

RESULTS PRESENTATION

3RD QTR 2020

IMAGINE AS
POSSIBILIDADES



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.



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Financial results are presented considering impacts from IFRS 16 adoption.

The normalized numbers reported in this presentation are adjusted by the effects listed below.



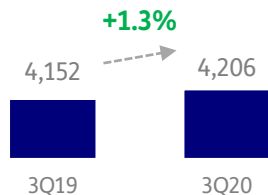
Operating Costs normalized by adjustments to the sale-leaseback contract of towers (+R\$ 2.6 million in 1Q20 and +R\$ 1.5 million in 1Q19), tax credit due to the exclusion of ICMS from the calculation basis for PIS/COFINS (-R\$ 75.2 million in 3Q19 and -R\$ 1,720 million in 2Q19), legal services connected to the PIS/COFINS court decision (+R\$ 4.4 million in 3Q19 and +R\$ 3.5 million in 2Q19), revision of loss prognosis for labor contingencies related to employees, tax contingencies and civil contingencies (+R\$ 11.2 million in 3Q19 and +R\$ 221.8 million in 2Q19) and contractual losses (+R\$ 22.4 million in 3Q19). Financial Results normalized by monetary correction on tax credit and labor, tax and civil contingencies (-R\$ 64.6 million in 3Q19 and -R\$ 1,051 million in 2Q19). Net income normalized by tax credit and other effects (+R\$ 35.2 million in 3Q19 and +R\$ 865 million in 2Q19) and by adjustment to deferred taxes (+R\$ 30.3 million in 1Q19).

Recovering Revenue Dynamics While Maintaining Strong Bad Debt Reduction. Solid Cash Flow Expansion

Managing the present in the emergency

Net Service Revenue Recovery

(R\$ mln)

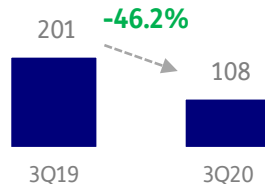


+29% YoY
TIM Live revenue

ARPU growing in all segments

Strong Bad Debt Decline

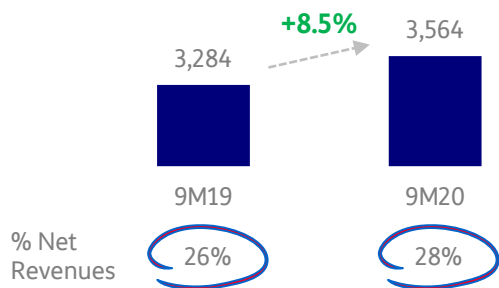
(R\$ mln)



1.8% of Gross Revenue
vs 3.2% in 3Q19

EBITDA¹ - Capex Evolution

(R\$ mln)



Building the future

Top of Mind¹

Back to Mobile Top of Mind after 13 years

ESG index

Listed in the TOP 10 best ranked stocks in the new B3 and S&P ESG index

TAC

Solid delivery of structuring commitments originally due in Jun-21

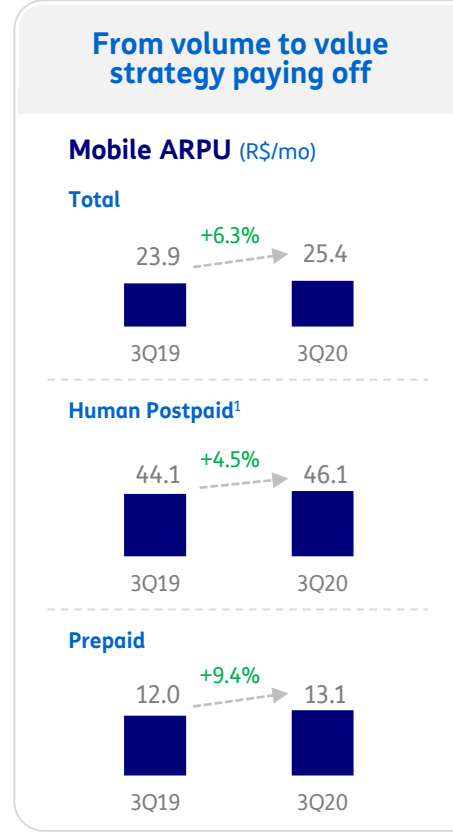
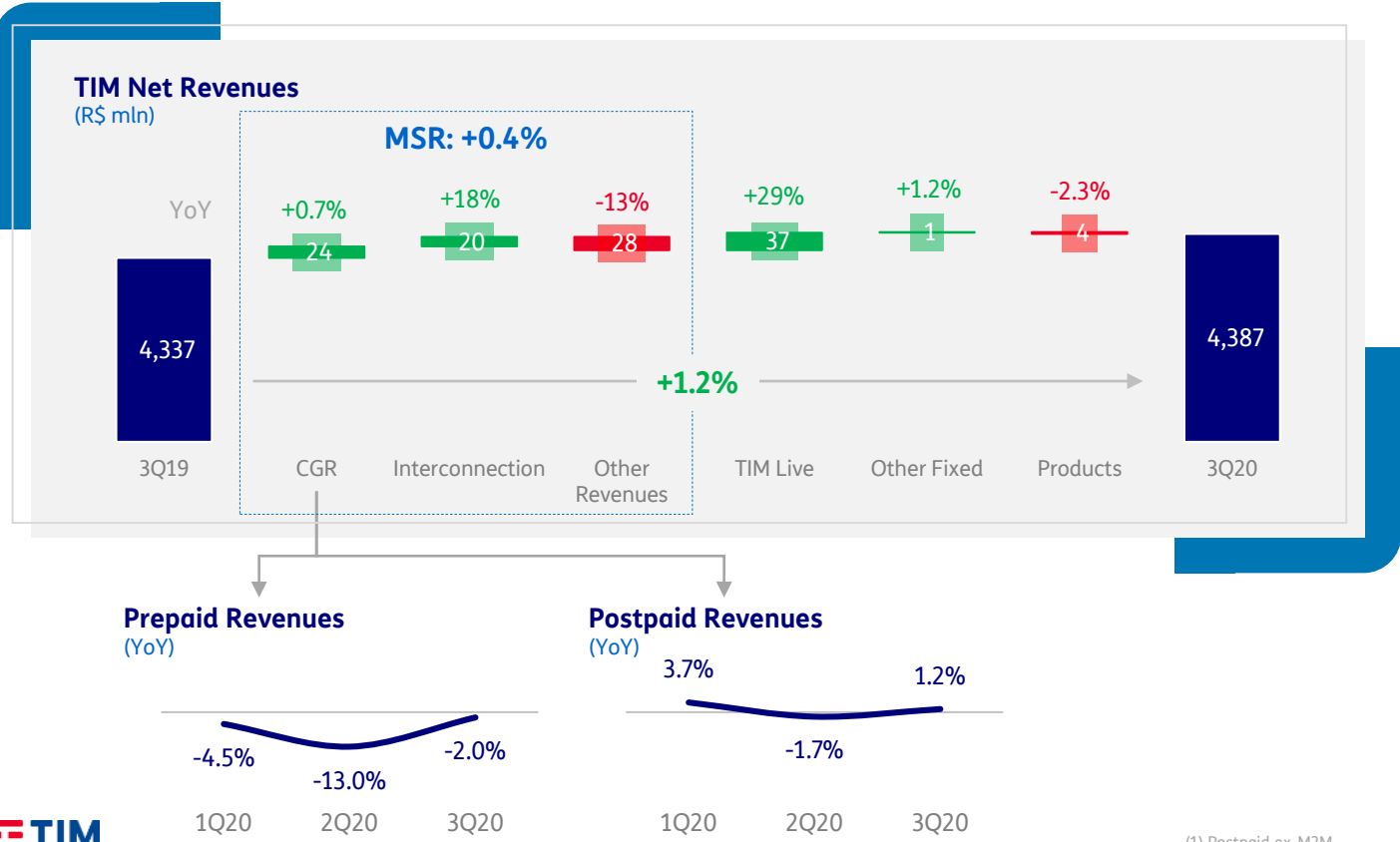
FCA partnership

Advancing in IoT front with the connected car partnership

C6 partnership

New offers launched for Control and Pure Postpaid clients

Revenue Recovery with Positive Contributions Coming from Mobile (Pre + Post) and Fixed Services

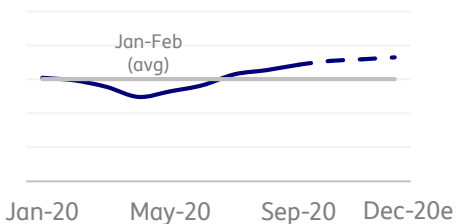


Prepaid Segment

Consistent Recharge Recovery While Repositioning Offering Through an Innovative Platform of Benefits

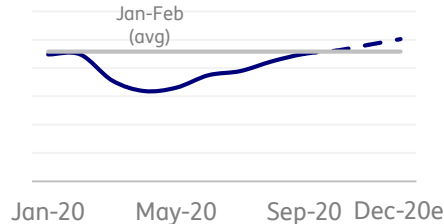
Rechargers

(% of total prepaid)



Sell Out Recharges

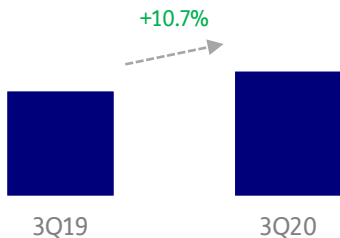
(R\$ / business day)



Back to **pre-COVID** levels, on the way for a full recovery.

Prepaid Gross Adds

(# of subscribers)



Channel repositioning aiming better acquisition quality, also contributing to achieve **the best gross addition since 2Q18**.

A **healthy customer base** maintenance with **efficiency on focus**.

TIM Pré +Vantagens: The first advantage program for prepaid, launched in August 17th



>1mln

app downloads since launch



47%

of loyal customers engagement

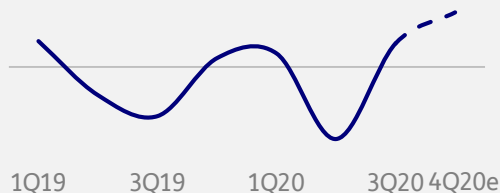
- **Data stack:** bonus accumulation upon monthly commitment through top up recurrence
- **+Vantagens:** access to the greatest number of benefits and prize draws according to the level of accumulated recharges
- **TIM Beta upgrade:** achievable aspirational by recharging through digital channels
- **Informa TIM:** the first product to leverage Mobile Advertising to pay for consumer recharges
- To be continued...



Postpaid Engine Starting to Show Great Improvements

Human Postpaid Net Adds

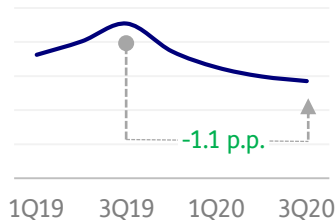
(# of subscribers)



Higher net addition since 1Q19. The end of involuntary churn impact should benefit it from now on, with a rational and sustainable approach.

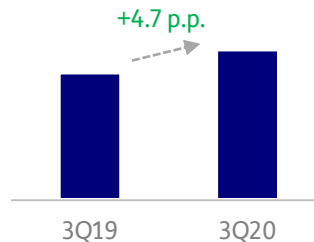
B2C Monthly Churn Rate

(ex-data only)



B2C Loyalty

(% of new subscribers w/ lock-in offers)



B2C 4G Data Users

(% of data users)



The lowest churn rate of the last 2 years: Churn war room, acquisition improvement, and CEX-driven.

Increasing the commercial footprint in SP

+42 stores by the end of 2020

60% of stores in malls

>50% already opened

60% of stores in countryside

Portfolio Evolution to Ensure Continuous Growth and Greater Commitment

New C6 Partnership Across the Entire Portfolio

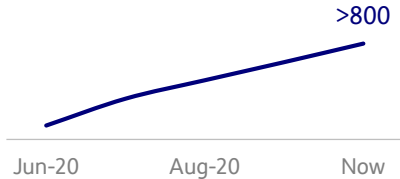


Control and Pure Postpaid offers launched in 3Q

Black Friday special to come

Prepaid clients also benefiting: recharge bonus

Accumulated Open Accounts ('000)

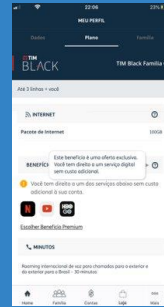


>55% share of recharges in C6 app

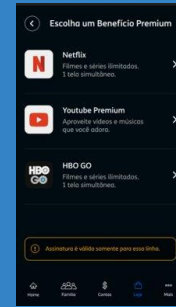


TIM Black Marketplace: from a hub to a marketplace of OTT services

Evolving to improve portfolio and customer experience



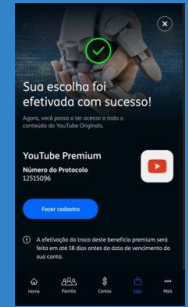
Customer Plan



Portfolio



Selection



Confirmation

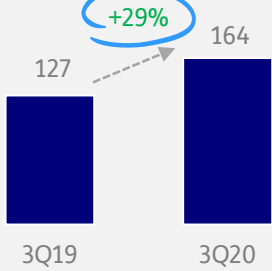


Coming soon

- Flexibility to choose and change the entertainment content at the marketplace and new monetization opportunities with an add-on portfolio
- TIM Concierge: Special customer service combined with the cognitive IVR

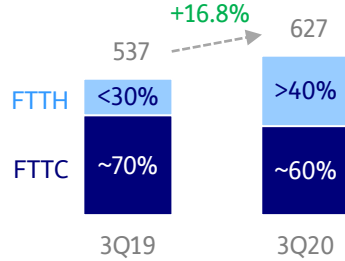
Organic Evolution on Track and Open Infra Vehicle to Be Created Soon

TIM Live Net Revenues
(R\$ mln)

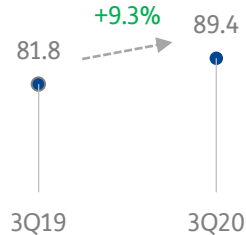


Accelerated growth sustained by **greenfield coverage** and **high-end portfolio value proposition**.

Customer Base
(‘000)

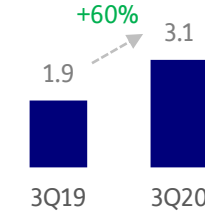


ARPU
(R\$/mo)

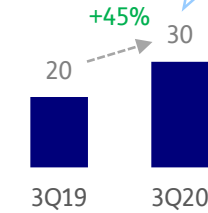


FTTH Coverage

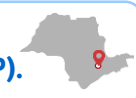
Homes Passed
(mln)



Cities
(#)



New launch in Oct-20: **Guarulhos (SP)**.



New **campaign** based on **service attribute**: freedom to choose content.

FiberCo update

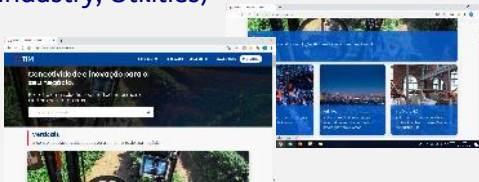
- FTTH and FTTC last mile carveout to build an open infrastructure vehicle
- Several non-binding offers
- Signing expectation in the first months of 2021

Strengthening the IoT Ecosystem with a New Partnerships and Expanding Client Base Monetization



Leading agribusiness vertical and broadening participation

- **New hub** added as a partner – AgTech Garage – to select startups with solutions focused on Agribusiness – first successful pitch in Aug-20
- Development of the **first IoT marketplace** for B2B segment
- **Customer platform to offer services in partnership**, prioritizing four verticals (Agro, Smart Cities, 4.0 Industry, Utilities)



A customized data solution to support FCA connected car service

- Joint initiative that **marks TIM's positioning in this vertical**
- **First cars** to be released in 1H21
- B2B solution to provide **connection for FCA on-board system and telemetry data exchange**
- B2C in-car **entertainment and wi-fi provided by TIM**

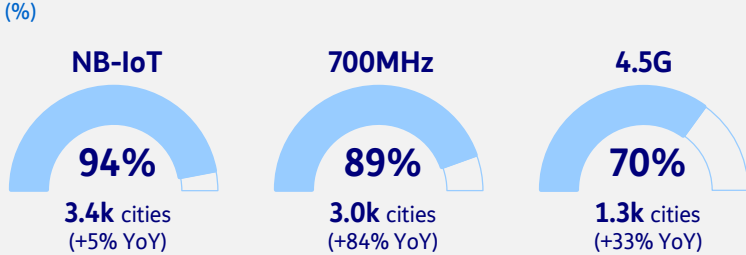


Monetizing customer base beyond the core

- **Mobile advertising:** Increasing campaigns engagement
 - ✓ 160 mln of customer sessions
 - ✓ 45 mln of advertising video full views and rewards granted to consumers
- **Quod partnership:** Analytical solution to financial market
 - ✓ Anti fraud solution that creates a score to improve customer identification
 - ✓ Revenue share by checked volume business model
 - ✓ Two more contracts in pipeline

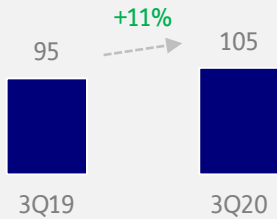
Continuous Infrastructure Expansion and Solid Delivery of Commitments Taken

Urban Population Coverage (%)

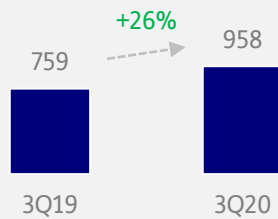


Combining the best technology to **the wider 4G coverage to boost availability.**

Backbone + Backhaul ('000 km)



FTTCity (# of cities)

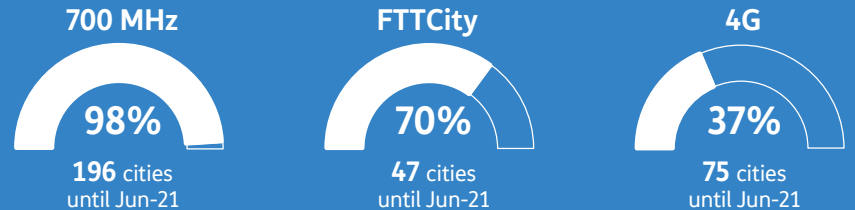


Massive MIMO rollout



- Solution capable of offering **4x higher throughput than traditional options**
- Network rollout based on **the most necessary network capacity improvement**

Solid delivery of TAC¹ structuring commitments



Maintaining Focus on Developing New Initiatives



TIM Internet Evolution

- First steps for 5G commercial rollout using Dynamic Spectrum Sharing (DSS)
- **FWA-ready in 3 cities in September:** Bento Gonçalves (RS), Itajubá (MG) and Três Lagoas (MS)
- Pilot: **invitation to WTTx clients to upgrade plans**
- Clients' modems will automatically migrate when the arrival of 5G in the country

Open RAN



- **Opening of proprietary equipment market** allowing for software-based alternatives and the **virtualization of access network** functions and other resources
- Increased possibility of **innovation** and the entry of **new suppliers** enhancing **competition in the most expensive network segment**
- INATEL and TIP (Telecom Infra Project) partnership: the **Open Field Program tests in a live network** in MG
- Initially for 3G and 4G networks



Network Sharing Agreement

- 2G switch-off: field tests ongoing
- **4G single grid: new cities opening** in the expansion front, to be implemented from November
- **190 cities (each) ready by the 2020YE**

Unplugged Sites

- **1,500 sites to expand coverage** and improve quality
- 4G coverage to the countryside **increasing agribusiness vertical opportunity**
- **Solar-based solution** for energy supply in remote areas



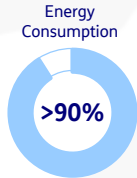
The New Wave of Projects to Deliver Scale, Flexibility, Reliability, and Efficiency

Journey to Cloud

Santo André Facility



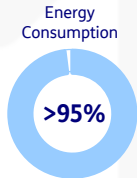
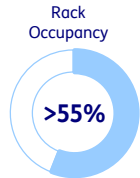
1.5k sqm



Rio de Janeiro Facility



1.0k sqm



Data Center inefficiencies and limitations require a new approach.

- All IT assets in the cloud in the next 2/3 years
- Vendor decision in Q4 and migration from 1Q21
- Double-digit savings over the next 3-5 years
 - ✓ Decommissioning, energy, and real state efficiencies
 - ✓ Elimination of upgrade equipment or data center acquisition needs
 - ✓ Workload optimization that auto scale when required
 - ✓ Higher automation and better time market

New Cognitive IVR

- New AI assistant **named Taís** to customize customer experience
- More than **9MM calls** through the cognitive IVR and **16.5MMe calls in 4Q20**
- Improved experience with **~18% less recalls**
- **70% upside** of cognitive IVR retention vs previous model

“TIM's Cognitive IVR project is achieving expressive results and IBM places it as one of the fastest adopting cases in the market.” (Marisol Penante, VP of Telco Industry in IBM Latam)

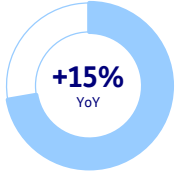
TIM.X Project

- **Simplified dashboard for caring systems:** Google search like
- First delivery **supported by the Google Cloud** agreement allowing scalability
- Expectation of a **faster onboarding** on customer care

Digitalization Efforts Promoted the Development of New Capabilities While Driving Significant Cost Efficiency and Customer Satisfaction

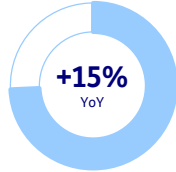
E-Billing

(% of postpaid subscribers)



E-Payment

(% of total billed)



E-Sales

(YoY)

+13% Postpaid e-Sales

Penetration: +1 p.p.

+4% Control e-Sales

Penetration: +7 p.p.

+35% Recharges via app

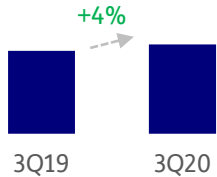
Penetration: 40%

+16% TIM Live e-Sales

Penetration: +0.4 p.p.

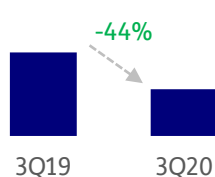
Meu TIM App

(# of unique users)



Human Interactions

(# of incoming calls)



The best NPS improvement in all segments since 2017



+11 p.p.
QoQ in postpaid

+7 p.p.
QoQ in Control

+6 p.p.
QoQ in prepaid

Delivering on the promises made

- ✓ < 2x digital interactions
- ✓ >2x e-billing
- ✓ ~2x e-payment
- ✓ ~2x Postpaid e-Sales
- ✓ ~3x TIM Live e-Sales
- ✓ +7 p.p. of digital recharge mix
- ✓ -14% of recharge commissioning

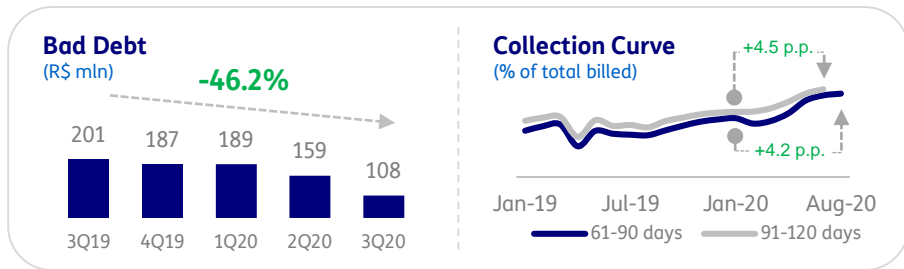
Digitalization will sustain our CX improvement while supporting Efficiencies



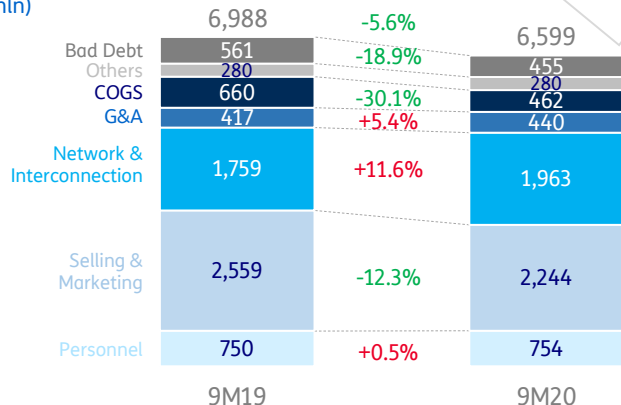
TIM

Consistent Performance on Reducing Delinquency, EBITDA Expansion Supported by Revenue Recovery, and Strict Cost Control

Consistent improvement in Bad Debt since the highest peak in the 3Q19.



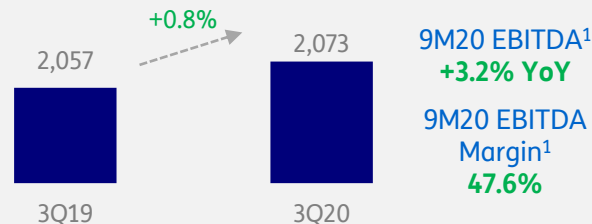
Opex Breakdown¹ (R\$ mln)



+1.5% YoY
3Q20 Opex¹

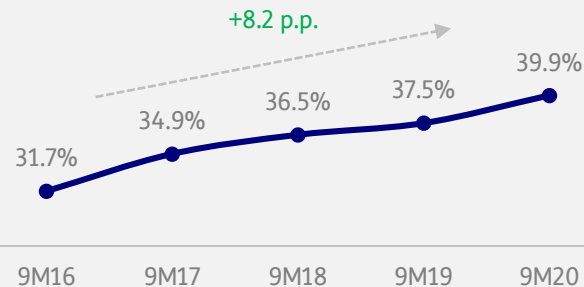
Below inflation
(vs IPCA³ 3.1%)

EBITDA¹ Expansion (R\$ mln)



The best EBITDA margin in the market.

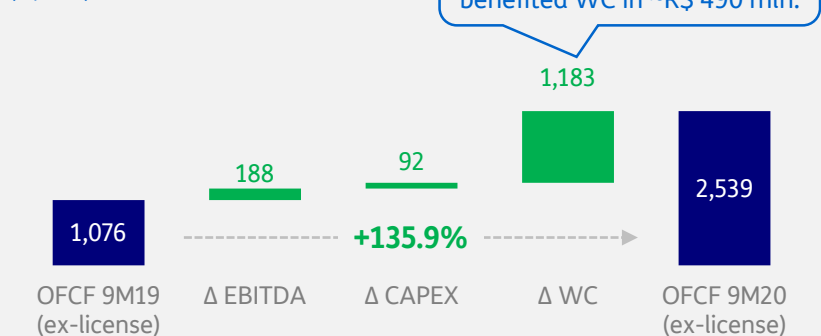
EBITDA Margin¹ Evolution (Pro-forma²) (%)



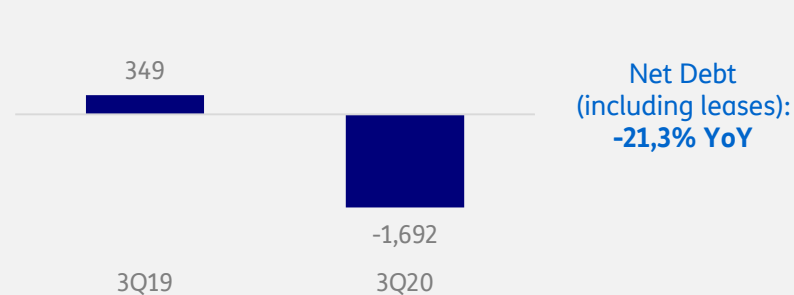
(1) EBITDA and Opex normalized for the effects detailed in slide 2; (2) Pro-forma excludes the effects of the adoption of IFRS 9, 15 and 16; (3) Last twelve months IPCA as of September 2020.

Cash Generation Driven by Robust Balance Sheet

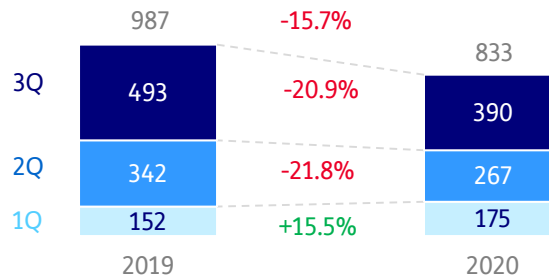
9M Operating Free Cash Flow¹ (R\$ mln)



Net Debt-AL² (R\$ mln)

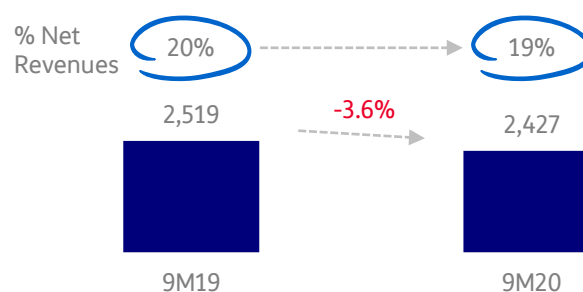


Net Income¹ (R\$ mln)



The scheduled IOC distribution for the 4Q20, shifted the comparison dynamics YoY.

Capex (R\$ mln)



Despite Unprecedented Challenges Until 3Q20, Much Has Been Done and Important Achievements Are Expected for 4Q20 and 2021

3Q20 Deliveries

CORPORATE SIMPLIFICATION

- ✓ Concluded in Aug/20, transaction aims capturing tax, financial and operation synergies
- ✓ New tickers for TIM S.A.: **TIMS3** at B3 and **TIMB** at NYSE

REACTIVATING COMMERCIAL MACHINE

- ✓ **Stores reopening** in regional basis respecting local decree
- ✓ Reinforcement of **digital channels and CEX**
- ✓ **New offers and campaigns** launched
- ✓ **Prepaid activity back on track**

2020-2022 GUIDANCE

- ✓ **EBITDA-Capex on Revenues confirmed:** >20% in 2020 (Mid-single digit YoY for EBITDA-Capex)

IOC PAYMENT

- ✓ First tranche of **R\$ 500 mln to be distributed in November**

ESG MENTALITY

- ✓ TIM S/A was **listed in Novo Mercado, maintaining all the rights for TIM Part shareholders**
- ✓ **19 power plants from renewable sources** (~13 GWh/mo) compensating TIM's low-voltage energy consumption
- ✓ **Diversity and inclusion program** with annual calendar of awareness, training and actions focused on promote equity

Q4 and beyond

MARKET CONSOLIDATION

- The joint offer was qualified as **stalking horse for Oi's mobile assets public auction**
- Offerors and Oi group are **detailing the terms of the network capacity contract**
- **Auction** expected for **mid-December**

BEYOND CORE INITIATIVES

- Choose **new segment** where to apply the **C6 model**
- **New partnerships in the IoT and new verticals** (distance learning and telemedicine)
- Analyzing **opportunities with Google ending third-parties cookies** in Chrome

C6 EQUITY STAKE

- Confidence in reaching **first equity threshold in the short-term**, turning customer activation number in a minority stake

Further improvement in financial and operational KPIs expected for 4Q20 and 2021.