

## Press Release

### **TIM: TIM Brasil is awarded Oi Group's mobile business jointly with Telefonica Brasil and Claro**

Rome, 15 December 2020

Further to the statements released on 10 March, 18 and 28 July, 8 September 2020 and to the Material Fact published yesterday by the Brazilian subsidiary TIM S.A., TIM has announced that the offer presented by TIM S.A. together with Telefônica Brasil S.A. (VIVO) and Claro S.A., has been awarded the contract in the competitive sale process for the purchase of the Oi Group's mobile business. The completion of the transaction, expected during 2021, is in any case subject to the fulfilment of some conditions precedent provided for in the agreements and the authorisations of the competent Authorities.

The total value of the transaction amounts to 16.5 billion reais (approximately 2.7 billion euros), which is summed with the consideration offered to the Oi Group, of approximately 819 million reais (about 134 million euros), as the NPV of the Take-or-Pay Data Transmission Capacity Contracts. TIM Brasil will participate in the transaction with an investment of about 7.3 billion reais (about 1.2 billion euros) to be paid at closing and 476 million reais related to the portion of TIM Brasil in the NPV of the contracts. Given the low debt and the favorable market conditions, TIM S.A. believes it can finance the acquisition through cash and the local debt market. However, in the event of any changes in market conditions, TIM S.A. will evaluate all available options.

The purchase plan provides for TIM Brasil, Telefônica Brasil and Claro to divide up Oi's mobile assets and, in particular, its customers, radio frequencies and mobile access infrastructure.

In particular, TIM Brasil will be allocated:

- Approximately 14.5 million customers (corresponding to 40% of *UPI Ativos Móveis*' total customer base) – according to Anatel's data of April/20. The allocation took into consideration criteria that favour competition among the operators present in the Brazilian market;
- Approximately 49 MHz as a national average weighted by population (54% of *UPI Ativos Móveis* radio frequencies). The division of frequencies strictly respects the spectrum limits per group established by Anatel;
- Approximately 7.2 thousand mobile access sites (corresponding to 49% of total *UPI Ativos Móveis* sites).

TIM reaffirms that the transaction, as of its completion, will add value not only to its Brazilian subsidiary but to the whole Group and its shareholders as it will accelerate its growth and increase operating efficiency through relevant synergies. Furthermore, positive effects are also expected for customers, as the transaction is likely to improve the users' experience and the quality of services offered. Finally, the transaction is expected to benefit the entire telecommunications sector in South America, which will be strengthened in its investment capacity, technological innovation, as well as its competitiveness.

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