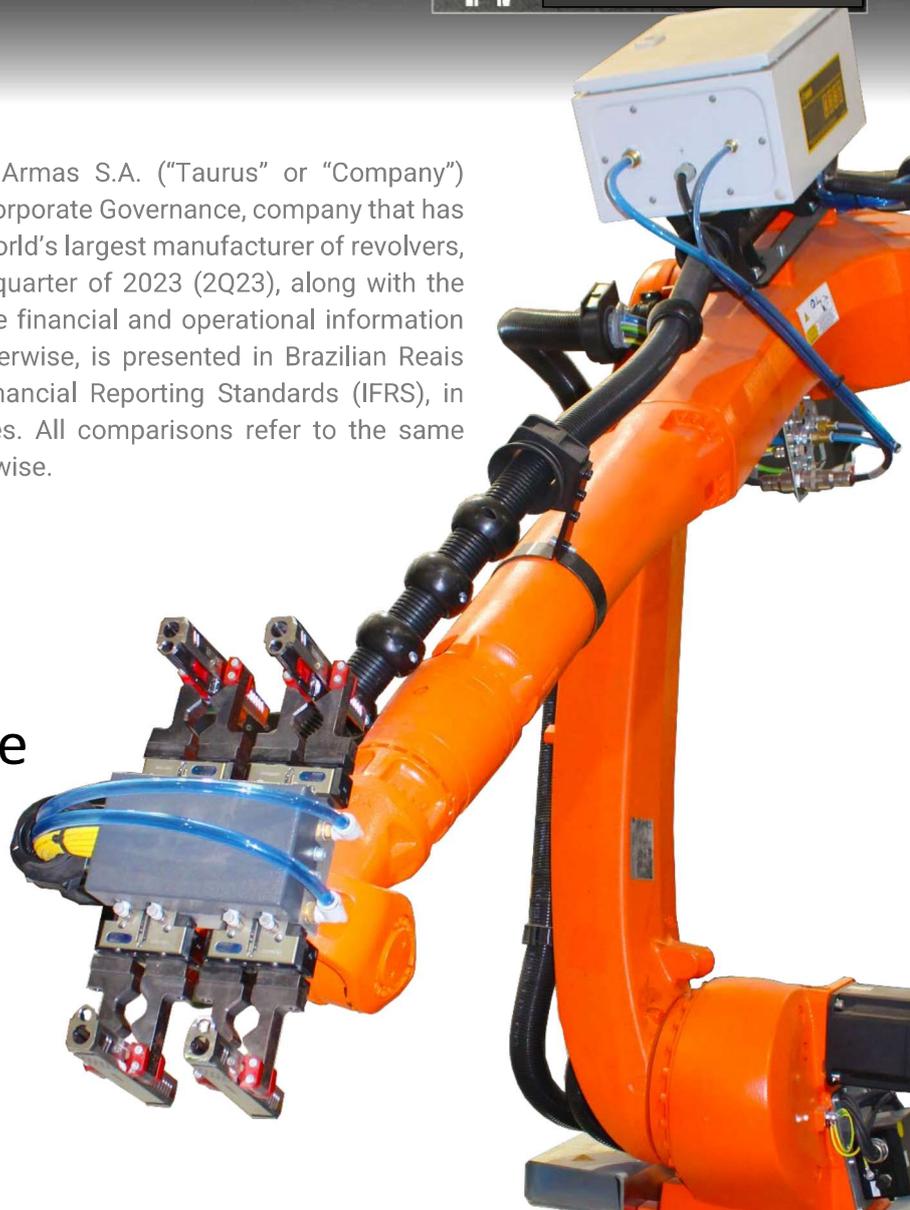




São Leopoldo, August 14, 2023 – Taurus Armas S.A. (“Taurus” or “Company”) (B3:TASA3; TASA4), listed on B3’s Level 2 of Corporate Governance, company that has created the 3rd generation of pistols, and the world’s largest manufacturer of revolvers, hereby presents its earnings for the second quarter of 2023 (2Q23), along with the earnings for the first half of 2023 (1H23). The financial and operational information disclosed herein, except where indicated otherwise, is presented in Brazilian Reais (R\$), and complies with the International Financial Reporting Standards (IFRS), in addition to the Brazilian accounting principles. All comparisons refer to the same periods of 2022, except where indicated otherwise.

2Q23/1H23 EARNINGS

Taurus posts revenue of R\$470.3 million in 2Q23, with gross margin of 36.6%



Highlights for 2Q23

NET REVENUE:
R\$470.3 million

GROSS PROFIT:
R\$172.0 million
Gross margin of 36.6%

ADJUSTED EBITDA:
R\$81.9 million
Adjusted EBITDA margin of 17.4%

NET INCOME:
R\$ 48.9 million

Taurus Continuing Education Program: training and incentive platform to employees for undergraduate, Master's and PhD degrees.


MAIN INDICATORS

R\$ million	2Q23x2Q22			2Q23x1Q23		1H23x1H22		
	2Q23	2Q22	% Chg.	1Q23	% Chg.	1H23	1H22	% Chg.
Net operating revenues	470.3	625.6	-24.8%	453.2	3.8%	923.5	1,302.2	-29.1%
Domestic market	83.6	218.6	-61.8%	73.9	13.1%	157.5	411.6	-61.7%
Exports market	386.7	406.9	-5.0%	379.3	2.0%	766.0	890.6	-14.0%
COGS	-298.3	-327.9	-9.0%	-276.8	7.8%	-575.1	-669.9	-14.2%
Gross profit	172.0	297.7	-42.2%	176.4	-2.5%	348.4	632.3	-44.9%
Gross margin (%)	36.6%	47.6%	-11.0 p.p.	38.9%	-2.3 p.p.	37.7%	48.6%	-10.9 p.p.
Operating expenses (SG&A)	-98.7	-99.8	-1.1%	-120.3	-18.0%	-219.0	-200.6	9.2%
Earnings before financial result and income tax (EBIT)	73.3	198.0	-63.0%	56.1	30.7%	129.4	431.7	-70.0%
Net financial income (expenses)	4.5	-44.6	-110.1%	-0.1	-	4.4	-1.1	-
Income tax and social contribution	-28.2	-51.3	-45.0%	-20.0	41.0%	-48.3	-133.2	-63.7%
Net income (loss) from continued operations	49.5	102.0	-51.5%	35.9	37.9%	85.5	297.3	-71.2%
Net income (loss) from discontinued operations	-0.7	-1.2	-41.7%	-0.5	40.0%	-1.2	-1.5	-20.0%
Net income (loss)	48.9	100.8	-51.5%	35.4	38.1%	84.3	295.8	-71.5%
Adjusted EBITDA*	81.9	205.6	-60.2%	65.3	25.4%	147.2	447.8	-67.1%
Adjusted EBITDA Margin*	17.4%	32.9%	-15.5 p.p.	14.4%	3.0 p.p.	15.9%	34.4%	-18.5 p.p.
Net debt (end of period)	243.9	329.0	-25.9%	94.2	158.9%	243.9	329.0	-25.9%

* Adjusted EBITDA does not consider the profit (loss) from discontinued operations. This indicator is not adopted by the accounting practices. Its calculation is presented in the item "EBITDA" of this report.



**MESSAGE FROM MANAGEMENT**

We closed the second quarter of the year with results that came in line with our expectations for the period, considering the current situation of the firearms market, which is quite different from that of recent years. We rely on an efficient and modern operational structure, and we have maintained our investments in both modernization and research & development, in order to reinforce Taurus' position as an innovative company that offers consumers quality products at competitive prices. We also rely on a team dedicated to monitoring the wishes of our consumers, as well as a team geared towards continuously monitoring the opportunities that may arise, regardless of market conditions. In addition to the industrial and commercial infrastructure, Taurus currently enjoys a balanced financial profile, having successfully eliminated financial leverage. This solid foundation that we have built up at Taurus reassures us that we are successfully following the growth path outlined in our strategic planning.

In the US, our sales in the first six months of the year exceeded the volumes for the first half of 2019, the pre-pandemic period. In 2Q23, our revenues from firearms & accessories in that market were 97.2% higher than in 2Q19 and already equal to 2Q22, thus offsetting the loss of revenues in Brazilian reais due to the appreciation in the real against the dollar of 26.3% compared to 2Q19 and 4.8% compared to 2Q22, considering the average exchange rate for both periods. The sales mix has strongly contributed to this result.

We are witnessing the US market returning to a pattern of normality, as expected, after having reached unprecedented levels in 2020 and 2021. In 2Q23, the Adjusted NICS (National Instant Criminal Background System) recorded 3.65 million inquiries from people interested in purchasing a firearm in the US, totaling 7.82 million for the first six months of the year. These levels are higher than the same periods of 2019 by 29.2%, considering the quarterly evaluation, and by 25.3% considering the accrued figures for the first half of the year. The outlook for the second half of the year in the US is positive, considering that, traditionally, such period presents a greater seasonality of sales in the US, given the beginning of the hunting season, in addition to the "Black Friday" and Christmas sales.

In Brazil, in terms of economic scenario, the services and industry sectors remained relatively stagnant. According to a monthly survey by CNI (National Confederation of Industry), the country's industrial Installed Capacity Utilization (ICU) in June was the lowest for the month in the last three years (69%). The main challenges faced in the second quarter of 2023, according to the survey, were low domestic demand, high fiscal pressure and high interest rates. Furthermore, in our sector, the legal uncertainty that lasted throughout the first half of the year, since the new Decree, scheduled for March/April, was only published on July 21 (Decree No. 11,615/23). The uncertainty has caused the market to come to a standstill, with consumers and shopkeepers halting their purchases until the legal issue was settled. We thus faced an adverse moment in the domestic market during the course of 1H23. As a consequence, the reduction in gross margin we saw in the period is partly related to reduced sales due to the uncertainty surrounding the legal issue. On the other hand, the domestic distribution channel began the second half of the year totally under-supplied, which represents an opportunity to respond to this demand in the coming months.

Following the publication of the new Decree and its regulations, we can now resume our strategic planning, considering the establishment of new guidelines, particularly with regard to the permitted calibers. We are seeing a great opportunity for the development of new products, where Taurus enjoys a great advantage, considering the work of CITE - Brazil/USA Integrated Technology and Engineering Center, which provides us with creativity and flexibility to offer innovative products to the Brazilian market, while complying with the legal constraints. We have been working hard on a new caliber of pistols, with a maximum energy limit of 407 joules, as set by the new Decree.

In the first week of August, we sponsored the "Shot Fair", the largest event of the segment in Latin America. At the event, we launched 20 firearms with exclusivity, including pistols and revolvers, some of them already considering the limits imposed by the new legislation. We also presented the market new products that add value to the brand, with emphasis on "Cutelaria Taurus" (Taurus Cutlery). This is a premium line of customized knives. All knives are handcrafted by renowned cutler Sandro Boeck, winner of the reality show "Desafio sob Fogo Brasil e América Latina" in 2020. The knives are also related to Taurus' main firearm families, so that each Taurus consumer will be able to choose an exclusive knife related to their favorite firearm model. In keeping with the Company's innovation DNA, the world's first graphene knife is part of the line.

Our commercial strategy will be focused on opportunities in international markets, beyond the US. The major international sales, mainly focused on participating in bids, mostly involve a very long cycle, since they comprise phases of budget approval, presentation, negotiation, sampling, tests, reviews, approvals, etc. Although our margins tend to be lower than in civilian markets, our production costs are extremely competitive, enabling us to participate in these international bids in a competitive manner and, furthermore, with advantageous results for the Company.

At present, we have mapped more than US\$80 million in potential business throughout the world, with emphasis on the Middle East and Africa. Furthermore, through JD Taurus, we are exploring commercial opportunities in India, where a bidding process for 425,000 rifles is underway, in addition to other smaller bids at the level of police and paramilitary forces. In the medium term, this involves business estimated at more than US\$30 million.

On July 31, 2023, during the Brazil - Saudi Arabia Investment Forum held at FIESP in São Paulo, in yet another strategic move towards the internationalization of the Company, we signed a Memorandum of Understanding (MoU) with Scopa Defense Trading LLC., one of the most prominent defense companies in the Kingdom of Saudi Arabia. In the first 12 months, the studies for the creation of the joint venture and the business plan will be carried out. During this period, Scopa Defense Trading LLC. will act as Taurus' business agent and distributor to explore opportunities with police and military forces throughout the GCC (Gulf Cooperation Council) region. The agreement execution represents another important initiative for the future of Taurus. Saudi Arabia currently holds the 5th largest defense budget in the world and plans, by the year 2030, to originate 50% of its military investments from local companies.



In terms of investments, our focus is on product technology, processes, materials and equipment. Projects related to innovation and research infrastructure count on the support of FINEP, through the credit line approved in March. Among the research projects, special mention should be made of the New Materials Technologies Project, which seeks materials with greater mechanical and corrosion resistance, allowing the production of components with greater durability and safety. In this sense, CITE is working intensively on the project aimed at adding niobium to low carbon steels. We have also developed the graphene project using this material in the composition of injected parts, an exclusive technology of Taurus, which provides greater resistance and durability to firearms. In addition to adding value to products, and increasing customer perception of the Taurus brand, investments in new technologies/materials add value to Brazil, which has the largest niobium reserves and the second largest graphite reserves in the world.



[Industry 4.0](#)

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the link

In the industrial area, we already have a robotized line in operation, providing greater efficiency and flexibility in the process and, consequently, lower costs. Another investment in state-of-the-art machinery was made in the new M.I.M. (metal injection molding) furnace, which combines greater production capacity with enhanced processing efficiency, thus enabling the manufacture of complex parts. Once this equipment starts operating, further business opportunities may arise for the Company in this segment, since we will have available production capacity in the M.I.M., as the new furnace will enable us to meet 100% of Taurus' internal needs.

Our goal is to expand Taurus' position as a global leader in the industry, while maintaining consistent development and providing the best return for shareholders. In order to achieve this goal, we have been looking towards the future, investing primarily in R&D and in the modernization of our industrial structure, with a view to enhancing the efficiency of our operations. We understand that such investments are fundamental pillars to boost Taurus' growth and ensure its competitiveness in the global market.

Taurus has achieved another important milestone in its recent turnaround history: today, we have more than 100,000 shareholders. We hereby reiterate our commitment to maintaining an aggressive dividend policy, although in a responsible manner and respecting our cash control policy. On June 21, our Board of Directors approved the payment of interim dividends, in anticipation of FY2023, based on the earnings reserve recognized in the financial statements. The approved dividends total R\$12.7 million and will be distributed to all shareholders on August 31, 2023.

I am confident that Taurus' internationalization strategy, as evidenced by the joint venture in India, the MoU with the Saudi Arabian company signed on July 31, and other opportunities we are considering, are important paths for growth. Such moves confirm that Taurus is consistently looking forward and exploring opportunities in new frontiers. The entire Taurus team is very proud of the path we have taken so far, and we remain confident that we will achieve even more. I would like to thank everyone who has followed us on this path and trusted in our strategy, thus contributing to build Taurus' history.

Salésio Nuhs



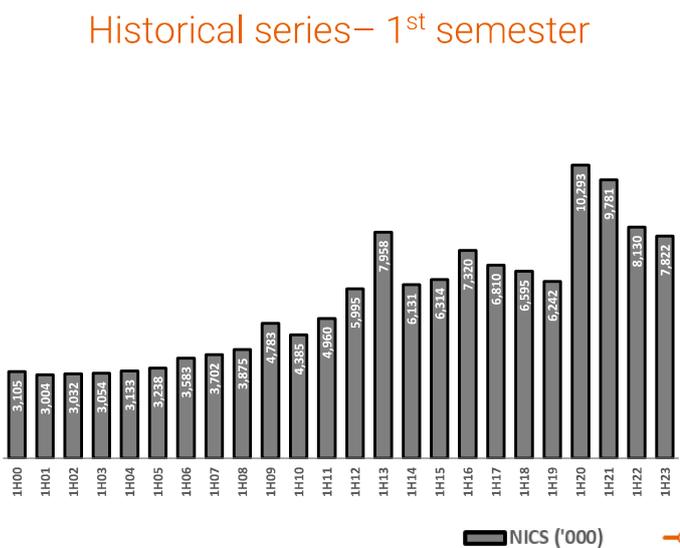
OPERATIONAL PERFORMANCE

Market

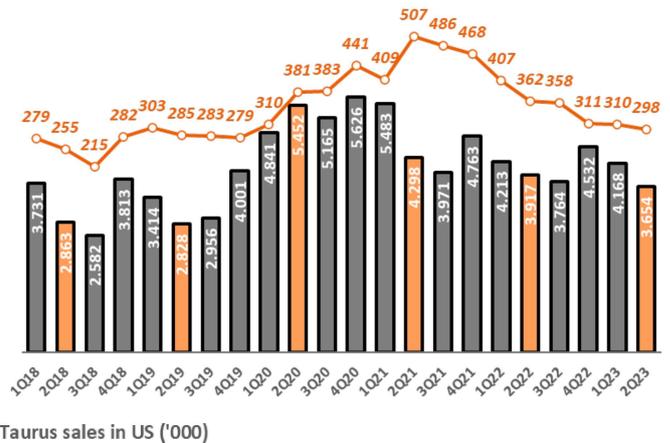
The US firearms market has been confirming the expectation for normalization, assuming an upward trend from the base recorded in 2019. Regardless of the atypical years of unprecedented heating of the US firearms market, since the beginning of the pandemic in 2020, the Adjusted NICS (National Instant Criminal Background System) registered 7.8 million reported intentions to purchase guns in the country, during the first half of 2023, which represents a 25.3% increase over the same period in 2019. The expectations for the second half of 2023 suggest that the NICS should reach a higher level than that recorded in 1H23, particularly due to higher seasonal sales in the last quarter of the year, given the start of the hunting season in the USA, Black Friday promotions and Christmas shopping.

When comparing the same quarters year-over-year, in order to avoid seasonal distortions, Adjusted NICS totaled 3.7 million inquiries in 2Q23, representing a 6.7% decrease compared to 2Q22, and a 29.2% increase compared to 2Q19, before the pandemic period.

 Adjusted NICS - Intentions to acquire firearms in the US
 ('000 queries)

 Historical series – 1st semester


Quarterly performance and Taurus sales in the US



In Brazil, there was no change in the market scenario in 2Q23, given the continuing uncertainty regarding the legislation caused by the non-regulation of Decree 11,366 of January 1, 2023, which restricted the authorization for the acquisition of restricted-use firearms. After the deadline for the publication of this regulation expired in April, the market continued to wait for the reissue of the Decree, which was only published on July 21, 2023. As a result, the entire 1H23 was an atypical period in the domestic market, marked by a retracted consumer waiting for legal definitions for the sector. Retailers held their orders and reached the end of June with very low inventories.

Upon the publication of the Decree at the end of July, the Company was able to outline its approach to distribution channels and retailers. The launch of innovative products that meet the consumers' preferences remains a basic aspect of the strategy. Under this perspective, Taurus has launched, as an exclusive event, 20 firearms, including pistols and revolvers, some of them already considering the limits imposed by the new legislation, at Shot Fair, the largest event in Latin America for this segment, held at the beginning of August in Santa Catarina and sponsored by the Company.

Taurus firearms launched at the Shot Fair (August/23)

Authorized use

Pistol TH380 Graphene
Pistol TH380c Graphene
Pistol 59
Pistol 58 HC Plus
Revolver RT 38H
Revolver RT 380 T.O.R.O.
Revolver RT 942 UL
Revolver RT 832
Revolver Single Action Imperador .38 SPL
Revolver 856 Executive Grade
Revolver Rossi RP63
Revolver Rossi RM66
Revolver Rossi RM64

Restricted use

Pistol GX4 Carry Graphene
Pistol G3 XL T.O.R.O.
Pistol G3 TACTICAL
Pistol TH45
Pistol TH10
Rifle T10
Revolver Single Action Imperador .45 COLT

Special mention should be made of the launch, also held at the Shot Fair, of "Cutelaria Taurus" (Taurus Cutlery), a line of "custom" knives. For the development of "Cutelaria Taurus", whose knives are all handcrafted, the Company partnered with renowned cutler Sandro Boeck, winner of the reality show "Desafio sob Fogo Brasil e América Latina" in 2020. Adding value to the brand, the knife designs are related to Taurus' main firearm families, so that each Taurus consumer can choose an exclusive knife related to their favorite firearm model. It is part of the line, the first knife in the world with graphene finishing coat.

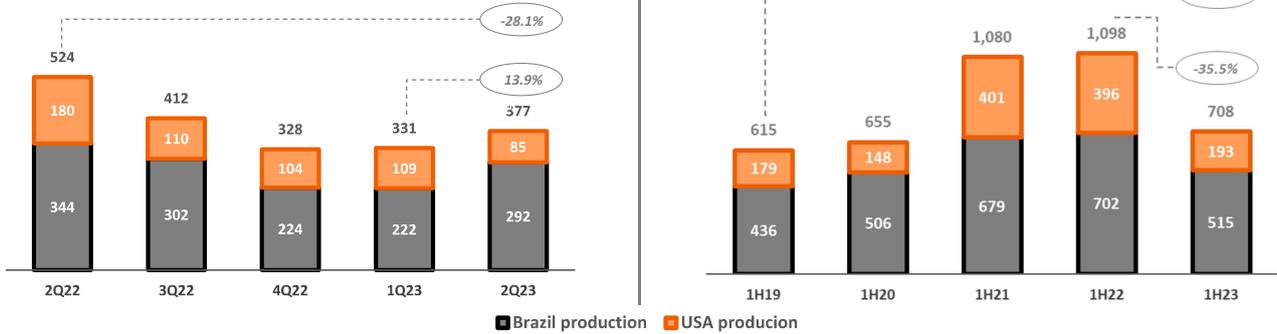


In celebration of the "Cutelaria Taurus" line launch, an exclusive knife with gold details was auctioned. The Bowie-style piece, made of Damascus steel in the lace mosaic pattern, with 24k gold engraving, was auctioned for R\$29,000 by a collector.

Production and sales

In its two industrial units, in Brazil and the USA, Taurus produced a total of 377,000 firearms in 2Q23, down by 28.1% when compared to the same quarter of 2022, and 13.9% when compared to 1Q23, resuming an increased production after the 30-day collective vacation period in the Brazilian plant, between December/22 and the first half of January/23, which was reflected in a lower volume in the previous quarter.

Production of firearms – Taurus ('000 units)
Quarter Semester

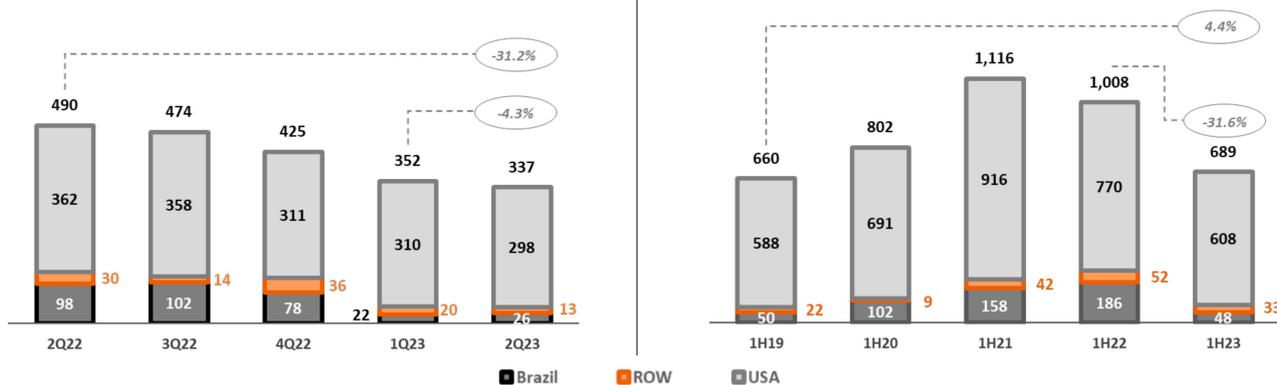


As an important part of its strategy, Taurus maintains its investments in product development, through the use of new materials, incorporated technology and efficient production processes, in order to offer consumers high-quality, innovative products at competitive prices. In order to guarantee a prominent position in the market, the Company relies on a team of more than 200 professionals, dedicated to the development of products, processes, materials and equipment at CITE - Brazil/USA Integrated Technology and Engineering Center.

The search for new technologies for armaments, and the lack of innovation in metal alloys, led to the development of the New Technologies in Materials Project. One example is the study under development of niobium addition in the production of parts by the M.I.M. (metal injection molding) process, in search of materials with greater mechanical and corrosion resistance. This will enable the development of components with greater durability, safety and lower weight, adding value to products and increasing customer perception of the brand. Further information on some of the projects underway at Taurus is presented in the "Investments" section of this report.

Firearms Sales Volume – Taurus ('000 units)

Quarter Semester



The sales performance of Taurus firearms reflects the conditions of the markets in which it operates, with normalization of the sales level in the North American market, after the historical records of recent years, and stagnation of the domestic market over the first six months of 2023, due to the lack of definition on new regulations. Considering the production accrued in the first half, Taurus' overall sales volume decreased by 31.6% when compared to the same period in 2022, when the Company was still capturing the benefits of the strong demand in the USA. The comparative analysis versus 1H19, before the explosion of demand during the pandemic, shows a 4.4% increase in the total number of units sold.

In the **Brazilian market**, the lack of regulation by Decree 11,366, published on January 1, 2023, caused sales to shrink throughout 1H23, totaling 48,000 units, compared to 186,000 in 1H22 (down by 74.2%).

It was only on July 21, 2023, during the 3Q23, that the new Decree was published. With the end of uncertainty regarding the new regulation, Taurus has resumed its strategic planning considering the new guidelines laid down, especially with regard to the authorized calibers. The national distribution channel entered the middle of the year short of inventory, which represents an opportunity to meet this demand in the coming months. In order to further motivate the trade and meet consumer needs, the Company launched several products at Shot Fair in early August, as mentioned above under "Market", and has been working on the development of other products in accordance with the Decree. In terms of development, Taurus has a broad advantage, due to the fact that it counts on the work of CITE - Brazil/USA Integrated Technology and Engineering Center. CITE provides creativity and flexibility to offer innovative products to the Brazilian market, while complying with the legal limits. A new caliber of pistols is under development, with a maximum energy of 407 joules, the maximum limit for firearms authorized for use according to the new Decree.

In the **North American market**, the main destination for Taurus sales, the Company sold 298,000 units in 2Q23, totaling 608,000 firearms in the first six months of the year. Compared to the same periods of the previous year, the performance indicates a reduction of 17.7% in the quarterly comparison and 21.0% in the half-year comparison. In line with the previous comment that the US market tends to return to the 2019 level, excluding the pandemic years, Taurus' sales in this country in the first half of 2023 were 3.4% higher than in 1H19.

As regards **exports to countries** other than the US, the highlights in 2Q23 were sales to Honduras, the Philippines and Israel. International business is mainly focused on bids submitted by security forces, which usually involves a longer-sales and development cycle, including phases of budget approval, presentation, negotiation, sampling, testing, reviews, approvals, among other steps.

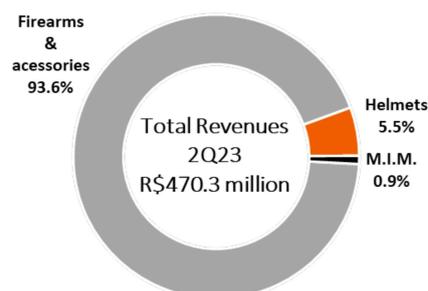
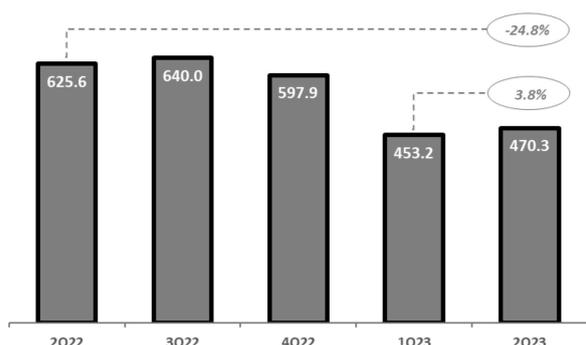
After prioritizing sales to the North American market in recent years, when there was record demand for firearms in that country, Taurus has been turning its attention to the international market. Opportunities, however, are always monitored by the Company, which has a dedicated team for this purpose. Currently, the mapped opportunities point to business of more than US\$80 million across the world, with great potential especially in the Middle East and Africa. In addition to this number, a tender for 425,000 rifles is underway in India, through JD Taurus, in addition to other smaller biddings at the level of police and paramilitary forces in that country, involving business in excess of US\$30 million, on average.

ECONOMIC AND FINANCIAL PERFORMANCE

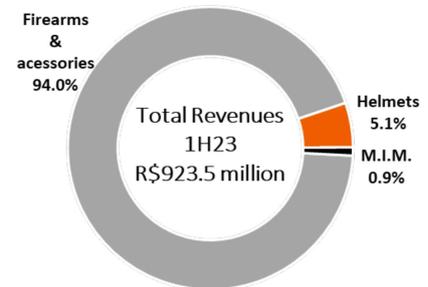
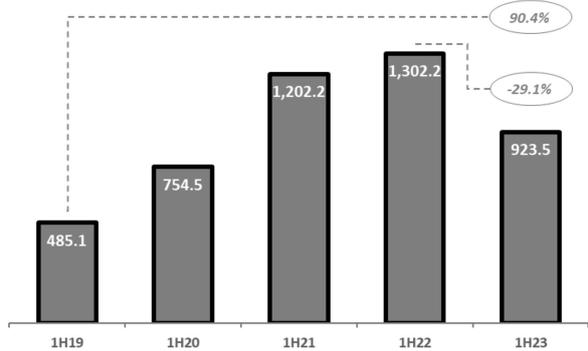
Net Operating Revenue

Taurus' consolidated revenues include, in addition to the sale of firearms & accessories, the revenues from helmets and M.I.M. (metal injection molding). In 2Q23, consolidated net revenues amounted to R\$470.3 million, with the total for 1H23 amounting to R\$923.5 million. As the Company's core business, the firearms & accessories segment accounted for 93.6% of overall revenue in the quarter, and 94.0% in 1H23, and therefore its performance is the main driver for the consolidated revenues.

Consolidated Net Operating Revenue - (R\$ million) Quarter



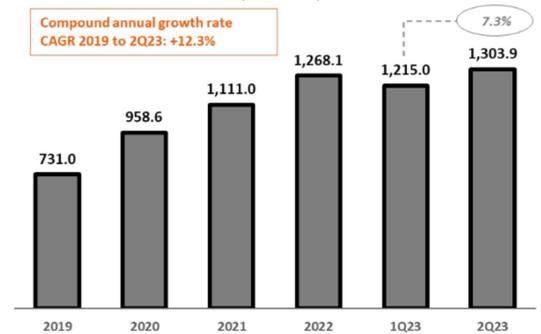
Consolidated Net Operating Revenue - (R\$ million) Semester



In line with the firearms market trend, along with the operational performance in the firearms & accessories segment, as previously mentioned, the comparison of 2Q23 with the same period of the previous year is hampered, given that in 2022, as a result of the strongly heated demand, Taurus has achieved record results.

Considering the quarterly performance, consolidated net revenues in 2Q23 fell by 24.8% when compared to 2Q22 and by 3.8% when compared to 1Q23. The increase recorded in relation to 1Q23 results from the rise in the average selling price of firearms, resulting from the sales mix, which offset the lower volume and the 4.8% devaluation in the average US dollar against the local currency between 2Q23 and 1Q23, which pressured revenues from exports, the largest portion of Taurus' revenues (82.2% of consolidated net revenues in the quarter). The investments directed to R&D are reflected in the renewal and expansion of the mix, as well as in the offer of innovative products, with high quality and affordable prices, which is an important basis for the Company's strategy.

Taurus' average selling prices of firearms (R\$/unit)

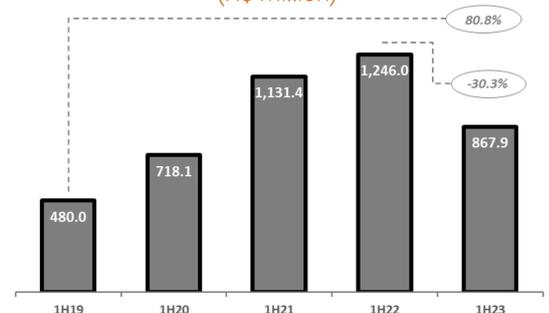


In 1H23, consolidated net revenues of R\$923.5 million represent a 29.1% decline when compared to 1H22. If the pandemic period is disregarded, when there was record demand in the North American market, and when comparing the revenue performance for the semester with the same period of 2019, it shows a 90.4% growth.

Considering only the performance of the firearms & accessories segment, net revenue totaled R\$440.0 million, and amounted to R\$867.9 million in the first half of the year, which represents decreases of 25.9% and 30.3% compared to the same periods of 2022, respectively. The uncertainty surrounding the legal framework in Brazil, with respect to the acquisition and possession of firearms during the first six months of 2023, led to the stagnation of the local market, being the main reason for the decline in performance, since sales in the domestic market showed the sharpest decline, both in percentage terms and in absolute amounts.

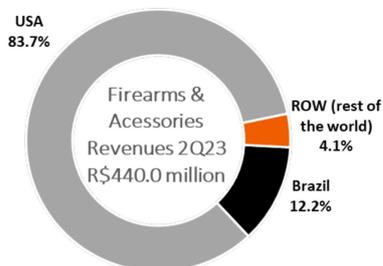
When analyzing the performance of the firearms & accessories segment's revenues for the first half of the last few years in the chart on the right, it clearly shows the resumption of revenues compared to the years prior to 2020, a period of record performance resulting from the strong demand in the North American market, as mentioned above. In relation to 1H22, Taurus' firearms & accessories revenues in the first six months of 2023 decreased by 30.3%, whereas in relation to the same period of 2019, there was an increase of 80.8%. Revenues for 1H23 exceeded by 20.9% those obtained in 1H20, when the positive effects of the growth in North American demand were beginning to be reflected in Taurus' performance.

Net Revenue - Firearms & Accessories (R\$ million)

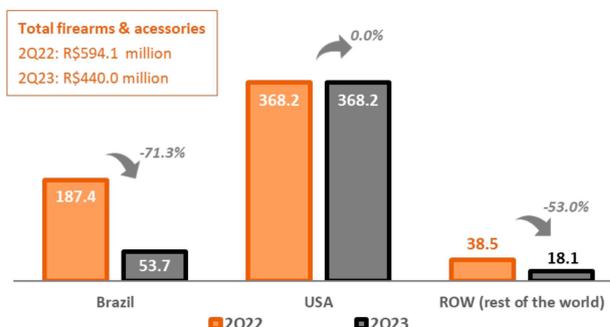


Revenues from sales of firearms & accessories in the US in 2Q23, which accounted for 83.7% of the overall revenues from this segment in the period, have remained flat when compared to the same period of the previous year. The sales mix made it possible to compensate for the lower sales volume.

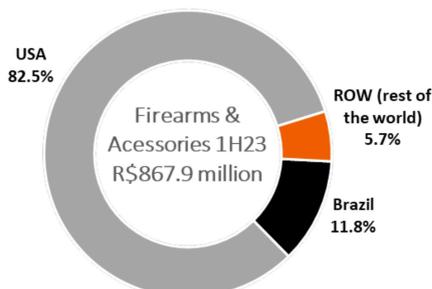
Net Operating Revenue - Firearms & Accessories Quarter



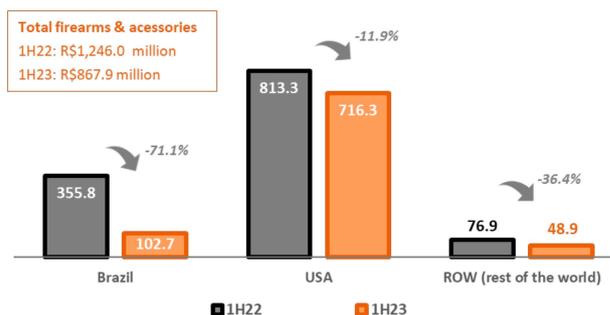
Revenues from firearms and accessories by market (R\$ million)



Net Operating Revenue - Firearms & Accessories Semester



Revenues from firearms & accessories by market (R\$ million)

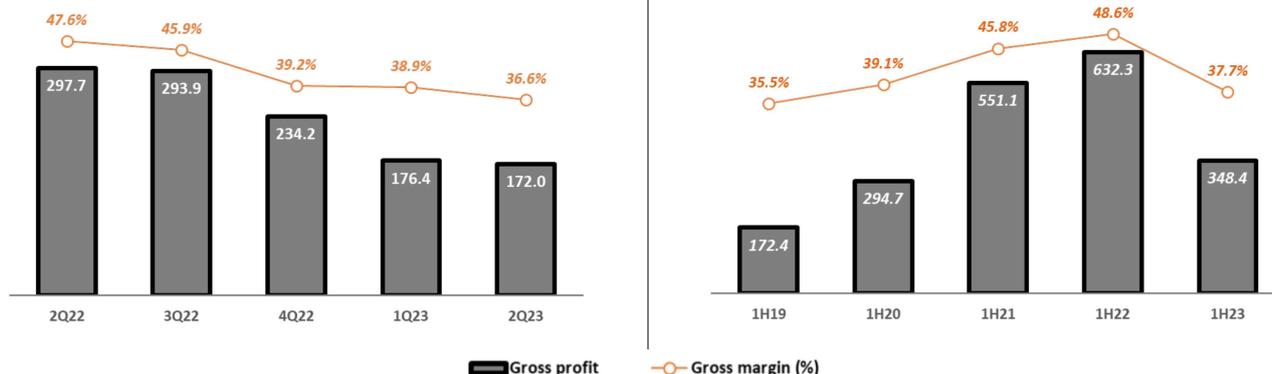


Gross profit

Gross profit in 2Q23 came to R\$172.0 million, representing a gross margin of 36.6% on net revenue, corresponding to a 42.2% drop in gross profit and an 11.0 p.p. drop in gross margin compared to 2Q22. For the first six months of 2023, gross profit totaled R\$348.4 million, with a gross margin of 37.7%. Compared to 1H22, the reduction was 44.9% in gross profit and 10.9 percentage points in margin. In both quarterly and half-year comparisons, performance was influenced by the downturn in market conditions, with lower sales volume and revenues, and consequent lower dilution of fixed costs. Also exerting pressure on costs in the periods of comparison was the collective bargaining agreement of 12% on the salaries of the Brazilian staff, granted in 3Q22. The reduction in gross margin is partly related to the uncertainty over the applicable legislation, which contributed to the stagnation of the domestic market in the first half of the year, as local sales were affected.

Nevertheless, given Taurus' competitive costs, the Company's gross profitability remains higher than that of North American companies that disclose their results, since they also have their shares listed on the stock exchange. In 2Q23, Ruger's gross margin was 26.7% and Smith & Wesson's, considering the quarter from February/23 to April/23, 29.0%, with Taurus' gross margin of 36.6% being higher by 9.9 p.p. and 7.6 p.p., respectively.

Gross Profit (R\$ million) and Gross Margin (%)



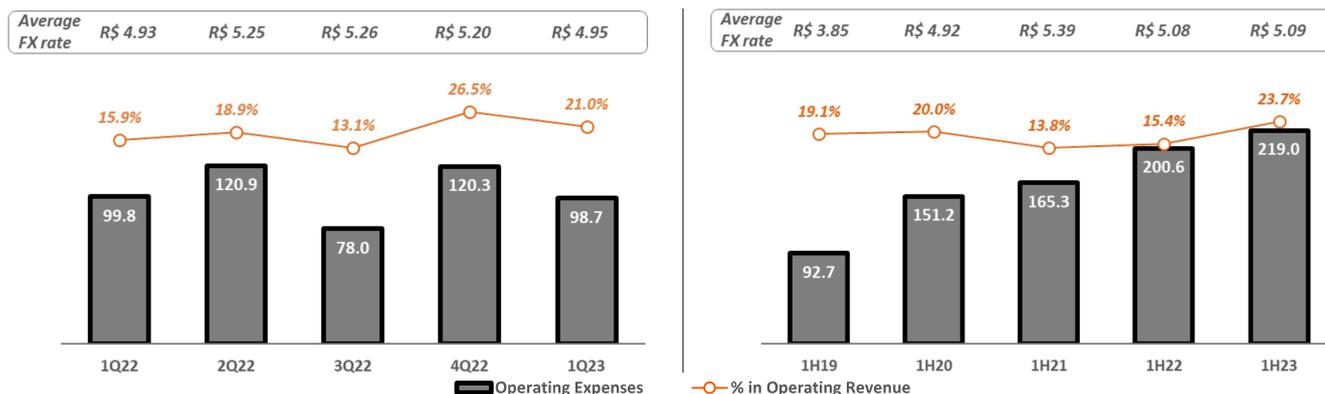
Operating expenses

Total operating expenses in 2Q23 amounted to R\$98.7 million, corresponding to a 1.1% decrease when compared to 2Q22. The main drivers of this performance were: (i) the recording of a R\$5.0 million income in the asset recovery account; (ii) the R\$1.9 million decrease in selling expenses, reflecting lower freight and commission expenses; and (iii) the firm control over general and administrative expenses, which increased by 7.3% in the period, despite the 12% collective bargaining agreement also granted to employees of the administrative area in 3Q22.

	2Q23	2Q22	2Q23x2Q22 % Chg.	1Q23	2Q23x1Q23 % Chg.	1H23	1H22	1H23x1H22 % Chg.
Selling expenses	58.2	60.1	-3.2%	61.4	-5.2%	119.6	125.5	-4.7%
General and administrative expenses	48.5	45.2	7.3%	55.4	-12.5%	103.9	97.8	6.2%
Losses (income) due to non-recoverable assets	-5.0	0.0	-	3.8	-231.6%	-1.2	0.5	-340.0%
Other operating (income)/expenses*	-3.1	-5.8	-46.6%	-0.9	244.4%	-4.0	-23.7	-83.1%
Equity pick-up	0.1	0.2	-50.0%	0.7	-85.7%	0.8	0.4	100.0%
Operating expenses (SG&A)	98.7	99.8	-1.1%	120.3	-18.0%	219.0	200.6	9.2%
Op. expenses / Net Op.Revenues (%)	21.0%	15.9%	5.1 p.p.	26.5%	-5.5 p.p.	23.7%	15.4%	8.3 p.p.
Average Ptax dollar exchange rate (R\$)	4.95	4.93	0.4%	5.20	-4.8%	5.07	5.08	-0.2%

In 1H23, operating expenses amounted to R\$219.0 million, which represents a 9.2% increase (R\$18.4 million) compared to 1H22. The increase was influenced by non-recurring factors that led to the recording of a net income of R\$23.7 million in the other operating expenses/income account in the first half of 2022, compared to an income balance of R\$4.0 million in this account in 1H23. The balance in "other operating income/expenses" line refers mainly to the recovery of PIS/COFINS, IPI and deemed ICMS. If we disregard the results reported in "other operating income/expenses" in both semesters, total operating expenses in 1H23 would amount to R\$223.0 million, and would be in line (reduction of 0.5% or R\$1.2 million) compared to R\$224.2 million in the same period of the previous year.

Operating Expenses (R\$ million) and their share over Net Revenue (%)



Adjusted EBITDA

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) does not take into account the profit (loss) from discontinued operations, as the Company understands that this result is not directly associated with the performance of Taurus' operating activities.

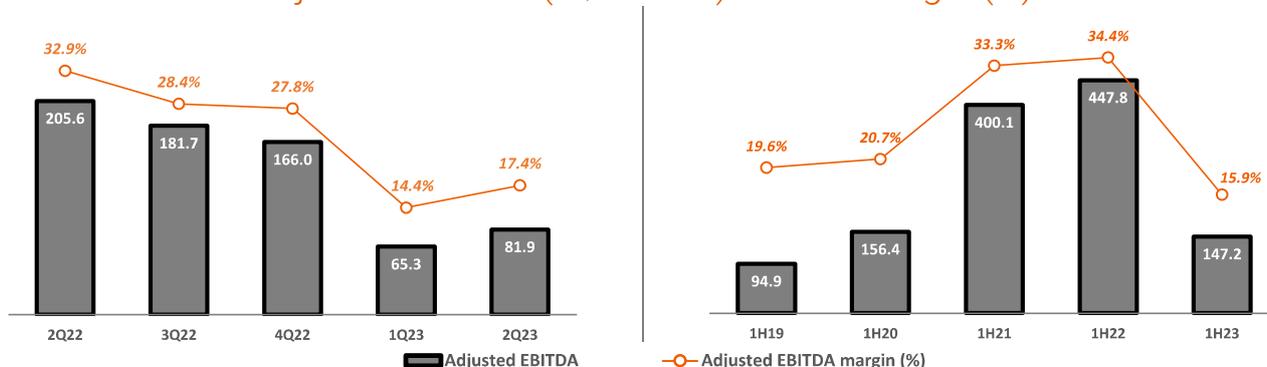
In 2Q23, adjusted EBITDA amounted to R\$81.9 million, down by 60.2% from 2Q22, whereas accumulated EBITDA in 1H23 amounted to R\$147.2 million, down by 67.1% from 1H22. This performance is explained by the factors mentioned above, with a decrease in sales volume and revenues, in view of market conditions, which allowed the Company to report record results in 2022, a reduction in gross profit and lower dilution of operating expenses.

The adjusted EBITDA margin stood at 17.4% in 2Q23 and 15.9% for the first six months of the year, pressured by the reasons mentioned above.

Calculation of adjusted EBITDA – Reconciliation pursuant to ICVM 156/22

R\$ million	2Q23	2Q22	2Q23x2Q22 % Chg.	1Q23	2Q23x1Q23 % Chg.	1H23	1H22	1H23x1H22 % Chg.
Net income	48.9	100.8	-51.5%	35.4	38.1%	84.3	295.8	-71.5%
Taxes	28.2	51.3	-45.0%	20.0	41.0%	48.3	133.2	-63.7%
Net financial result	-4.5	44.6	-	0.1	-	-4.4	1.1	-
Depreciation and amortization	8.5	7.4	14.9%	8.5	0.0%	17.0	15.7	8.3%
EBITDA	81.2	204.2	-60.2%	64.1	26.7%	145.2	445.9	-67.4%
<i>EBITDA margin</i>	<i>17.3%</i>	<i>32.6%</i>	<i>-15.3 p.p.</i>	<i>14.1%</i>	<i>3.2 p.p.</i>	<i>15.7%</i>	<i>34.2%</i>	<i>-18.5 p.p.</i>
Result from discontinued operations	0.7	1.2	-41.7%	0.5	40.0%	1.2	1.5	-20.0%
Result from the equity method from affiliates	0.1	0.2	-50.0%	0.7	-85.7%	0.8	0.4	100.0%
Adjusted EBITDA	81.9	205.6	-60.2%	65.3	25.4%	147.2	447.8	-67.1%
<i>Adjusted EBITDA margin</i>	<i>17.4%</i>	<i>32.9%</i>	<i>-15.5 p.p.</i>	<i>14.4%</i>	<i>3.0 p.p.</i>	<i>15.9%</i>	<i>34.4%</i>	<i>-18.5 p.p.</i>

Adjusted EBITDA (R\$ million) and its Margin (%)



EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is not a financial metric recognized by the BR GAAP and the International Financial Reporting Standards (IFRS). It should not be considered separately as an operating performance indicator, or an alternative to operating cash flow as a liquidity indicator. It is used for management purposes, and meant to provide additional information on the operating cash generation.

Financial result

Taurus enjoys a well-balanced financial structure, which enabled it to record a positive financial balance in 2Q23. Having leveled out its bank indebtedness from the general restructuring of the Company, and consequent increase in cash generation, the Company's current financial profile is quite different from the reality of a few years ago, when a significant portion of revenues was used to meet financial commitments.

With finance income of R\$47.4 million and finance costs of R\$42.9 million, the net finance income (costs) in 2Q23 comprised finance income of R\$4.5 million, reversing the net finance costs of R\$44.6 million in 2Q22. Similarly, to the first quarter of 2023, the Company's finance income and costs were balanced, generating a net expense of R\$0.1 million, whereas in 1H23, Taurus recorded net finance income of R\$4.4 million.

The exchange gains and losses represent a major component of Taurus' finance income (costs). The devaluation in the Brazilian currency is expressed as an exchange gain over the customer portfolio, and over the dollar-denominated cash of the North American subsidiary, while as an exchange loss over the financial obligations related to the Company's dollar-denominated bank debt. The exchange variations, however, consist of journal entries that do not have a cash effect.

As exchange rate variations affect balance sheet accounts, which are calculated on the closing date of the period, the accounting recognition of these accounts considers the exchange rate on that date, and not the average exchange rate for the period. At the end of June 2023, the Ptax dollar exchange rate was R\$4.82, which indicates an 8.0% appreciation in the Brazilian Real, compared to the rate on the same date in 2022. The Brazilian Real appreciation in the period acted to reduce the exchange losses, contributing to the net finance income (costs) in 1Q23 and 1H23.

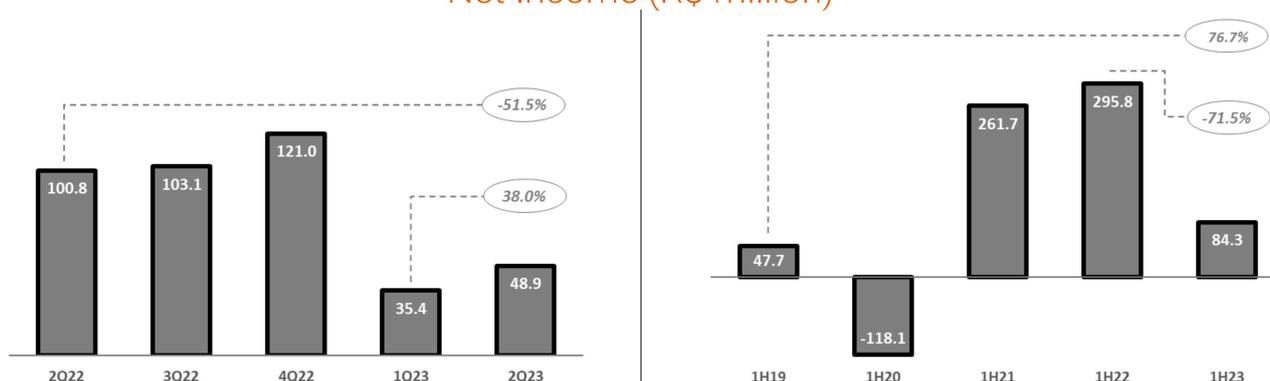
R\$ million	2Q23x2Q22			2Q23x1Q23		1H23x1H22		
	2Q23	2Q22	% Chg.	1Q23	% Chg.	1H23	1H22	% Chg.
(+) Financial income	47.4	76.8	-38.3%	42.8	10.7%	90.2	232.0	-61.1%
Foreign exchange gains	42.4	73.5	-42.3%	35.2	20.5%	77.6	226.0	-65.7%
Interest and other income	5.0	3.3	51.5%	7.5	-33.3%	12.6	6.0	110.0%
(-) Financial expenses	42.9	121.4	-64.7%	42.9	0.0%	85.8	233.1	-63.2%
Foreign exchange losses	30.7	109.5	-72.0%	28.6	7.3%	59.3	207.1	-71.4%
Interest, IOF and other expenses	12.3	11.9	3.4%	14.3	-14.0%	26.5	26.0	1.9%
(+/-) Net financial result	4.5	-44.6	-	-0.1	-	4.4	-1.1	-
US dollar Ptax rate at the end of period (R\$)	4.82	5.24	-8.0%	5.08	-5.1%	4.82	5.24	-8.0%

Net income

Since the beginning of 2023, Taurus' results have been impacted by market conditions, especially in the domestic market, given the uncertainty over the legal framework for the sale and possession of firearms that lasted throughout the first half of the year. The basis of comparison with the previous year reinforces the imbalance, since in 2022, the Company achieved record results, reflecting the end of the period of unprecedented heat in the demand for firearms in the USA, which represents the main market for Taurus' products.

As a result, the Company posted profit of R\$48.9 million in 2Q23, down by 51.5% from the same quarter in 2022, although 38.0% higher than in 1Q23. In the year to June 2023, profit for the period amounted to R\$84.3 million, down by 71.5% compared to 1H22, and 76.7% higher than the figures reported in 1H19, before the beginning of the pandemic period that led to strong demand growth in the North American market.

Net Income (R\$ million)



DEBT

At the close of June 2023, Taurus' net bank debt stood at R\$243.9 million, up by R\$84.4 million over the amount recorded at the end of 2022. The performance over the first six months of 2023 translates into a decrease of R\$37.6 million in gross debt, with a simultaneous reduction of R\$122.0 million in the cash and financial investments position.

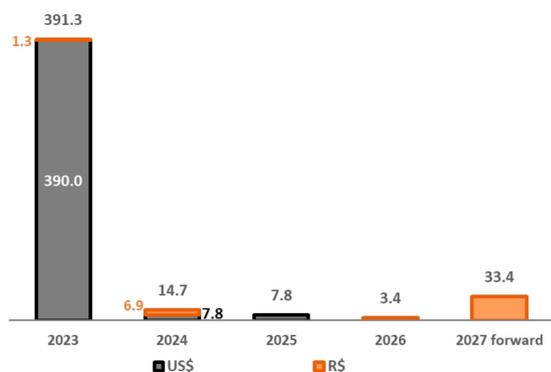
In 2Q23, the Company received the first installment of R\$37.9 million, related to the total credit line of R\$175.7 million granted by FINEP (Financier of Studies and Projects) in March/23, to finance 90% of the project Strategic Innovation Plan for Competitiveness (PEI). This financing line is in tune with Taurus' current financial policy of resuming access to the credit market, while improving the Company's debt profile. FINEP's credit line features extremely competitive rates, a 36-month grace period and payment in 108 monthly installments.

Of the total gross debt as at June 30, 2023, 90.0% was denominated in U.S. dollars. The portion of the Company's consolidated revenues from foreign sales (82.9% of total net revenue in 1H23) represents a natural hedge for foreign currency indebtedness.

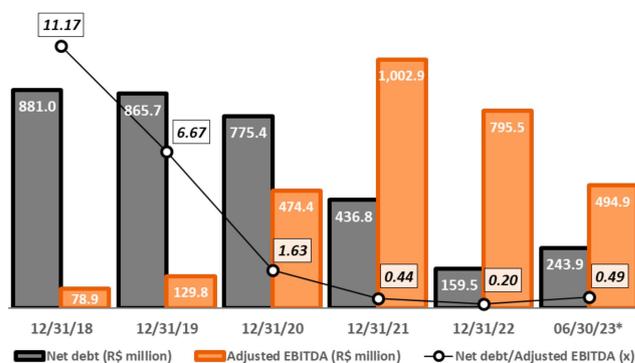
Taurus boasts a very comfortable financial profile, with low indebtedness. Taking as a basis the EBITDA of the last 12 months ended June 30, 2023, the level of financial leverage was 0.49x at the end of 2Q23.

R\$ million	06/30/2023	12/31/2022	% Chg.
Loans and financing	24.8	78.0	-68.2%
Foreign exchange drafts	366.5	314.9	16.4%
Short term	391.3	393.0	-0.4%
Foreign exchange drafts + Loans and financing	59.3	95.3	-37.8%
Long term	59.3	95.3	-37.8%
Gross debt	450.6	488.2	-7.7%
Cash and marketable securities	206.7	328.7	-37.1%
Net debt	243.9	159.5	52.9%
US dollar Ptax rate at the end of period (R\$)	4.82	5.22	-7.7%
Gross debt converted into dollars (US\$ million)	93.5	93.5	0.0%
Net debt converted into dollars (US\$ million)	50.6	30.6	65.4%

Bank debt profile
(R\$ million)



Level of financial leverage
Net debt/adjusted EBITDA



* Adjusted EBITDA for the last 12 months


CAPITAL EXPENDITURES

During the first six months of 2023, Taurus made investments of R\$57.9 million, primarily geared towards the acquisition of machinery and equipment, assembly of the new facilities at CITE - Brazil/USA Integrated Technology and Engineering Center, and development of new products. The Company also allocated part of the investments to the installation of the new SAP management system, in accordance with the Company's digital transformation plan. The innovation-oriented projects are funded by FINEP (Financier of Studies and Projects), from the R\$175.7 million credit line approved for the Company in March/23.

A dedicated space is being built for CITE, specifically planned for R&D. The modern facilities will host metrological and metallurgical laboratories, tooling intended for the development of new products, testing space, an exclusive area for the development of new processes with automation laboratories and the implementation of new technologies, as well as a space dedicated to the engineers and collaborators that make up the research team, with meeting spaces, training rooms and auditoriums.

The search for new technologies related to armaments and the lack of innovation in metal alloys led Taurus to invest in the New Materials Technologies Project. An example of this is the study under development of the addition of niobium in the production of parts through the M.I.M. (metal injection molding) process, in search of materials with greater mechanical and corrosion resistance. This will enable the development of components with greater durability, safety and lower weight, adding value to products and boosting customer perception of the brand.

Another project developed by CITE focused on the use of graphene in the composition of injected parts, as well as Cerakote® Graphene coating on the bolt, an exclusive Taurus technology that brings much more resistance and durability to the pistol. This allows us to offer a pistol with greater reliability and enhanced performance, at a lower price. In addition, considering the use of graphene in the composition of the materials, there may be positive impacts on improving the use of the material in the M.I.M. (metal injection molding) process, which allows injecting return material for multiple times, without the need to add virgin material to recover rheological properties. There are also benefits resulting from the use of graphene, which contributes to increasing the useful life of the parts produced.


CAPITAL MARKETS

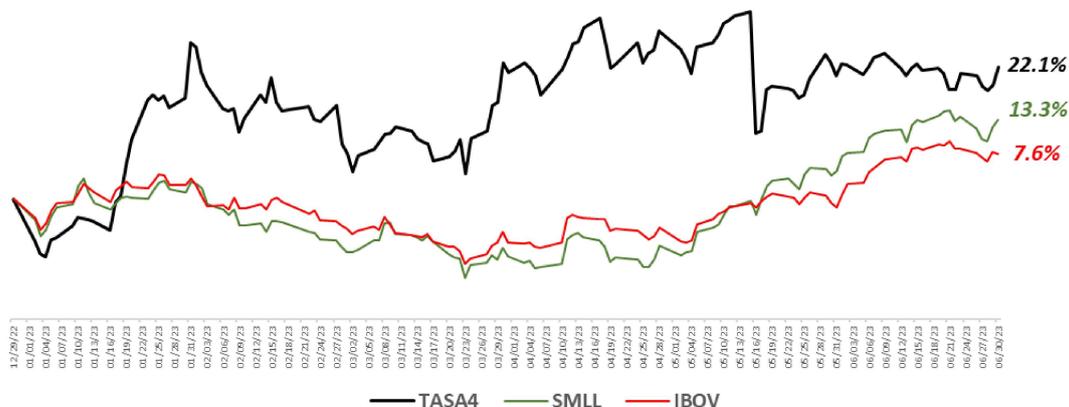
Taurus holds common shares (TASA3) and preferred shares (TASA4), which are listed on B3's Level II of Corporate Governance, a market segment that comprises those companies that have voluntarily adopted distinct corporate governance practices. Both classes of shares take part in the IGEX portfolio (Differentiated Corporate Governance Stock Index), and ITAG (Differentiated Tag-Along Stock Index), and its preferred shares also take part in IBRA (Broad Brazil Index), IGCT (Corporate Governance Trade Index), INDX (Industrial Sector Index), and SMLL (Small Cap Index) of B3.

Date	TASA3 (R\$/share)	TASA3 (No./'000)	TASA4 (R\$/share)	TASA4 (No./'000)	TASA (Total No./ '000)	Market capitalization (R\$ million)	EV* (R\$ million)
12/29/2022	R\$12.24	46,445	R\$12.34	80,189	126,634	R\$1,558.02	R\$1,954.15
06/30/2023	R\$15.34	46,445	R\$15.07	80,189	126,634	R\$1,920.90	R\$2,233.48
Change %	25.33%	-	22.12%	-	-	23.29%	14.29%

* Market capitalization + net debt – non-operating assets (noncurrent assets for sale)

IBRA B3 | **SMLL B3** | **ITAG B3** | **IGCT B3** | **INDX B3** | **IGC B3**

Performance of preferred shares (TASA4) versus SMLL B3 and IBOV B3
 1st semester of 2023
 Base 100: Closing prices as at 12/29/2022



Payment of dividends

The Company's Board of Directors, at a meeting held on June 21, 2023, approved the payment of interim dividends to all shareholders of the Company as an advance on the mandatory dividend for the fiscal year ending December 31, 2023. The payment of these interim dividends is based on the earnings reserve recognized in the financial statements for the year 2022, and consequent creation of a statutory reserve approved by the shareholders at the Extraordinary General Meeting of April 28, 2023, which allows the Board of Directors to consider any further compensation to shareholders, provided that cash availability and the statutory requirements are met.

The approved dividends on this date amount to R\$12,663,443.40, which represents R\$0.10 per common and preferred share, and will be paid on August 31, 2023 to all Taurus shareholders on August 21, 2023.

Share buyback program

The Board of Directors, at a meeting held on June 21, 2023, approved the Company's Share Buyback Program, with the purpose of: (a) holding in treasury, cancellation or subsequent sale of shares, aiming at the efficient management of the capital structure and maximizing the creation of value for the shareholder; and (b) holding in treasury in order to meet the obligations arising from the Stock Grant Plan.

The authorized Buyback Program provides for the acquisition of up to 300,000 common shares and 3,033,333 preferred shares, within a period of up to 18 months, up to December 20, 2024, and it is up to the Board of Directors to determine the dates on which the buyback will be effectively conducted.



ESG

Corporate governance

Committed to good governance, Taurus is engaged in the development of its ESG policy, enhancing the management system of ESG indicators, and in the evaluation of the goals that are relevant to the business.

Taurus shares are listed on B3's Level II of corporate governance, a segment that brings together companies that commit to maintaining differentiated corporate governance guidelines. Governance aspects are essential for Taurus and, therefore, the Company adopts practices in addition to those established in Level II of B3. In terms of management bodies, the current Board of Directors is composed of 6 members, 5 of whom are independent, including the Chairman. The Company holds a Supervisory Board and an Audit and Risks Committee (CAR), both statutory bodies.

The Board of Directors is also supported by the following advisory committees: Ethics Committee; Information Security Privacy Committee; and ESG Committee. These committees aim to propose and keep updated the guidelines/rules of the governance-related policies, analyze possible violations of policies and, in the event of non-compliance, forward an opinion to the Board of Directors, which participates in the approval and updating of the statement of values or mission, strategies, policies and objectives related to sustainable development.

The Company relies on procedures and policies that establish standards and guidelines to be strictly observed by all employees and partners. To become a Taurus agent or distributor, there are mandatory prior verification procedures and, subsequently, periodic compliance checks.

Regarding exports, Taurus submits declarations that the destination country is not on the UN Security Council restriction list, and it is also checked that the destination country is not under any restriction before the DDTC (Directorate of Defense Trade Controls) or on the list of jurisdictions subject to intensified monitoring by COAF (Financial Activities Control Council), which presents the countries monitored by GAFI/FATF (Financial Action Task Force against Money Laundering and Terrorist Financing).

Social

Taurus reinforces its commitment to the continuous training and development of people, aiming to contribute effectively to the personal and professional growth of its employees, and to play an active role in the development and use of technology, building an environment of collaboration between the team, the company and society. The Taurus Continuing Education Program comprises a training platform for the professional qualification of its entire operation, in addition to incentives for employees to qualify in undergraduate, master's and PhD courses at renowned educational institutions. The Company also promotes the inclusion of people with disabilities in the workplace, through the "Taurus do Bem" project, enabling personal and professional development through technical qualification. It also promotes courses in Libras (Brazilian Sign Language) for more than 60 employees, as a way to improve communication with hearing-impaired people.

Environmental

The Company remains strongly dedicated to research & development, reinforcing the differentiation of its production processes and products through the use of technology, new materials and increasing industrial efficiency, providing products and services aligned with ESG practices. The projects related to technology and innovation also aim to reduce emissions of polluting gases, the consumption of electricity, water, among others, contributing to the reduction of environmental impacts.



SUBSEQUENT EVENT

Memorandum of Understanding with a company in Saudi Arabia

According to the Material Fact released on July 31, 2023, on that same date Taurus signed a Memorandum of Understanding (MoU) with Scopa Defense Trading LLC., one of the most prominent defense companies in the Kingdom of Saudi Arabia. The parties will have up to 12 months to complete the studies for the creation of the joint venture and the business plan to be developed, when the participation of each of the parties involved will be defined, as well as the other conditions for the joint venture to become effective. During this period, Scopa Defense Trading LLC. will act as Taurus' business agent and distributor to explore business opportunities for police and military forces throughout the GCC (Gulf Cooperation Council) region, which includes, in addition to Saudi Arabia, Bahrain, Qatar, United Arab Emirates, Kuwait and Oman.

The partnership, if effective, also seeks to address a number of programs and platforms of the Saudi Vision 2030 project (www.vision2030.gov.sa), which aims at a comprehensive and ambitious position for the Kingdom of Saudi Arabia ("KSA") by the year 2030, with several strategic fronts to promote the economic and social development of the region, especially in the area of defense.

Saudi Arabia currently holds the 5th largest defense budget in the world, and plans for 50% of its military investments to come from local companies by the year 2030. Scopa Defense Trading LLC. is one of the most prominent defense companies in the Kingdom of Saudi Arabia. With a portfolio of products focused on military industries, the company contributes to the modernization of the Saudi armed forces, reaching global defense and security markets. It belongs to the "Ajlan & Bros. Holding" group, founded in 1979, which holds stakes in more than 75 companies operating in various strategic sectors, hiring around 15,000 employees in several countries.

This document may contain statements reflecting future prospects of the Company's business. The projections, results and their impact rely on estimates, information or methods that may be inaccurate and may not materialize. Such estimates are also subject to risks, uncertainties and assumptions including, among others: the overall economic, political and market conditions in Brazil and in the exports markets in which the Company operates, as well as current and future government regulations. Shareholders and potential investors are hereby warned that none of those forecasts and/or expectations is guarantee of future performance since they involve risks and uncertainties. Future earnings and prospects of creating shareholder value may differ materially from those expressed or suggested in forward-looking statements. Many of the factors that will determine those results and amounts are beyond Taurus's control or foresight. The Company does not assume, and specifically refutes, any commitment to update any forecasts, which make sense only on the date on which they were made.


INCOME STATEMENT

<i>R\$ million</i>	2Q23	2Q22	% Chg.	1Q23	% Chg.	1H23	1H22	% Chg.
Net revenues from sales of goods and/or services	470.3	625.6	-24.8%	453.2	3.8%	923.5	1,302.2	-29.1%
Cost of goods and/or services sold	-298.3	-327.9	-9.0%	-276.8	7.8%	-575.1	-669.9	-14.2%
Gross Profit	172.0	297.7	-42.2%	176.4	-2.5%	348.4	632.3	-44.9%
Operating (expenses)/income	-98.7	-99.8	-1.1%	-120.3	-18.0%	-219.0	-200.6	9.2%
Selling expenses	-58.2	-60.1	-3.2%	-61.4	-5.2%	-119.6	-125.5	-4.7%
General and administrative expenses	-48.5	-45.2	7.3%	-55.4	-12.5%	-103.9	-97.8	6.2%
Losses due to non-recoverable assets	5.0	0.0	-	-3.8	-	1.2	-0.5	-
Other operating income	6.5	7.0	-7.1%	3.4	91.2%	9.8	35.6	-72.5%
Other operating expenses	-3.4	-1.2	183.3%	-2.5	36.0%	-5.8	-11.9	-51.3%
Equity from results of subsidiaries and affiliates	-0.1	-0.2	-50.0%	-0.7	-85.7%	-0.8	-0.4	100.0%
Profit before financial income (expenses) and taxes	73.3	198.0	-63.0%	56.1	30.7%	129.4	431.7	-70.0%
Financial result	4.5	-44.6	-	-0.1	-	4.4	-1.1	-
Financial income	47.4	76.8	-38.3%	42.8	10.7%	90.2	232.0	-61.1%
Financial expenses	-42.9	-121.4	-64.7%	-42.9	0.0%	-85.8	-233.1	-63.2%
Earnings (loss) before taxes	77.8	153.3	-49.2%	56.0	38.9%	133.8	430.6	-68.9%
Income tax and social contribution	-28.2	-51.3	-45.0%	-20.0	41.0%	-48.3	-133.2	-63.7%
Current	-28.7	-38.2	-24.9%	-23.8	20.6%	-52.5	-100.8	-47.9%
Deferred	0.5	-13.1	-	3.7	-86.5%	4.2	-32.4	-
Net income (loss) from continued operations	49.5	102.0	-51.5%	35.9	37.9%	85.5	297.3	-71.2%
Net income (loss) from discontinued operations	-0.7	-1.2	-41.7%	-0.5	40.0%	-1.2	-1.5	-20.0%
Consolidated net income (loss) for the period	48.9	100.8	-51.5%	35.4	38.1%	84.3	295.8	-71.5%
Attributed to shareholders of the parent company	48.9	100.8	-51.5%	35.4	38.1%	84.3	295.8	-71.5%
<i>Earnings per share (R\$/share)</i>								
<i>Basic earnings per share</i>								
Common shares (ON)	0.3859	0.0512	653.1%	0.2795	33.3%	0.6654	2.4383	-72.7%
Preferred shares (PN)	0.3858	-0.3785	-	0.2795	33.3%	0.6654	2.5345	-73.7%
<i>Diluted earnings per share</i>								
Common shares (ON)	0.3859	0.0512	653.1%	0.2795	33.3%	0.6654	2.4383	-72.7%
Preferred shares (PN)	0.3853	0.0516	646.1%	0.2795	33.3%	0.6648	2.4129	-72.4%


ASSETS

<i>R\$ million</i>	06/30/23	12/31/22	% Chg.
Total Assets	2,050.2	2,276.2	-9.9%
Current assets	1,212.2	1,467.6	-17.4%
Cash and cash equivalents	111.8	201.2	-44.4%
Cash and banks	90.4	178.6	-49.4%
Highly-liquid short-term investments	21.4	22.6	-5.3%
Marketable securities	94.9	105.5	-10.0%
Accounts receivable	201.6	352.4	-42.8%
Inventories	635.2	630.4	0.8%
Recoverable taxes	46.8	37.0	26.5%
Prepaid expenses	25.7	41.9	-38.7%
Other current assets	96.2	99.0	-2.8%
Non-current assets	838.0	808.6	3.6%
Long-term receivables	166.2	165.7	0.3%
Financial investments at amortized cost	0.0	21.9	-
Deferred taxes	65.0	60.9	6.7%
Receivables from related-party	0.0	0.0	-
Other non-current assets	101.2	82.9	22.1%
Investments	4.3	4.4	-2.3%
Stake in jointly-controlled subsidiaries	4.1	4.2	-2.4%
Other investments	0.2	0.2	0.0%
Property, plant and equipment	538.0	512.7	4.9%
Fixed assets in operation	374.6	353.0	6.1%
Fixed assets in progress	163.4	159.7	2.3%
Intangible assets	129.5	125.8	2.9%


LIABILITIES

<i>R\$ million</i>	06/30/23	12/31/22	% Chg.
Total Liabilities and Equity	2,050.2	2,276.2	-9.9%
Current Liabilities	783.5	998.7	-21.5%
Social and labor obligations	48.5	66.9	-27.5%
Social obligations	5.7	6.9	-17.4%
Labor obligations	42.8	60.0	-28.7%
Suppliers	110.1	112.2	-1.9%
Local suppliers	76.6	69.3	10.5%
Foreign suppliers	33.5	42.9	-21.9%
Taxes payable	82.9	86.8	-4.5%
Federal Taxes payable	80.2	80.9	-0.9%
Income tax and social contribution payable	22.6	16.3	38.7%
Other taxes	57.5	64.6	-11.0%
State tax payable	2.7	5.8	-53.4%
Municipal tax payable	0.1	0.1	0.0%
Loans and financing	391.3	393.0	-0.4%
In local currency	1.2	1.8	-33.3%
In foreign currency	390.1	391.1	-0.3%
Debentures	0.0	0.0	-
Other accounts payable	69.6	258.4	-73.1%
Dividends and interest on equity payable	12.8	164.1	-92.2%
Rents	0.0	0.0	-
Advances from customers	22.5	38.9	-42.2%
Legal settlements to be paid	0.0	0.0	-
Other payables	34.3	55.3	-38.0%
Provisions	70.9	71.6	-1.0%
Provisions for tax, social security, labor and civil risks	60.4	60.6	-0.3%
Other provisions	10.6	11.0	-3.6%
Liabilities on assets of discontinued operations	10.2	9.7	5.2%
Noncurrent Liabilities	208.1	253.3	-17.8%
Loans and financing	59.3	95.3	-37.8%
In local currency	37.6	1.8	1988.9%
In foreign currency	21.7	93.4	-76.8%
Debentures	0.0	0.0	-
Other accounts payable	71.8	80.1	-10.4%
Related-party liabilities	1.9	1.8	5.6%
Provision for uncovered liability	0.3	0.0	-
Taxes payable	17.1	22.6	-24.3%
Suppliers	11.1	12.6	-11.9%
Rents	0.0	0.0	-
Other accounts payable	41.3	43.1	-4.2%
Deferred taxes	16.2	16.7	-3.0%
Provisions	60.8	61.1	-0.5%
Provisions for tax, social security, labor and civil risks	56.2	56.1	0.2%
Other provisions	4.6	5.0	-8.0%
Liabilities on assets of discontinued operations	0.0	0.0	-
Consolidated Shareholders' Equity	1,058.5	1,024.2	3.3%
Share Capital	367.9	367.9	0.0%
Capital reserves	-18.3	-21.4	-14.5%
Disposal of subscription warrants	9.9	9.9	0.0%
Stock options granted	17.4	14.1	23.4%
Capital transactions	-45.6	-45.3	0.7%
Retained earnings	451.6	464.3	-2.7%
Legal reserve	41.1	41.1	0.0%
Statutory reserve	292.0	0.0	-
Retained earnings reserve	0.0	304.7	-
Tax incentive reserve	118.5	118.5	0.0%
Proposed supplementary dividend	0.0	0.0	-
Accumulated earnings/losses	84.5	0.0	-
Equity valuation adjustments	44.3	44.5	-0.4%
Accumulated translation adjustments	128.6	168.9	-23.9%