



Taurus maintains strong operational performance, and reports an EBITDA of R\$ 175.7 million in 1Q21, with a 31.9% margin

Taurus set new operating records in 1Q21, with a gross margin of 46.1%, and net income of R\$ 68.1 million

São Leopoldo, May 6, 2021 – Taurus Armas S.A. (“Taurus” or “Company”) (B3:TASA3; TASA4), listed on B3’s Corporate Governance Level 2 (Ticker Symbols: TASA3, TASA4), one of the world’s largest manufacturers of light firearms, hereby presents its results for the 1st quarter of 2021 (1Q21). The financial and operating information below, except where otherwise indicated, is presented in Brazilian Reals (R\$), and complies with the International Financial Reporting Standards (IFRS) and the Brazilian accounting principles. All comparisons refer to the same periods of 2020.

Operational and Financial Highlights – 1Q21 vs. 1Q20



Total production:

492,000 firearms.
USA plant raised volume by 288%



Net revenues:

R\$ 551.1 million, a 74.0% growth



Gross profit:

R\$ 254.0 million, with a 46.1% margin, increases of 131.8% and 11.5 p.p.



EBITDA:

R\$ 175.7 million, with a 31.9% margin, increases of 269.1% and 16.9 p.p.



Net income:

R\$ 68.1 million, 4th consecutive quarter with positive results



Financial leverage:

Net debt/EBITDA of 1.1 times


Main Indicators

<i>R\$ million</i>	1Q21	1Q20	% change	4Q20	% change
Net operating revenue	551.1	316.8	74.0%	560.3	-1.6%
Domestic market	146.4	74.2	97.3%	140.0	4.6%
Foreign market	404.7	242.6	66.8%	420.3	-3.7%
Cost of sales	-297.1	-207.2	43.4%	-316.0	-6.0%
Gross profit	254.0	109.6	131.8%	244.2	4.0%
<i>Gross margin</i>	46.1%	34.6%	11.5 p.p.	43.6%	2.5 p.p.
Operating expenses - SG&A	-85.6	-68.4	25.1%	-96.6	-11.4%
Operating resul (Ebit)	168.4	41.2	308.7%	147.6	14.1%
<i>Ebit margin (%)</i>	30.6%	13.0%	17.6 p.p.	26.3%	4.3 p.p.
Finance income (costs), net	-76.1	-189.4	-59.8%	36.5	-
Income tax and social contribution	-24.1	-8.7	177.0%	88.6	-
Profit (loss) for the period (continuing operations)	68.2	-156.9	-	272.7	-75.0%
Profit (loss) from discontinued operations	-0.1	-0.2	-	6.8	-
Profit (loss) for the period	68.1	-157.1	-	279.5	-75.6%
EBITDA	175.7	47.6	269.1%	156.0	12.6%
<i>EBITDA margin</i>	31.9%	15.0%	16.9 p.p.	27.8%	4.1 p.p.
Adjusted EBITDA*	176.4	47.6	270.6%	156.8	12.5%
<i>Adjusted EBITDA margin*</i>	32.0%	15.0%	17.0 p.p.	28.0%	4.0 p.p.
Net debt (at the end of the period)	665.7	998.1	-33.3%	775.4	-14.1%

* Adjusted EBITDA and its margin - excludes non-recurring expenses in connection with the COVID-19 pandemic (R\$ 0.8 million in 4Q20 and R\$ 0.7 million in 1Q21).

1Q21 and 1Q20 - Includes helmets operation | 4Q20 - net result from helmets operation presented as "net result from discontinued operations".

Note - EBITDA is not an indicator adopted by the accounting practices. Its calculation is presented in the item "EBITDA" of this report.





Message from Management

We closed one more quarter showing strong results, achieving new operating records and posting a positive net result for the fourth consecutive quarter, that is, we have maintained the standard of performance that has become a pleasant and well-grounded routine at Taurus. During these first three months of 2021, we produced the largest volume of firearms in the Company's history in a single quarter, despite all the adjustments in activities and the care that has been taken to guarantee the good health of our employees, and other limitations also faced by our suppliers due to the pandemic. In order to guarantee the speed-up production without any mishaps, we have kept a sufficient volume of our main raw materials in stock, in order to maintain the operation for three months, as well as six months of firm orders for our suppliers. We produced 492,000 firearms in our two units, with the plant in Brazil moving at a fast pace and increasing its productivity, in line with the goals we have set, and the plant in the USA keeping the ramp-up process going with great success. In the US, we manufactured 175,000 firearms in the quarter, almost three hundred percent more than in the first quarter of 2020. And the plant has not yet reached the end of its ramp up, with further potential to expand this volume. The steady increase in production capacity is in line with the heated market, which continues quarter after quarter: Taurus currently holds a backorder of 2.3 million firearms. This evidences the correct decision to transfer our activities in the USA to the new headquarters in the state of Georgia, with a much larger space that is more suitable to our expansion plans.

As from the second quarter, the production of the GX4 pistol will further increase the volume produced by the plant in the USA. The GX4 is a model of pistol in the microcompact category, developed by our CITE - Brazil/USA Integrated Technology Center, which will place the Taurus brand in a niche of the market with higher added value, in which we are not yet present and, therefore, without competing with other Taurus models. Furthermore, based on the product and process engineering work conducted by our CITE team, the GX4 features a production cost very close to that of current models. This means that in addition to increasing our average sales ticket, it will increase our margins. Its manufacture will take place in the USA unit, from where it will be exported to Brazil, according to our strategy of taking some production lines to that country, due to the bureaucracy that prevails in Brazil for the approval of a new model of locally produced firearm, which would delay the launch to the Brazilian consumer for many years.

Sales have also remained high and with higher profitability. We are achieving higher margins both in the USA and on a consolidated basis, chiefly due to new products developed with a new concept involving: (i) product engineering, which leads to the incorporation of more technology and lower raw material costs; and (ii) process engineering, involving more robust and efficient processes that generate lower labor costs. These are models such as the Toro line pistols, the 460 RH and Heritage 14" and 15" revolvers, and the soon-to-be-released GX4 pistol, models positioned in a "premium" line, for customers who seek a differentiated product and are willing to pay for this differential. These models incorporate higher added value and, therefore, higher margins for the Company.

In 1Q21, 498,000 units of firearms were sold, which generated revenues of R\$ 512.5 million. Adding the revenue from the sale of M.I.M (metal injection molding) and helmets, the Company's net revenues for the quarter amounted to R\$ 551.1 million. As of January, we started to consolidate the helmet operation figures into the Company's results, as opposed to what had happened in the last two years, when the net result from this operation was presented in the caption "result of operations intended for sale". It is a technical issue, to follow the accounting rules in force, because we keep the helmet operation for sale. Although it is a Company that stands out within its sector, which struggles for leadership in the Brazilian market, and is therefore economically viable, for Taurus the helmet operation is a small business and outside of its core operation.

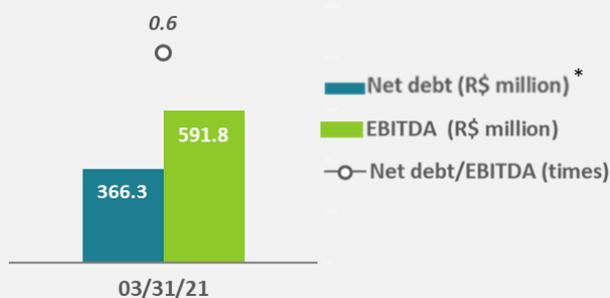
We cannot fail to mention that, when comparing the results recorded in 1Q21 with those of 1Q20, we showed an improvement for practically all indicators, considering that 1Q20 had already been a record-breaking quarter. In 1Q21, the growth in production and sales was accompanied by a gain in gross margin. Gross profit increased by 131.8% in relation to 1Q20, reaching R\$ 254.0 million, with a 46.1% margin. The higher profitability is related to the new products, the new production processes adopted, the gains in scale and higher productivity at the plant in Brazil, and the increased production capacity in the USA, thus



generating greater cost dilution. As a result, and also keeping control over operating expenses, we reached a new record EBITDA, and EBITDA margin: R\$ 175.7 million, an increase of 269.1% compared to 1Q20, with a 31.9% margin, which exceeds the margin recorded in the same quarter last year by 16.9 p.p.. Thus we have achieved the 4th consecutive quarter with positive net results, with R\$ 68.1 million in the quarter. We achieved a sharp growth in results in 2020, with increases in production, sales, cash generation and profitability. We have carried on in the first quarter of 2021 with a solid growth and strong results, that is, we continue to grow in relation to a basis of comparison that had already been strong. We are, therefore, going in the opposite direction of the economy, since the Brazilian GDP presented a 4.1% drop in the year, the worst annual performance of the current series, which began in 1996. And the negative effects on the economy were not only in Brazil, but worldwide. In the USA, the largest economy in the world, the GDP contraction was 3.5% in 2020, the worst performance since 1946, with almost all sectors, except for the government and the real estate market, suffering a decline in production.

Taurus has become a solid cash-generating company, this is our current reality. At the end of the quarter, the Company had R\$ 255.7 million in cash and cash equivalents. The solid and growing cash generation has made it possible to consolidate the Company's financial profile, so that today the issue of indebtedness has been essentially resolved. Net debt at the end of March stood at R\$ 665.7 million, which represents a reduction of R\$ 109.7 million in relation to the position at the end of 2020, and of R\$ 332.4 million considering the position 12 months ago, at the close of March 2020. Although our debt is mostly denominated in dollars, we managed to reduce our net debt in spite of the devaluation of the Brazilian Real against the US dollar. We emerged from a highly leveraged position in 2018, when the current Management took over Taurus' administration, to a degree of financial leverage measured by the net debt/EBITDA ratio of 1.1 at the end of 1Q21, considering the EBITDA of the last 12 months (2Q20 to 1Q21). If we still deduct the proceeds from the subscription warrants to mature, and from the potential sale of the land of the old plant in Porto Alegre of the helmet plant from the total net debt as at March 31, 2011, resources that, when realized, will be allocated to the reduction of the debt balance, the leverage ratio on this date would be 0.6.

Financial leverage – Net Debt/EBITDA



* Net debt less the value of the subscription warrants to become due, and assets for sale (land and helmet factory)

We will remain resolute in keeping up with our strategy, which has proven to be the correct one, always looking forwards and striving to keep growing, in line with our strategic business plan. We hold new projects in progress and others to be launched. With the cash generation we will, besides reducing our financial leverage, invest heavily in Capex and keep attentive to opportunities that may arise in the market.

The magazine joint venture is one of the new projects that is yielding good results, evidencing that the decision to stick to this path was the correct one. Along with the increase in the demand for firearms, the market for accessories is also heating up. There are few factories in the world that produce magazines, and demand is on the rise, not only for consumption by the firearms plants, but also in the replacement segment. Production of the Taurus JV is following its ramp-up process, in line with the plan and presenting excellent performance in terms of quality. Besides meeting our domestic demand, the product opens the doors of this appealing aftermarket, which has shown potential to become a larger project than originally envisioned.



In 2022, the production of Taurus-branded magazines shall be transferred to the industrial complex that is being built on the Company's land, next to the São Leopoldo unit, in the state of Rio Grande do Sul, where other important suppliers, considered to be strategic, will also be installed. By the way, the condominium project is under full development, in line with the pre-set schedule. The construction work is expected to be completed in early 4Q21, and the companies that will be installed there will start operating immediately, with full operation by January 2022.

We are pleased to once again present the results for the last quarter. In light of all that we have achieved in recent years, and all the projects and plans, our message could not be any other than one of optimism and enthusiasm in relation to Taurus' future. We continue to show improvement in all indicators, on the way to making Taurus, a Brazilian Company, the largest light firearms Company in the world. For this journey, we have received the indispensable support from our employees, clients, suppliers, partners, shareholders and Board members, whom we thank and whom we are relying on to accompany us in our next steps.

Salesio Nuhs
CEO



COVID-19

Since March 5, 2020, Taurus has had a permanent committee to deal with all matters related to the pandemic, with a focus on preserving the health of employees, supporting society and, at the same time, preserving all the Company's activities. As a Strategic Defense Company (EAD), Taurus's operations have been qualified as essential and, therefore, it has not suffered any interruption in its operations due to the COVID-19 pandemic.

From March 2020 to April 2021, 97 preventive actions were adopted, both internally, in Taurus's facilities, and also measures to provide support to the society with different donations, such as face shields sent to nine Brazilian states, including the hiring of employees to make these masks, which totaled 500,000 units; of equipment to the Centenário Hospital in São Leopoldo; of 5,000 rapid tests to the São Leopoldo municipal administration; and of 14.3 tons of food to charitable entities.

Such measures have caused Taurus to incur some one-time expenses with donations and various items, such as the meal program, medical assistance, uniforms, PPE, freight and others. Although the amounts involved have been incorporated with no impact on operating margins, the Company opted to stress these amounts in the EBITDA (earnings before interest, taxes, depreciation and amortization). Thus, this report presents a calculation of adjusted EBITDA, excluding these non-recurring expenses and costs, in order to provide better comparability with previous periods.



Operational Performance

Production

The two Taurus plants, in Brazil and in the USA, maintained a strong pace of activity in 1Q21, which raised total production for the quarter to 492,000 units, a volume 87.1% higher than in the same period of the previous year, and a new Company record. Whereas the Brazil unit has been raising productivity, in line with the plan, the US unit continues to ramp up, exceeding initial expectations. In 1Q21, 175,000 firearms were produced at the US plant, which represents a 288.9% growth when compared to 1Q20.

Firearm Production – Brazil + USA (k units)



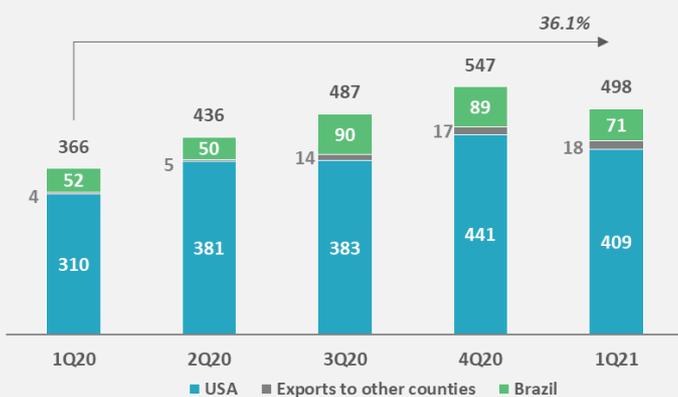


The Company's strategy is to offer innovative products to the market, and in developing these products it relies on its Integrated Engineering and Technology Center Brazil/United States - CITE, the foundation for the Company's strong pace of launches. The work performed by the CITE's engineers provides agility in the development of products and technology, always with a focus on the customer's wishes and in line with the world's most advanced technological solutions. Through its innovative projects, the CITE also contributes to the gain in scale and industrial productivity, since the projects are developed with a view to efficiency in production, in addition to competitive cost, which ensures that Taurus maintains its characteristic of offering firearm models with a good cost x benefit ratio. Since 2019, 152 new products were launched, 15 of which in 1Q21.

Sales

The market remains heated and Taurus continues to show agility in meeting this strong demand, through increasing production and agility in distribution. The Company sold 498,000 firearms in 1Q21, a volume that exceeds by 36.1% that recorded in 1Q20, with its products delivered to Brazil, the USA and more than 15 countries. When compared to the sales volume in 4Q20, there was a reduction of 9.0%, since the Company has sold a large part of its inventory in that quarter.

Total Sales –Taurus (k units)



Adjusted NICS and Taurus Sales in the US (k)



In the USA, the Adjusted NICS (National Instant Check System) received 5.5 million consultations from people interested in acquiring a firearm in 1Q21, which indicates a 13.3% increase in relation to the same period in 2020. Based on a broad distribution network throughout the USA, sales of Taurus firearms, the best-selling imported brand in this market, totaled 409,000 units, a volume 31.9% higher than that recorded in 1Q20.

In Brazil, sales of Taurus firearms in 1Q21 exceeded by 36.5% those of 1Q20, totaling 71,000 units. Taurus remains the absolute leader in the domestic market, in spite of the opening up to products manufactured abroad, since it has the best quality x price ratio, at a level at which the imported products are unable to compete. The Company continues to respond to the Brazilian consumer's growing demand for firearms that incorporate higher added value, of calibers that were previously restricted in the country.

With regard to Taurus' sales to other countries, the highlights in the quarter were the exports made to Pakistan, the Philippines, Guatemala, South Africa and Honduras. Altogether, 18,000 units were sold, compared to 4,000 units in 1Q20. Exports to other countries are carried out through international bids by foreign security forces won by Taurus. For 2021, the Company has already signed important international deals, such as the sale of 12,400 rifles to the Philippine Army, and 4,500 pistols to Burkina Faso.



Economic and Financial Performance

As of 1Q21, in accordance with accounting standards, the results of the helmet operations will once again be consolidated. During the last two years - 2020 and 2019 - instead of being consolidated, the net result from this operation was presented in the caption "Net result of discontinued operations". Given the change in the accounting standard, and in order to keep the adequate comparison with the 1Q21 performance, the 1Q20 figures are also presented considering its consolidation in the Income Statement.

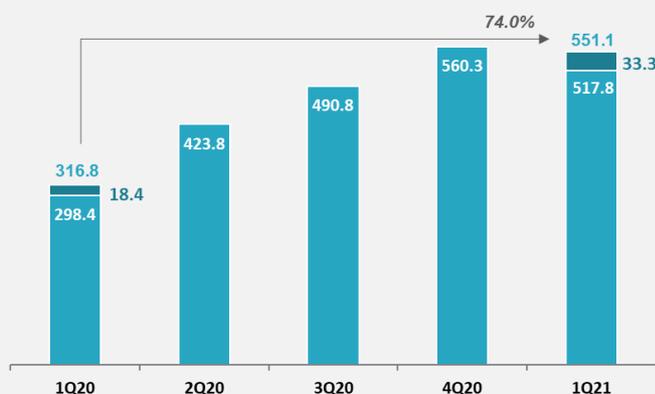
Net Operating Revenues

In 1Q21, Taurus' net operating revenues came to R\$ 551.1 million, outperforming by 74.0% the same quarter last year. This performance is explained by the increase in firearms sales volume in the period, together with the mix of higher value-added models, with a direct impact on revenues. In 1Q21, the revenues also include the positive contribution from the helmet operations, which rose 80.1% in relation to 1Q20, totaling R\$ 33.3 million.

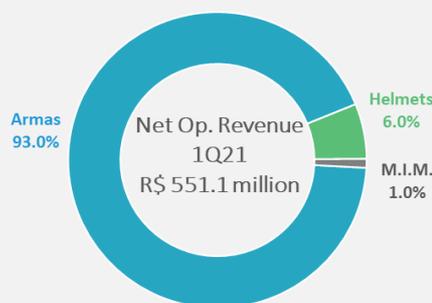
With 73.4% of total revenues for the quarter coming from exports, the Company's revenues also benefited from the foreign exchange gain resulting from the devaluation of the local currency against the U.S. dollar. Considering the average exchange rate of the dollar in 1Q21, of R\$ 5.48, compared to the average rate of R\$ 4.47, the change in the dollar rate versus the local currency in the period was 22.6%.

Consolidated Net Operating Revenue (R\$ million)

Quarterly



Por segmento – 1T21



1Q21 and 1Q20 - Includes helmet operation.
4Q20 - Does not include helmet operation, whose net result is presented under the caption "result from discontinued operations"

The sale of firearms accounted for 93.0% of total net revenues for the quarter, totaling R\$ 512.5 million, representing a 72.7% growth year-on-year. The Company segments its sales into three regional blocks: the Brazilian domestic market, the North American market, and exports to other countries. The performance of revenues between 1Q21 and 1Q20 showed a significant rise in all three regions.

The largest market for Taurus' firearms is in the United States, with sales exclusively intended for the civilian segment. With demand remaining heated and the good acceptance of Taurus's models by consumers, revenues from sales in the USA came to R\$ 383.3 million, equivalent to 74.8% of the revenues from firearms in 1Q21, and 61.7% higher than that recorded in the same quarter of the previous year.

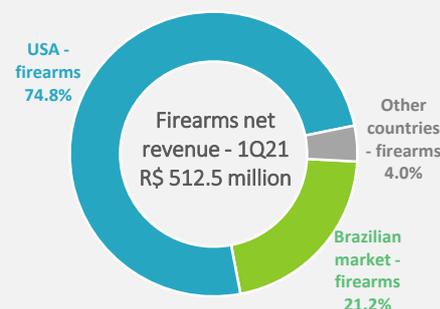
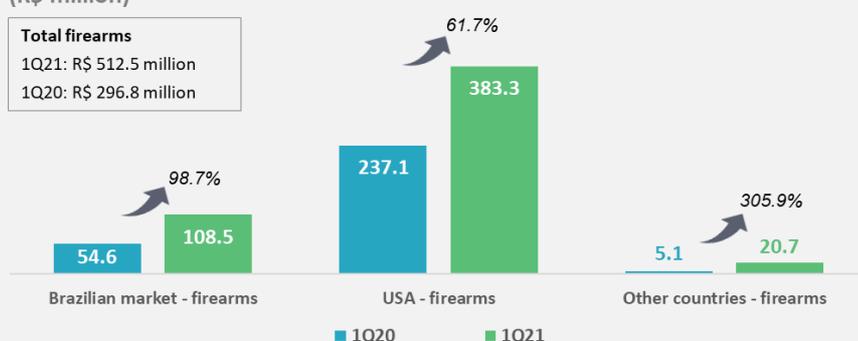
Brazil is the second largest market for Taurus firearms. Sales in the country have been showing continuous growth, at the same time that there has been a change in consumption profile. In addition to the greater presence of the female public among consumers, the Company has registered growing demand for calibers which were previously restricted, such as 9mm and rifles, which has contributed to the increase in the average sales ticket, since they are more sophisticated models and are positioned at a higher price range. Revenues from firearms sales in the domestic market grew by 98.7% in relation to 1Q20, totaling R\$ 108.5 million in 1Q21.

Exports to other countries have a smaller representation in the firearms revenues - 4.0% of revenues from the sale of firearms in 1Q21 - totaling R\$ 20.7 million in the quarter, which represents a 305.9% growth in comparison to the same quarter in 2020.

FIREARMS – Net Operating Revenue

Revenue per market (R\$ million)

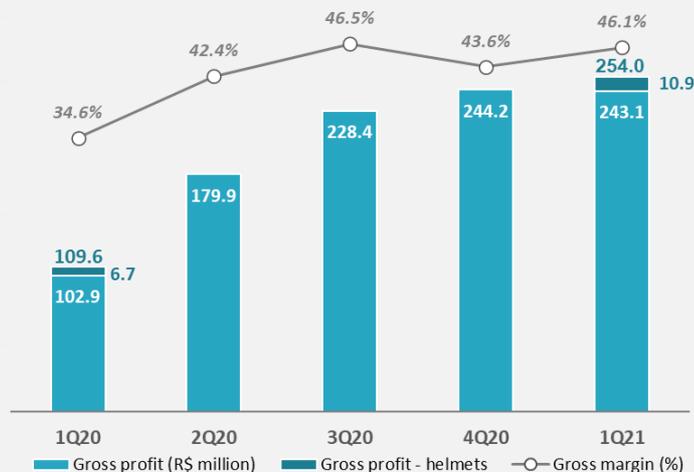
Total firearms
1Q21: R\$ 512.5 million
1Q20: R\$ 296.8 million



Gross profit

The cost of goods sold (COGS) grew less than net revenues, leading to an increase in gross margin, which stood at 46.1% in 1Q21. This performance is related to the degree of operational efficiency achieved in the Company's operations, with strong cost management, a higher value-added sales mix, and the dilution of fixed costs resulting from the increase in revenues.

The gross profit in 1Q21 amounted to R\$ 254.0 million, a performance that exceeds by 131.8% the one posted in the same quarter of 2020.

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


1Q21 and 1Q20 - Includes helmet operation.
4Q20 - Does not include helmet operation, whose net result is presented under the caption "result from discontinued operations"

A year-over-year growth of 131.8% in gross profit, with a 46.1% gross margin


Operating expenses

Operating expenses totaled R\$ 85.6 million in 1Q21, an increase of 25.1% when compared to 1Q20. Similarly to the evolution of COGS, operating expenses also grew less than net revenues during the period, and now account for 15.5% over revenues, versus 21.6% in the same period of the previous year.

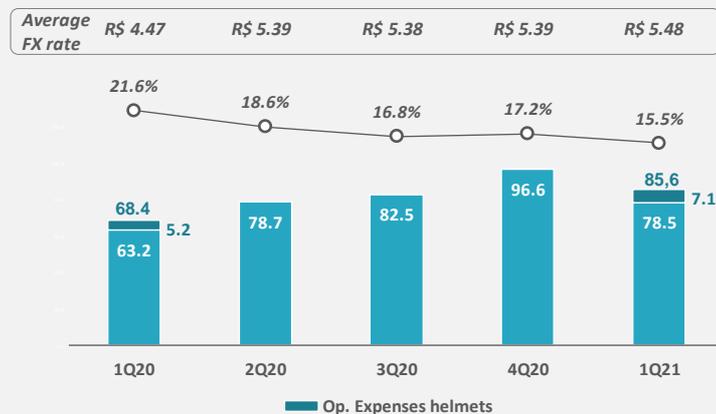
R\$ million	1Q21	1Q20	1Q21 x 1Q20 % change	4Q20	1Q21 x 4Q20 % change
Selling expenses	44.3	33.3	32.8%	40.6	9.1%
General and administrative expenses	43.7	39.0	12.0%	60.1	-27.3%
Asset impairment losses (income)	0.4	-3.7	-	-0.7	-
Other operating income (expenses)	-2.8	-0.2	1129.4%	-3.4	-17.6%
Operating expenses (SG&A)	85.6	68.4	25.1%	96.6	-11.4%
Operating exp./Op. Income, net (%)	15.5%	21.6%	-6.1 p.p.	17.2%	-1.7 p.p.
<i>Ptax dollar exchange rate at the end of period (R\$)</i>	5.48	4.47	22.6%	5.39	1.7%

1Q21 and 1Q20 - Includes helmet operation | 4Q20 - Does not include helmet operation, whose net result is presented under the caption "result from discontinued operations".

The most significant increase was recorded in the group classified as selling expenses, which totaled R\$ 44.3 million in 1Q21 - 51.8% of the total operating expenses for the quarter - with an increase of 32.8% in relation to 1Q20. These expenses include items such as commissions, freight and insurance, variable expenses that experienced growth due to the increase in sales.

Furthermore, the performance of Taurus's expenses is also influenced by the foreign exchange variation, since the Company runs a plant in the USA. In addition to the general and administrative expenses related to the North American plant, since the Company's major consumer market is in the USA, the greatest advertising and marketing efforts, as well as other selling expenses, are also concentrated in this plant. All operating expenses incurred in this plant are denominated in dollars and converted into Brazilian Reais in order to be reflected in the Company's consolidated results, so that the devaluation of the local currency represents an additional pressure on expenses. Considering the average exchange rate for the US dollar in 1Q21 and 1Q20, there was a 22.6% devaluation of the local currency in the period. This can largely explain the increase in operating expenses.

Operating Expenses (R\$ million) and its share in Net Revenues



1Q21 and 1Q20 - Includes helmet operations

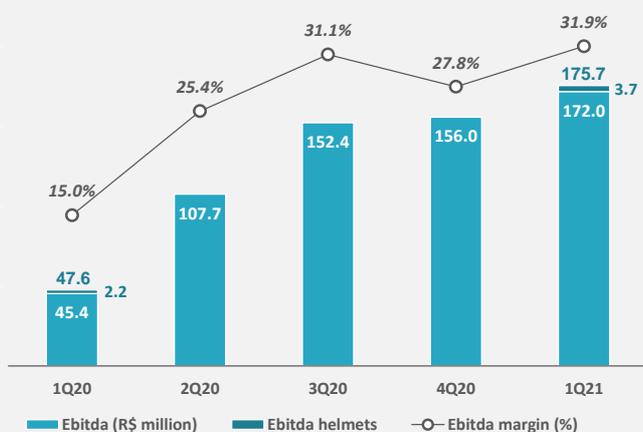
2Q20 to 4Q20 - Does not include helmet operations, whose net result is registered under the caption "result from discontinued operations"

EBITDA

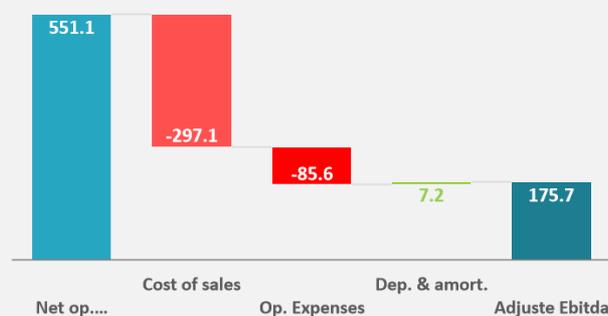
Considering the increase in both revenues and gross profit, with a higher gross margin and greater dilution of operating expenses, EBITDA (earnings before interest, taxes, depreciation and amortization) grew by 269.1% between 1Q21 and 1Q20, totaling R\$ 175.7 million in 1Q21. This is a record amount for a quarter, and has been growing steadily, having climbed to a new level since 2020, so that 1Q21 EBITDA outperformed the indicator in all of 2019, when it totaled R\$ 128.0 million. The EBITDA margin stood at 31.9%, also a record for Taurus in a quarter, exceeding by 16.9 p.p. the margin obtained in the same period of 2020.

If we exclude the one-off expenses incurred due to the COVID-19 pandemic, in the amount of R\$ 0.7 million in 1Q21, the EBITDA for the quarter would be R\$ 176.4 million, with a 32.0% margin over net revenues for the period. Such non-recurring expenses include, among others, donations and additional expenditures, such as the food program, medical assistance, uniforms, PPE and freight.

EBITDA (R\$ million) EBITDA Margin (%)



EBITDA Breakdown in 1Q21 (R\$ million)



1Q21 and 1Q20 - Includes helmet operations

2Q20 to 4Q20 - Does not include helmet operations, whose net result is registered under the caption "result from discontinued operations"



EBITDA Calculation—Conciliation in Accordance with ICVM 527/12

R\$ million	1Q21	1Q20	1Q21 x 1Q20 % change	4Q20	1Q21x4Q20 % change
Earnings before interest and taxes (EBIT)	168.5	41.2	309.0%	147.6	14.2%
Depreciation and amortization	7.2	6.4	12.5%	8.4	-14.3%
EBITDA	175.7	47.6	269.1%	156.0	12.6%
EBITDA margin	31.9%	15.0%	16.9 p.p.	27.8%	4.0 p.p.
Nonrecurring expenses relating to Covid-19	0.7	0.0		0.8	
Adjusted EBITDA	176.4	47.6	270.6%	156.8	12.5%
Adjusted EBITDA margin	32.0%	15.0%	17.0 p.p.	28.0%	4.0 p.p.

1Q21 and 1Q20 - Includes helmet operations | 2Q20 to 4Q20 - Does not include helmet operations, whose net result is registered under the caption "result from discontinued operations "

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is not a financial measurement recognized by the BR GAAP and the International Financial Reporting Standards (IFRS). It should not be considered on its own 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 about operating cash generation.

Financial result

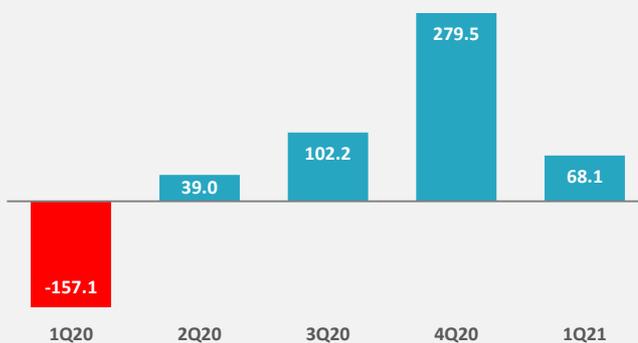
Exchange variations - assets and liabilities - are responsible for the largest portion of Taurus's financial result. Considering the devaluation of the Brazilian Real, the positive effect occurs on the cash in dollars of the North American subsidiary, whereas there is a negative effect on the financial obligations related to the Company's debt denominated in dollars (91.3% of the total gross debt as at March 31, 2021).

In 1Q21, Taurus recorded net financial expenses of R\$ 76.1 million, based on a R\$ 15.7 million income and R\$ 91.8 million expenses. The result is 59.8% lower than the net financial expenses recorded in 1Q20, despite the pressure from the FX variation, resulting from the devaluation of the Brazilian Real, of 22.6% between the periods, when considering the average dollar rate for the two quarters in question.

R\$ million	1Q21	1Q20	1Q21 x 1Q20 % change	4Q20	1Q21 x 4Q20 % change
(+) Finance income	15.7	20.9	-24.9%	120.3	-86.9%
Foreign exchange gains	15.5	20.2	-23.0%	119.4	-87.0%
Interest IOF and other income	0.2	0.7	-71.4%	0.9	-77.8%
(-) Finance costs	91.8	210.3	-56.3%	83.9	9.4%
Foreign exchange losses	79.3	195.4	-59.4%	64.6	22.8%
Interest, IOF and other costs	12.6	14.9	-15.4%	19.3	-34.7%
(+/-) Finance income (costs), net	-76.1	-189.4	-59.8%	36.5	-
Average US dollar Ptax rate for the period (l	5.48	4.47	22.6%	5.39	1.7%

Net Income

Operational stability, with efficiency in both production and distribution, management of costs and expenses, and a sales mix that incorporates higher value-added models, resulted in a net income of R\$ 68.1 million in 1Q21, the fourth consecutive quarter with a positive result, notwithstanding the significant result from the foreign exchange variation liability. In 1Q20, the Company had registered a net loss of R\$ 157.1 million, due to the accounting effect of the exchange variation over debt, which, in that period, burdened the result by R\$ 195.4 million.


Net Income (R\$ million)

Debt
Gross debt

As at March 31, 2021, Taurus registered a gross debt of R\$ 921.4 million, with 91.3% of this amount represented by dollar-denominated debts. The debt balance at the end of 1Q21 was 6.3% higher than that recorded at December 31, 2020. However, when converting the total debt into dollars at the exchange rate of the respective dates, a reduction of 3.1% is observed, which evidences the effect of the exchange rate variation, considering the 9.6% devaluation of the Brazilian currency over the period.

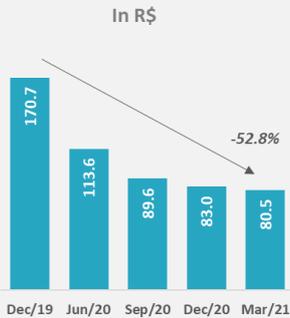
R\$ million	03/31/2021			12/31/2020			Var. % Consolidated
	Consolidated	Brazil	USA	Consolidated	Brazil	USA	
Borrowings and financing	104.3	92.4	11.9	71.5	71.5	0.0	45.9%
Debentures	7.7	7.7	0.0	6.9	6.9	0.0	11.6%
Advance on receivables	109.4	109.4	0.0	100.3	100.3	0.0	9.1%
Foreign exchange drafts	221.5	209.6	11.9	178.7	178.7	0.0	24.0%
Current	641.9	574.3	67.6	627.0	550.4	76.6	2.4%
Borrowings and financing	58.0	58.0	0.0	61.0	61.0	0.0	-4.9%
Debentures	699.9	632.3	67.6	688.0	611.4	76.6	1.7%
Noncurrent							
Gross debt	921.4	841.9	79.5	866.7	790.1	76.6	6.3%
Cash and short-term investments	255.7			91.2			180.4%
Net debt	665.7			775.4			-14.1%
Ptax dollar exchange rate at end of period (R\$)	5.70			5.20			9.6%
Gross debt translated into US dollars (US\$ million)	161.7			166.8			-3.1%

As can be ascertained from the analysis shown in the following chart, when considering the different "blocks" of the Company's gross debt in the currencies in which they were taken, on a consolidated basis, the balance has been reducing since the close of 2019.

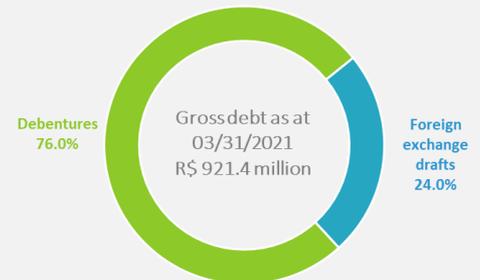
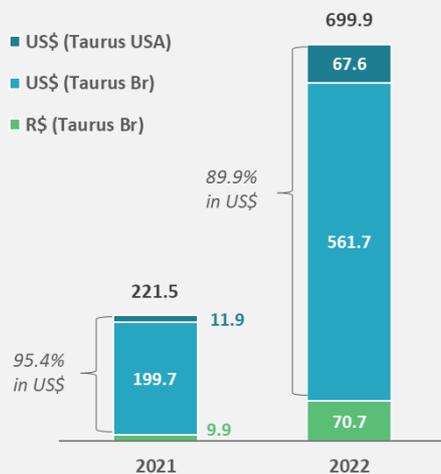
Gross debt as at March 31, 2021 - R\$ 866.7 million

In its original currency

By currency



Maturity profile



As for the maturity profile, 76% or R\$ 699.9 million of the total debt at March 31, 2001 was long term, maturing in 2022. From the portion of R\$ 221.5 million maturing in the short term, R\$ 11.9 million is related to a loan from the subsidiary in the USA, and R\$ 209.6 million is related to loans taken out and debentures issued by the holding company Taurus S.A. The exchange drawdowns, which totaled R\$ 109.4 million at the end of March, rely on an agreement with the creditor bank for their automatic renewal at each maturity, with the possibility of settlement by October 2022, and therefore, in practice, have their final maturity in the long term. Thus, the portion of total gross debt with effective maturity in the short term accounts for 12.2%.

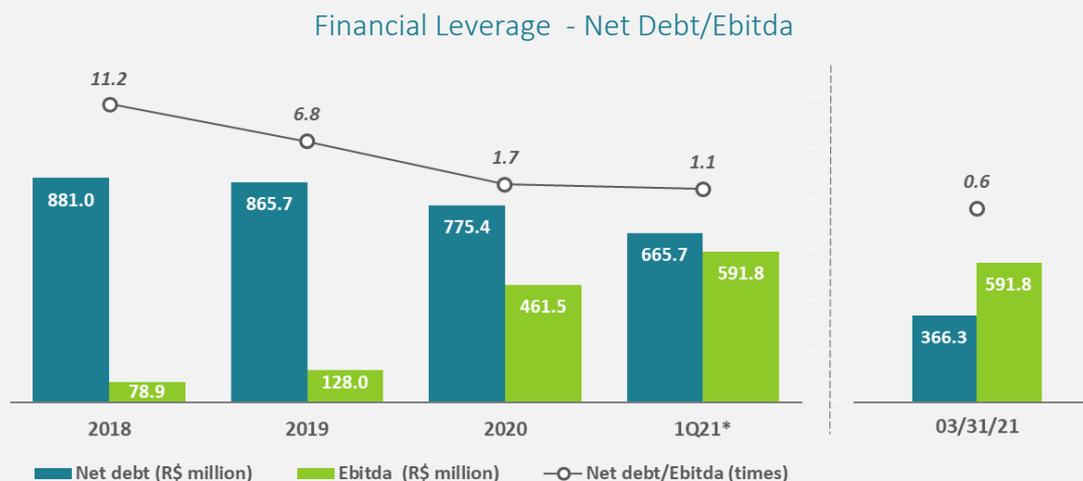
Gross Short-Term Debt as at 03/31/2021 – R\$ 221,5million



Net debt

The position held in the caption "Cash and cash equivalents" at the end of 1Q21 posted a 180.4% increase in relation to that recorded at the end of 2020, for the amount of R\$ 255.7 million. Thus, the Company's net debt stood at R\$ 665.7 million as at March 31, 2021, showing a reduction of R\$ 109.7 million or 14.1%, when compared to December 31, 2020.

The degree of leverage, as measured by the Net Debt/EBITDA ratio, has dropped significantly over the last few years, reflecting the alignment of the debt profile and growing operating cash generation. Considering the EBITDA for the last 12 months (2Q20 to 1Q21: R\$ 591.8 million), the Net Debt/EBITDA ratio as at March 31, 2021 was 1.1.



* 1Q21 – LTM Ebitda (2Q20 – 1Q21)

** 1Q21 – LTM Ebitda and net debt as at 03/31/2021 less the amount corresponding to the value of the assets for sale and the balance of subscription warrants.

The Company also counts on "potential credits" that are earmarked for debt reduction, consisting of the land of the former plant in Porto Alegre, plus the helmet plant that is for sale, as well as the balance of the subscription warrants that have yet to mature. If we simulate the net debt position as at March 31, 2021, whereby these amounts are deducted from the total, the debt on that date would amount to R\$ 456.3 million, which would produce a Net Debt/EBITDA leverage ratio of 0.6.



Capital Structure

After reverting, at the end of the fiscal year 2020, the negative Net Equity situation it had been showing over the last years, the 1Q21 result made it possible to improve this balance, causing the Company to close the quarter with a positive Shareholders' Equity of R\$ 153.4 million, an amount 262.6% higher than the figure posted as at December 31, 2020.

With a stable and consolidated performance, Taurus continues on the path to fulfilling its goal of resuming the payment of dividends to its shareholders, once it eliminates the negative balances in the capital reserve accounts, together with the losses accumulated in previous fiscal years.



Capital Market

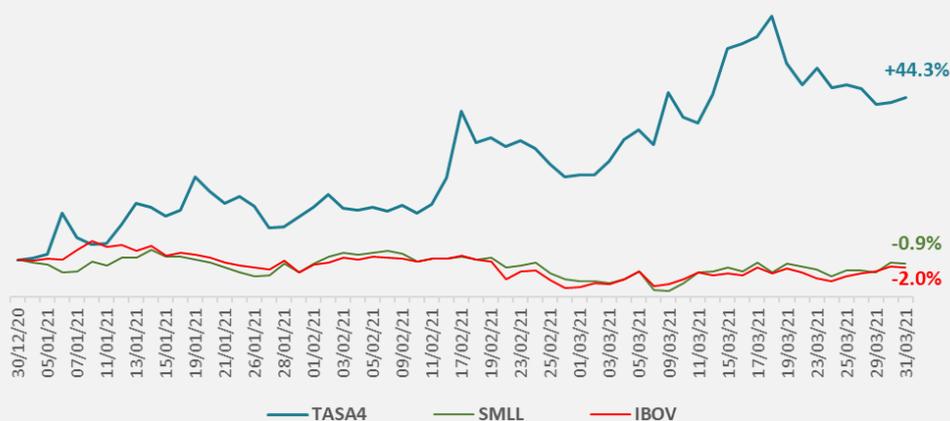
Taurus holds common shares (TASA3) and preferred shares (TASA4), which are listed on B3's Level II, a market segment comprised of companies adopting special corporate governance practices voluntarily. Both classes of shares are part of B3's Small Caps Index (SMLL).

During the first quarter of 2021, the Company's common shares (TASA3) appreciated by 45.0%, whereas the preferred shares appreciated by 44.3%, in contrast to the negative variations of 2.0% and 0.9% of Ibovespa and SMLL respectively.

	TASA3	TASA4	Market value	Enterprise value*
12/31/2020	R\$ 15.87	R\$ 15.50	R\$ 1,507.2 million	R\$ 2,148.8 million
03/31/2021	R\$ 23.01	R\$ 22.36	R\$ 2,179.6 million	R\$ 2,779.3 million
Varição	+ 45.0%	+ 44.3%	+ 44.6%	+ 29.3%

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

PN – TASA4 performance, compared to SMLL B3 and IBOV B3
100 base: 12/31/2020



Subsequent Event

Stock Options Plan

As disclosed in the Material Fact and provided for in the Minutes of the GSM/E disclosed on April 26, 2021, the General Meeting held on this date approved the Company's nine-year Executive Stock Option Plan for the statutory Officers selected by the Board of Directors, which shall be responsible for the management of the Plan, always respecting the limit of 3 million shares, of which 1 million are common shares and 2 million are preferred shares. The full text for the Options Plan is available on the websites of CVM (www.cvm.gov.br), B3 S.A. - BRASIL, BOLSA, BALCÃO (www.b3.com.br) and the Company (www.taurusri.com.br).

This document may contain statements reflecting future prospects of the Company's business. The projections, results and their effects rely on estimates, information or methods that may be inaccurate and may not materialize. Those estimates are also subject to risks, uncertainties and assumptions including, among others: the overall economic, political and business conditions in Brazil and in the foreign 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 results and the prospects of creating shareholder value may differ materially from what is 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 denies any commitment to update any forecasts, which make sense only on the date on which they were made.



Attachments

Income Statement

<i>R\$ million</i>	1Q21	1Q20	% change
Net operating revenue	551.1	316.8	74.0%
Cost of sales and/or services	-297.1	-207.2	43.4%
Gross profit	254.0	109.6	131.8%
Operating (expenses) income	-85.6	-68.4	25.1%
Selling expenses	-44.3	-33.3	33.0%
General and administrative expenses	-43.7	-39.0	12.1%
Impairment losses	-0.4	3.7	-
Other operating income	5.5	2.6	111.5%
Other operating expenses	-2.6	-2.4	8.3%
Profit before finance income (costs) and taxes	168.5	41.2	309.0%
Finance income (costs)	-76.1	-189.4	-59.8%
Finance income	15.7	20.9	-24.9%
Finance costs	-91.8	-210.3	-56.3%
Pretax income	92.4	-148.2	-162.3%
Income tax and social contribution	-24.1	-8.7	-
Current	-22.6	-0.8	2725.0%
Deferred	-1.5	-7.9	-81.0%
Profit (loss) from continuing operations	68.3	-156.9	-143.5%
Profit (loss) from discontinued operations	-0.1	-0.2	-
Consolidated profit (loss) for the period	68.1	-157.1	-143.3%
Attributable to owners of the Company	68.1	-157.1	-143.3%
<i>Earnings per share (R\$/share)</i>			
<i>Basic earnings per share</i>			
Common shares (ON)	0.6798	-1.7761	-138.9%
Preferred shares (PN)	0.7344	-1.7761	-138.9%
<i>Diluted earnings per share</i>			
Common shares (ON)	0.6798	-1.7757	-138.9%
Preferred shares (PN)	0.5346	-1.7757	-127.8%



Assets

<i>R\$ million</i>	03/31/21	12/31/20	% change
Total assets	1,697.9	1,460.7	16.2%
Current assets	1,111.5	930.9	19.4%
Cash and cash equivalents	250.6	91.2	174.8%
Cash and banks	242.2	86.0	181.6%
Highly liquid short-term investments	8.5	5.2	63.5%
Short-term investments	5.0	0.0	-
Accounts receivable	315.4	317.4	-0.6%
Inventories	405.2	298.3	35.8%
Recoverable taxes	38.3	33.3	15.0%
Prepaid expenses	17.3	22.2	-22.1%
Other current assets	79.6	168.3	-52.7%
Noncurrent assets	586.4	529.8	10.7%
Long-term receivables	209.2	203.1	3.0%
Tributos Diferidos	194.3	188.6	3.0%
Outros Ativos Não Circulantes	14.9	14.5	2.8%
Investments	3.3	0.0	-
Property, plant and equipment	275.0	233.4	17.8%
Intangible assets	98.9	93.3	6.0%



Liabilities and equity

<i>R\$ million</i>	31/03/2021	31/12/2020	Var. %
Total liabilities and shareholders' equity	1,697.9	1,460.7	16.2%
Current liabilities	698.8	575.4	21.4%
Payroll, benefits and taxes thereon	63.0	57.5	9.6%
Payrol and related taxes	30.4	32.1	-5.3%
Employee benefits and related taxes	32.6	25.4	28.3%
Trade payables	177.0	111.9	58.2%
Local suppliers	124.7	69.5	79.4%
Foreign suppliers	52.3	42.4	23.3%
Taxes payable	104.2	68.3	52.6%
Federal tax liabilities	100.4	65.9	52.4%
Income tax and social contribution payable	24.5	14.3	71.3%
Other taxes	75.9	51.7	46.8%
State tax liabilities	3.7	2.3	60.9%
Municipal tax liabilities	0.0	0.1	-
Borrowings and financing	112.1	78.4	43.0%
In local currency	2.2	1.8	22.2%
In foreign currency	102.2	69.7	46.6%
Debentures	7.7	6.9	11.6%
Other payables	188.9	203.8	-7.3%
Dividends and interest on capital payable	109.4	100.3	9.1%
Advance from customers	49.7	49.1	1.2%
Payables from noncurrent assets for sale	3.9	27.3	-85.7%
Other payables	25.9	27.1	-4.4%
Provisions	53.7	55.5	-3.2%
Tax, social security, labor and civil provisions	41.3	41.0	0.7%
Other provisions	12.5	14.6	-14.4%
Noncurrent liabilities	845.7	843.0	0.3%
Borrowings and financing	699.9	688.0	1.7%
In local currency	12.6	13.3	-5.3%
In foreign currency	629.3	613.7	2.5%
Debentures	58.0	61.0	-4.9%
Other payables	68.3	78.7	-13.2%
Deferred taxes	10.3	10.3	0.0%
Provisions	67.2	66.1	1.7%
Social security, labor and civil provisions	60.0	59.5	0.8%
Other provisions	7.2	6.6	9.1%
Consolidated shareholders' equity	153.4	42.3	262.6%
Issued capital	580.7	560.3	3.6%
Capital reserves	-31.1	-31.1	0.0%
Disposal of subscription warrants	9.9	9.9	0.0%
Capital transactions	-41.0	-41.0	0.0%
Retained earnings/accumulated losses	-636.5	-704.7	-9.7%
Valuation adjustments to equity	45.7	45.9	-0.4%
Cumulative translation adjustments	194.6	172.0	13.1%