

## Performance comment



# TAURUS™

# 2Q18

COMPROMISSO COM A EXCELÊNCIA  
[COMMITMENT WITH EXCELLENCE]

PRESS RELEASE

## Performance comment

**São Leopoldo, August 14, 2018** - Forjas Taurus S.A., listed in Level 2 for B3 Corporate Governance (Symbols: **FJTA3**, **FJTA4**), one of the world's largest manufacturers of light firearms and domestic leader in motorcycle helmets, as well as acting in area involving M.I.M. (*Metal Injection Molding*), announces the income (loss) for the **second quarter of 2018 (2Q18)**.

### 1. Highlights of the Second Quarter of 2018 ("2Q18")

#### Quotes - Closing date 06/29/2018

FJTA3	R\$ 1.80
FJTA4	R\$ 2.11

#### Number of shares

FJTA3	46,445,314
FJTA4	18,242,898

#### Market value

R\$ 122.1 million

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- ✓ **Consolidated net revenue for the 2Q18 amounted to R\$ 200.2 million, an increase of 26.6 % in relation to the 2Q17**, when compared to the **1S18**, with the same period of the prior year an increase of 22.9% is noted, mainly due to the improved performance in the firearms segment, in foreign and Brazilian markets, as well as the appreciation of the US dollar in relation to real.
- ✓ **Consolidated gross margin reported an increase of 4.8 p.p. in the 2Q18 in comparison to the 1Q18, reaching 39.3%**, impacted by the improvement in the company's costs, process initiated by the new management, which results in an increase in profitability of 13.9% when comparing the 2Q18 X 2Q17.
- ✓ **Positive EBITDA in the 2Q18, recording R\$ 35.9 million in the period, in the semester the amount represented R\$ 73.1 million**, compared to a negative EBTIDA of R\$ - 5.4 million in the 1S17, being generated by the Company's firearms operations.
- ✓ **Helmet Operation:** Since 1Q18, the helmet operation, due to the Company's commitment to the disposal thereof, became part of the Discontinued Operations line, thus no longer integrating the Company's consolidated financial information.

## Performance comment

### 2. Economic and financial performance - consolidated

The following table shows the Company's consolidated financial performance in 2Q18 compared with the performance of 1Q18 and 2Q17 periods, with the helmet operation in the line of Net Income from Discontinued Operations, in light of Management's commitment to dispose of this operation. Accordingly, the comparison with periods of 2017 will be made on a Pro-Forma basis, in order to maintain comparability with the current period.

#### Consolidated Financial and Economic Summary

Indicators	2Q18	2Q17 Pro-Forma	1Q18	1S18	1S17 Pro-Forma	Change		
						2Q18/2Q17 PF	2Q18/1Q18	2S18/1S17 PF
<b>Net revenue</b>	<b>200.2</b>	<b>158.2</b>	<b>231.0</b>	<b>431.2</b>	<b>350.9</b>	<b>26.6%</b>	<b>-13.3%</b>	<b>22.9%</b>
Domestic market	13.2	17.3	55.2	68.4	43.4	-23.7%	-76.1%	57.6%
Foreign market	187.0	140.9	175.8	362.8	307.5	32.7%	6.4%	18.0%
CPV	121.5	118.0	151.3	272.8	258.1	3.0%	-19.7%	5.7%
Gross income	78.7	40.2	79.7	158.4	92.7	95.8%	-1.3%	70.9%
<b>Gross margin - %</b>	<b>39.3%</b>	<b>25.4%</b>	<b>34.5%</b>	<b>36.7%</b>	<b>26.4%</b>	<b>13.9 p.p.</b>	<b>4.8 p.p.</b>	<b>10.3 p.p.</b>
Operating expenses - SG&A	-51.6	-54.1	-50.5	-102.1	-110.6	-4.6%	2.2%	-7.7%
Operating income (EBIT)	27.1	-13.9	29.2	56.3	-17.9	-295.0%	-7.2%	-414.5%
<b>EBIT margin %</b>	<b>13.5%</b>	<b>-8.8%</b>	<b>12.6%</b>	<b>13.1%</b>	<b>-5.1%</b>	<b>22.3 p.p.</b>	<b>0.9 p.p.</b>	<b>18.2 p.p.</b>
Net financial income (loss)	-118.6	-59.8	-26.2	-144.8	-67.2	98.3%	352.7%	115.5%
Depreciation and amortization	8.7	8.5	8.0	16.7	17.7	2.7%	8.7%	-5.6%
Net income (loss) from continued operations	-91.1	-22.6	1.0	-90.1	-82.6	303.1%	-	9.1%
<b>Net Margin Cont. Oper. - %</b>	<b>-45.5%</b>	<b>-14.3%</b>	<b>0.4%</b>	<b>-20.9%</b>	<b>-23.5%</b>	<b>2.2 p.p.</b>	<b>-45.9 p.p.</b>	<b>2.6 p.p.</b>
Net income (loss) from discontinued operations	-2.8	-2.9	0.2	-2.6	-2.4	-3.2%	-	-
Consolidated income / loss	-93.8	-25.5	1.2	-92.6	-29.5	268.4%	-	-
<b>Consolidated Net Margin - %</b>	<b>-46.8%</b>	<b>-3.3%</b>	<b>0.5%</b>	<b>-21.5%</b>	<b>-8.1%</b>	<b>-43.5 p.p.</b>	<b>-47.4 p.p.</b>	<b>-13.4 p.p.</b>
EBITDA	35.9	-5.4	37.2	73.1	-0.2	-761.3%	-3.5%	-
<b>EBITDA Margin - %</b>	<b>17.9%</b>	<b>-3.4%</b>	<b>16.1%</b>	<b>17.0%</b>	<b>0.4%</b>	<b>21.4 p.p.</b>	<b>1.8 p.p.</b>	<b>16.6 p.p.</b>
Total assets	934.7	934.7	777.5	934.7	934.7	0.0%	20.2%	0.0%
Unsecured liability	-510.1	-190.2	-444.8	-510.1	-190.2	168.2%	14.7%	168.2%

1 - Non-accounting measurement calculated in accordance with CVM Instruction 527.

2 - Non-accounting measurement prepared by the Company.

Note: The EBITDA (Income before interest, taxes, depreciation and amortization) is not a measurement used in the accounting practices, and neither represents the cash flow for the reported periods, and should not be considered as alternative to cash flow as liquidity indicator. The Company reports the adjusted EBITDA to provide additional information on cash generation in the period.

Reconciliation of consolidated EBTIDA	2Q18	2Q17 Pro-Forma	1Q18	1S18	1S17 Pro-Forma
EBTIDA- CVM Instruction <sup>1</sup>	35.9	-5.4	37.2	73.1	-0.2
Depreciation and amortization	8.7	8.5	8.0	16.7	17.7
Net income before financial income (loss) and	27.2	-13.9	29.2	56.4	-17.8

1 - Non-accounting measurement calculated in accordance with CVM Instruction 527.

2 - Accounting Measurement disclosed in Consolidated Statements of Income

## Performance comment

### Net revenue

In 2Q18, the Company's consolidated net revenue totaled R\$ 200.2 million, an increase of 26.6% in relation to 2Q17 mainly due to the sale to foreign market where the launching of new products represented a significant portion of such increase. When we compare the net revenue for the 1S18 with the 1S17, sales increased 22.9%, with positive outstanding performance in the domestic market. This increase shows the restoration of the brand's credibility in the domestic market with the resumption of purchases from institutions, particularly the police, which confirms the strong reliance on the new products launched by Taurus. In the foreign market, it is worth emphasizing the appreciation of the US dollar in relation to the Reais by 16.5% in the period.

It is also worth noting sales of new products, which have already shown material representativeness in the Company's income this quarter, especially the T4 Carbine, new G2c and Spectrum Pistol, the latter exclusively produced in United States.

In the US, the firearms market remained very competitive, with purchase intention rates showing reduction in the compared periods; however, the Company showed better results in that market in the 1S18 in relation to the 1S17. As a result, US sales increased by 9.4% in the first six months of 2018 compared to the same period in 2017, showing an strength of the new products launched in this market.

### Information per business segment

The following table shows consolidated net revenue and gross margin per segment.

#### Quarterly Comparison - Current vs. Previous Quarter

	Net revenue					Gross margin		
	2Q18	Int. %	1Q18	Int. %	Change	2Q18	1Q18	Change
Firearms	197.8	90%	227.2	90%	-12.9%	38.5%	33.8%	4.7 p.p.
Other	2.5	1%	3.8	2%	-35.2%	101.5%	73.7%	27.9 p.p.

#### Quarterly Comparison - Current vs. Previous Quarter

	Net revenue					Gross margin		
	2Q18	Int. %	2Q17	Int. %	Change	2Q18	2Q17	Change
Firearms	197.8	90%	154.6	85%	27.9%	38.5%	24.6%	13.9 p.p.
Other	2.5	1%	4.0	2%	-38.5%	101.5%	62.5%	39.0 p.p.

#### Semi-annual comparison

	Net revenue					Gross margin		
	1S18	Int. %	1S17	Int. %	Change	1S18	1S17	Change
Firearms	425.0	90%	340.2	86%	24.9%	36.0%	26.2%	9.8 p.p.
Other	6.3	1%	10.7	3%	-41.5%	84.6%	30.8%	53.8 p.p.

## Performance comment

### I. Firearms

This segment includes handguns (revolvers and guns used for public security, private, restricted military and civil use), long guns (rifles, carbines and shotguns), and submachine guns. Forjas Taurus S.A. in Sao Leopoldo/RS and Taurus Holdings, Inc. in the US carry out operations in this segment.

						Change		
NET REVENUE In millions of R\$	2Q18	2Q17	1Q18	1S18	1S17	2Q18/2Q17	2Q18/1Q18	1S18/1S17
<b>Firearms</b>	<b>197.8</b>	<b>154.6</b>	<b>227.2</b>	<b>425.0</b>	<b>340.2</b>	<b>27.9%</b>	<b>-12.9%</b>	<b>24.9%</b>
<b>Brazil</b>	<b>32.5</b>	<b>15.0</b>	<b>32.2</b>	<b>64.7</b>	<b>34.5</b>	<b>116.7%</b>	<b>0.9%</b>	<b>87.5%</b>
<b>Exports</b>	<b>165.3</b>	<b>139.6</b>	<b>195.0</b>	<b>360.3</b>	<b>305.7</b>	<b>18.4%</b>	<b>-15.2%</b>	<b>17.9%</b>
United States	154.2	131.2	167.8	322.0	294.2	17.5%	-8.1%	9.4%
Other countries	11.1	8.4	27.2	38.3	11.5	32.1%	-59.2%	233.0%

Net sales of firearms amounted to R\$ 197.8 million in 2Q18, 27.9% higher than in the same period of prior year of last year, 2Q17. It is mainly due to the sales efforts in the domestic and foreign markets, with increase of 116.7% and 18.4%, respectively. Such increase is the result of a Company's diversification of the portfolio, as well as the appropriate return of institutional purchases and increase in the individual sales segment, which includes police officers in general, magistrates, and HSCs (hunters, shooters and collectors), who purchase a firearm for private use. Following a trend set in the 1Q18. The figures show the restoration of the company's credibility and perception of the quality of the products manufactured by the company.

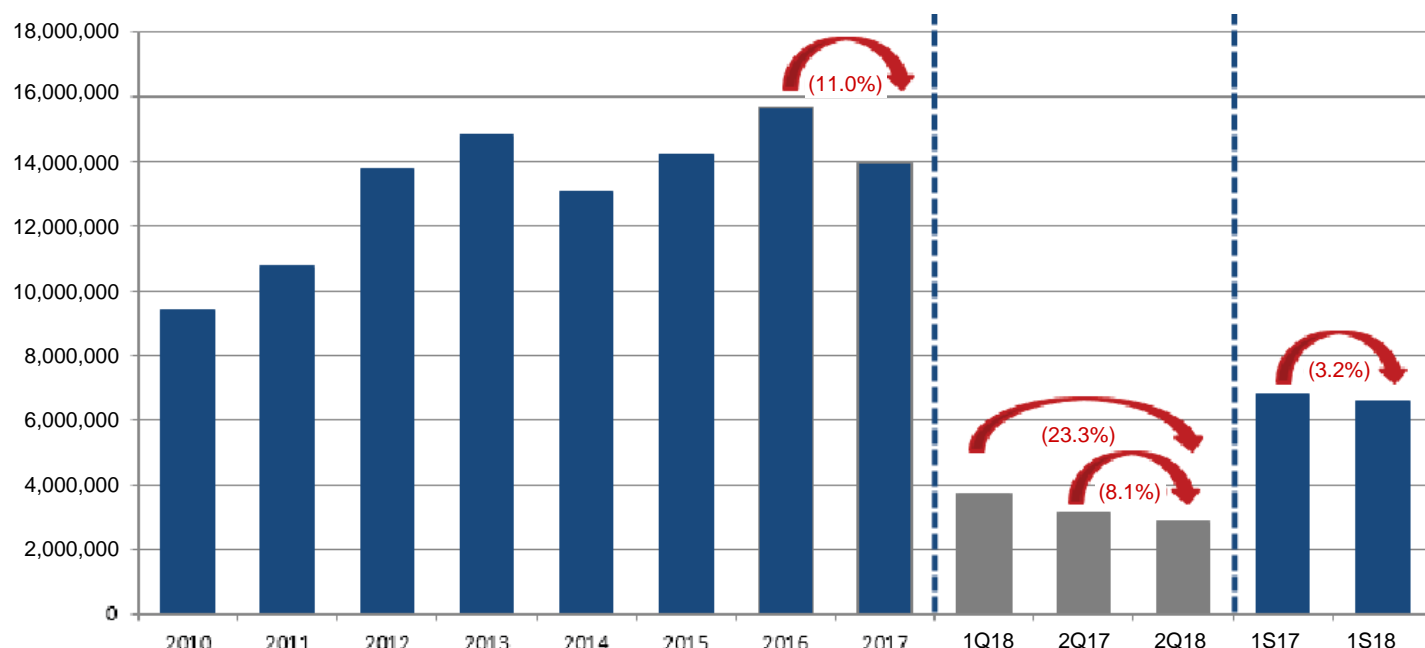
In the US, the Company has worked towards improving operations, when comparing the 1S18 in relation to 1S17, it is noted an improvement in net revenue by 9.4% in the period, leveraged by the new products sold in the US market. Highlighting the Spectrum Pistol and the new G2C Pistol.

Also noteworthy is the US market performance as measured by the Adjusted NICS (National Instant Criminal Background Check System) indicator, below, which allows one to determine intentions for firearm purchases in the US. This indicator showed a decrease in the compared period. In the comparison of the 1S18 with the 1S17, it was noted a slowdown in the drop between the indicated period; however, the Company's sales in the US reported a growth of 9.4%, when we compare to the same period. This result takes on special importance, in that the US market went through a period of normalization of demand in 2017 with the election of Donald Trump, a matter discussed in previous releases.

## Performance comment

### Adjusted NICS - National Instant Background Check System

Number of inquiries



Sales to other countries recorded a significant 233.0% growth in 1S18 compared to the same period of 2017, totaling R\$ 38.3 million, representing an strengthening of the Company in other markets and strategy to diversify the Company's portfolio.

In the 2Q18, the gross margin of firearms stood at 39.3%, and 13.9 p.p. above that reported in the 2Q17, a result of the cost reduction processes initiated in the 1Q18 that has been consolidating and producing consistent results during the year 2018.

This result demonstrates new Management's efforts to seek greater efficiency in the Company's cost framework vis-à-vis the increase in profitability.

## II. Other

Starting in January/18, this segment is composed exclusively of parts made via Metal Injection Molding (MIM).

						Change		
NET REVENUE In millions of R\$	2Q18	2Q17	1Q18	1S18	1S17	2Q18/2Q17	2Q18/1Q18	1S18/1S17
Other	2.5	4.0	3.8	6.2	10.5	-37.5%	-34.2%	-41.0%
Brazil	2.5	2.7	2.5	6.2	8.8	-7.4%	0.0%	-29.5%
Exports	-	1.3	1.3	-	1.7	-	-	-23.5%

This segment presented R\$ 2.5 million in net sales in 2Q18, a 37.5% decline in relation to 2Q17. This segment has little representation in the Company's income, and presents specific demands. It is worth mentioning that the plastics operation was discontinued in January 2018, causing this segment to operate exclusively with operations of parts made via Metal Injection Molding (MIM) since that time.

## Performance comment

### Operating expenses

In 2Q18, operating expenses were R\$ 51.6 million, 4.6% lower than in 2Q17 Pro-Forma. Regarding net revenue, operating expenses in 2Q18 represented 25.8%, 8.4 p.p. lower than in 2Q17 Pro-forma. This result demonstrates Management's efforts to resize the Company's expense framework and the constant focus on the increase in profitability.

#### OPERATING EXPENSES (SG&A)

In millions of R\$

	2Q18	2Q17 PRO-FORMA	1Q18	1S18	1S17 PRO-FORMA	2Q18 x 2Q17	2Q18 v 1Q18	1S18 x 1S17 PF
Operating expenses	51.6	54.1	50.5	102.1	110.6	-4.6%	2.2%	-7.7%
Net revenue	200.2	158.2	231.0	431.2	350.9	26.6%	-13.3%	22.9%
% Operating expenses	25.8%	34.2%	21.9%	23.7%	31.5%	-8.4 p.p.	17.8%	-7.8 p.p.

### EBITDA

The Company's cash generation measured by EBITDA in 2Q18 was R\$ 35.9 million and in the first six months of the year recorded R\$ 73.1 million, having been generated strictly by the Company's regular firearms operation. It is worth emphasizing that this result was the best for the first semester since 2009. The margin was 17.9% in the 2Q18, showing an evolution of 1.8 p.p. in relation to the 1Q18.

#### CONSOLIDATED EBITDA

In millions of R\$

	2Q18	2Q17 PRO-FORMA	1Q18	1S18	1S17 PRO-FORMA	2Q18 x 2Q17	2Q18 v 1Q18	1S18 x 1S17 PF
= Income from continued operations	(93.8)	(25.5)	1.2	(92.6)	(29.5)	267.8%	-	213.9%
(+) IR/CSLL	2.4	(48.2)	1.8	4.2	(55.2)	-105.0%	33.3%	-
(+) Net financial income.	118.6	59.8	26.2	144.8	67.2	98.3%	352.7%	115.5%
(+) Depreciation/amortization	8.7	8.5	8.0	16.7	17.7	2.4%	8.7%	-5.6%
= EBITDA	35.9	(5.4)	37.2	73.1	0.2	-	-	-
EBITDA margin	17.9%	3.4%	16.1%	17.0%	0.4%	21.4 p.p.	1.8 p.p.	16.6 p.p.

## Performance comment

## Income (loss) Consolidated

In the 2Q18, the Company recorded loss of R\$ 91.0 million, against a profit of R\$ 1.0 million in the 1Q18, this result was strongly impacted by the Net financial income (loss), mainly due to the appreciation of the US dollar in relation to the real.

### 3. Financial position

In Jun/18, the Company reported gross indebtedness of R\$ 815.5 million 11.0% above the result for Jun/17, and when compared to Mar/18, it showed an increase of 15.6%. The Company's cash and cash equivalents and interest earning bank deposits in Jun/18 amounted to R\$ 9.8 million, reporting results below those at the periods Jun/17 and Mar/18, 38.4% and 64.6%, respectively. Taurus's short-term maturities totaled R\$ 675.9 million in Jun/2018, and long-term maturities totaled R\$ 139.6 million in the period. The Company's short-term maturity dates were renegotiated, extending the debt profile, establishing new grace period, for further information, please see item 6 Subsequent Event. Below is a breakdown of Taurus's indebtedness in Jun/18.

### Indebtedness

In millions of R\$

INDEBTEDNESS		Jun 2018	Jun 2017	Mar 2018	Jun 2018 x Jun 2017	Jun 2018 x Mar 2018
Short term	Loans and financing	578.2	80.4	470.1	619.2%	23.0%
	Debentures	81.1	12.5	77.9	548.8%	4.1%
	Advance from receivables	0.5	11.9	1.5	-95.8%	-66.7%
	Foreign exchange withdrawals	15.6	21.8	25.5	-28.4%	-38.8%
	Financial instruments	0.5	0.4	0.1	25.0%	400.0%
	<b>TOTAL SHORT-TERM</b>	<b>675.9</b>	<b>127.0</b>	<b>575.1</b>	<b>432.2%</b>	<b>17.5%</b>
Long term	Loans and financing	139.6	544.8	130.6	-74.4%	6.9%
	Debentures	0.0	63.0	0.0	-	-
	<b>TOTAL LONG-TERM</b>	<b>139.6</b>	<b>607.8</b>	<b>130.6</b>	<b>-77.0%</b>	<b>6.9%</b>
<b>TOTAL DEBT</b>		<b>815.5</b>	<b>734.8</b>	<b>705.7</b>	<b>11.0%</b>	<b>15.6%</b>
Cash and cash equivalents and interest earning bank deposits		9.8	15.9	27.7	-38.4%	-64.6%
<b>Net indebtedness</b>		<b>805.7</b>	<b>718.9</b>	<b>678.0</b>	<b>12.1%</b>	<b>18.8%</b>



## Performance comment

### 4. Capital market and corporate governance

Forjas Taurus S.A. is a publicly-held Brazilian company, listed at B3 S.A. - Brasil, Bolsa, Balcão (Symbols: FJTA3, FJTA4) for more than 30 years, and since July/2011 has been ranked Level 2 in Corporate Governance. Below shows the evolution of share value and the market value of Taurus. In the end of 2Q18 the Company's preferred shares had an appreciation of 22.7% as compared to 2Q17. As for common shares, 7.1% had an appreciation over the same period. As a result, the Company's market value, recorded a growth of 11.6% in 2Q18, compared to 2Q17, reaching R\$ 122.1 million. In 2Q18, when compared to the 1Q18, preferred and common shares devaluated -13.0% and -3.7%, respectively. Likewise, the Company's market value recorded a decrease of -10.3%, lower than the IBOVESPA index, which in the same period showed a decrease of -14.8%.

#### PERFORMANCE OF SHARES AND MARKET VALUE

Share quotation Closure	2Q18	2Q17	1Q18	Change	
				2Q18x2Q17	2Q18x1Q18
ON - FJTA3	R\$ 1.80	R\$ 1.68	R\$ 2.07	7.1%	-13.0%
Preferred shares - FJTA4	R\$ 2.11	R\$ 1.72	R\$ 2.19	22.7%	-3.7%
IBOVESPA	72,763	62,900	85,366	15.7%	-14.8%

Market value In millions of R\$	2Q18	2Q17	1Q18	Change	
				2Q18x2Q17	2Q18x1Q18
ON - FJTA3	R\$ 83.6	R\$ 78.0	R\$ 96.1	7.1%	-13.0%
Preferred shares - FJTA4	R\$ 38.5	R\$ 31.4	R\$ 40.0	22.7%	-3.7%
TOTAL	R\$ 122.1	R\$ 109.4	R\$ 136.1	11.6%	-10.3%

### 5. Discontinued operation

#### Helmets

In March 2018, Company Management assumed the commitment to dispose of the helmets operation. To carry out this process, a specialized consulting firm was engaged. Due to the decision to discontinue the investment, it was classified as "held for sale" and accounted for in accordance with technical pronouncement CPC 31 and IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations; this reclassification has a merely accounting character. The helmet segment continues to operate normally. It is worth remembering that this operation is in guarantee to the renegotiation of debt with the banking syndicate, so the proceeds from this disposal will be used exclusively for the amortization of debts with financial institutions.

The segment of helmets is the second largest in the company, with the production units of Taurus Blindagens Ltda., in Mandirituba/PR, and Taurus Blindagens Nordeste Ltda., in Simoes Filho/BA. Below is the comment on performance for this segment in 2Q18.

## Performance comment

						Change		
NET REVENUE	2Q18	2Q17	1Q18	1S18	1S17	2Q18/2Q17	2Q18/1Q18	1S18/1S17
In millions of R\$								
<b>Helmets</b>	<b>20.6</b>	<b>22.9</b>	<b>20.9</b>	<b>41.5</b>	<b>43.1</b>	<b>-10.0%</b>	<b>-1.4%</b>	<b>-3.7%</b>
<b>Brazil</b>	<b>20.6</b>	<b>22.9</b>	<b>20.8</b>	<b>41.4</b>	<b>43.1</b>	<b>-10.0%</b>	<b>-1.0%</b>	<b>-3.9%</b>

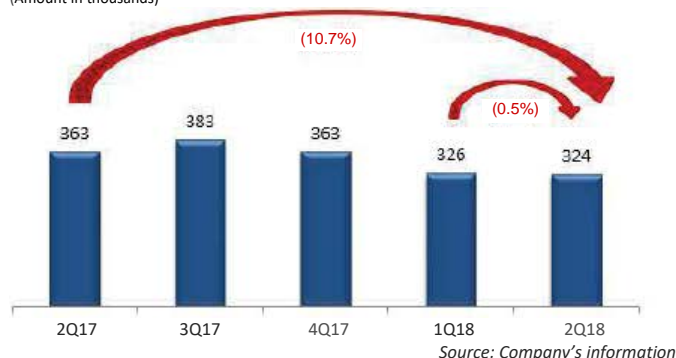
Helmet sales, in the quarter, reached R\$ 20.6 million, practically in line with the 1Q18, showing a decrease of 1.4%, when compared to the 2Q17, it showed a decrease of 10.0%. This result reflects the projected reduction of the Gross Domestic Product (GDP) for the year 2018.

Sales of helmets in 1S18 reached R\$ 41.5 million, 3.7% lower than the sales recorded in 1S17. Considering that this segment has strong correlation with the economy's performance, this decrease reflects the worsening of the expectation of the recovery of growth of the country's domestic economy.

In the graph below, comparing the evolution of the Company's physical sales of helmets with the physical sales of motorcycles in Brazil, in the period of 2Q18 compared to 2Q17, we notice a decrease of 10.7% in the Company's physical sales of helmets, and an increase of 9.6% in sales of motorcycles in the period. In comparison with 2Q18 and 1Q18, physical sales of helmets in the quarter presented a stability with a slight fall by 0.5%, while motorcycle sales advanced by 8.0% in the same period.

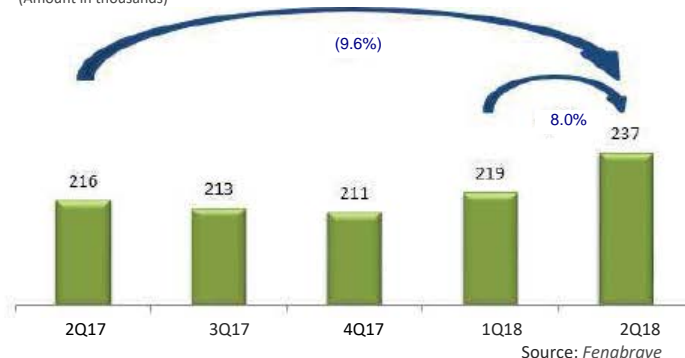
### The evolution of Physical Sales of Taurus Helmets

(Amount in thousands)



### Growth of Physical Sales of Motorcycles in Brazil

(Amount in thousands)



## Performance comment

### Quarterly Comparison - Current vs. Previous Quarter

	Net revenue					Gross margin		
	2Q18	Int.%	1Q18	Int.%	Change	2Q18	1Q18	Change
Helmets	20.7	9%	20.8	8%	-0.6%	32.9%	35.6%	-2.7 p.p.

### Quarterly Comparison - Current vs. Previous Quarter

	Net revenue					Gross margin		
	2Q18	Int.%	2Q17	Int.%	Change	2Q18	2Q17	Change
Helmets	20.7	9%	22.9	13%	-9.7%	32.9%	28.8%	4.1 p.p.

### Semi-annual comparison

	Net revenue					Gross margin		
	1S18	Int.%	1S17	Int.%	Change	1S18	1S17	Change
Helmets	41.5	9%	43.0	12%	-3.6%	34.2%	29.5%	4.7 p.p.

## 6. Subsequent event -

On July 18, 2018, the Company published a Material Fact informing about the process of formalization and signature of funding contracts aimed at debt payment and/or reprofiling with certain Financial Institutions, as well as of its 3W debenture public offering ("Creditors" and "Transaction").

The terms of the Operation include the extension of the maturity term of debts with Creditors in the approximate amount of US\$ 161.8 million. The Transaction's total period is five (5) years, with grace period for principal and interest payments in the year 2018. The amortization of principal and interests will be performed in monthly payments, beginning on January 21, 2019.

The operations was formed following the real guarantees: (i) conditional sale of the totality of shares of Taurus Blindagens Ltda. and Taurus Blindagens Nordeste Ltda. ("Conditional Sale"); (ii) 2nd degree mortgage of two properties located in Mandirituba, PR, and two properties located in Porto Alegre, RS, and 1st degree mortgage of one property located in São Leopoldo, RS ("Mortgage"); and (iii) lien of the credit receivables arising from all funds from the occasional sale of the shares that are the subject of the Lien and Mortgage, as well as the rights inherent in the ownership of the Company's restricted account to be opened with the purpose of receiving funds.

The conclusion of this Operation represents an important step in the process of restructuring of Company's indebtedness, reduction of financial costs, creating new conditions for the Company to concentrate efforts in its operating and financial development and strengthening.

## Performance comment

