3Q20 Earnings

TAURUS

COMPROMISSO COM A EXCELÊNCIA

Taurus Consolidates New Performance Threshold

With net income of R$102.2 million in 3Q20, we recorded gross margin higher than 46% and Ebitda of R$152.3 million for the period

***São Leopoldo, November 12, 2020** – 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 firearm manufacturers, operating with the brands Taurus, Rossi and Heritage, hereby reports its results earnings for the **Third Quarter of 2020 (3Q20) and year-to-date for the first nine-months of 2020 (9M20)**. Financial and operating information below, except otherwise indicated, is expressed in Brazilian reais (R$), follow international financial reporting standards (IFRSs) and Brazilian accounting principles. Comparisons refer to the same periods of 2019.*

Economic and Financial Highlights 3Q20/9M20

Taurus **consolidates a new performance threshold**, exceeding records every quarter. In 3Q20, we posted eight all-time records for Taurus, with the highest figures for a quarter in terms of production, sales volume, net revenue, gross profit, Ebitda, Ebitda margin, and **profit for the period**.

Record production: 488,000 firearms in 3Q20, totaling 1,103,000 units in 9M20, with the Georgia plant in the USA accelerating its ramp-up and already exceeding the volumes manufactured at the old plant in the USA compared to the same periods in 2019, and the plant in Brazil operating at full capacity.

Record sales volume: with the increased interest for Taurus products and a primarily seller's market in Brazil and the USA, the firearms sales volume in 9M20 totaled 1,290,000 units, up 28.4% compared to 9M19.

Record net operating revenue: R$490.8 million in 3Q20, more than double 3Q19 (+102.6%) and R$1,212.9 million in 9M20, exceeding net operating revenue for the entire year of 2019 by 21.3% and 9M19 by 66.8%.

Record gross profit: compared to the same periods in 2019, gross profit increased 172.3% in 3Q20 and 99.5% in 9M20. In the quarter, it totaled R$228.4 million with a 46.5% gross margin. In 9M20, gross profit was R$511.1 million and the gross margin was 42.1%. Performance in 9M20 exceeded the performance for the entire year of 2019 by 50.1%.

Record Ebitda: with a margin of 31.0%, the R$152.3 million Ebitda in 3Q20 exceeds Ebitda for the twelve months of 2019 by 19.0%. In 9M20, Ebitda totaled R$305.5 million, with a margin of 25.2%, up 166.3% and 9.4 percentage points compared to the performance in 9M19, respectively.

Finance costs, net: R$41.8 million in 3Q20, a quarter-on-quarter decrease of R$22.5 million (35.0%). However, foreign exchange losses, resulting from the impact of the Brazilian real depreciation on the US dollar-denominated debt, continue to pressure finance income and costs.

Record profit of R$102.2 million: for 3Q20, as a result of our current operating results pattern and offsetting almost entirely loss for the first half of 2020 caused by foreign exchange pressures on our debt, despite the persisting depreciation of the Brazilian real against the US dollar.

Reduction of financial leverage: with a significant drop in the **net debt-to-Ebitda ratio** under the Company's current management: from negative Ebitda in 2014-2017 to 11.2 times in 2018; 6.8 times in 2019; and 3.1 times at the end of September 2020.

Key Indicators

R$ million	3Q20	3Q19	% change	9M20	9M19	% change
Net operating revenue	490.8	242.3	102.6%	1,212.9	727.4	66.7%
Domestic market	121.4	48.3	151.3%	241.3	123.2	95.9%
Foreign market	369.4	194.0	90.4%	971.6	604.1	60.8%
Cost of Sales	-262.4	-158.4	65.7%	-701.8	-471.1	49.0%
Gross profit	228.4	83.9	172.2%	511.1	256.3	99.4%
Gross margin (%)	*46.5%*	*34.6%*	*11.9 p.p.*	*42.1%*	*35.2%*	*6.9 p.p*
Operating expenses - SG&A	-82.5	-65.2	26.5%	-224.4	-157.9	42.1%
Operating result (EBIT)	145.9	18.6	684.4%	286.7	98.3	191.7%
EBIT margin (%)	*29.7%*	*7.7%*	*22.0 p.p.*	*23.6%*	*13.5%*	*10.1 p.p*
Finance income (costs), net	-41.8	-64.2	-34.9%	-286.1	-77.8	267.7%
Income tax and social contribution	-4.6	18.4	-125.0%	-20.0	-0.2	9900.0%
Profit (loss) for the period (continuing operation	**99.4**	**-27.2**	**-**	**-19.3**	**20.3**	**-**
Profit (loss) from discontinued operations	2.9	0.8	262.5%	3.5	1.0	250.0%
Profit (loss) for the period	**102.2**	**-26.4**	**-**	**-15.9**	**21.3**	**-**
EBITDA	152.3	19.9	665.3%	305.5	114.7	166.3%
Ebitda margin	*31.0%*	*8.2%*	*22.8 p.p.*	*25.2%*	*15.8%*	*9.4 p.p.*
Adjusted Ebitda*	155.3	19.9	680.4%	309.6	114.7	169.9%
*Adjusted Ebitda margin**	*31.6%*	*8.2%*	*23.4 p.p*	*25.5%*	*15.8%*	*9.7 p.p.*
Net debt (at the end of the period)	938.7	821.6	14.3%	938.7	821.6	14.3%

** Excludes nonrecurring expenses associated to the COVID-19 pandemic (R$3 million in 3Q20 and R$4,1 million in 9M20)*

Note. - Ebitda or EBITDA is not an indicator used in accounting practices. Its calculation is presented in the Section "EBITDA" of this report.

Message from Management

We have definitely consolidated a new threshold of operational performance at Taurus. This is unquestionable! Currently, the success of the restructuring carried out since 2018 is a fact, confirmed by consistent, solid results of operations, coupled a growth of absolute amounts and profitability margins. And we reached the appropriate structure in terms of operating processes at the right time, so when the steep increase in demand for firearms in 2020 arrived, we were fully prepared to meet larger volumes and reach new consumers.

In recent quarters, we have recorded successive records in operating indicators. In 3Q20, we posted eight unprecedented figures for Taurus in a quarter: higher production volume, sales volume, net revenue, gross profit, Ebitda, Ebitda margin, and profit for the period. We manufactured more than 1 million firearms January-September, a volume that represents 92 percent of 2019's total production. In 3Q20, we manufactured 6,900 firearms per day on average, with our two highly busy plants: in Brazil, operating at full capacity; and in the USA, a plant opened approximately one year ago and, therefore, still in ramp-up, already exceeding the volumes produced in 3Q19 and 9M19 by the old plant.

92 INFO Wooden Handle
Special edition

We supply sturdy, quality products, at competitive prices, that provide what the consumers want. We also have a delivery operation, based on an efficient production and sales logistics process. As a result, at each quarter our sales exceed the record volume of the previous quarter, reaching 487,000 units on 3Q20. The market in Brazil is a seller's market, with 9M20 sales 132.7% over sales in 9M19; and in the US, the largest market for our firearms, we sold more than 1 million units in 9M20. The indicators point to the continuation of this seller's market. According to a *report from the market research firm Southwick Associates, more than 24 million Americans believe they will probably buy their first firearm in the next five years. We have strong backorders of around 1,026,000 firearms for the US market and 128,000 guns for the Brazilian market and we are confident that the novelties we are preparing for our portfolio will continue to surprise consumers.*

In 9M20, we posted net revenue of R$1,212.9 million, gross profit of R$511.1 million, and Ebitda of R$305.5 million, performance figures that exceed the figures for the entire 2019 by 50.1%, 121.3% and 138.6%, respectively. Our gross margin was 46.5% in 3Q20 and 42.1% in January-September 2020. Our EBITDA margin reached 31.0% in the quarter and 25.2% in 9M20. And we posted profit of R$102.2 million for 3Q20, which almost entirely offsets our accumulated losses for the year. As a result of these meaningful results, we are entirely certain that the operation alignment stage is completed and that its outcome is long-lasting. But we will not settle for that. We are now focusing n and preparing the future and the new achievements for Taurus. We will continue to grow while ensuring our operations' profitability, innovation, and product quality, always seeking opportunities that keep sustaining this growth, either organically or through acquisitions that would add value to our Company and, therefore, to our shareholders.

We entered into two important joint ventures that will expand Taurus's markets and, in both cases, without involving disbursement of Company capital. The plant in India, as part of the joint venture created between Taurus and the steel group Jindal, is being completed and should begin operations in the first half of 2021. Regarded today as the second largest firearms market in the world, India is extremely important for Taurus's international expansion plans. The potential in the defense sector is enormous: with a population of more than 1.3 billion people, the public security sector, including police and armed forces, totals approximately 3.7 million, in addition to roughly 7 million private security guards. The new plant implements the government's action plan to strengthen the strategic partnership between Brazil and India, especially in the defense and security area, under the bilateral cooperation agreements signed in January, and also reinforces Taurus's prominent position in the global firearms market, especially in the Asian region.

In Brazil, we entered into a final agreement for the creation of the joint venture with Joalmi steel for the manufacture and sale of clips and other light firearm stamped components. The products will meet Taurus's domestic demand, which today is around 5 million clips/year, with greater efficiency, agility and at lower costs. It will also allow us to access a new and promising market segment for the Company, which is the worldwide clip aftermarket, currently concentrated in a few foreign suppliers. Production is expected to start later this year, at Joalmi's plant in São Paulo, and to be transferred to the Taurus manufacturing center in São Leopoldo, RS in 2021.

Other novelties will come. We are still dedicated to expanding Taurus's potential. The strategy involves continuing to add value to the products and, as a result, to the Company as well. The sound operating performance, with growing cash generation, has allowed us to continue discharging our financial obligations, while preserving a comfortable cash flow. Data shows that the indebtedness issue is on the way to being definitively solved. Based on payments that fit better the Company's new and consistent cash flow, at the end of September we reached a level of financial leverage that was difficult to picture as feasible for Taurus just two years ago: a net debt-to-Ebitda ratio, using the 9M20 Ebitda, of ***3.1 times****. We also have the helmet factory and the land of the old plant in Porto Alegre for sale, in addition to approximately R$200 million in funds from the outstanding subscription warrants receivable. When received, these proceeds will be prioritized to reduce our debt. By simulating a situation in which these funds were already available at the end of 3Q20, thus lowering our total debt as at this date, our financial leverage at the end of September, measured by the net debt-to-Ebitda ratio,* ***would be 2.1 times****.*

The basic pillars supporting our strategy—sustainable profitability, product quality, and improved operating and financial indicators—are like a mantra at Taurus. We are continually pursuing these three key issues, which are achieved by investing in the people and new product development, and technologies, and sound production, quality and logistics processes. These processes ensure production stability, product integrity, high productivity, and low costs, perceived by our customers as fast deliveries, quality products, and competitive prices.

The success of the strategy adopted, which led us to a new performance level, would not be possible without the commitment and dedication of our employees. Even with all the limitations imposed by the pandemic, including movement restrictions, greater distancing between people, and other precautions, we posted record production levels. We strive to ensure maximum protection for our team, adopting the most rigorous prevention and hygiene measures in our facilities and offering our employees the necessary guidance and support so they can work safely. We counted on our employees during this period of strong Company growth in the middle of a pandemic and they responded accordingly. We wish to thank the entire Taurus team.

Elections in the United States: we could not publish this report without commenting on the results of the American elections. As everyone knows, the largest market for our firearms is in the US and political factors can influence people's responses, with consequences for the consumer market, including legislative issues. I think it is important to point out that Taurus management is very attentive to the changes arising from the elections and we believe that, as it happened when the then candidate Barack Obama to the White House was elected in 2008 and 2012, when there was a considerable increase in the demand for firearms compared to the years before the election, that effect should also happen now in 2021, because historically, in the years after the election of a Democrat candidate to the US presidency, there has been an increase in the demand for firearms.

Another important point that we must highlight is that the Second Amendment of the US Constitution guarantees US citizens the right to bear arms to protect themselves. Consequently, possible gun control restrictions would only be passed by majority vote in the House and Senate and if the President vetoes the bill, Congress can overrule the veto by taking a new vote and obtaining a two-third approval both in the House and the Senate. In that case, both Democrats and Republicans would have to reach an agreement, which would virtually preclude a stronger tendency for gun control in the United States.

Taurus is a Member of the National Shooting Sports Foundation (NSSF) and we have representatives monitoring all changes that may affect our industry and – certainly – we will make public all relevant matters affecting the entity.

We have an interesting and convincing story to tell: sound results and the beginning of a new phase in the Company's strategic planning. To learn more about this time of the life of Taurus, we invite our shareholders and all stakeholders to attend the public presentation we will hold on December 3. This year, due to the restrictions created by the COVID-19 pandemic, the event will be held online, broadcasted live on the Internet, and we will inform everyone how to access our channels. It will be a pleasure to talk and share our enthusiasm with you!

Salesio Nuhs

CEO

COVID-19

As a Strategic Defense Company (EAD), Taurus's activity was qualified as essential and, therefore, our operations were not interrupted because of the COVID-19 pandemic at any time. The Company's production was not affected and has even increased continuously during the first nine months of the year. Assertive measures were taken very quickly still at the beginning of March, which allowed operations to be maintained in a responsible manner, with investments primarily aimed at protecting the health and wellbeing of employees. It would be useless to be an essential activity if we did not keep our employees free from the pandemic.

Starting March 5, 2020 to the end of September, we have taken more than 70 preventive actions at our plant, consisting of social distancing and hygiene measures, the acquisition of 3,500 liters of hand sanitizer, weekly sanitization in all environments by a specialized company, and delivery of washable face masks to all employees. We have also taken several actions in support of society, such as the manufacture and donation of face shields to nine Brazilian states, including hiring new employees to manufacture these face shields, which will total 500,000 units, the donation of 14.3 tons of food to charitable entities, five sets of respirators to be used in ICUs, seven multifunctional monitors, and twenty infusion pumps donated to Hospital Centenário in São Leopoldo, as well as 5,000 rapid tests donated to the City of São Leopoldo.

As a result of these measures, we incurred some nonrecurring expenses related to the donations made and additional expenditures on several items, such as the food program, healthcare, uniforms, PPE, freight, and others. Even though the amounts involved are not material and, therefore, were absorbed without significant impact on operating margins, the Company chose to highlight these amounts in the Ebitda presentation (earnings before interest, taxes, depreciation and amortization). Thus, in this report we show an adjusted Ebitda calculation excluding such nonrecurring expenses and costs, to provide better comparability with previous periods.

Operating Performance

Our current physical structure includes the manufacture, in estimated capacity, of up to 1.8 million firearms per year. We have a full line of firearms and our manufacturing is based on the lean manufacturing process. In the past two years, we have continuously been launching new products in the market, with innovative quality products, at competitive prices. During the first nine months of 2020, we launched 14 new products adding 279 new SKUs to our portfolio. Given the strong renewal of our product line, revenue from products launched in the last two years accounted for 35.3% of our total revenue from firearm sales in the 9M20.

Firearm production in the first nine months of 2020 was 1,103,000 weapons, equivalent to more than 92% of total production in 2019 and 16.1% higher than in 9M19. The US plant is already producing larger volumes than the former plant also in the US at all comparative indicators: quarter-on-quarter increase of 51.2% and 3.5% increase in 9M20 compared to 9M19. Despite this ramp-up, our figures show our assertiveness in the design of the new plant in Bainbridge, Georgia, USA. In Brazil, the plant responsible for 76.0% of the firearms manufactured from January to September 2020 has been operating at full capacity in order to meet the growing demand for our products.

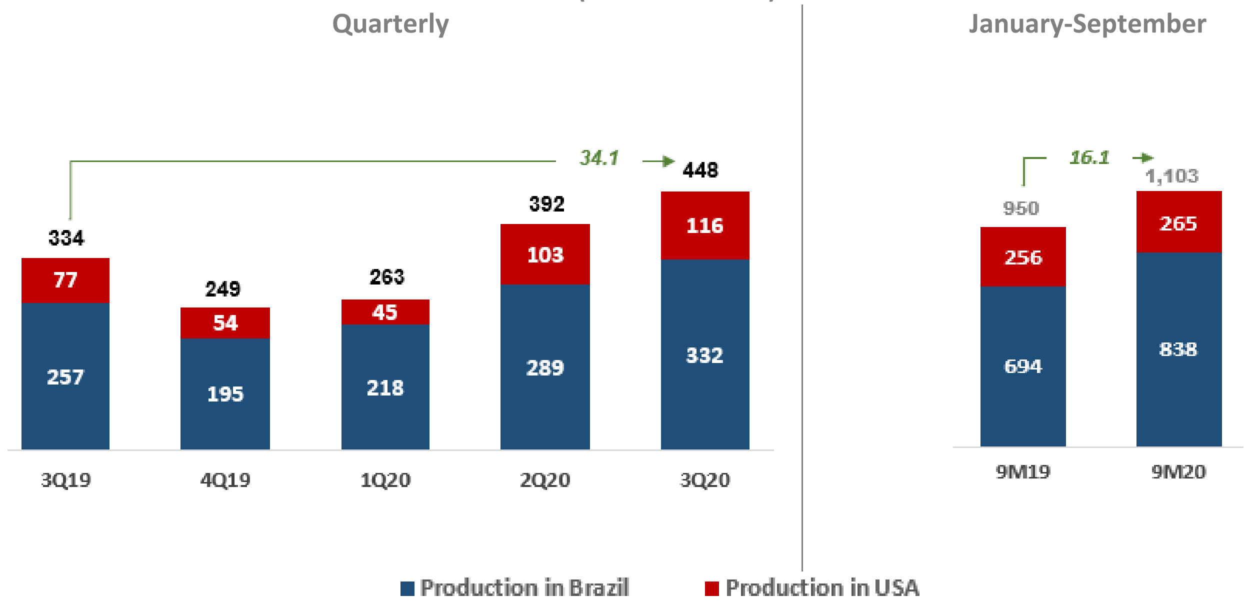
Taurus Production in 3Q20:

448,000+ firearms/quarter

6,900+ firearms/day

12+ firearms/minute

Taurus Production of Firearms – Brazil + USA
(thousand units)



The **US firearms market** continued to show an upturn in 3Q20, thus maintaining the trend observed since the beginning of the year. The market reaction, after a long period of sluggish demand, is explained by the following factors: the US population's concern with personal and family protection due to the COVID-19 pandemic and the protests and riots that took place in several cities, together with the call for a reduction in the budget of police authorities; and the possibility of changing policies regarding the weapon carrying in the country due to the result of the presidential election.

In 3Q20, the US firearm purchase intention index measured by the NICS (National Instant Criminal Background Check System) shows an increase of 74.7% in the number of consultations compared to the same period in 2019. In the 9M20, this index registered 15.5 million consultations in the US for firearm purchase purposes, the highest level already recorded in the first nine months of a given year. According to a report from the US market research firm Southwick Associates, more than 24 million Americans believe they will probably buy their first firearm in the next five years. Approximately 40% of all purchases made during the pandemic were made by new consumers, who had never purchased a firearm before, according to Giffords.

Some recent launchings

RT 608 Wooden Handle
Special edition

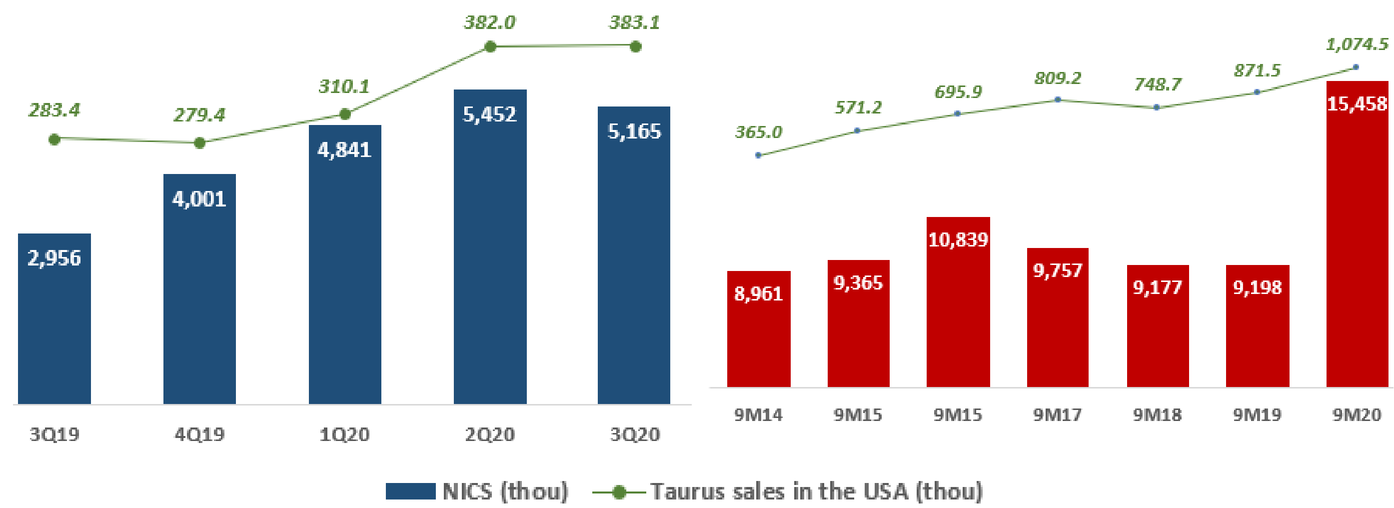
RT 357H 6 ¾"

G2C 9mm

Taurus products sales in the US, which were already increasing even before the strong market response in 2020, followed the upward trend. With manufacturing activities aligned, drawing on an updated line of firearms that meets consumer demands, and with efficient logistics processes, the market found Taurus prepared to quickly respond to demand growth. There was a decrease in product inventories at the Company and distributors, while we were able to quickly meet our customers' demand by accelerating production both in Brazil and in the US.

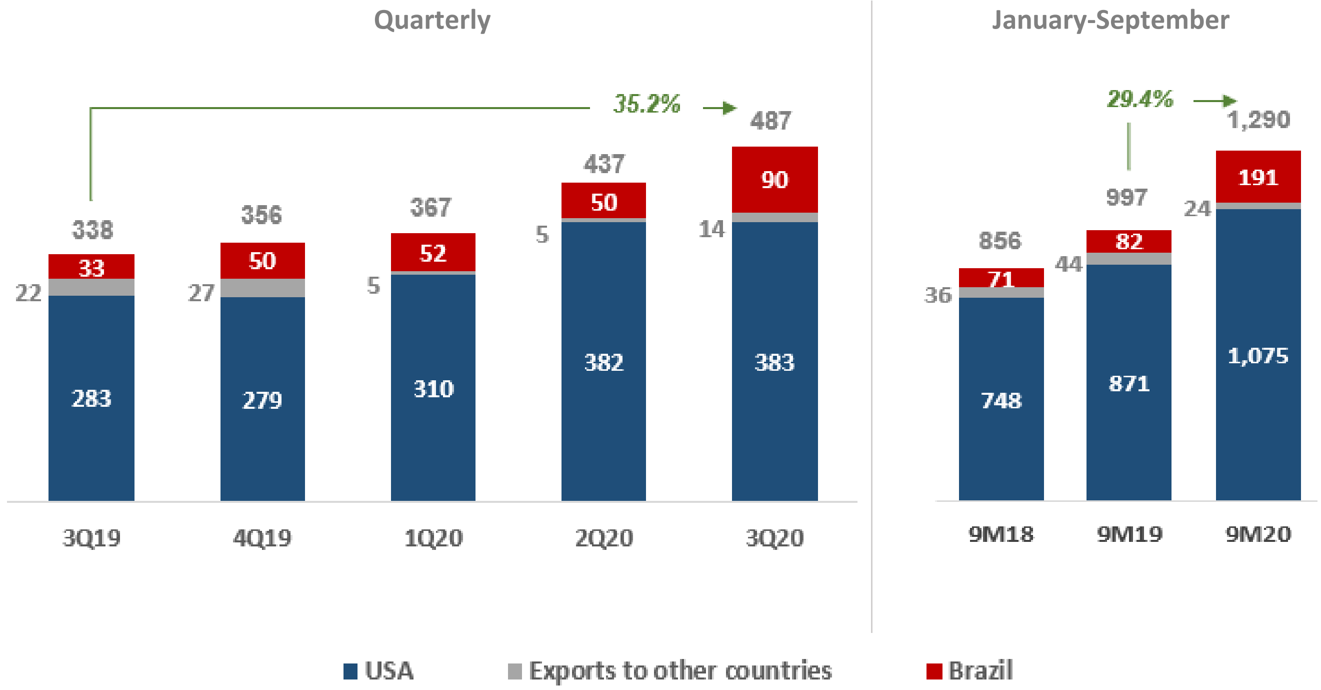
Adjusted NICS (National Instant Background Check System) and Taurus Sales in the US

Quarterly | Historic – January-September



In 9M20, we exceeded our historical sales record of more than 1 million weapons in the US from January to September. We sold 1,074,500 firearms, or 23.3% more than the number sold in the US in the same period of 2019. In 3Q20 sales of Taurus firearms in the US totaled 383,100 units, a level similar to the level recorded in the preceding quarter and up 35.2% compared to 3Q19. As our brand became more consolidated and recognized as the most cost effective, we reached a prominent position in the US light firearms market, as the 4th most purchased brand in the US. We have expanded our sales by reinforcing our market share in the US because in addition to meeting strong demand, our brand is the most desired by people who want to acquire their first gun.

Sales Volume – Total Taurus
(thousand units)



In the **Brazilian market**, our firearm sales have also been increasing steadily and, although the volumes are much lower than the in the US, a country that concentrates the largest gun market in the world, the percentage growth of the units sold domestically are still the highlight, as in the previous quarter. We sold 89,700 units in Brazil in the 3Q20, a 174.3% quarter-on-quarter increase. As a result, accumulated sales in 9M20 totaled 191,500 units, compared to 82,300 units in 9M19, an increase of 132.7% in the period. The sales growth in the domestic market is primarily due to purchases made by individual consumers (hunters, shooters and collectors or CACs), police officers for private use, and magistrates—with the highest demand for calibers with restricted sale by previous Brazilian law, such as 9mm pistols and rifles. With the legal change regarding gun possession in Brazil, the consumer profile has changed, with increased demand for these models that have greater added value, providing greater profitability for the Company.

Despite with the market deregulation in Brazil, we continue to dominate the domestic market because we offer the best prices for equivalent quality products in all firearm segments. No imported brand can compete in terms of quality and price with Taurus.

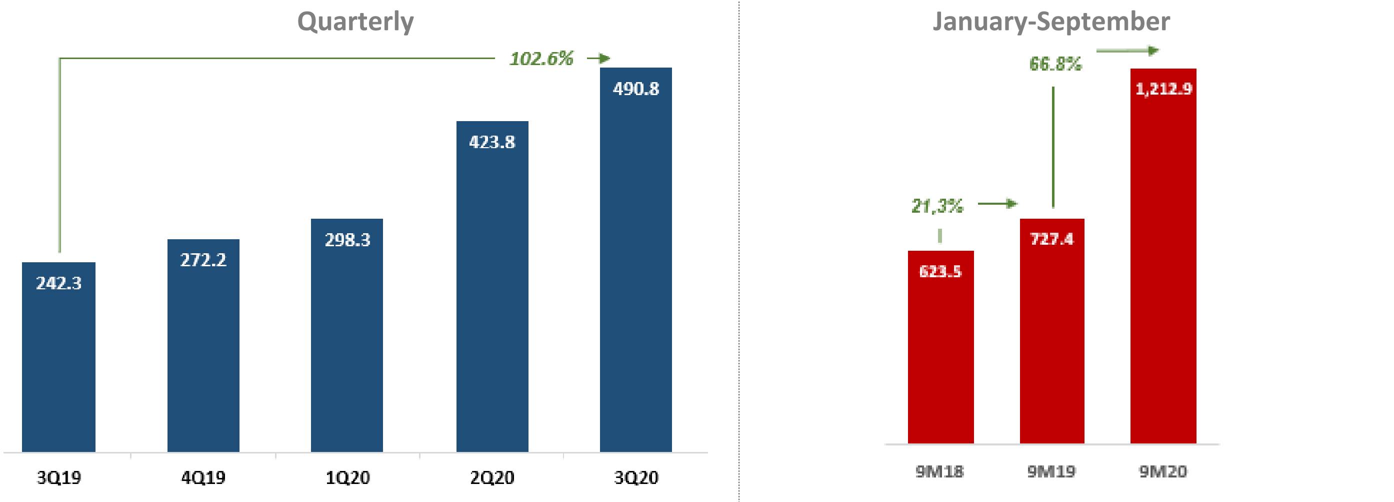
ECONOMIC AND FINANCIAL PERFORMANCE

Net operating revenue

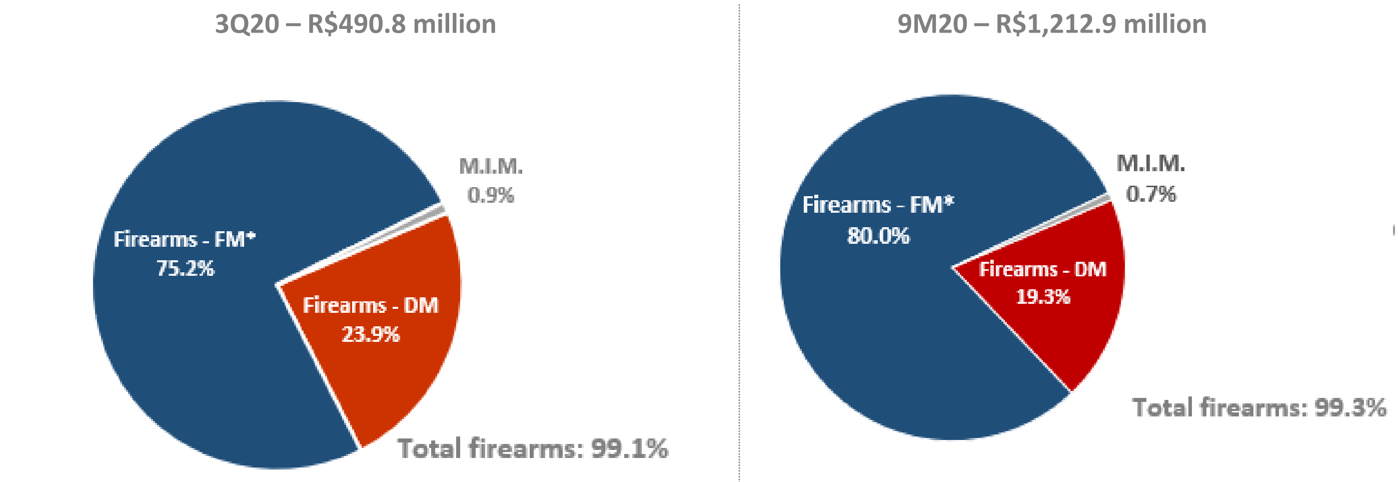
With the maintenance of a steady demand and the good acceptance of Taurus products by consumers, both in the Brazilian and US markets, and also of the new products launched, whose added value impacts directly our revenue, in 3Q20 we posted consolidated net revenue of R$490.8 million, considering sales of weapons and injected metal parts (M.I.M.). For another consecutive time, revenue performance exceeds record revenue posted in the previous quarter. Revenue increase by 15.8% compared to 2Q20 and quarter-on-quarter net revenue, increasing 102.6%.

Consecutive quarterly records allowed net revenue for 9M20 to exceed net revenue for the entire 2019 by 21.3%.

Consolidated Net Operating Revenue
(R$ million)



Per segment

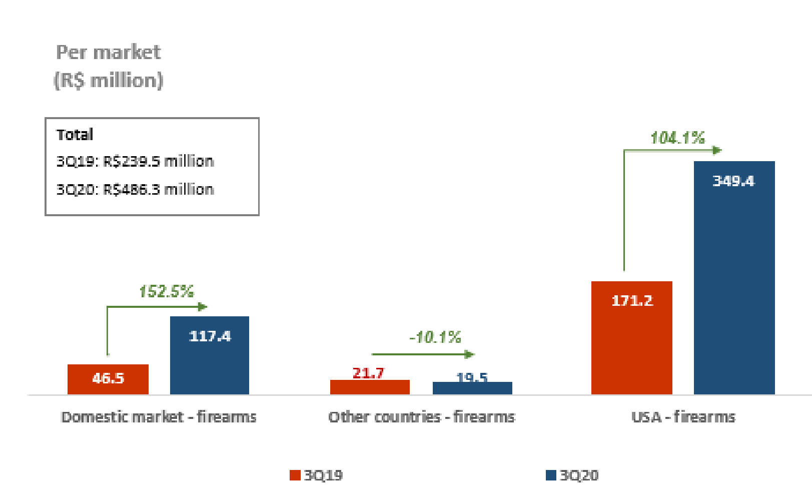


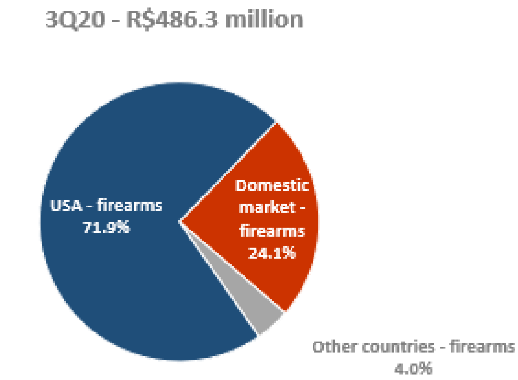
**Firearms – FM includes USA and exports to other countries*

By setting a strong pace to our operations and deliveries, based on sound, effective processes adopted in its pants, our sales kept on growing, which resulted in the revenue development above. In the period January-September 2020, net revenue totaled R$1.212.9 million, already exceeding the previous year by 21.3%.

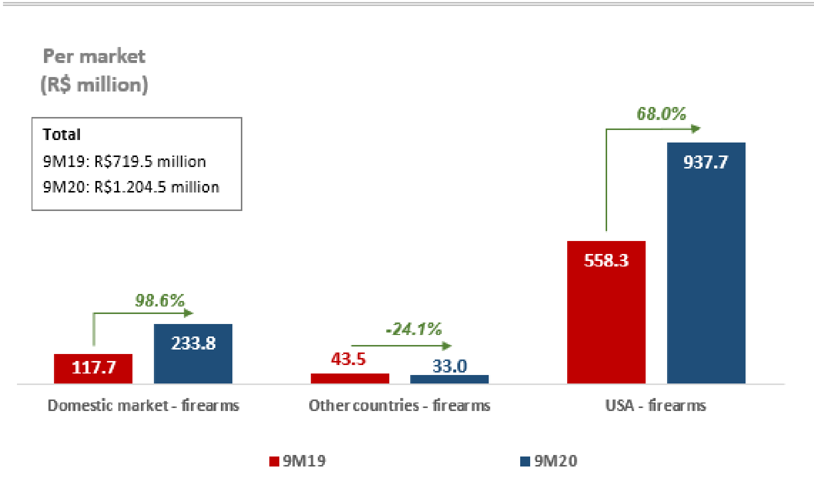
In addition to the mentioned drivers, such as the increase in demand for weapons in the US and Brazil, the brand's market recognition, with our current product line and production and delivery capacity to meet such demand, our revenue also benefits from foreign exchange gains. Both in 3Q20 and 9M20, sales abroad accounted for 80% of our consolidated net revenue. Because of the depreciation of the Brazilian real against the US dollar in 2020—35.6% in the quarterly comparison and 30.7% in the semiannual comparison, considering the average dollar rate for the periods, revenue from sales abroad include the foreign exchange gains, when accounted for in local currency.

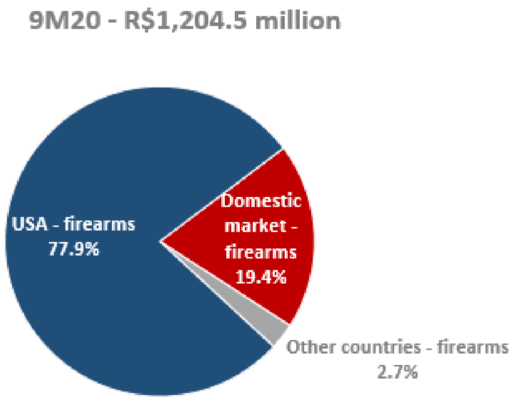
FIREARMS - Net Operating Revenue
Quarterly





January-September





Revenues from the firearms segment alone, of R$486.3 million in the 3Q20 and R$1,204.5 million in the first nine months of the year, increased 103.1% and 67.4%, respectively, compared to the same periods in 2019. The performance reflects primarily the increase in revenue in the North American market since sales in the USA accounted for 81.9% of Taurus's revenue from firearm sales in 9M20 and 71.8% in 3Q20.

As we can see, the share of the USA in total revenue from firearm sales dropped some points, despite the accounting gain in the translation of this revenue into Brazilian reais and the increase in sales in this country. This is due to the significant increase of revenue from the firearm sales in the domestic market, which has reached R$117.4 million in 3Q20, a quarter-on-quarter increase of 152.2%, thus leading to the increase of domestic market share in revenue from firearm sales. In the same period, revenue from sales in the US also more than doubled, increasing 104.1%.

In January-September 2020, revenue from firearm sales increased 98.6% in the domestic market and 68.0% in the US market when compared with the same period of 2019.

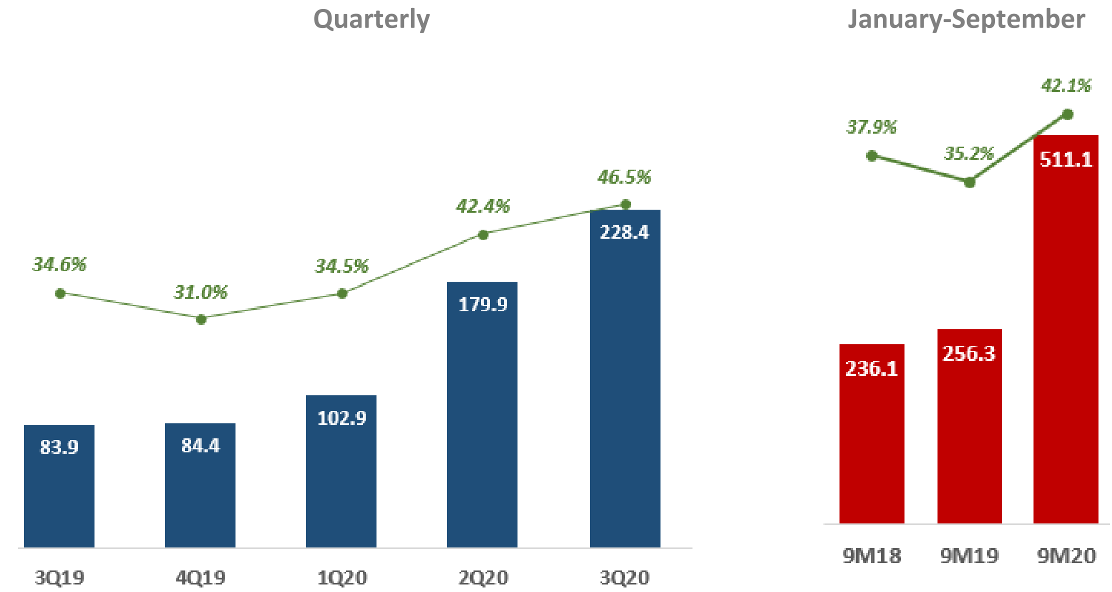
Sales in the US are made exclusively to individual consumers, through distributors in USA, and in Brazil our main costumer has been the CACs (collectors, shooters and hunters). On the other hand, sales to other countries are mostly made to police forces and the military of these customer countries, by participating in international bids held for the purchase of firearms. Because of the difficulties caused by the global COVID-19 pandemic, there was a reduction in these bids during the year, which should be resumed and offset in the coming months. Even though we continue to participate in international bids, we have also prioritized meeting the growing demand in our two main markets: the US and Brazil. Thus, our quarter-on-quarter revenue from the sale of arms to foreign countries other than the USA fell 10.1% and sales in 9M20 fell 24.1% compared to 9M19.

Our wide product portfolio and the renewal of our firearms line have attracted consumer interest in Brazil and abroad, contributing to increased sales and revenue growth. In 9M20, sales of new products launched in the previous two years accounted for 35.3% of our Company's revenue from firearm sales, or R$424.7 million.

Gross profit

The record gross profit is evidence of our management's firm actions regarding production costs and a better adjustment operating processes, and also results from the development of new products with greater added value and that meet the consumer demands. All these drivers are aligned with our strategic planning in progress and allowed for the progress of revenue recorded in 3Q20 to be accompanied by growth with a lower share of cost of sales, with a consequent increase in gross margin. Once again, our performance confirms that revenue growth was not due to sales efforts with pressure on profitability since the trend recorded in recent quarters of increasing gross profit with concurrent higher gross margin was maintained, further evidencing that we are committed to a new standard of operating performance.

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



Gross profit (R$ million) — Gross Margin (%)

Quarter-on-quarter gross profit for 3Q20 was up 172.3%, totaling R$228.4 million, and exceeding gross profit for the previous quarter by 27.0%. Gross margin reached 46.5%, an unprecedented level in our history, exceeding the previous record reached in 2Q20 (42.4%) by 4.1 percentage points, and by 11.9 p.p. the margin recorded in 3Q19 (34.6%).

Our gross performance has shown a continuous positive development in the last quarters, which was intensified from 2Q20 onwards by the high demand in Brazil and in the US, the two largest Taurus firearms' markets, and the constant increase in the production pace at our two plant. As a result, gross profit accumulated in the first nine months of 2020 reached R$511.1 million, with a gross margin of 42.1%. This performance represents 99.4% and 6.9-percentage-point growth compared to the 9M19 performance. All the work done during the past three years in terms of realigning manufacturing processes, supplier management in terms of quality, supply cost and reliability, logistics process reviewing, and management of raw material and finished goods inventories and firm cost control, aligned with the readjustment of the product mix, allowed us to be prepared to meet the consumer requirements at this time of high demand.

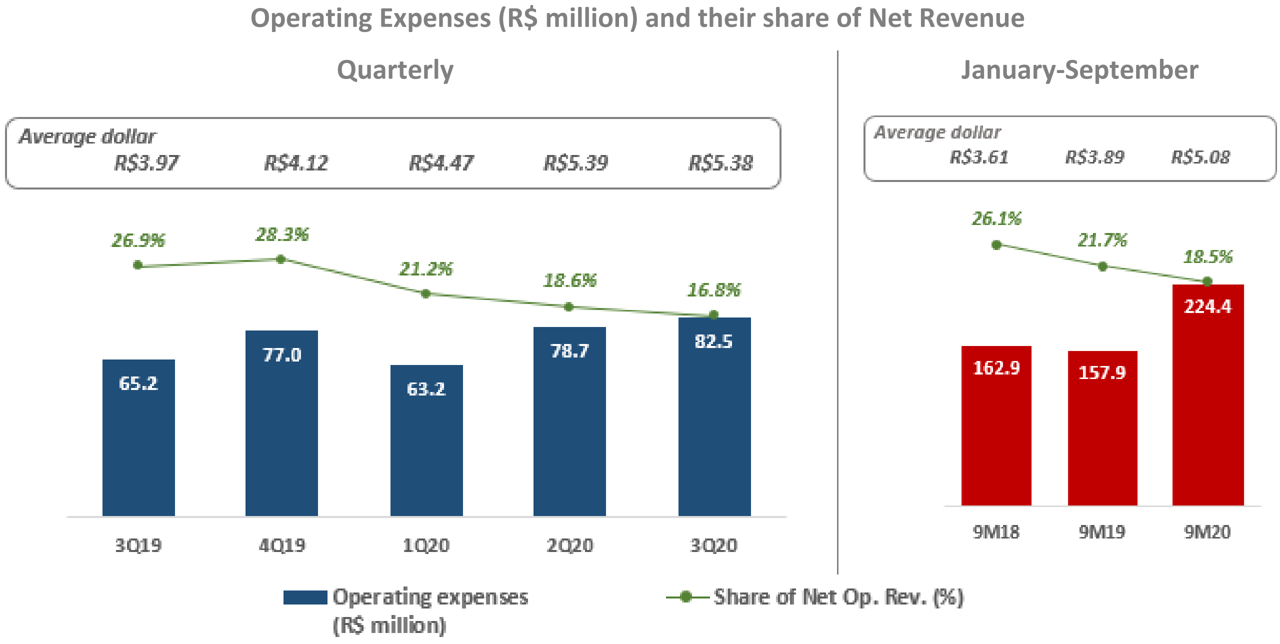
Operating expenses

	3Q20	3Q19	3Q20 v. 3Q19 % change	2Q20	3Q20 v. 2Q20 % change	9M20	9M19	9M20 v. 9M19 % change
Selling expenses	40.2	30.8	*30.5%*	38.6	*4.1%*	108.2	87.5	*23.7%*
General and administrative expenses	44.2	31.5	*40.3%*	40.6	*8.9%*	122.1	98.2	*24.3%*
Asset impairment losses (income)	1.5	0.0	-	0.1	*1400.0%*	-1.6	0.3	-
Other operating income (expenses)	-3.4	3.0	-	-0.6	*466.7%*	-4.3	-28.1	*-84.7%*
Operating expenses (SG&A)	**82.5**	**65.3**	***26.3%***	**78.7**	***4.8%***	**224.4**	**157.9**	***42.1%***
Operating exp./Op. income, net (%)	*16.8%*	*26.9%*	*-10,1 p.p.*	*18.6%*	*-1,8 p.p.*	*18.5%*	*21.7%*	*-3,2 p.p.*
Ptax dollar exchange rate at end of period (R$)	5.38	3.97	*35.6%*	5.39	*-0.2%*	5.08	3.89	*30.7%*

Operational expenses totaled R$82.5 million in 3Q20, a quarter-on-quarter increase of 26.5%. As in the case of change of the cost of sales, the increase in operating expenses was lower than the increase in revenue over the period, of 102.6%, thus providing greater dilution of these expenses.

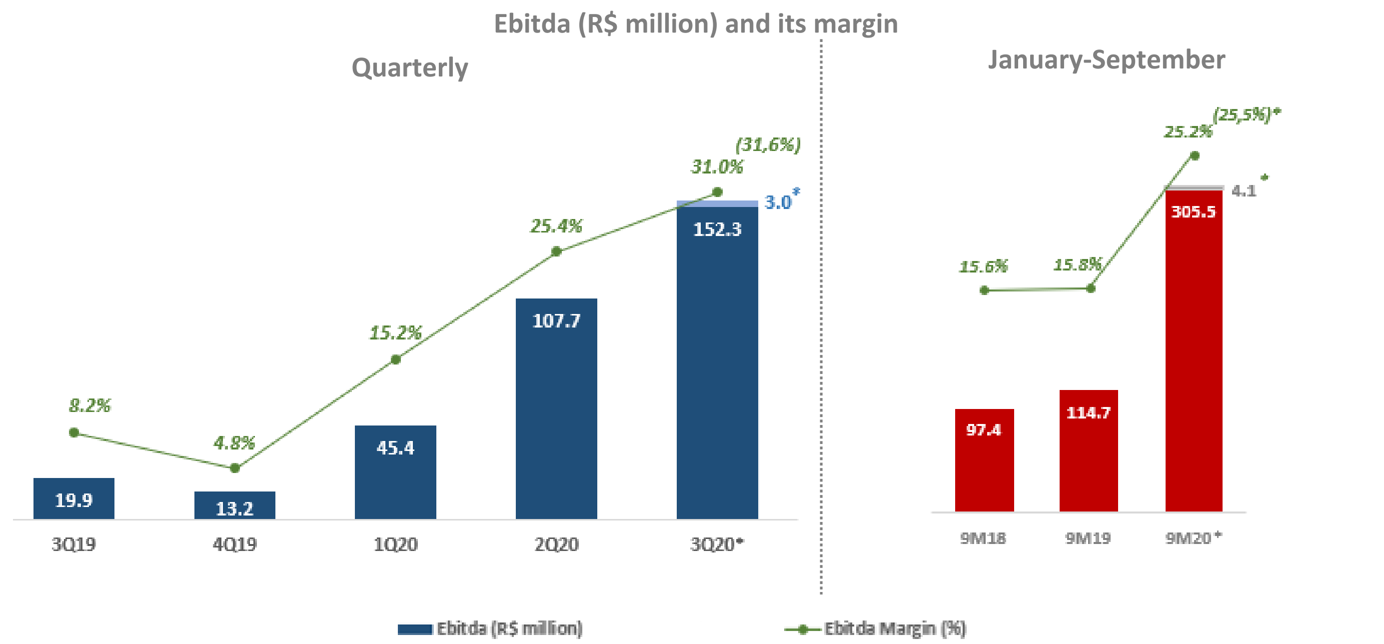
On the other hand, the Company's operating expenses are partially impacted by changes on foreign exchange rates, since both general and administrative expenses and sales expenses incurred by the plant in the US are denominated in US dollars and translated into the Brazilian legal tender for accounting purposes in our consolidated results of operations. In the last twelve months, the depreciation of the real was 35.6% when comparing the average US dollar exchange rate in 3Q20 with the exchange rate in 3Q19, adversely impacting this portion of our operating expenses.

When evaluating the accumulated performance in the first nine months of the year, total operating expenses grew 42.1% growth, which, as in the quarterly evolution, indicates a greater dilution of expenses, since this increase was lower than the increase in net revenue for the same period, of 66.8%. Thus, total operating expenses in 9M20, of $244.4 million, account for 18.5% of profit for the period, compared to 21.7% in 9M19. This occurred despite the fact that the 2019 comparison basis includes the positive revenue effect of R$28.1 million in line item 'Other operating expenses', which basically refers to nonrecurring revenue from recovered prior years' tax.



EBITDA

The operating cash generation measured by Ebitda (earnings before interest, taxes, depreciation and amortization) portray the net revenue growth, higher gross profitability, and greater dilution of operating expenses in relation to revenue, and as a result reached record levels for another consecutive quarter. The growing operating efficiency, coupled with a favorable market drove the 3Q20 Ebitda to reach R$152.3 million, which is 19.0% higher than Ebitda for the entire 2019. Quarter-on-quarter Ebitda increased more than seven times, or 665.3%. The growth in absolute figures was also accompanied by an increase in the Ebitda margin, which was 31.0% in the quarter, 22.8 percentage points higher than the Ebitda margin obtained in the previous quarter.



*3Q20 and 9M20: Adjusted Ebitda increased by R$3.0 million and R$4.1 million, respectively, relating to nonrecurring expenses incurred due to the COVID-19 pandemic

We confirm that we have reached a consolidated new level of operational performance. Ebitda for January-September 2020 was R$305.5 million, more than the double of Ebitda for 9M19 (+166.3%), and an increase of 9.4 percentage points in the Ebitda margin, which reached 25.5% in 9M20.

The nonrecurring expenses and costs related to adjustments made due to the pandemic, which include donations and additional expenses such as food program, health, uniforms, PPE, freight and other, totaled R$3.0 million in the 3Q20 and R$4.1 million in 9M20. Adjusted Ebitda, i.e., by deducting these nonrecurring amounts from the calculation basis, would total R$155.3 million in 3Q20, with an Ebitda margin of 31.6%, and R$309.5 million in January-September 2020, with an Ebitda margin of 25.5%.

Ebitda calculation - reconciliation according to ICVM 527/12.

R$ million	3Q20	3Q19	% change *2Q20 v. 2Q19*	2Q20	% change *2Q20 v. 1Q20*	9M20	9M19	% change *1S20 v. 1S19*
Earnings before interest and taxes (Ebit)	145.9	18.6	*684.4%*	101.2	*44.2%*	286.7	98.3	*191.7%*
Depreciation and amortization	6.4	1.3	*392.3%*	6.5	*-1.5%*	18.7	16.4	*14.0%*
Ebitda	**152.3**	**19.9**	***665.3%***	**107.7**	***41.4%***	**305.5**	**114.7**	***166.3%***
Ebitda Margin	*31.0%*	*8.2%*	*+22,8 p.p.*	*25.4%*	*+5,6 p.p.*	*25.2%*	*15.8%*	*+9,4 p.p.*
Nonrecurring expenses relating to Covid-19	3.0	0.0				4.1	0.0	
Adjusted Ebitda	**155.3**	**19.9**	***680.4%***	**107.7**	***44.2%***	**309.5**	**114.7**	***169.8%***
Adjusted Ebitda margin	*31.6%*	*8.2%*		*25.4%*		*25.5%*	*15.8%*	

Ebitda (earnings before interest, taxes, depreciation and amortization) is not a financial measurement according to the BR GAAP and International Financial Reporting Standards, or 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.

Finance income (costs)

Changes in foreign exchange rates, especially considering the significant devaluation of the local currency during the year, have a material impact on our results of operations. This impact generates both a positive effect, when US dollar revenues from sales abroad (80.1% of total revenues in 9M20) are accounted for in Brazilian reais, and also pressures finance costs related relating to our debt, most of which is foreign currency denominated (91.0% of our gross debt as at September 30, 2020). In the last twelve months, from 3Q19 to 3Q20, the average US dollar exchange rate for the quarter went from R$3.97 to R$5.38, which represents an increase of 35.5%. Considering the average US dollar rate for the first nine months of 2020 compared to the 9M19, the devaluation of the Brazilian real was 30.6%.

R$ million	**3Q20**	**3Q19**	**% change *3Q20 v. 3Q19***	**2Q20**	**% change *3Q20 v. 2Q20***	**9M20**	**9M19**	**% change *1S20 v. 1S19***
(+) Finance income	**74.1**	**0.2**	***36950.0%***	**35.7**	***107.6%***	**130.1**	**34.4**	***278.2%***
Foreign exchange gains	*73.9*	*-0.9*	-	*35.4*	*108.8%*	*129.5*	*3.9*	*3220.5%*
Interest IOF and other income	*0.1*	*1.1*	*-90.9%*	*0.3*	*-66.7%*	*0.6*	*30.5*	*-98.0%*
(-) Finance costs	**115.9**	**64.5**	***79.7%***	**91.1**	***27.2%***	**416.2**	**112.1**	***271.3%***
Foreign exchang losses	*96.6*	*49.7*	94.4%	*80.0*	20.8%	*372.0*	*62.5*	495.2%
Interest IOF and other costs	*19.4*	*14.7*	32.0%	*11.1*	74.8%	*44.2*	*49.6*	-10.9%
(+/-) Finance income (costs), net	**-41.8**	**-64.3**	*-35.0%*	**-55.4**	*-24.5%*	**-286.1**	**-77.8**	*267.7%*
Average US dollar Ptax rate for the period (R$)	**5.38**	**3.97**	*35.5%*	**5.39**	*-0.2%*	**5.08**	**3.89**	*30.6%*

As result of the US dollar appreciation against the Brazilian real, **finance costs** for 3Q20 totaled R$115.9 million, compared to R$64.5 million in the same period in 2019 (+(+ 79.7%), while in September year-to-date expenses were up 271.3% compared to 9M19. As we can see in the table above, foreign exchange losses represent the largest portion of the Company's finance costs and are the main driver for the posted increase. It is worth noting that these changes in foreign exchange rates on foreign currency-denominated debt have an accounting impact and do not have an immediate cash effect, but only at the related maturities.

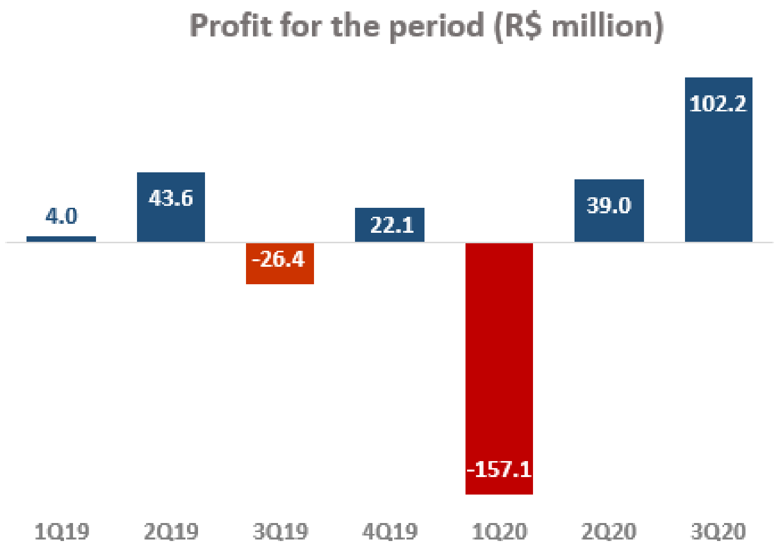
At the same time, there was an increase in finance income, which totaled R$74.1 million in 3Q20, compared to R$0.2 million in 3Q19, and R$130.1 million in 9M20, compared to R$34.4 million in the same period last year. Once again, the changes are basically due to the effect of foreign exchange differences, in this case with appositive impact and resulting in an increase in the finance income recorded for the periods.

In 3Q20 we posted **net finance expenses** of R$41.8 million, a balance 35.0% lower than net finance expenses for 3Q19, despite the 35.5% depreciation of the Brazilian real against the US dollar, considering the average dollar rate in both quarters. In addition to the increase in finance income, the improved performance reflects the new terms and conditions for the payment of obligations assumed with the Syndicate of our creditor banks, set with the execution of an amendment on August 10, 2020. The new debt profile in terms of maturity schedule grants us greater financial space to allow payments that are better in line with the Company's growing cash flows.

Profit for the period

We posted profit of R$102.2 million for 3Q20, including R$2.9 million in earnings generated by the helmet operation, classified as 'Discontinued operation'. This quarter's performance offsets the losses of R$26.4 million in 3Q19 and exceeds profit for the previous quarter by in R$63.2 million (or 162.1%). Our current and consolidated operating performance standard contributed to the result, which allows us to efficiently and profitably meet the increasing demand in US and Brazilian markets, and the reduction of net finance costs.

Profit for 3Q20 allowed us offset almost all the entirety of the accumulated net losses from previous months, relating of the R$157.1 million loss for 1Q20, when profit was pressured by finance costs. In 1Q20, foreign exchange losses calculated on our debt due to the depreciation of the Brazilian real against the US dollar educed profit by R$195.4 million. In 9M20, we accumulate a loss of R$15.9 million.



INDEBTEDNESS

The Company's debt is primarily denominated in US dollars and, therefore, the exchange rate of this currency against to the Brazilian real has had a significant impact on the indebtedness position. As at September 30, 2020, Taurus recorded gross debt of R$999.8 million, 10.9% higher than the position at the end of 2019. This increase, however, is lower that the foreign exchange differences since, taking into account that the US dollar Ptax rate went from R$4.0307 on December 31, 2019 to R$5.6407 on September 30, 2020, the local currency depreciated 39.9% in the period.

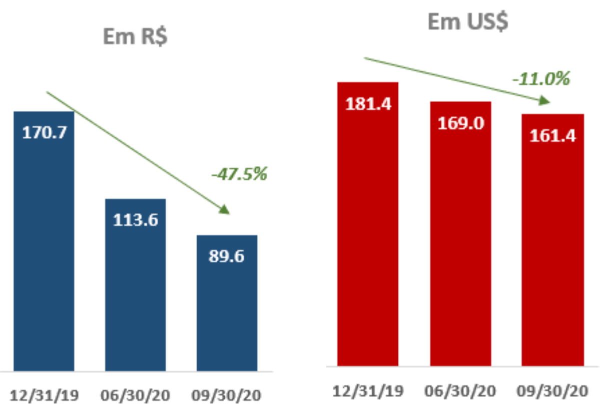
Since R$910.2 million, or 91.0%, of the total gross debt recorded in our balance sheet as at September 30, 2020 is denominated in foreign currency, the effect of changes in foreign exchange rates on the amount in local currency is material. In fact, the increase in indebtedness recorded in the period derives exclusively from foreign exchange differences on translating the debt portion denominated in foreign currency into Brazilian reais at the exchange rate on the related dates.

	09/30/2020			12/31/2019			% change
R$ million	Consolidate	*Brazil*	*USA*	Consolidated	*Brazil*	*USA*	Consolidated
Borrowings and financing	86.9	*86.9*	*0.0*	97.6	*97.6*	*0.0*	*-11.0%*
Debentures	9.5	*9.5*	*0.0*	13.3	*13.3*	*0.0*	*-28.6%*
Advance on receivables	0.0	*0.0*	*0.0*	73.5	*73.5*	*0.0*	-
Foreign exchange drafts	109.2	*109.2*	*0.0*	78.2	*78.2*	*0.0*	*39.6%*
Current	**205.6**	***205.6***	***0.0***	**262.6**	***262.6***	***0.0***	***-21.7%***
Borrowings and financing	730.2	*597.1*	*133.2*	577.4	*430.1*	*147.3*	*26.5%*
Debentures	64.0	*64.0*	*0.0*	61.6	*61.6*	*0.0*	*3.9%*
Noncurrent	**794.2**	***661.0***	***133.2***	**639.1**	***491.8***	***147.3***	***24.3%***
Gross debt	**999.8**	***866.6***	***133.2***	**901.7**	***754.4***	***147.3***	***10.9%***
Cash and short-term investments	61.1			36.0			*69.7%*
Net debt	**938.7**			**865.7**			***8.4%***
Ptax dollar exchange rate at end of period (R$)	**5.64**			**4.03**			***39.9%***
Gross debt translated into US dollars (US$ million)	**177.3**			**223.7**			***-20.8%***

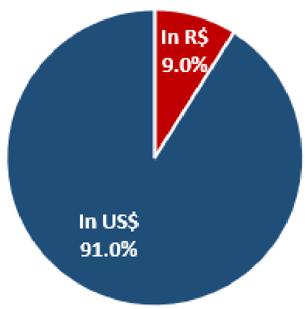
As we can see in the exercise shown in the table and graph below, when considering the different "blocks" of our gross debt in the currencies in which they are denominated, on a consolidated basis, the position at the end of 3Q20 is always lower when compared to the position in US dollars.

Gross debt

In the original currency



At 30/09/2020
R$999.8 million - per currency

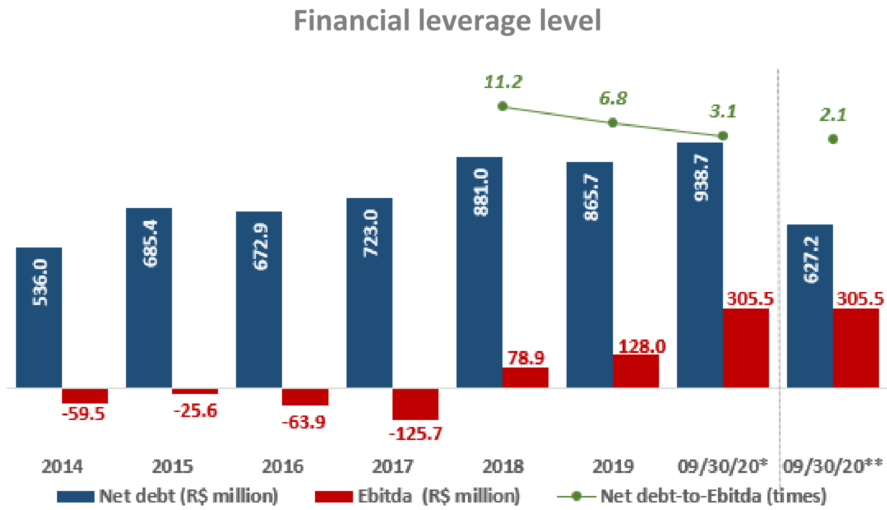


Because of our greater capacity to generate cash from operating activities, the balance of cash and short-term investments at the end of September was R$61.1 million, an amount 69.7% million higher than at the end of 2019. Accordingly, net debt as at September 30, 2020 was R$938.7 million, up 8.4% compared to the net debt at December 31, 2019.

As established in our strategic plan, our financial indicators are based on a new standard, as a result of the growing results of operations, with a new cash generation threshold. The financial leverage ratio (net debt-to-Ebitda) posted a significant increase: at the end of 2017, we posted presented negative Ebitda, burning cash in the operations; at the end of 2018, in the first year of the current management, this ratio was 11.2 times; and at the end of September 2020, with the Ebitda accumulated in only 9 months, it had already reached 3.1 times.

We also have two assets for sale and the proceeds of their sale, when completed, will be exclusively used to reduce our debt: helmet plant in Bahia, with an book value of R$50.1 million, and land of the old factory in Porto Alegre, with a book value of R$51.4 million, and the balance of the outstanding subscription warrants which should represent an inflow of roughly R$210.0 million. Making an exercise in which these amounts are deducted from total debt as at September 30, 2020, the net debt-to-Ebitda ratio would be 2.1 times.

The net debt-to-Ebitda ratio makes no sense when Ebitda is negative and, therefore, there is no cash generation by operating activities, as was the case in past years. The leverage ratio development graph shown below, from 2014 to September 2019, allows us to view the utter change in our performance over the last few years.

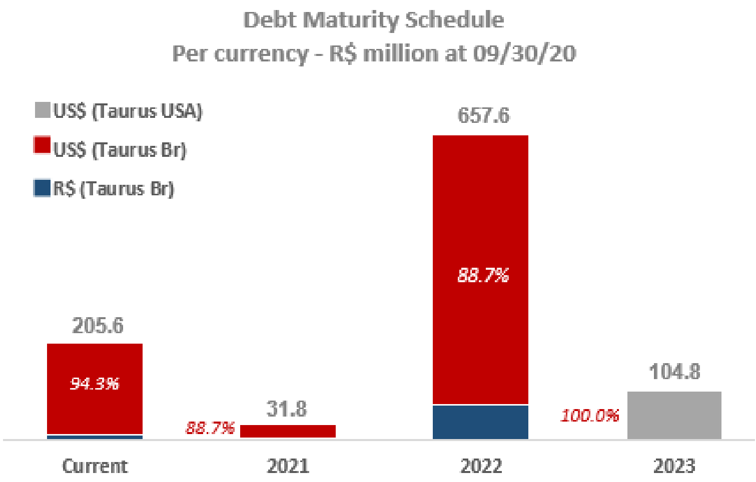


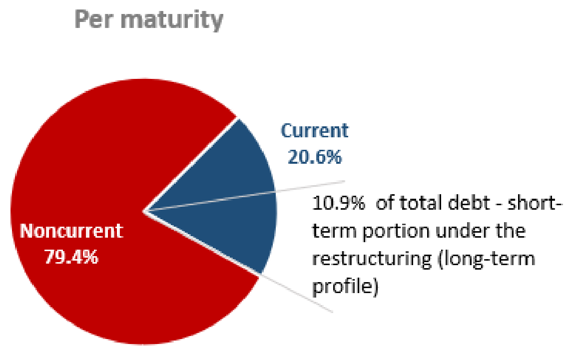
** Net debt at September 30, 2020 and Ebitda for 9M20*

*** Net debt as at September 30, 2020 less book values of the assets for sale (helmet plant: R$50.1 million; land: R$51.4 million), as per Note 13 to the interim financial statements, and the amount of outstanding subscription warrants (R$210.0 million) and Ebitda for 9M20*

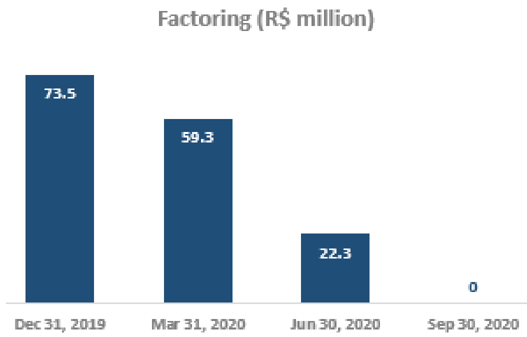
In terms of maturity, our debt is mostly long term, with 79.4% of total gross debt as at September 30, 2020 maturing between 2021 and 2023. The amendment to the agreement entered into with the creditor banks in early August contemplates the rescheduling of the payment of approximately R$123 million in principal that would mature in June 2020, diluting this payment over 31 months. This granted a greater financial buffer and allows payments to be better adjusted to our cash flows.

Gross debt at 09/30/2020 - R$999.8 million
Maturity profile

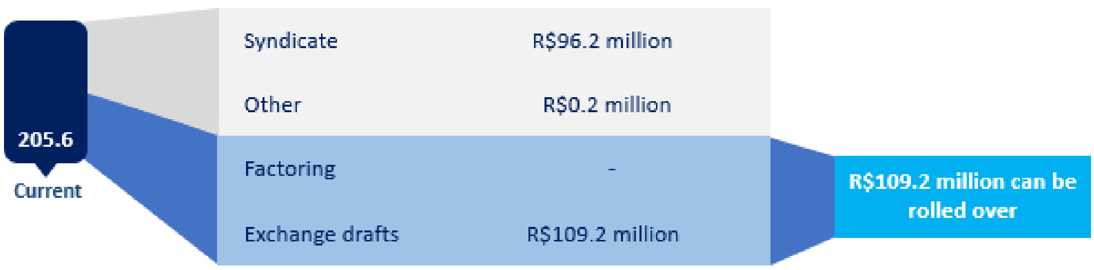




As at September 30, 2020, 53.1% (R$109.2 million) of the current portion of gross debt totaling R$205.6 million is represented by foreign exchange drafts under automatic renewal agreement at each maturity, with possible settlement by mid-October 2022. This agreement also involves the renewal of factoring agreements. However, with the growing cash flow generation, we have been reducing the need for this financial instrument and zeroed our position at the end of September. As a result, at the end of September 2020, the actual current portion of our debt was R$96.4 million, or 9.7% of the total gross debt at the same date.



Current gross debt as at September 30, 2020 - R$205.6 million



Capital Market

In the twelve-month period ended September 30, 2020, our preferred shares (TASA4), which are listed on B3's Small Caps Index (SMLL) portfolio, appreciated 132.9%, and our common shares (TASA3) increased 135.1%, compared with Ibovespa's negative performance of 9.7% in the same period. Considering the performance during 2020, until the end of the third quarter, the appreciation of our common shares was 52.3% and our preferred shares 31.9%, while the Ibovespa depreciated 18.9%.

	TASA3	TASA4	Market value	Economic value (EV)*
09/30/2019	R$3.34	R$3.36	R$296.3 million	R$1,042.4 million
09/30/2020	R$7.78	R$7.90	R$698.0 million	R$1,509.2 million
Change	**+ 132.9%**	**+ 135.1%**	**+ 135.6%**	***+44.8%***

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

Statement of Value Added

The value added by Taurus from its activities in January-September 2020 was R$775.2 million, which exceeds the value added in the same period of 2019 by 102.2%. The increase reflects the Company's restructuring, with the actions taken since 2018, which allowed us to be ready to meet the increase in demand during the year.

Of the total of R$1.428.0 million in gross revenue for the first nine months of the year, 54.3% or R$775.2 million was generated by our operating and financing activities. Thus, of each R$1.00 received by us in the quarter, we added R$0.54, which were distributed as disclosed in the table below.

R$ million	9M20	9M19
Revenue	**1,428.0**	**889.7**
Inputs purchased from third parties	-767.6	-525.3
Gross value added	**660.4**	**364.4**
Depreciation, amortization and depletion	-18.7	-16.4
Wealth created	**641.7**	**348.0**
Finance income	130.1	34.4
Wealth created by discontinued operations for distr	3.5	1.0
Total wealth for distribution	**775.2**	**383.3**
Wealth distributed		
Personnel	122.7	106.7
Government (taxes, fees and contributions)	250.8	142.4
Lenders and lessors	417.5	112.9
Shareholders	0.0	0.0
Other	-15.9	21.3

Event After the End of the Reporting Period

Material Fact - Joint Venture for the production of firearm parts and accessories

On October 8, we disclosed a Material Fact informing that, after completing the relevant feasibility studies and obtaining the Board of Directors' authorization, we executed a final agreement for the creation of a joint venture focused on the manufacture and sale of clips and other stamped light firearm components for the domestic and foreign markets.

The partnership was entered into with Joalmi Indústria Metalúrgica Ltda., a company with more than 30 years' experience in the automotive industry and expertise in engineering, technology and development of stamped parts in ferrous and nonferrous metals, and the assembly of highly complex products, which has several local and foreign quality certifications. The joint venture will have share capital held by both companies, consisting of a 51% stake held by Taurus and 49% stake held by Joalmi.

The technology used in the manufacture of the magazines, besides being strategic for us, is key for the perfect functioning and safety of the weapons. The goal is to develop our proprietary technology consistent with the highest market quality standards. By creating this joint venture, we will become self-sufficient in the production of magazines, with volume flexibility, integrated logistics, and steep reduction of operating costs. It will also allow us to enter the magazine aftermarket segment, currently dominated by few foreign suppliers.

Our internal demand currently stands at approximately 5 million magazines per year, considering the plants in Brazil and the United States. This adds to the demand from other companies and the promising global aftermarket. The joint venture will have an installed capacity of 7.4 million units per year by the end of 2022 and its expansion may be anticipated, depending on the company's performance in the aftermarket.

The new magazine company will start its production still in 2020 at Joalmi's manufacturing center, in Guarulhos, São Paulo, and is expected to be transferred to Taurus manufacturing center in São Leopoldo, RS in 2021.

This document may contain forward-looking statements of the Company's business. Projections, future earnings, and their impacts depend on estimates, information or methods that may be inaccurate and 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 hereby advised that none of these forecasts and/or expectations is guarantee of future performance, since they involve risks and uncertainties. Future earnings and the prospects of creating shareholders value may differ significantly from that expressed or suggested in the forward-looking statements. Many factors that will determine these earnings and amounts are beyond our capacity to control or predict. We do not assume and specifically deny any obligation to update any forecasts, which make sense only on the date in which they had been made

APPENDICES

Statement of Profit or Loss

R$ million	3Q20	3Q19	*% change*	2Q20	*% change*	9M20	9M19	*% change*
Net operating revenue	490.8	242.3	*102.6%*	423.8	*15.8%*	1212.9	727.4	*66.7%*
Cost of sales and/or services	-262.4	-158.4	*65.7%*	-243.9	*7.6%*	-701.8	-471.1	*49.0%*
Gross profit	**228.4**	**83.9**	***172.2%***	**179.9**	***27.0%***	**511.1**	**256.3**	***99.4%***
Operating (expenses) income	-82.5	-65.2	*26.5%*	-78.7	*4.8%*	-224.4	-157.9	*42.1%*
Selling expenses	-40.2	-30.8	*30.5%*	-38.6	*4.1%*	-108.2	-87.5	*23.7%*
General and administrative expenses	-44.2	-31.5	*40.3%*	-40.6	*8.9%*	-122.1	-98.2	*24.3%*
Impairment losses	-1.5	0.0	-	-0.1	*1400.0%*	1.6	-0.3	-
Other operating income	4.2	2.1	*100.0%*	1.3	*223.1%*	8.1	42.3	*-80.9%*
Other operating expenses	-0.7	-5.1	-	-0.7	-	-3.8	-14.2	*-73.2%*
Profit before finance income (costs) and taxes	**145.9**	**18.6**	***684.4%***	**101.2**	***44.2%***	**286.7**	**98.3**	***191.7%***
Finance income (costs)	-41.8	-64.2	*-34.9%*	-55.4	*-24.5%*	-286.1	-77.8	*267.7%*
Finance income	74.1	0.2	*36950.0%*	35.7	*107.6%*	130.1	34.4	*278.2%*
Finance costs	-115.9	-64.5	*79.7%*	-91.1	*27.2%*	-416.2	-112.1	*271.3%*
Pretax income	**104.0**	**-45.6**	-	**45.8**	***127.1%***	**0.6**	**20.6**	***-97.1%***
Income tax and social contribution	-4.6	18.4	-	-7.0	*-34.3%*	-20.0	-0.2	*9900.0%*
Current	-4.0	16.0	-	-3.0	*33.3%*	-7.5	-4.3	*74.4%*
Deferred	-0.7	2.4	-	-4.0	*-82.5%*	-12.4	4.1	-
Profit (loss) from continuing operations	**99.4**	**-27.2**	-	**38.9**	***155.5%***	**-19.3**	**20.3**	-
Profit (loss) from discontinued operations	2.9	0.8	*262.5%*	0.2	*1350.0%*	3.5	1.0	*250.0%*
Consolidated profit (loss) for the period	**102.2**	**-26.4**	-	**39.0**	***162.1%***	**-15.9**	**21.3**	-
Attributable to owners of the Company	102.2	-26.4	-	39.0	*162.1%*	-15.9	21.3	-
Earnings per share (R$/share)								
Basic earnings per share								
Common shares (ON)	*1.1555*	*-0.3367*	-	*0.4414*	*161.8%*	*-0.1792*	*0.2563*	-
Preferred shares (PN)	*1.1555*	*-0.3367*	-	*0.4414*	*161.8%*	*-0.1792*	*0.2563*	-
Diluted earnings per share								
Common shares (ON)	*1.1565*	*-0.2982*	-	*0.4412*	*162.2%*	*-0.1780*	*0.2408*	-
Preferred shares (PN)	*1.1565*	*-0.2981*	-	*0.4412*	*162.1%*	*-0.1780*	*0.2409*	-

Assets

R$ million	09/30/2020	12/31/2019	% change
Total assets	**1,295.7**	**1,066.4**	***21.5%***
Current assets	**870.9**	**694.5**	***25.4%***
Cash and cash equivalents	61.1	36.0	*69.7%*
Cash and banks	52.0	28.4	*83.1%*
Highly liquid short-term investments	9.1	7.6	*19.7%*
Short-term investments	0.0	0.0	-
Accounts receivable	320.1	165.0	*94.0%*
Inventories	323.1	315.8	*2.3%*
Recoverable taxes	19.4	31.1	*-37.6%*
Prepaid expenses	2.9	6.3	*-54.0%*
Other current assets	144.2	140.4	*2.7%*
Noncurrent assets	**424.8**	**371.9**	***14.2%***
Long-term receivables	106.0	110.5	*-4.1%*
Short-term investments at amortized cost	0.0	0.0	-
Deferred taxes	91.2	96.2	*-5.2%*
Other noncurrent assets	14.8	14.3	*3.5%*
Investments	0.2	0.2	*0.0%*
Property, plant and equipment	220.2	181.2	*21.5%*
Intangible assets	98.4	79.9	*23.2%*

Liabilities and equity

R$ million	09/30/2020	12/31/2019	% change
Total liabilities and shareholders' equity	**1,295.7**	**1,066.4**	***21.5%***
Current liabilities	**594.2**	**630.0**	***-5.7%***
Payroll, benefits and taxes thereon	62.3	30.4	*104.9%*
Payroll and related taxes	28.4	9.7	*192.8%*
Employee benefits and related taxes	33.9	20.7	*63.8%*
Trade payables	92.7	114.2	*-18.8%*
Local suppliers	75.5	61.2	*23.4%*
Foreign suppliers	17.3	53.0	*-67.4%*
Taxes payable	92.5	52.9	*74.9%*
Federal tax liabilities	89.9	50.8	*77.0%*
Income tax and social contribution payable	12.8	12.5	*2.4%*
Other taxes	77.2	38.3	*101.6%*
State tax liabilities	2.5	2.1	-
Municipal tax liabilities	0.1	0.0	-
Borrowings and financing	96.4	110.9	*-13.1%*
In local currency:	2.2	8.9	*-75.3%*
In foreign currency	84.7	88.7	*-4.5%*
Debentures	9.5	13.3	*-28.6%*
Other payables	192.0	249.1	*-22.9%*
Dividends and interest on capital payable	0.0	0.0	-
Derivative financial instruments	0.0	0.0	-
Foreign exchange drafts	109.2	78.2	*39.6%*
Advance on receivables	0.0	73.5	*-100.0%*
Advances from customers	45.2	49.4	*-8.5%*
Payables from noncurrent assets for sale	25.9	27.7	*-6.5%*
Other payables	11.6	20.2	*-42.6%*
Provisions	58.3	72.5	*-19.6%*
Tax, social security, labor and civil provisions	42.2	54.4	*-22.4%*
Other provisions	16.1	18.1	*-11.0%*
Noncurrent liabilities	**957.7**	**741.0**	***29.2%***
Borrowings and financing	794.2	639.1	*24.3%*
In local currency:	13.9	13.4	*4.0%*
In foreign currency	716.3	564.1	*27.0%*
Debentures	64.0	61.6	*3.8%*
Other payables	85.2	24.5	*248.2%*
Deferred taxes	10.3	10.3	*0.3%*
Provisions	68.0	67.2	*1.1%*
Social security, labor and civil provisions	60.2	61.7	*-2.4%*
Other provisions	7.8	5.6	*39.9%*
Consolidated shareholders' equity	**-256.2**	**-304.6**	***-15.9%***
Issued capital	523.2	520.3	*0.6%*
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	-984.4	-970.3	*1.5%*
Valuation adjustments to equity	46.1	46.0	*0.3%*
Cumulative translation adjustments	190.0	130.6	*45.5%*