



TAURUS CLOSES FIRST NINE MONTHS OF 2019 WITH NET REVENUE OF R\$ 727.4 MILLION AND GROSS MARGIN OVER 35%

São Leopoldo, November 13, 2019 – Taurus Armas S.A. (“Taurus” or “Company”), listed on B3’s Corporate Governance Level 2 (Symbols: TASA3, TASA4), one of the world’s largest firearm manufacturers, operating with the brands Taurus, Rossi and Heritage, hereby reports its results for the **third quarter of 2019 (3Q19)** and year-to-date for the **first nine months of 2019 (9M19)**. Financial and operating information below, except where otherwise indicated, are presented in Brazilian Reals (R\$), follow international accounting standards (IFRS) and Brazilian accounting principles. Comparisons refer to the same periods of 2018, unless otherwise indicated.



Consolidated Financial Highlights 9M19 x 9M18

16.7% increase in net operating revenue, totaling R\$ 727.4 million, and gross margin of 35.2%.

Record EBITDA of R\$ 114.8 million, 18.2% higher than 9M18.



Operating highlights 9Q19

The TX22 Pistol, the first model developed and launched by the current company management, is awarded the “American Handgun of the Year 2019.”

Launch of the G3 pistol on the US market and recognition as best buy of the year in the USA.

MAIN INDICATORS

R\$ million	3Q19	3Q18	Change %	2Q19	Change %	9M19	9M18	Change %
Net operating revenue	242.3	192.3	26.0%	233.0	4.0%	727.4	623.5	16.7%
Domestic market	48.3	38.5	25.5%	37.2	29.8%	123.2	106.9	15.2%
Foreign market	194.0	153.8	26.1%	195.8	-0.9%	604.1	516.6	16.9%
CPV	-155.4	-114.6	38.2%	-152.6	3.8%	-471.1	-387.4	21.6%
Gross income	83.9	77.7	8.0%	80.4	4.4%	256.3	236.1	8.5%
Gross margin (%)	34.6%	40.4%	-5.8 p.p.	34.5%	+0.1 p.p.	35.2%	37.9%	-2.7 p.p.
Operating expenses - SG&A	-65.2	-60.7	7.5%	-31.5	107.0%	-157.9	-162.9	-3.0%
Operating income (EBIT)	18.6	17.0	9.8%	48.8	-61.9%	98.3	73.2	34.3%
EBIT margin %	7.7%	8.8%	-1.1 pp.	21.0%	-13.3 p.p.	13.5%	11.7%	+1.8 p.p.
Net financial income (loss)	-64.2	-39.2	64.0%	-1.5	4199.9%	-77.8	-183.9	-57.7%
Income tax and social contribution	18.4	64.0	-71.2%	-4.4	-0.2	62.5	-	-
Net income / (loss) (continued operations)	-27.2	41.8	-	43.0	-	20.3	-48.2	-
Net income (loss) from discontinued operations	0.8	6.2	-86.3%	0.6	32.0%	1.0	3.6	-73.4%
Net income / (loss)	-26.4	48.0	-	43.6	-	21.3	-44.6	-
Ebitda*	19.9	24.3	-18.2%	56.4	-64.7%	114.3	97.1	18.2%
Ebitda margin*	8.2%	12.6%	-5.0 p.p.	24.2%	-16.0 p.p.	15.8%	15.6%	+0.2 p.p.

Note - Ebitda (stands for income before interest, taxes, depreciation and amortization) is not an indicator used in accounting practices. The calculation spreadsheet is presented in "EBITDA" item of this report.

MESSAGE FROM THE BOARD



92 Inox Pistol

The release of our results for 3Q19 coincides with a very special date for us: Taurus' 80th anniversary, having been founded in November 1939. The ability to transform, adapt and modernize is essential for any company to achieve such longevity. At Taurus, we reach our 80th anniversary with a renewed Company, including strategic planning defined by the new Management, following its course and showing effective results. The measures adopted, both in management and operational processes, translate into solid results, confirmed by increased sales and improved operating and financial indicators.

We continued with the operational restructuring of our unit in the USA, as we did in the Brazilian operation. With support from consulting firm Galeazzi & Associados, we are adopting new administrative and operational processes at our US subsidiary. In December, we will be holding the grand opening event of our factory in Georgia, with 23,000 square meters of floor space, where the new infrastructure provides greater industrial efficiency and, therefore, reduced operating costs. The first production line at the new facility began in August; 100% of the US operation will be at the new plant by December. This change in physical structure, accompanied by ongoing administrative and operational restructuring, will give us real opportunities to expand our position in the US, the world's largest firearm consumer market.



RT44H Raging Hunter

Regarding business performance, the results for 9M19 show an upswing compared to the same period in 2018, a year that had outperformed the previous year. In the nine months from January to September of this year, with accumulated net revenue of R\$ 727.4 million and EBITDA of R\$ 114.8 million, we have already achieved 86% of revenue and nearly equaled (99.0%) adjusted EBITDA of all 12 months of the previous fiscal year. Gross margin remained above 35%, in line with our target, which we consider appropriate for a healthy operation in the firearms' industry. The Company accumulated net income of R\$ 21.3 million in 9M19, reversing the negative net income for the same period last year. The goal of improving operational and financial indicators has thus been achieved.



A major highlight in the year – and part of the strategic planning currently in force – is our portfolio renewal, presenting strong, reliable, innovative and safe product launches that meet consumer demands. The fact that 62% of the Company's revenue in the first nine months of 2019 came from the sale of new products indicates the success of this strategy. This is also confirmed by the recognition our products have received. Another project developed and launched by the Company's current management, the TX22 pistol, was recognized as the best small firearm of the year, when it was named on November 5 as the winner of one of the foremost awards in the sector: "American Handgun of the Year 2019," organized by the renowned US-based *Guns & Ammo* magazine. Receiving this award fills us with pride and encourages us to continue the work of building this new Taurus.

608 Inox Revolver



And the recognition doesn't stop there. Another highlight of the period is the Taurus G3 9-mm pistol, an evolution of the G2 model, the best-selling item in the Company's portfolio, which incorporates an innovative modular firing system. Launched on August 30 on US market, the innovations incorporated in the G3 meet consumer demands, with new developments in terms of grip and trigger ergonomics, firing capacity, among others. Soon after its release, the pistol was already featured in a cover story by the same magazine (*Guns & Ammo*), as the best buy of the year in its category.

In our judgment, we reached the end of 3Q19 with several major achievements at the Company. And the last quarter will be festive here at Taurus, with our 80th anniversary, the grand opening of our new US factory, and the 2019 "Best Handgun of the Year" award. We remain confident that we are on the right track and that new achievements are forthcoming.

Salesio Nuhs

CEO

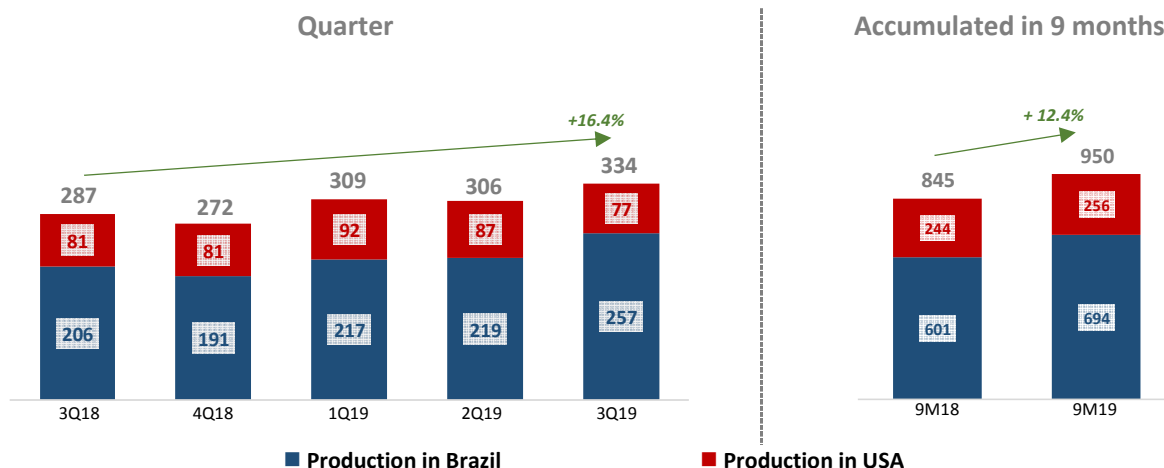
OPERATING PERFORMANCE

One of the world's largest small firearm manufacturers, in November 2019 Taurus Armas S.A. celebrates the 80th anniversary of its founding. Combining tradition and innovation, its focus is the production and marketing of firearms that are sold in over 100 countries, under the Taurus, Heritage and Rossi brands. The Company has two factories: São Leopoldo, RS (headquarters) and USA.



The Company also operates in the manufacture and sale of MIM (Metal Injection Molding) parts, with production mostly for its own use, as well as sales to third parties. In 2018, Taurus put helmet operation on sale, so that income from this segment started to be accounted for, since then, as "discontinued operations" in its Financial Statements.

Production of firearms - Brazil + USA
(thousand units)



Production of firearms in the industrial unit of São Leopoldo, Rio Grande do Sul State (RS), is directed to the domestic market, as well as to sale to USA, and for export to other countries. Taurus unit in the US directs its entire production to the US market. In the 9M19, the Company's total firearm production exceeded by 16.4% production recorded in the same period of 2018, reaching 334 thousand units, with 77.0% manufactured in Brazil. Considering the first nine-month period of 2019, production totaled 950 thousand units, a 12.4% higher than the production recorded in the 9M18.

Currently, the daily production capacity of Taurus is more than 5,000 firearms a day, which is equivalent to 1.4 million firearms a year, of which 1 million are made at the Brazilian unit. With transfer of the US plant from Florida to the new unit

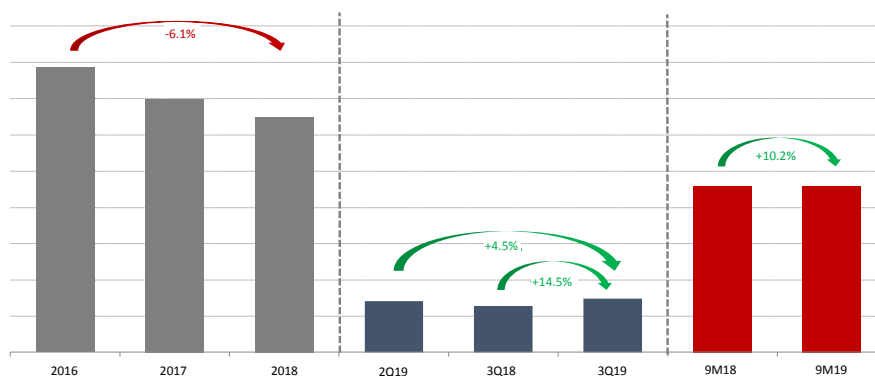
in Georgia up to the end of 2019, the installed capacity in that country will double from current 400 thousand firearms/year to 800 thousand firearms/year.

The index of intended purchase of firearms on the **US market**, measured by the “Adjusted NICS (National Instant Background Check System)” had been declining from 2017 until the first half of this year, indicating a very competitive market for manufacturers. In 3Q19, this retraction was reversed, rising 4.5% compared to the immediately previous quarter and 14.5% compared to the same quarter in 2018, but still without an effective indication of a growth trend in sales, since this increase took place in relation to a somewhat reduced basis of comparison. The indicator may have even been influenced by the discounts offered by certain brands during the quarter. In the first nine months of the year, the number of consultations for firearm purchases on the US market remained virtually stable (+0.2%) compared to the same period in 2018.

It is worth noting that, while being a good indicator of market performance, the NICS measures the number of orders of firearms in the US, which does not necessarily represent the actual quantity of firearms sold.

Adjusted NICS - National Instant Background Check System

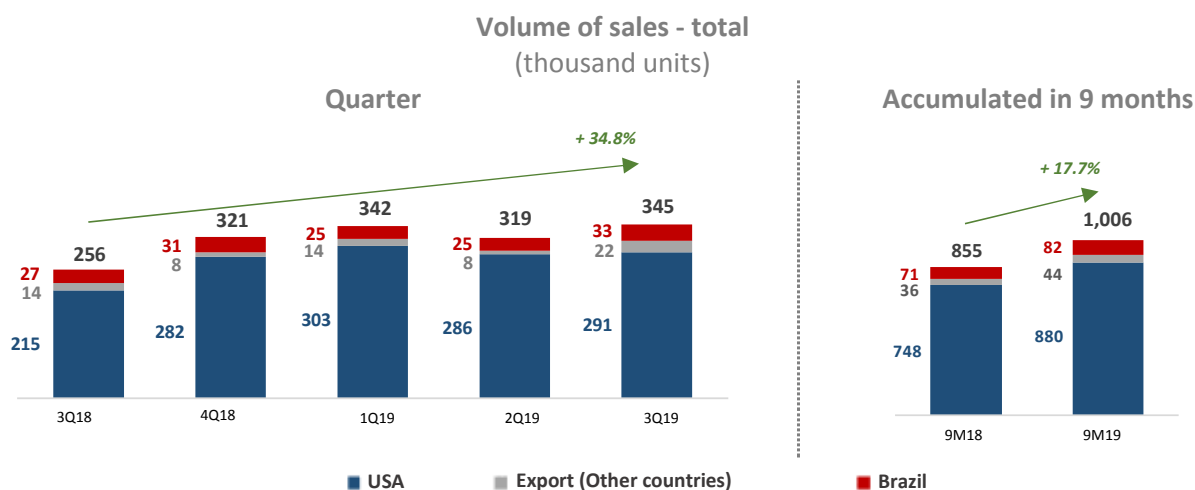
Number of inquiries



The Company's **sales** in the **US** for the 3Q19 totaled 291 thousand units, leading to a total volume of 880 thousand units in the 9M19, representing an increase of 35.3% and 17.6%, respectively, compared to the same periods of the previous year. In Q319, the strongest growth in sales volume was driven by promotions, with special sale prices during the holiday period, when sales tend to fall.

Despite the downswing in the US arms market in the last two years, the Company has recorded successive increases in sales volume in that nation. This is largely due to the success of the product launches carried out during the last two years, with models that meet consumer demands by combining innovation, quality and price. An example of this is the TX22 pistol, introduced to the market in January at the SHOT Show, the world's largest arms fair, and available a few weeks later at dealers across the US. In early November, the TX22 was honored with the “American Handgun of the Year 2019” award by *Guns & Ammo* magazine, widely considered to be one of the industry's top recognitions. The pistol won over consumers over its performance, quality, design and price, becoming a hit with users in the US and worldwide. In September we launched the G3 pistol, an evolution of the G2 model, which was already the Company's best-selling firearm. The new features incorporated in the G3 model, combined with the firearm's competitive price, provided immediate recognition among consumers; the model was named as the year's best purchase in its category, also by *Guns & Ammo* magazine.





Sales on the Brazilian market were outstanding in the quarter, with a total of 32,700 units sold, representing an increase of 20.9% over 3Q18. Considering YTD from January to September, the number of arms sold on the Brazilian market totaled 82,3000 units, surpassing the sales made during the same period in 2018 by 15.6%. The good sales performance reflects the resumption of consumer confidence and admiration for Taurus products, as a result of all the work being done at the Company on the renovation of processes and dedication to launching products with built-in innovation.

Taurus's participation in the "Brazil Week" event created by the federal government to stimulate consumption also contributed to the positive performance of the Company's sales on the domestic market. The promotion was held September 6–15, offering the entire line of firearms with a 20% discount for orders registered on the e-commerce site in the period. The initiative had excellent consumer response, with more than 2,000 orders per day included on the Taurus website, totaling more than 20,000 orders in the period. Among the most popular models are the G2C 9mm and TS9 pistols, and the RT627 revolver. All paid and authorized orders, with submission of the required documentation, are being fulfilled immediately. However, considering the legal requirements for firearm purchases in Brazil, there is a period for the realization of these sales that will therefore be effective in the 4Q19, not substantially influencing the sales made during 3Q19.



G2c .40 S&W Inox Pistol



TS9 Pistol

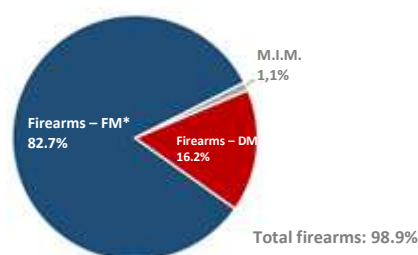
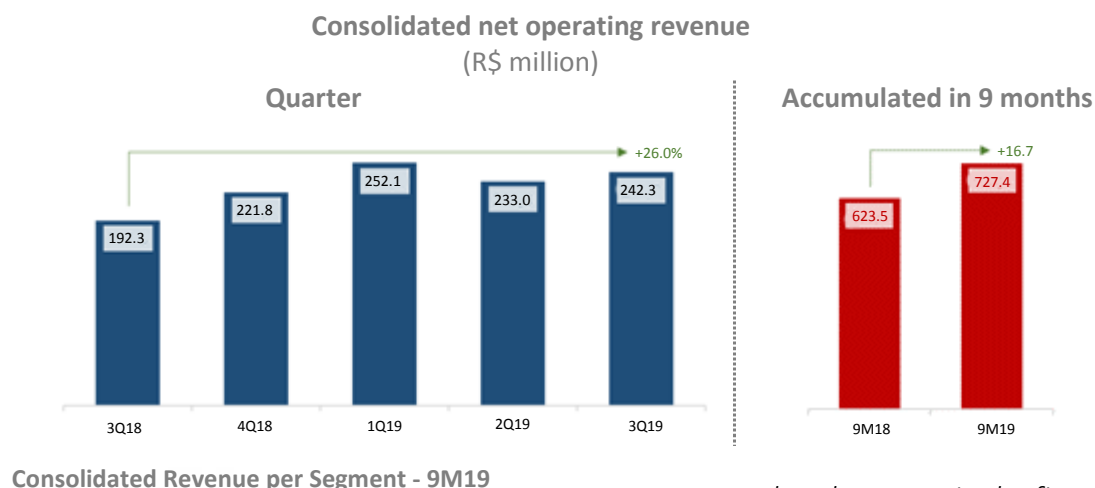


RT627 Revolver

In 3Q19, the sale to the Philippine National Police of the third lot of Striker TS9 pistols – a model developed for law enforcement and military use – was Taurus' main **export of Taurus firearms to other countries**, not considering sales to the US. Sales to countries in Africa and Central America are also noteworthy. The Company continues to develop contacts to open new international markets.

ECONOMIC FINANCIAL PERFORMANCE

Net operating revenue



* Firearms – FM includes revenue in the US and exports to other countries

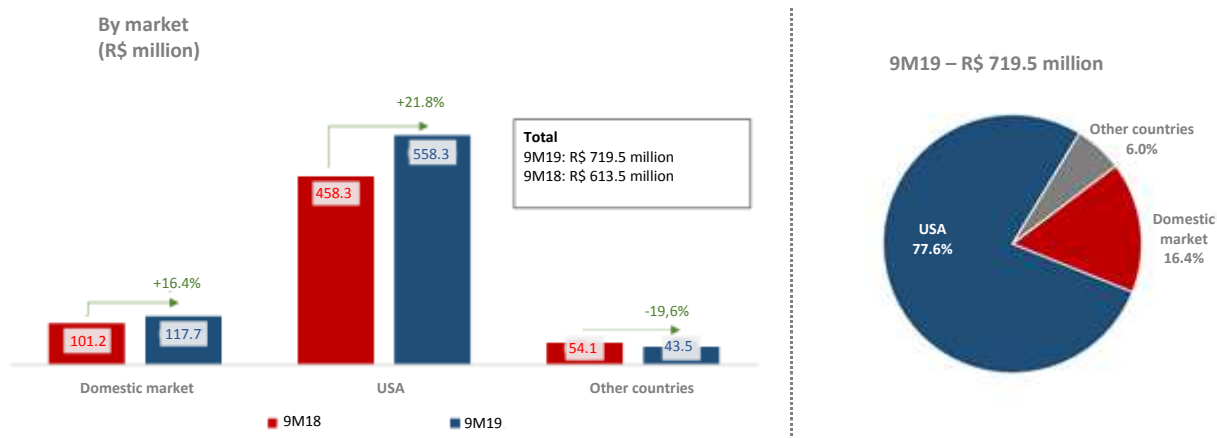
Accumulated revenue in the first nine months of the year remains high compared to the same period of 2018, totaling R\$ 727.4 million – another new record in the history of Taurus for this period.

In 9M19, the Company recorded **consolidated net revenue** growth when compared to the same period of the previous year, with increased revenue from firearm sales both domestically and internationally. Revenue of R\$ 242.3 million in 3Q19, which was 26.0% higher than 3Q18, led to the 2019 nine-month YTD totaling R\$ 727.4 million – 16.7% higher than 9M18. Foreign-exchange gains contributed to the company's performance when recording sales made abroad in domestic currency. It is worth noting that there is seasonality in firearm sales, especially on the US market, which accounts for most of the Company's revenue. Accordingly, comparison between equal period is the most indicated, as it eliminates possible distortions in evaluation.

The upswing in operating revenue has been consistent quarter by quarter since the beginning of 2018, reflecting the strategic actions taken by the Company and, therefore, is not just related to random and occasional occurrences. The renewal of the product portfolio – with launches of models that meet consumer demands in terms of quality and innovation – is a fundamental part of Taurus' current positioning on the Brazilian and international firearms market. In the 9M19, sales of new products accounted for 61.8% of firearms sales revenue, or 61.2% of the Company's total net sales.

In addition to producing and trading light firearms, the Company carries out occasional sale of metal-injected parts (M.I.M. *metal injection molding*). MIM production is mainly for own use, therefore, revenue deriving from sales to third parties is not very expressive to Taurus. The segment had a net revenue of R\$ 7.9 million in the 9M19, which represents 1.1% of total revenue for the period.

FIREARMS - Net operating revenue



The Company's revenue from **firearm sales on the US market** in 9M19 increased 21.8% compared to the same period in 2018, totaling R\$ 558.3 million. This evolution is a result of increased sales volume and foreign exchange gains, due to the recording of sales in US dollars in local currency, especially considering that arms sales in the US are responsible for most of the Company's revenue (71.5% in 3Q19 and 77.6% in 9M19). It is also worth considering that, given that the changes in the average exchange rate of US Dollar to Brazilian Real in the period was 7.9%, the Company obtained real revenue increase in the comparison between the periods.

The Company's broad-based product portfolio, including innovative model launches and a focus on quality, has attracted consumers to Taurus products. The new US factory, which has been operating with some assembly lines since August 2019, will double its installed capacity to 800,000 firearms / year, with greater efficiency and thus lower operating costs. By the end of the year, all production lines at the Miami plant are expected to be transferred to the new facility in Georgia. The new operational structure, also under new management in the USA, with the new Global CEO, Mr. Salesio Nuhs, combined with the restructuring process in this country (being conducted with the support of external consulting firm Galeazzi & Associados) has left Taurus fully poised to expand its market share on the US market, as well as to benefit from a possible increase in demand in the world's largest market for firearms.

Sales of firearms in the **domestic market** are directed to police, armed forces, their members and CAC's (hunters, sports shooters and collectors). Sales in Brazil – the Company's second market after the US – have been growing, confirming local admiration for the brand and the growing interest in Taurus products by Brazilian consumers. Revenue from arms sales on the domestic market increased by 27.6% when comparing the performance in 3Q19 with the same quarter in 2018, totaling R\$ 117.7 million in the first nine months, up 16.4% compared to 9M18. As mentioned above, the success of sales during "Brazil Week," a sales promotion held September 6–15, is not yet fully reflected in the 3Q19 performance, since most of these sales will be billed during the following quarter.

The upswing in revenue from firearm sales has been recurring, thus reflecting the operational and managerial changes adopted by Taurus, including the renewal of the portfolio focused on product quality and innovation, which has been bringing a new level of performance for the Company.

Revenue from **firearm exports to other countries** is less representative for Taurus, accounting for 6.0% of the Company's net revenue from firearm sales in 9M19. Commercial contacts and efforts are being undertaken in order to develop new markets, as well as to strengthen sales in countries that already import the Company's products, thereby seeking to expand the geographical diversification of sales, and consequently reduce dependence on the US market. Considering 9M19, these sales generated revenues of R\$ 43.5 million.

Gross income

With an increase in revenues in the first three quarters of the year compared to the same period in 2018, while maintaining firm management of costs and obtaining the results of the measures taken under the Company's restructuring process, gross profit totaled R\$ 256.3 million in 9M19, outperforming the same period last year by 8.5%. As occurred in the January-to-July 2019 YTD, the performance of the nine-month period is also the best gross result in Taurus' history for this period, being generated almost exclusively by the firearms operation.

Gross margin in the first nine months of the year was 35.2%, a performance that – although 2.7 % lower than in 9M18 – is in line with management's expectation that profitability will stabilize at around 35%. The reduced margin is explained by Taurus promotions on the US market due to the typical seasonality of the US summer vacation period, keep abreast of the promotions also made by other prominent brands on the market.

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



Operating expenses

	3Q19	3Q18	Change %	2Q19	Change %	9M19	9M18	Change %
Sales expenses	-30.8	-26.2	17.4%	-28.8	6.7%	-87.5	-74.4	17.6%
General and administrative expenses	-31.5	-37.6	-16.3%	-34.2	-8.0%	-98.2	-98.4	-0.2%
Losses due to the non-recoverability of assets	-	4.2	-	0.6	-	-0.3	3.8	-
Other operating revenues/expenses	-3.0	-1.0	188.7%	30.9	-	28.1	6.1	360.7%
Operating expenses (SG&A)	-65.2	-60.7	7.4%	-31.5	107.0%	-157.9	-162.9	-3.1%
Net Oper. Exp./ Revenue (%)	26.9%	31.5%	-4.7 p.p.	12.5%	+14.4 p.p.	21.7%	26.1%	-4.4 p.p.

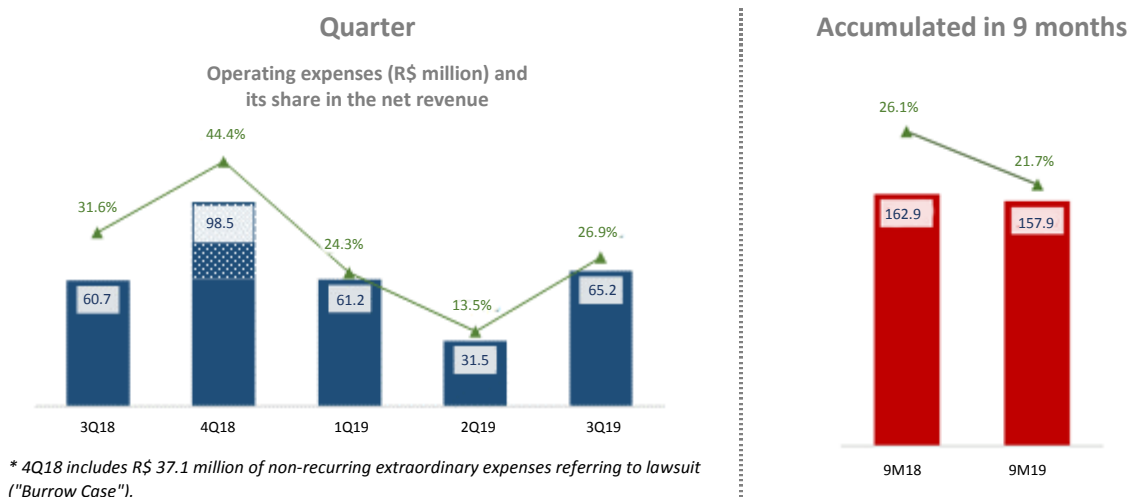
Cost of Sales totaled R\$ 87.5 million in 9M19, an increase of 17.6% compared to the same period last year. Part of this increase is related to the variable expenses that accompany the increase in sales, as well as greater marketing efforts, with actions geared toward reinforcing brand recognition in Brazil and abroad, and other extraordinary expenses recorded in 3Q19.

General and administrative expenses remained practically stable when compared to the YTD from January through September 2019 and 2018, with 0.2% reduction in the period. The performance is explained by the reduction of R\$ 6.1 million (or 16.3%) in this expense group in 3Q19 compared to 3Q18.

The **Other Operating Revenues/(Expenses)** account recorded a positive balance of R\$ 28.1 million in the first nine months of 2019, a nearly five-fold increase over the net revenue of R\$ 6.1 million recorded in 9M18, mainly due to extraordinary revenue in 2Q19 related to the recovery of taxes from previous years, excluding ICMS (Brazilian sales tax) from the calculation base of social contributions (PIS and COFINS).

Thus, total **operating expenses** totaled R\$ 157.9 million in the 9M19, affected by extraordinary operating revenues recorded in the second quarter of the year. Compared to 9M18, the account shows a 3.1% reduction in nominal terms. Considering that in the same period of comparison, the Company had a 16.7% increase in net revenue, the evolution relating to operating expenses – based on the share of these expenses in net revenue – decreased by 4.4%, with operating margin gain (EBIT – earnings before interest and taxes). In the comparison between 3Q19 and 3Q18, the Company recorded an increase of R\$ 4.5 million (or 7.5%) in total operating expenses, given the performance of cost of sales, as mentioned above, and the recording of extraordinary expenses. Nonetheless, given the increase in revenue in the period, there was a greater dilution of operating expenses in relation to net revenue.

Operating expenses (R\$ million) and its share in the net revenue

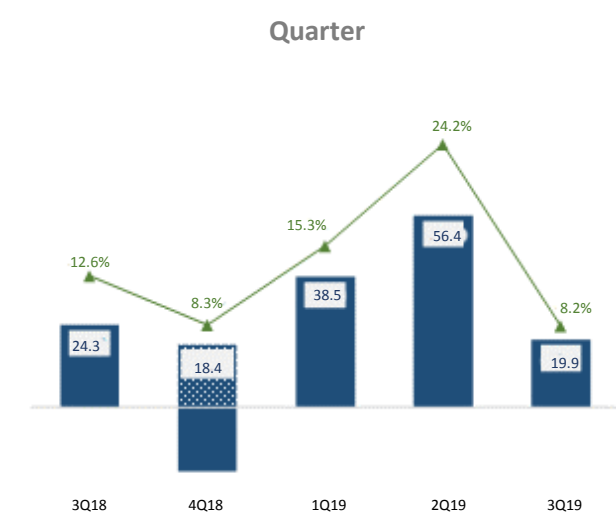


Ebitda

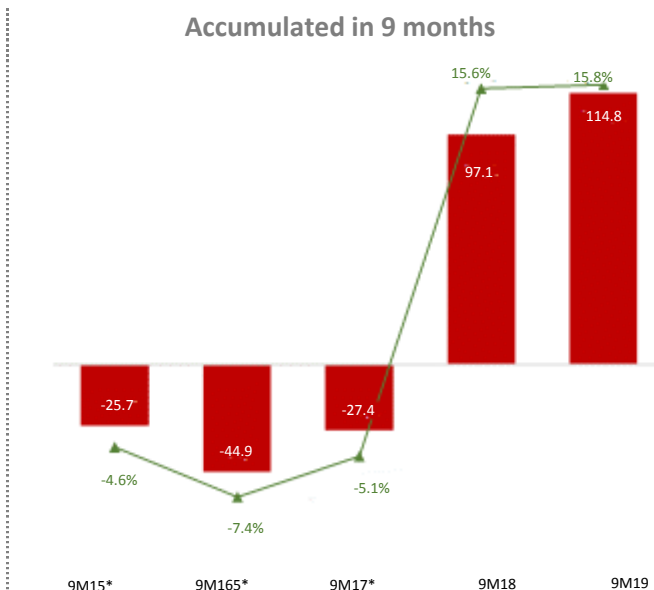
Considering the 9M19, Ebitda (stands for revenue before interest, taxes, depreciation and amortization) totaled R\$ 114.8 million, with margin of 15.8%. Performance was 18.0% higher than in 9M18 in terms of amount and 0.2% in terms of margin; just as in the first half of 2019, this is a new record for Taurus based on the period from January to September. As evidence of the progress in Company performance, in the first nine months of 2019, EBITDA already represents 99.0% of the EBITDA accumulated in all twelve months of 2018 (adjusted EBITDA of R\$ 116.0 million). Sales growth, leading to higher revenues, plus the greater dilution of operating expenses, contributed positively to this upswing in the period.

The quarterly evolution of the indicator, when comparing 3Q19 with the same period in the previous year, shows a reduction in EBITDA and its margin, mainly due to higher expenses related to higher sales volume, such as payment of sales commissions, as well as extraordinary expenses incurred in the quarter such as expenses related to the international certification of the new model of firearm.

EBITDA (R\$ million) and its margin (%)



* Ebitda and Ebitda Margin adjusted in 4Q18 excluding R\$ 37.1 million in extraordinary non-recurring expenses related to legal advisory and claims of court settlement signed in the USA ("Burrow Case").



* Adjusted EBITDA

**Disregarding the result of the motorcycle helmet operation

Taurus' strategic plan, which seeks to improve operating and financial indicators simultaneously, has been showing its positive effects on business performance. The success of this strategy has provided greater operating efficiency and cash-generating capacity. With the exception of the 4Q18, when extraordinary and non-recurring expenses related to a legal settlement signed in the US ("Burrow Case"), the Company posted a positive EBITDA in every quarter as from 1Q18 - reversing the negative performance of this indicator from 2015 to 2017 - and at levels compatible with or even higher than foreign firearms companies that disclose their income (loss) because they are, like Taurus, publicly traded.

Ebitda calculation – reconciliation in accordance with ICVM 527/12

R\$ million	3Q19	3Q18	Change %	2Q19	Change %	9M19	9M18	Change %
Income (loss) before financial income (loss) and taxes (Ebit)	18.6	17.0	9.8%	48.8	-61.9%	98.3	73.2	34.3%
Depreciation and amortization	1.3	7.3	-82.8%	7.5	-83.3%	16.4	23.9	-31.2%
EBITDA	19.9	24.3	-18.0%	56.4	-64.7%	114.8	97.1	18.2%
EBITDA margin	8.2%	12.6%	-4.4 p.p.	24.2%	-16.0 p.p.	15.8%	15.6%	+ 0.2 p.p.

Ebitda (earnings before interest, taxes, depreciation and amortization) is not a financial measurement according to BR GAAP, International Accounting Standard and IFRS and should not be considered on its own as an operating performance measurement or alternative to operating cash flow as liquidity measurement. This indicator is a managerial measurement, presented to offer additional information on operating cash generation. Other companies may calculate Ebitda differently.

Financial income (loss)

As well as in the operational sphere, measures taken with the objective of enabling the recovery of healthy results and the improvement in financial indicators are showing their positive results. Considering the first nine months of 2019, the 49.6% decrease in financial expenses offset the also lower financial revenues recorded in the period, resulting in a decrease of R\$ 106.1 million in net expenses (57.7%) compared to 9M18. This evolution of the financial result is related to the agreement signed in July 2018 with the union of lending banks, which reduced the cost of debt by nearly 60% (57.7%).

Considering the quarterly evolution, it is worth mentioning the decrease in financial revenues from R\$ 20.0 million in 3Q18 to R\$ 0.2 million in 3Q19, which can be explained by the payment of the first installment of the debt principal of the bank

union in 2Q19 and the consequent reduction in the amounts available for financial investment, in addition to the effect of changes in the foreign exchange rate.

R\$ million	3Q19	3Q18	Change %	2Q19	Change %	9M19	9M18	Change %
Financial revenues	0.2	20.0	-98.9%	29.9	-99.3%	34.4	38.6	-11.0%
Financial expenses	-64.5	-59.1	9.0%	-31.4	105.1%	-112.1	-222.5	-49.6%
Net financial income (loss)	-64.2	-39.2	64.0%	-1.5	4199.9%	-77.8	-183.9	-57.7%

Net income

As a result of higher revenues, lower operating expenses and financial expenses, Taurus recorded net income of R\$ 21.3 million in the period from January to September 2019, reversing the negative result of R\$ 44.6 million in 9M18. Also contributing to the net income obtained in 9M19, the positive result of R\$ 1.0 million generated by the motorcycle helmet operation that is for sale and, therefore, is classified as “discontinued operation.”

The result for 3Q19 reduced the Company’s 2019 YTD net income by R\$ 26.4 million. This negative result for the quarter is explained by the following factors: (i) increase in net financial expenses due to the 8.2% rise of the US Dollar against the Brazilian Real in the quarter, since the largest portion of Company debt is pegged to the US Dollar; (ii) lower profitability of the US operation due to local market conditions and sales promotions; and (iii) increase in operating expenses, with the recording of extraordinary expenses.

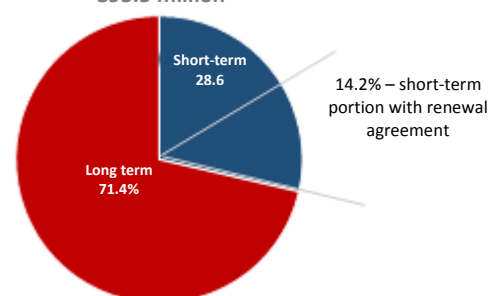
INDEBTEDNESS

The Company recorded gross debt of R\$ 895.5 million on September 30, 2019, which, considering the cash position and interest earning bank deposits, represented net debt of R\$ 868.1 million. Compared to the net debt position at the 2018 financial closing, there was a reduction of R\$ 11.2 million in the period.

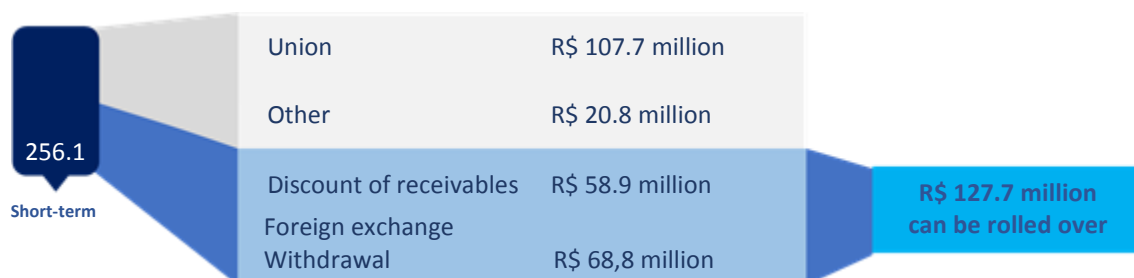
Since the completion of bank debt renegotiations in July 2018, the Company’s debt profile has been revised, with a longer maturity and lower cost. By the end of September, 71.4% of total gross debt (or R\$ 639.4 million) had long-term maturity.

Moreover, out of the R\$ 256.1 million recorded in the short term at the end of September 2019, R\$ 127.7 million (or 49.8% of this portion of debt) are represented by discounts on receivables and foreign currency withdrawals, which can be rolled over. Even recorded in the short term, the agreement signed with creditor bank provides for automatic renewal at every maturity, with the possibility of them being settled by 10/17/2022. Accordingly, the portion of debt that effectively matures in the short term represents 14.4% of total gross debt on September 31, 2019.

Gross debt at 09/30/2019 - R\$ 895.5 million



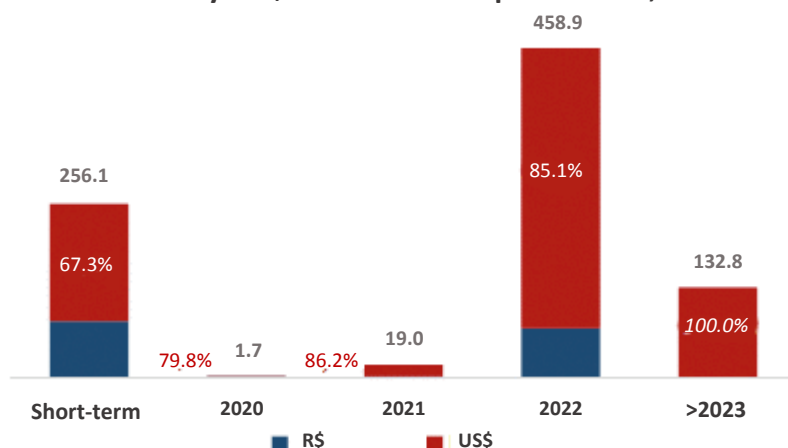
Gross Debt – Short Term



The value of the US Dollar against the Brazilian Real, which appreciated by 7.9% in the YTD through September, has a significant influence on the amount of Taurus's debt balance, since 82.2% of total debt was recorded in foreign currency as of September 31, 2017. At the same time, the Company has a natural hedge for this debt, given that most of its revenue – 83.0% in 9M19 – also comes from sales abroad and, therefore, made in US dollars.

R\$ million	09/30/2019	06/30/2019	Change %	12/31/2018	Change %
Loans and financing	115.2	130.1	-11.5%	103.7	11.1%
Debentures	13.3	13.2	0.2%	9.5	40.3%
Advance from receivables	58.9	38.2	54.0%	48.5	21.5%
Foreign exchange withdrawals	68.8	50.2	37.1%	43.8	57.1%
Financial instruments	0.0	0.0	-	0.0	-
Short-term	256.1	231.8	10.5%	205.4	24.7%
Loans and financing	577.7	545.3	5.9%	627.9	-8.0%
Debentures	61.8	61.9	-0.2%	75.6	-18.4%
Long term	639.4	607.2	5.3%	703.6	-9.1%
Gross indebtedness	895.5	839.0	6.7%	908.9	-1.5%
Cash and investments	27.4	17.4	57.2%	29.6	-7.6%
Net indebtedness	868.1	821.6	5.7%	879.3	-1.3%

Schedule of debt expiration Per Currency – R\$ million as at September 30, 2019



PERFORMANCE OF SHARES

Starting on November 12, 2019, the Company's trading name on B3 – Brasil, Bolsa, Balcão (the São Paulo stock exchange) became "Taurus Armas", in line with its current corporate name, which was adopted following approval at the Extraordinary Shareholders' Meeting held on June 29, 2018. Accordingly, securities issued by Taurus Armas S.A. are now traded under the new ticker code: TASA.

	TASA3	TASA4	IBOV	Market value
09/30/2019	R\$ 3.34	R\$ 3.36	105,077	R\$ 296.3 million

The document may contain statements that form future perspectives of the Company's business. The projections, results and their impacts depend on estimates, information or methods that may be inaccurate and may not be realized. These estimates are also subject to risks, uncertainties and assumptions, including, but not limited to: general economic, political and commercial conditions in Brazil and in the foreign markets where the Company operates and current and future government regulations. Shareholders and possible investors are herein warned that none of these forecasts and/or expectations is guarantee of future performance, since they involve risks and uncertainties. Future results and the perspective of creation of value for shareholders may significantly differ from those expressed or suggested by statements on the future. Many of the factors that will determine these results and values are beyond Taurus's control or foresight capacity. The Company does not assume, and specifically denies any obligation to update any forecasts, which makes sense only on the date in which they had been made.

ATTACHMENTS

Statement of income

	3Q19	3Q18	Change %	9M19	9M18	Change %
Revenue from sales of goods and/or services	242.3	192.3	26.0%	727.4	623.5	16.7%
Cost of goods and/or services sold	-158.4	-114.6	38.2%	-471.1	-387.4	21.6%
Gross income	83.9	77.7	8.0%	256.3	236.1	8.5%
Operating expenses/revenue	-65.2	-60.7	7.5%	-157.9	-162.9	-3.0%
Losses due to the non-recoverability of assets	0.0	4.2	-	-0.3	3.8	-25.0%
Sales expenses	-30.8	-26.2	17.2%	-87.5	-74.4	17.6%
General and administrative expenses	-31.5	-37.6	-16.3%	-98.2	-98.4	-0.2%
Other operating revenue	2.1	2.5	704.1%	42.3	18.6	151.3%
Other operating expenses	-5.1	-3.6	672.7%	-14.2	-12.4	14.0%
Equity income (loss)	0.0	0.0	-	0.0	0.0	-
Income (loss) before financial income (loss) and taxes	18.6	17.0	79.4%	98.3	73.2	41.6%
Financial income (loss)	-64.2	-39.2	64.0%	-77.8	-183.9	-57.7%
Financial revenues	0.2	20.0	-98.9%	34.4	38.6	-11.0%
Financial expenses	-64.5	-59.1	9.0%	-112.1	-222.5	-49.6%
Income (loss) before income tax	-45.6	-22.2	-	20.6	-110.7	-
Income tax and social contribution	18.4	64.0	-	-0.2	62.5	1140.0%
Current	16.0	-4.6	2100.0%	-4.3	-6.9	782.6%
Deferred	2.4	68.6	228.6%	4.1	69.4	112.5%
Net income (loss) of continued operations	-27.2	41.8	-	20.3	-48.2	-
Net income (loss) from discontinued operations	0.8	6.2	-	1.0	3.6	-
Consolidated income/loss for the period	-26.4	48.0	-	21.3	-44.6	-
Attributed to the Parent company's partners	-26.4	48.0	-	21.3	-44.6	-
<i>Earnings per share - (Reals / Shares)</i>						
<i>Basic earnings per share</i>						
Common shares	-0.30928	-1.4312	-78.4%	0.5930	-1.4312	-
Preferred shares	-0.30928	-1.4312	-78.4%	0.5930	-1.4312	-
<i>Diluted earnings per share</i>						
Common shares	-0.30928	-1.4312	-78.4%	0.5930	-1.4312	-
Preferred shares	-0.30928	-1.4312	-78.4%	0.593	-1.4312	-

Assets

R\$ million	09/30/2019	12/31/2018	Change %
Total assets	1,084.8	921.2	17.8%
Current assets	763.4	616.2	23.9%
Cash and cash equivalents	26.4	26.8	-1.3%
Cash and banks	23.6	23.6	0.1%
Marketable securities	2.8	3.2	-11.5%
Interest earning bank deposits	0.9	1.8	-50.9%
Accounts receivable	167.2	140.4	19.0%
Inventories	351.5	277.0	26.9%
Recoverable taxes	75.8	29.5	157.2%
Prepaid expenses	7.6	6.3	20.0%
Other current assets	134.1	134.4	-0.3%
Non-current assets held for sale	122.0	122.6	-0.4%
Assets from discontinued operations	0.0	0.0	-
Other	12.1	11.9	1.7%
Non-current assets	321.4	304.9	5.4%
Long term assets	91.0	84.5	7.6%
Interest earning bank deposits valued at fair value	0.0	1.1	-100.0%
Deferred taxes	77.1	73.4	5.0%
Other non-current assets	13.9	10.1	38.2%
Recoverable taxes	0.2	0.2	0.0%
Other	13.7	9.8	39.2%
Investments	0.2	0.2	0.0%
Property, plant and equipment	151.0	144.4	4.6%
Fixed assets in operation	136.0	140.1	-2.9%
Constructions in progress	15.0	4.3	249.6%
Intangible assets	79.2	75.8	4.5%

Liabilities

<i>R\$ million</i>	09/30/2019	12/31/2018	Change %
Total liabilities	1084.8	921.2	17.8%
Current liabilities	679.2	535.6	26.8%
Social and labor obligations	41.9	31.9	31.2%
Social charges	12.4	14.7	-15.7%
Labor obligations	29.5	17.3	71.2%
Suppliers	127.1	94.7	34.2%
Domestic suppliers	73.0	55.9	30.5%
Foreign suppliers	54.2	38.8	39.6%
Tax liabilities	57.1	41.9	36.2%
Federal tax liabilities	54.5	37.7	44.5%
Income tax and social contribution payable	18.6	8.1	128.1%
Other Taxes	36.0	29.6	21.6%
State tax liabilities	2.5	4.2	-41.2%
Municipal tax liabilities	0.1	0.0	
Loans and financing	128.5	113.1	13.6%
In domestic currency	11.6	8.3	40.3%
In foreign currency	103.6	95.4	8.6%
Debentures	13.3	9.5	40.3%
Other liabilities	237.8	175.8	35.3%
Dividends and interest on own capital	0.0	0.0	0.0%
Foreign exchange withdrawals	68.8	43.8	57.1%
Advance from receivables	58.9	48.5	21.5%
Advances from clients	61.6	28.8	114.1%
Liabilities in non-current assets held for sale	29.9	33.3	-10.2%
Other liabilities	18.7	21.5	-13.0%
Provisions	86.8	78.2	11.0%
Tax, social security, labor and civil provisions	66.5	60.3	10.4%
Tax provisions	27.7	27.7	0.0%
Social security and labor provisions	9.7	5.2	84.5%
Civil provisions	29.2	27.3	6.7%
Other provisions	20.3	17.9	13.1%
Provision for guarantees	20.3	17.9	13.1%
Non-current liabilities	725.8	792.5	-8.4%
Loans and financing	639.4	703.6	-9.1%
In domestic currency	13.6	18.1	-25.0%
In foreign currency	564.1	609.8	-7.5%
Debentures	61.8	75.6	-18.4%
Other liabilities	0.2	1.0	-76.3%
Taxes payable	0.2	0.6	-60.5%
Suppliers	0.0	0.4	-100.0%
Deferred income tax and social contribution	21.1	20.8	1.4%
Provisions	65.0	67.1	-3.1%
Social security and labor provisions	44.1	49.8	-11.4%
Civil provisions	14.9	11.7	27.1%
Other provisions	6.0	5.6	7.5%
Consolidated shareholders' equity	-320.2	-407.0	21.3%
Realized capital	520.3	465.2	11.8%
Capital reserves	-31.1	-31.2	-0.2%
Disposal of subscription bonus	9.9	0.0	
Options granted	0.0	0.0	
Capital transactions	-41.0	-31.2	31.5%
Retained Earnings/Losses	-990.8	-1012.9	-2.2%
Equity valuation adjustments	46.2	47.0	-1.7%
Accumulated translation adjustments	135.3	124.9	8.3%