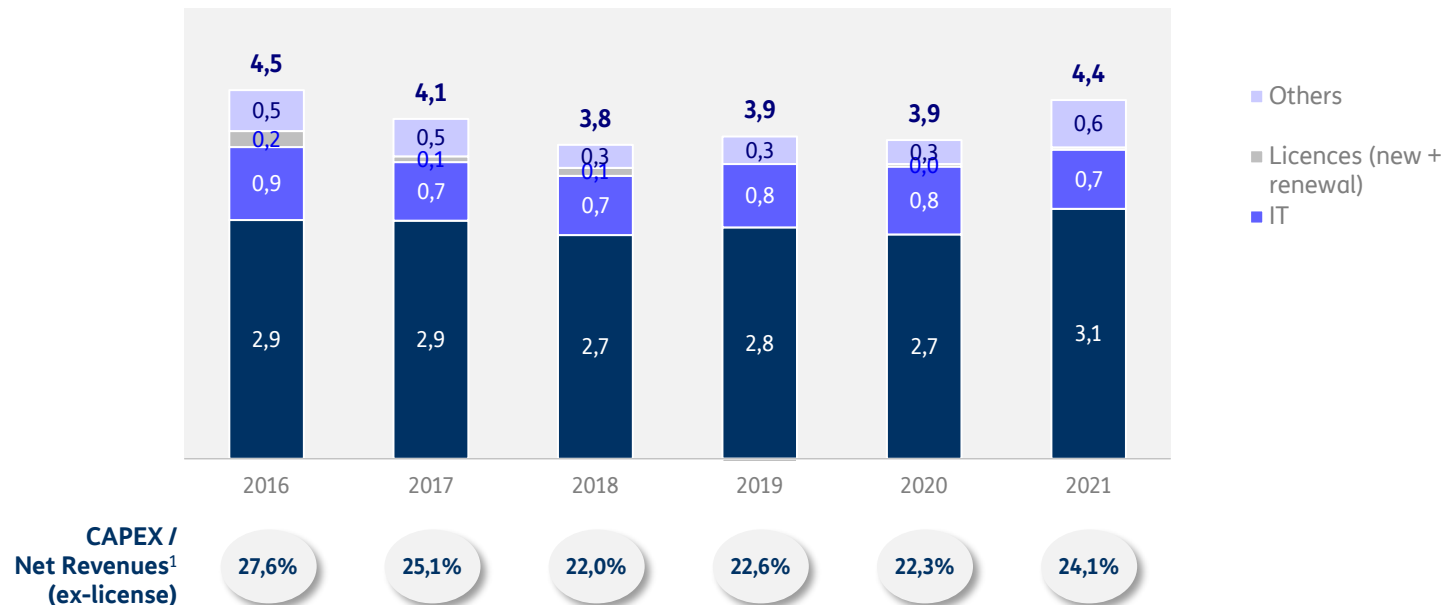
(1) Cash, Cash equivalents and short-term investments; (2) The Derivatives position excludes the subscription bonus in C6 Bank capital (Financial Statements, Note 37). Leasing related to the sale of towers, the LT Amazonas project and lease contracts with terms exceeding 12 months pursuant to IFRS 16; (3) Net Debt-After Leasing does not consider any current and non-current leasing liabilities; (4) EBITDA normalized.

Investing in a smart and efficient way: Focusing mobile evolution and fiber optic infrastructure



CAPEX Evolution

(R\$ bln, Proforma¹)









OUTLOOK

New Company, New Targets: 2022-2024 Guidance



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

Boosting initiatives that increase our ESG impact

Legend

new
↑ New commitment
Target increase

Environmental

We want to be green

Enablers

- Increasing **efficiency** and taking advantage of **green energy** cost reduction
- Developing **cloud data centers** to deliver more to our customers with less impact on operations
- Demobilizing obsolete technologies through **innovation** and **infrastructure sharing**
- Promoting efficient and responsible **solid waste** management

Social

New capabilities are a key factor in maintaining leadership

- Promoting an **inclusive environment**, with **equal** opportunities, valuing **talents** and caring for the **health and integrity** of employees
- Developing **digital education** to support the demand for connectivity
- Keeping **Instituto TIM** as a reference in **ST&I and education projects**
- Extending access to 4G **connectivity** to all municipalities in Brazil

Governance

Efficient mechanisms to fairly balance the interests of all stakeholders

- Maintaining the recognition as a company with **the highest level of commitment** to transparency and corporate governance
- Disseminating **ESG principles to high-risk suppliers**
- Adopting best practices related to **compliance, information security, data protection and privacy**
- Promoting **customer empowerment** through **digital transformation**

Commitments

Targets

Carbon neutral (tCO ₂ e, scopes 1 and 2)	-100%	2030
Eco-efficiency in data traffic ¹ (bit/Joule)	+80%	2025
Renewable energy	100%	
Indirect emissions ¹ (tCO ₂ e, scope 2)	-100%	
Solid waste recycling	≥95%	
Employee Engagement (per year)	≥80%	2023
Black employees	≥40%	
Women in leadership	≥35%	
Employees trained in ESG culture	≥99%	
Employees trained in digital skills	+5,000	
4G presence	100%	
Customer complaints ¹ (Regulatory agency)	-50%	2022
ISE, Novo Mercado and Pró-Ética	Maintain	
ISO 14001, ISO 9001 and ISO 37001	Maintain	
ISO 27001	Obtain	



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