



Taurus recorded revenues of R\$ 1.9 billion in 9M21, and generated EBITDA of R\$ 695 million, with a net income of R\$ 428 million

In 3Q21, EBITDA amounted to R\$ 295 million, with a 41.0% margin, along with a 43% drop in net debt for the year, and EBITDA/Net Debt ratio of 0.5x

São Leopoldo, November 9, 2021 – Taurus Armas S.A. (“Taurus” or “Company”) (B3:TASA3; TASA4), listed on B3’s Corporate Governance Level 2 (Ticker Symbols: TASA3, TASA4), one of the world’s largest manufacturers of light firearms, hereby presents its results for the 3rd quarter of 2021 (3Q21), and accumulated results for the first nine months of the year (9M21). The financial and operational information below, except where otherwise indicated, is presented in Brazilian Reals (R\$), and complies with the International Financial Reporting Standards (IFRS) and the Brazilian accounting principles. All comparisons refer to the same periods of 2020.

Operational and Financial Highlights - 3Q21 and 9M21



Total production:

1.7 million firearms in 9M21, up 54% from 9M20



Net revenues:

R\$ 718 million in 3Q21, with a 40% growth, and R\$ 1.9 billion in 9M21, up 51%



Gross profit:

R\$ 371 million in 3Q21, with a record margin of 52%



EBITDA:

R\$ 295 million in 3Q21, with a 41% margin



Net income:

R\$ 166 million in 3Q21, accumulating R\$ 428 million in 9M21



Financial leverage:

0.5x, resulting from a drop in net debt and a rise in cash generation



Main Indicators

R\$ milhões	3Q21	3Q20	% chg.	2Q21	% chg.	9M21	9M20	% chg.
Net operating revenue	718,0	514,5	39,6%	651,1	10,3%	1.920,1	1.268,9	51,3%
Domestic market	202,1	144,8	39,6%	164,7	22,7%	513,2	296,5	73,1%
Foreign market	515,9	369,7	39,5%	486,4	6,1%	1.406,9	972,4	44,7%
Cost of sales	-347,5	-277,1	25,4%	-354,1	-1,9%	-998,6	-736,8	35,5%
Gross profit	370,5	237,5	56,0%	297,0	24,7%	921,5	532,1	73,2%
Gross margin	51,6%	46,2%	5,5 p.p.	45,6%	6,0 p.p.	48,0%	41,9%	6,7 p.p.
Operating expenses - SG&A	-83,0	-88,4	-6,1%	-79,8	4,0%	-248,4	-239,6	3,7%
Operating result (Ebit)	287,5	149,1	92,8%	217,2	32,4%	673,1	292,6	130,0%
Ebit margin (%)	40,0%	29,0%	11,1 p.p.	33,4%	6,6 p.p.	35,1%	23,1%	12,0 p.p.
Finance income (costs), net	-52,6	-41,8	25,8%	59,4	-	-69,3	-286,9	-75,8%
Income tax and social contribution	-66,8	-4,7	1321,3%	-82,9	-19,4%	-173,8	-20,8	735,6%
Profit (loss) for the period (continuing operations)	168,1	102,5	64,0%	193,7	-13,2%	430,0	-15,1	-
Profit (loss) from discontinued operations	-1,7	-0,3	466,7%	-0,1	1600,0%	-1,9	-0,7	171,4%
Profit (loss) for the period	166,4	102,2	62,8%	193,6	-14,0%	428,1	-15,9	-
Ebitda	294,7	156,6	88,2%	224,4	31,3%	694,8	313,0	122,0%
Ebitda Margin	41,0%	30,4%	10,6 p.p.	34,5%	6,5 p.p.	36,2%	24,7%	11,6 p.p.
Adjusted EBITDA*	295,4	159,6	85,1%	226,5	30,4%	698,2	317,1	120,2%
Adjusted EBITDA margin*	41,1%	31,0%	10,1 p.p.	34,8%	6,3 p.p.	36,4%	25,0%	11,4 p.p.
Net debt (at the end of the period)	443,5	938,7	-52,8%	521,2	-14,9%	443,5	938,7	-52,8%

3Q20 and 9M20 - Includes consolidated results from helmet operations.

* Adjusted EBITDA and its margin - excludes non-recurring expenses in connection with the COVID-19 pandemic.

Note: EBITDA does not qualify as an indicator, as adopted by accounting practices. Its calculation is presented in the item "EBITDA" of this report.





Message from Management

Reporting our quarterly results has been a very pleasing task. We have continued to break the records of previous periods and, in keeping with a long sequence of very positive results, in 3Q21, we posted even more outstanding results, thus consolidating Taurus' current pattern of performance. Accumulated revenues up to September came to R\$ 1.9 billion, representing a remarkable growth of 51.3% in relation to the same period of last year. Gross margin for the quarter stood at 51.6%, and EBITDA amounted to R\$ 294.7 million, with a 41.0% margin. Taurus, with its strong cash generation, is currently a low financial-leverage Company: Net Debt/EBITDA ratio is 0.5x. Production and sales have remained strong, and we have a backorder of 1.3 million units, equivalent to seven months of production. We also have new projects in progress, aimed at business growth, always in line with our values, which are based on efficiency of processes, research development, and innovation, as the basis for delivering quality products to the consumer. With a view to always advance in this direction, we have entered into partnerships with Vale do Rio dos Sinos University (UNISINOS), and Caxias do Sul University (UCS).

The strategy adopted, which has redesigned the entire operation, has enabled an astounding improvement in the Company's fundamentals, which took place at a very fast pace. It has been proven that Taurus's "turnaround" is not just a surge, but an ingrained reality, part of the new Taurus, and that it is here to stay. This is Taurus's picture, which presents not only the Company's vigor at the present moment, but also the guarantee of a solid future.

In the first nine months of 2021, we produced 1.7 million firearms, up 53.7% from the same period in 2020, with an output rate of 9,600 firearms/day in 3Q21. This increase is due to the ramp up of our plant in the USA, coupled with the higher productivity of our plant in São Leopoldo (RS), which results from the investments being made in the modernization of the industrial complex. Investments in R&D and in machinery and equipment, with the most advanced technology, as well as in processes to enhance operational efficiency, are priorities under our strategic planning. An example of this are the four new horizontal machining centers, and the turning center, which have already been installed in the plant, yet another advance in the "Revolver Excellence" Project - a project developed by our Integrated Engineering and Technology Center Brazil/United States (CITE) that will make it possible to manufacture the cheapest revolver in the world. The CITE projects will continue to take place, in order to offer the market innovative, quality products, and always based on our commitment to excellence.

The firearms market is heated worldwide, and at the same time, our sales have been showing an upward trend, with even stronger growth. Sales up to September reached 1.7 million units, moving up one position in the worldwide ranking, and placing Taurus as the third largest Company in the small firearms segment. In the USA, sales rose by 30.5% in the period, for a total of 1.4 million units in 9M21. As we launch new products in new market niches, with high quality and in line with consumer preferences, the perception as to the value of the Taurus brand, along with our market share, shall also increase. Taurus is currently the leading manufacturer in the revolver segment, with a share of over 40% in the U.S. market.

Considering the increase in sales volume, coupled with the product mix in line with the market, and the higher added value, in addition to new prices - adjusted in July by 10% on average in dollar terms in the USA, and by 17% in August in Brazil -, we reached net revenues of R\$ 718.0 million in the quarter, representing a 39.6% growth over 3Q20, when global demand was at one of its highest peaks in history. The relevance of the launches is evidenced by the fact that, from the overall revenues deriving from the sale of firearms & accessories in 9M21 - of R\$ 1.8 billion - 29.0% came from the sale of new products.

Thus, we keep consistently breaking record after record, so that we raise the bar for each quarter, constantly committed to our goal of being the largest Company in the world in our segment. Based on the growth in revenues, and the ongoing efforts focused on innovation, new processes, and state-of-the-art equipment, generating gains in efficiency, while managing our costs in general, we have attained a gross profit of R\$ 370.5 million, and an unprecedented gross margin of 51.6% in 3Q21.



The new turning centers (above) and horizontal machining center (on the left) ensure improved production capacity and agility, thus optimizing the processes.

While achieving strong operating results, we have tackled the issue of the Company's indebtedness, a subject that is now a thing of the past. Cash generation has enabled us not only to honor all our financial commitments, but also to make investments funded with our own resources. At the end of September, our net debt amounted to R\$443.5 million, having been reduced by R\$331.9 million in relation to the position registered at the close of fiscal 2020. Even though most of the debt is denominated in US dollars (92.1% of the total as at 9/30/21), and the Brazilian currency has depreciated by 4.7% between these dates.

Taurus' administration keeps its firm commitment to maximize the return for its shareholders and investors. It is with this objective in mind that the General Shareholders' Meeting to be held on November 30 intends to deliberate on a proposal to reduce the share capital, with a view to incorporating a portion of the accumulated losses. Once this accounting procedure has been approved, in an incredibly shorter period of time than can be expected, we shall be able to resume the payment of remuneration to the shareholders.

We, Taurus' management and employees, are all inspired by the results that we have together contributed the Company to achieve and, even more so, by what is yet to come. And in order to remain on this path of growth, it is essential to keep taking care of our people. In this sense, we continue taking all the prevention precautions in relation to Covid-19, and providing support to our employees, their families and society in general. We have carried out, since the beginning of the pandemic, different initiatives involving donations of face shields, hospital equipment, rapid tests, food and cleaning materials. We have encouraged and facilitated the vaccination of employees, with the placement of a mobile SESI unit parked on the premises of the São Leopoldo plant. Currently, 100% of the team working at the Company's headquarters has been vaccinated with the first dose, and 90% already with the second dose. Since September 1, we have made it mandatory to present proof of vaccination for access into Taurus' facilities.



As we move forward with our projects, the outlook remains encouraging. Taurus has consolidated itself with a very solid performance. We are confident about the continuity of sound results for the upcoming periods. This confidence is supported by a number of facts, namely: (i) we already have orders in our backlog for 1.3 million units, equivalent to a total 7-month production; (ii) we introduced price adjustments by 10% in the USA in July, and by 17% in Brazil in August, which have not yet been fully reflected in our earnings; (iii) the National Instant Background Check System (NICS) remains high, well above the historical average; (iv) given our strong cash generation, we have been able to make investments with our own resources in the modernization of industrial equipment by using cutting-edge technology; (v) we have signed agreements with Universities, which will ensure that we remain in the technological leading edge, in addition to improving the knowledge and skills of our teams; (vi) we have been growing in all the markets where we operate, particularly in the USA, where we have been expanding our presence. Further actions and projects are yet to come. We continue to pursue the objective of making Taurus the largest manufacturer of firearms in the world.

The success of our project for Taurus is based on the trust of our shareholders and the guidance from our Board members, just as the results achieved depend on the dedication of our employees, the partnership of our suppliers, and the recognition of our clients. For that reason, we would like to express our gratitude.

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CEO





Operational Performance

Production

Taurus's production of firearms totaled 615,000 units in 3Q21, once again breaking the Company's historical mark. Thus, overall production for the first nine months of the year totaled 1.7 million firearms, up 53.7% over the volume achieved in 9M20.

The pace of production has remained accelerated at both of the Company's industrial plants. In Brazil, capital expenditures in machinery and equipment, coupled with the synergy brought about by the production processes, led to an increase in production volume by 14.2%, in the comparison between 3Q21 and 3Q20, and by 26.3%, when considering 9M21 versus 9M20. In USA, the growth in the volume of firearms produced is even more relevant, given the ramp-up of the plant located in the State of Georgia, which confirms the correctness of the decision to transfer production in that country to the new and larger facility. On a quarterly comparison, the increase in production at the U.S. plant reached 103.2% and, in the year to September, 140.6%.

Production of firearms – Brazil + USA ('000 units)



Taurus is providing support towards increasing the level of activity and preparing it for its new steps, in line with the strategy aimed at keeping research and innovation as the basis for development. In this context, the Company entered into partnerships with universities for the development of projects and training programs. At the Vale dos Sinos University (UNISINOS), the partnership comprises three main fronts: the Taurus Operational Excellence Project, which will develop the Taurus Production System; the Integrated Technology and Engineering Center; and the Taurus Training Program in Research and Innovation, which provides training for all levels of employees and the executive board. With Caxias do Sul University (UCS), the agreement is focused on research and development of firearms based on the use of graphene, the lightest and strongest material in the world, 200 times more resistant than steel.

Another front of action that will provide agility and quality in the production process is the condominium of companies that is being created on part of the land of the São Leopoldo plant. The structural works have been completed, with just the finishing work remaining to be done. In 2022, with the partner companies installed and fully operational, this structure will enable to streamline the logistics of the reception of parts, facilitating the control of the quality standard, and of the level of inventory made up of parts and components, thus providing greater efficiency and the reduction of costs.

Sales

Over the first nine months of the year, sales increased in the markets where the Company operates, and the demand for Taurus firearms has remained high, with a backorder of 1.3 million, further boosted by the launching of models that meet consumers' desires and, at the same time, offer quality, technology and a competitive price. The major highlight was the simultaneous launching of the new GX4 pistol, at the end of May, both in Brazil and in the USA. The gun was developed at the Integrated

Technology and Engineering Center Brazil/USA (CITE), and it is Taurus' first microcompact pistol, which marks the Company's entry into this segment of higher added-value, with a differentiated firearm in terms of design and technological solutions. GX4 has just won, on October 26, two of the most important awards of the sector in the USA: "Best New Handgun 2021" and "Best General New Product", in the 5th edition of the National Association of Sporting Goods Wholesalers (NASGW), POMA CaliberAwards (quality / excellence awards). The award is for the most outstanding new products in six product categories - rifle, pistol/revolver, shotgun, ammunition, optics and accessory, in addition to the overall best new product award, chosen from the finalists in all six categories. And the latter was won for GX4.



Awards received in the USA for the Taurus GX4 pistol, for "Best New Handgun 2021" and "Best General New Product".

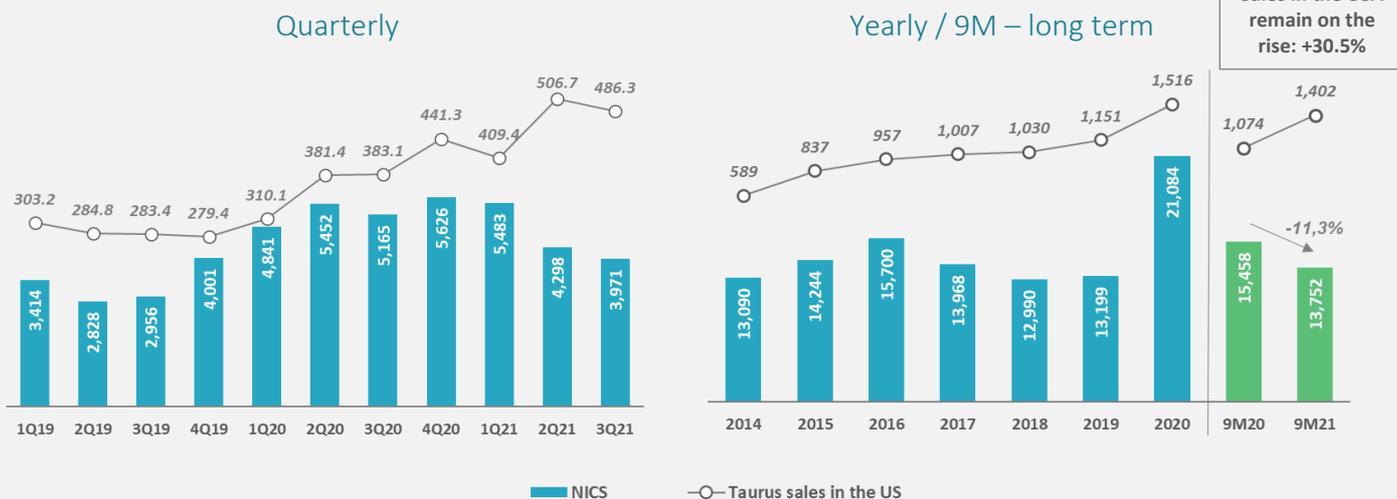
In 3Q21, sales volume totaled 619,000 units, up 27.1% versus 3Q20, with the number of firearms sold in the domestic market reaching 107,000 units, for the first time in the Company's history, topping the 100,000 mark. In 9M21, sales totaled 1,735,000 firearms, exceeding by 34.6% the figure registered in the same period of 2020. The growth took place in the three geographic regions in which Taurus distributes its sales: USA (+26.9% in the quarterly review and 30.6% in the 9M), Brazil (+18.9% in the quarterly review and 38.0% in the 9M), and in the rest of the world (+85.7% in the quarterly review and 193.3% in the 9M). Although the absolute volume was reduced - 26,000 in 3Q21 and 68,000 in 9M21 -, exports to other countries showed a significant growth in percentage terms, evidencing the resumption of international bids and shipments, following the initial period of the pandemic. Of special note in the quarter were the sales to Pakistan and the Philippines, related to the tender won by the Company in 2020, for the delivery of 12,400 Taurus T4 rifles to the army of that country.

Sales volume – total Taurus ('000 units)



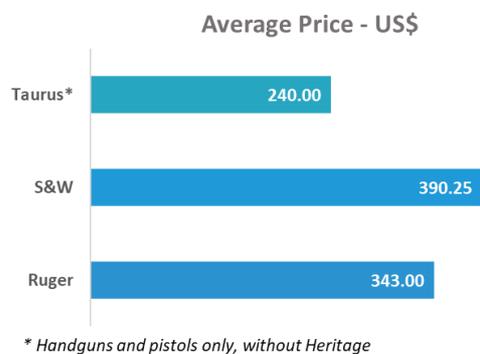
The number of inquiries from people interested in acquiring a firearm in the USA, as computed by the Adjusted NICS (National Instant Background Check System), came to 21.1 million in 2020, an unprecedented historical level. In 9M21, demand remained strong in relation to the historical level, with the NICS indicator already exceeding the total recorded for the whole of 2019, despite the pullback from 9M20.

Adjusted NICS (National Instant Background Check System) and Taurus sales in the USA ('000 units)



In the graph above, on the right-hand side, the increase in Taurus' sales volume in the USA in recent years is evident in relation to the evolution of NICS data, confirming the brand's success in the US market. The Company's sales in this country remain on the rise, having exceeded in 3Q21 the result for the same quarter of the previous year by 26.9% and, considering the first nine months of the year, by 30.5%.

In addition to the growth in sales volume, Taurus has also been adding value to its product line. Thus, the average sales price has been rising, without impacting the demand for its products, which remains heated. And there is still a lot of room for expansion, as shown in the chart on the right, which shows the average price, in dollars, of the Taurus firearms in relation to international peers, which are companies that are also listed on the stock exchange and therefore disclose their information.



Economic and Financial Performance

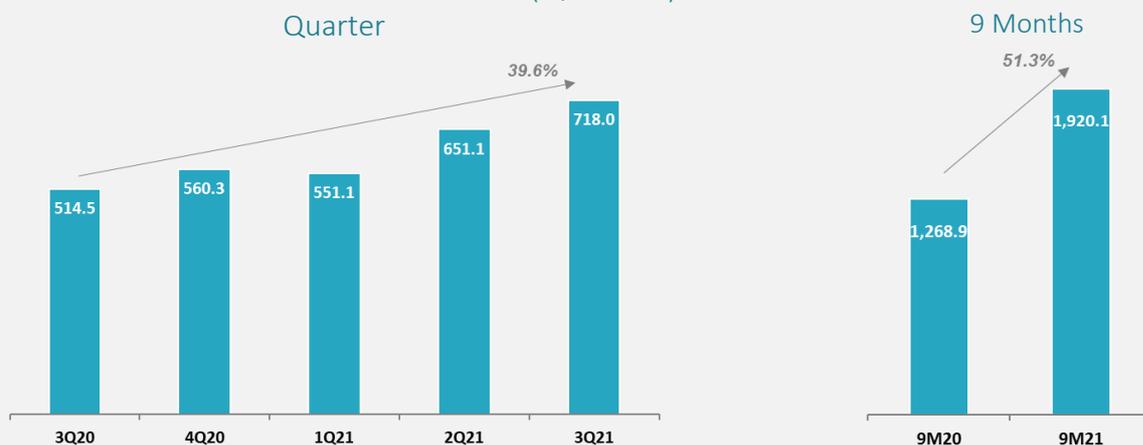
As of 1Q21, in accordance with accounting standards, the results from the helmet operations will once again be consolidated into Taurus' results. During the last two years - 2020 and 2019 - instead of being consolidated, the net result from this operation was presented in the caption "Net result of discontinued operations". Given the change in the accounting standard, and in order to keep the adequate comparison, both the 2Q20 and 1H20 figures have also been presented in this report, considering their consolidation into the Income Statement.

Net Operating Revenues

Taking into account the growth in sales volume, coupled with the higher added-value mix, in 3Q21, net operating revenues showed a 39.6% increase in comparison with 3Q20, to R\$ 718.0 million. On account of this result, revenues for the first nine months of 2021 came to R\$ 1,920.1 million, exceeding by 51.3% that obtained in 9M20. Once again, the Company has attained record revenues for the periods under review, evidencing the correctness of the growth strategy based on process review, investment in research and technology, and renewal of the product line.

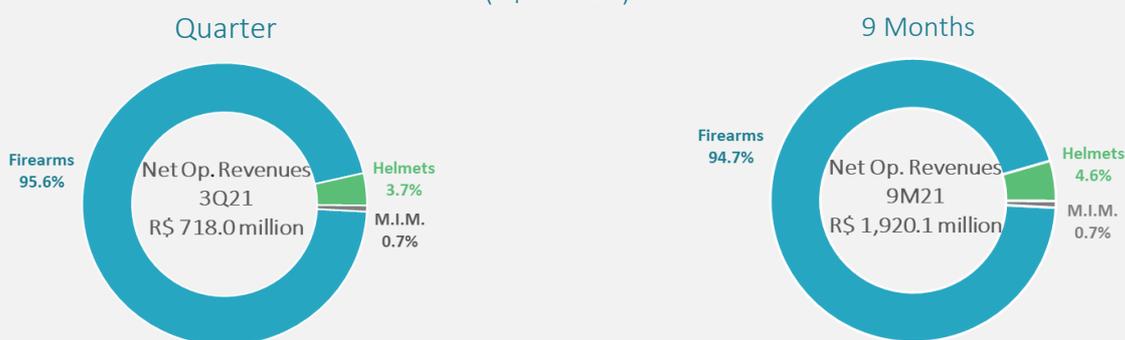
The exchange rate variation also had a positive impact on the Company's results, taking into account the January-September period, since most of its revenues come from sales abroad, which are denominated in dollars. As the average dollar appreciated against the Brazilian currency by 4.9% between 9M20 and 9M21, when translated into Brazilian Reals, international sales benefit from the gain in exchange rates. However, in the comparison between 3Q21 and 3Q20, this effect was reversed, with sales made in dollars being negatively affected by the exchange rate variation, since the US dollar devalued by 2.8%, when considering the average dollar for the two quarters in question.

Consolidated Net Operating Revenues (R\$ million)



4Q20 does not include the helmet operations, whose net result is presented in the "Profit (loss) from discontinued operations" account

Net Operating Revenues by Product (R\$ million)



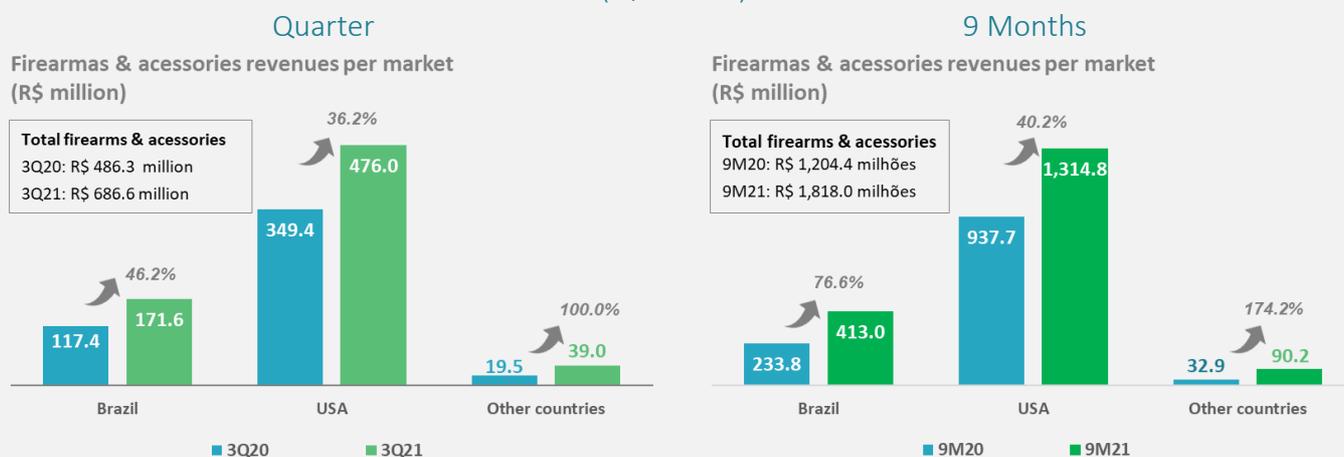
Taurus's revenues largely derive from the sale of firearms & accessories, which accounted for 95.6% of overall net revenues in 3Q21, and 94.7% in 9M21, totaling R\$ 686.6 million and R\$ 1,818.0 million, respectively. The outcome is further reinforced by the revenues from the sale of M.I.M. (metal injection molding parts) and helmets, which are both segments of relatively modest representation, although they also showed an increase in net revenues, both in the quarterly comparison (11.1% in M.I.M. and 11.4% in helmets), as well as in the nine-month review for both 2021 and 2020 (69.4% in M.I.M. and 56.8% in helmets).

In geographical terms, Taurus's main market is in the USA. The Company's sales of firearms & accessories in this country accounted for 69.3% of the revenues from the sales of firearms in 3Q21, and for 72.3% considering 9M21. Compared to the same periods of 2020, there was a small reduction in the share of revenues from the US in the overall revenues from firearms & accessories, due to the higher share of revenues in the local market, which went from 24.1% in 3Q20 to 25.0% in 3Q21, and from 19.4% in 9M20 to 22.7% in 9M21. This is due to the fact that, even with the large backorder in the USA, being a Brazilian Company, Taurus has given priority to the domestic market, whose demand has been growing, especially for higher added-value models, which also contributed to the increase in revenues from these sales.

FIREARMS & ACCESSORIES – Net Operating Revenues by market



FIREARMS & ACCESSORIES – Net Operating Revenues by market (R\$ million)

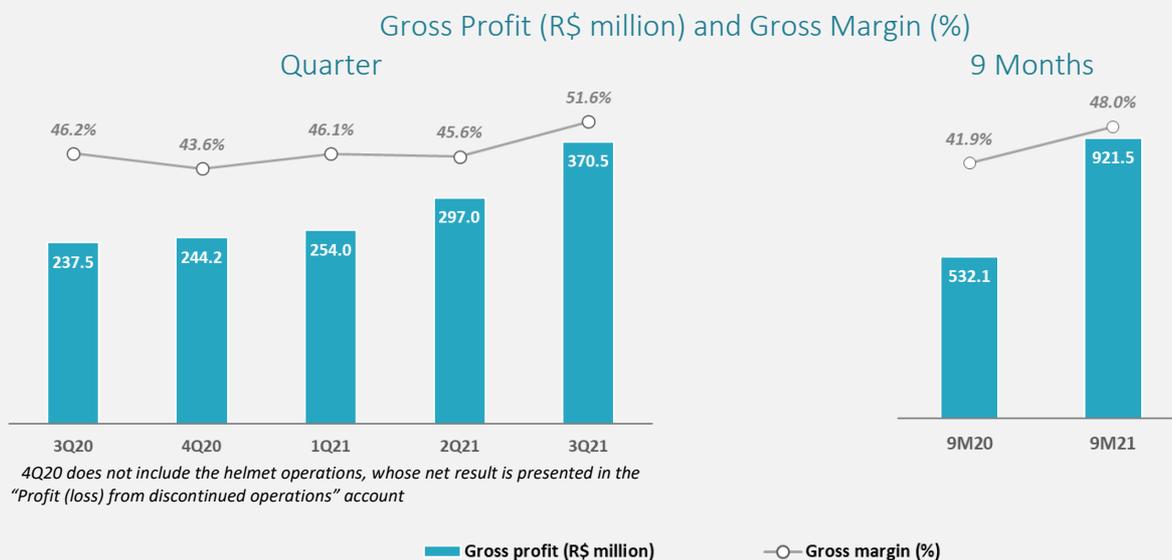


Gross Profit

In 3Q21, gross profit came to R\$ 370.5 million, up 55.6% from 3Q20. Gross margin stood at 51.6%, an all-time record in the Company's history and among publicly-traded companies in the sector, outpacing the already strong performance recorded in 3Q20 by 5.4 p.p. In 9M21, the increase in gross profit in relation to 9M20 was 73.0%, to R\$ 921.5 million, with a gross margin of 48.0%.

The improvement in gross profit stems from the growth in revenues, increased production, continuous cost control, modernization of the industrial complex and a higher value-added sales mix, in addition to the greater utilization of the production capacity, thus diluting fixed costs. Also contributing to this performance was the correct strategy of increasing product prices, by 10% in the USA, as of June, and by 17% in Brazil, as of August. The increase in the price list was well accepted by consumers, who have recognized the greater added-value of Taurus' firearms and, therefore, this has not been reflected in a reduction in the number of orders.

Thus, COGS has shown lower increase when compared to the growth in revenues: in 3Q21, the cost increase was 25.4% in relation to 3Q20, down 14.2 p.p. compared to the growth in revenues in the period, whereas in 9M21, COGS rose by 35.5% versus 9M20, compared to the 51.3% growth in revenues, down 15.8 p.p. This led to an increase in gross profit, with the gross margin hitting unprecedented levels.



Operating expenses

The reduction in operating expenses also contributed to Taurus's better operating results for the period, with greater dilution of these payables in total net revenues. In 3Q21, operating expenses amounted to R\$ 83.0 million, representing a reduction of 6.1% in relation to the same period of the previous year, whereas in 9M21, these amounted to R\$ 248.4 million, representing an increase of only 3.7% in relation to 9M20. This performance is basically due to the recording of non-recurring income accounted for as "other operating income".

In 3Q21, the Company recorded a net operating income of R\$ 43.0 million, in the "other operating expenses/income" account, a result influenced by the recording of R\$ 38.9 million referring to the recovery of IPI and presumed ICMS. Also contributing to the accumulated performance of the first nine months, in 2Q21, there was a recording of a non-recurring income equivalent to US\$ 3.0 million, deriving from the benefit received by Taurus USA of full cancellation of a loan obtained through a US government support program for companies during the crisis caused by the Covid-19 pandemic (PPP - Paycheck Protection Program), since the Company met the requirements laid down in this program. The two factors mentioned above were determinant for the balance of the other operating expenses/income account in 9M21 to result in an operating income of R\$ 69.7 million, which contributed to reduce the total operating expenses for the period.



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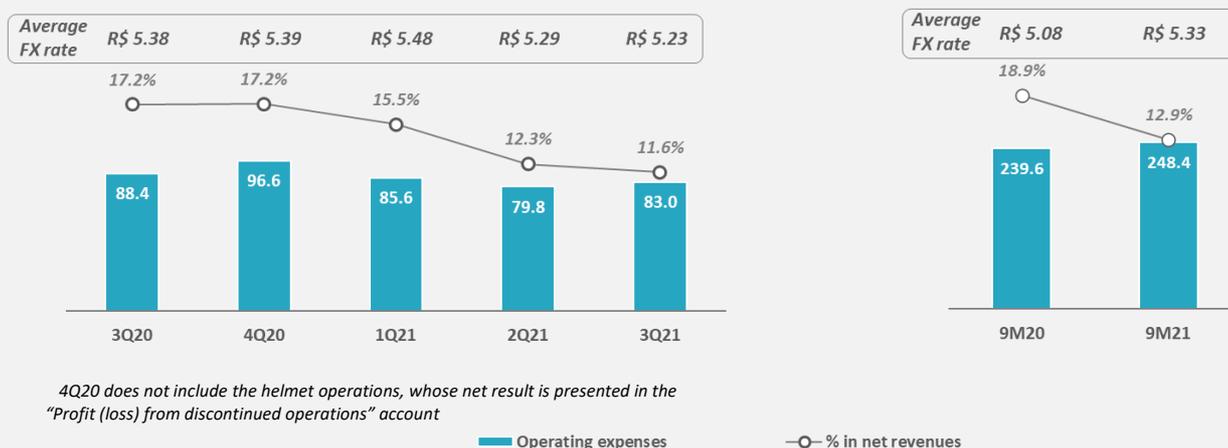


R\$ million	3Q21	3Q20	3Q21 x 3Q20 % chg.	2Q21	3T21 x 2T21 % chg.	9M21	9M20	9M21x9M20 % chg.
Selling expenses	74.2	44.3	67.5%	48.9	51.7%	167.4	119.1	40.6%
General and administrative expenses	50.9	45.7	11.4%	54.8	-7.1%	149.5	126.7	18.0%
Asset impairment losses (income)	1.0	1.7	-41.2%	-0.2	-	1.2	-1.9	-
Other operating income (expenses)	-43.0	-3.4	1164.7%	-23.8	80.7%	-69.7	-4.3	1520.9%
Operating expenses (SG&A)	83.0	88.4	-6.1%	79.8	4.0%	248.4	239.6	3.7%
<i>Operating exp./Op. Income, net (%)</i>	<i>12.8%</i>	<i>17.2%</i>	<i>-4.4 p.p.</i>	<i>14.5%</i>	<i>-1.7 p.p.</i>	<i>12.9%</i>	<i>18.9%</i>	<i>-5.8 p.p.</i>
<i>Ptax dollar exchange rate at the end of period (R\$)</i>	<i>5.23</i>	<i>5.38</i>	<i>-2.8%</i>	<i>5.29</i>	<i>-1.1%</i>	<i>5.33</i>	<i>5.08</i>	<i>4.9%</i>

Selling, general and administrative expenses rose in both periods of comparison, as shown in the table above, which can be explained by the growth in the Company's activities, and the structure required to provide support to such growth, with an expansion in R&D activities at the Brazil/USA Integrated Technology and Engineering Center (CITE), an increase in expenses with marketing campaigns, and an increase in commissions from sales growth, among others.

Furthermore, the exchange rate variation has an impact on the Company's operating expenses, since all the expenses incurred in the North American plant are denominated in dollars and converted into local currency when accounted for in the consolidated results. This effect was positive in 3Q21, since the average dollar rate for the quarter was 2.8% lower than in 3Q20. As for the nine-month period in review, the effect was the opposite, with the exchange rate variation exerting negative pressure on the Company's operating expenses, since the local currency depreciated by 4.9% when comparing the average dollar rate in 9M21 to 9M20.

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



The share of operating expenses in the overall net revenues thus maintained the downward trend seen in previous quarters. In 3Q21, total operating expenses accounted for 11.6% of net revenues, and in 9M21, 12.9%. In comparison to the same periods in 2020, there was a 5.6 p.p. drop in the quarterly performance, and a 6.0 p.p. drop in the nine-month period, which indicates a gain in profitability for the Company.

EBITDA

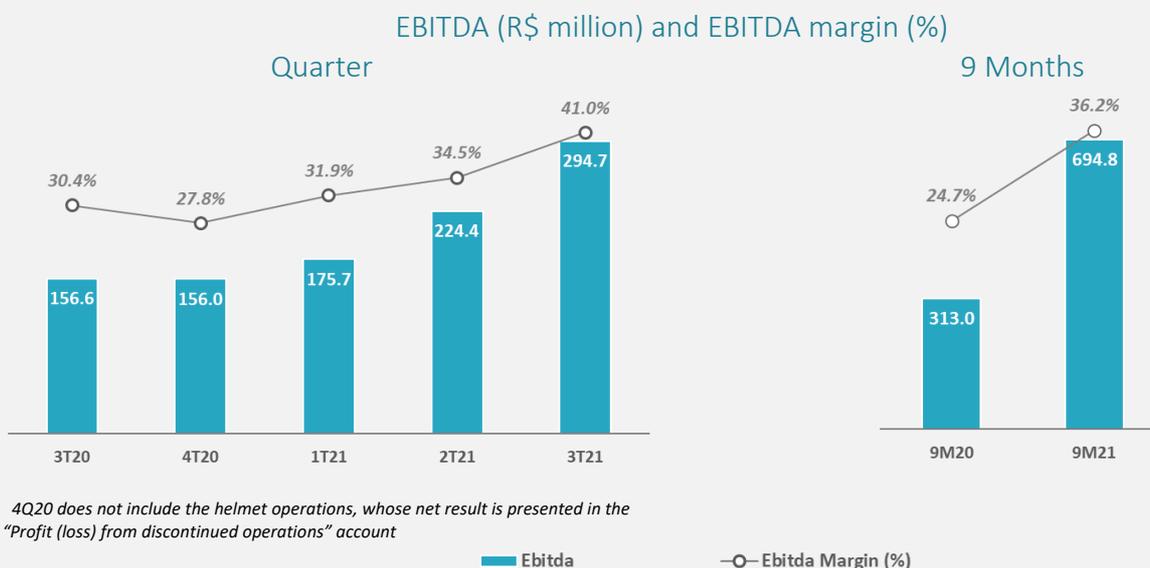
The growth in revenues accompanied by continuous management of costs and expenses has resulted in an increase in operating cash generation, measured by EBITDA, which demonstrates Taurus' solid operational performance. The efficiency of the processes and the strategic directives adopted have led to the creation of the Company's current status as a strong cash generator, based on its consistent operational performance.

Calculation of EBITDA — Conciliation pursuant to ICVM 527/12

R\$ million	3Q21	3Q20	3Q21 x 3Q20 % chg.	2Q21	3Q21x2Q21 % chg.	9M21	9M20	9M21 x 9M20 % chg.
Earnings before interest and taxes (EBIT)	287.5	149.1	92.8%	217.2	32.4%	673.1	292.6	130.0%
Depreciation and amortization	7.2	7.5	-4.0%	7.2	0.0%	21.7	20.4	6.4%
EBITDA	294.7	156.6	88.2%	224.4	31.3%	694.8	313.0	122.0%
<i>EBITDA margin</i>	<i>41.0%</i>	<i>30.4%</i>	<i>10.6 p.p.</i>	<i>34.5%</i>	<i>6.6 p.p.</i>	<i>36.2%</i>	<i>24.7%</i>	<i>11.6 p.p.</i>
Nonrecurring expenses relating to Covid-19	0.7	3.0	-76.7%	2.1	-66.7%	3.4	4.1	-17.1%
Adjusted EBITDA	295.4	159.6	85.1%	226.5	30.4%	698.2	317.1	120.2%
<i>Adjusted EBITDA margin</i>	<i>41.1%</i>	<i>31.0%</i>	<i>10.1 p.p.</i>	<i>34.8%</i>	<i>6.3 p.p.</i>	<i>36.4%</i>	<i>25.0%</i>	<i>11.4 p.p.</i>

As has been a recurring feature quarter after quarter, EBITDA in 3Q21 has exceeded the previous records, amounting to R\$ 294.7 million, which represents an 88.2% improvement over 3Q20. In 9M21, the Company has accumulated an EBITDA of R\$ 694.8 million, which exceeded by 122.0% the amount achieved in 9M20. Furthermore, it exceeded by 48.1% the performance of this indicator for the whole of 2020, when Taurus's performance was considered record-breaking.

The growth in EBITDA was also accompanied by a significant increase in its margin, which stood at 41.0% in 3Q21, up 10.6 p.p. in relation to 3Q20. The EBITDA margin for the January-September period reached 36.2%, representing an 11.6 p.p. increase in comparison to 9M20.



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

Financial result

In 3Q21, Taurus recorded a net financial expense in the amount of R\$ 52.6 million, resulting from a R\$ 21.5 million financial income and a R\$ 74.1 million financial expense. The financial balance for the quarter is 25.8% lower (R\$ 10.8 million) than the net expense for 3Q20. In 9M20, with a net financial expense of R\$ 69.3 million, the decrease compared to 9M21 was 75.8% or R\$ 217.6 million.



The Company has been consistently reducing its debt, according to the payment schedule, which has been reflected in a reduction in financial expenses, since the lower debt balance also reduces its maintenance cost.

Forex variations also have a strong impact on Taurus's financial performance. As presented in the table below, the financial result has as its main component, both in income and expenses, the effects of foreign exchange variation. The devaluation of the local currency reflects as an asset exchange variation on the customer portfolio, as well as on the cash denominated in dollars of the North American subsidiary. Moreover, it reflects as a liability exchange variation on the financial obligations related to the Company's debt, mostly denominated in dollars. The appreciation of the local currency in relation to the dollar results in an inverse effect.

After the strong rise in the dollar rate in the first half of 2020, and the resumption of the upward trend in 1Q21, the Brazilian currency showed greater stability as of 2Q21. At the end of 3Q21, the dollar Ptax was R\$ 5.244, 3.5% lower than at the end of 3Q20, contributing to the reduction in liability exchange variations.

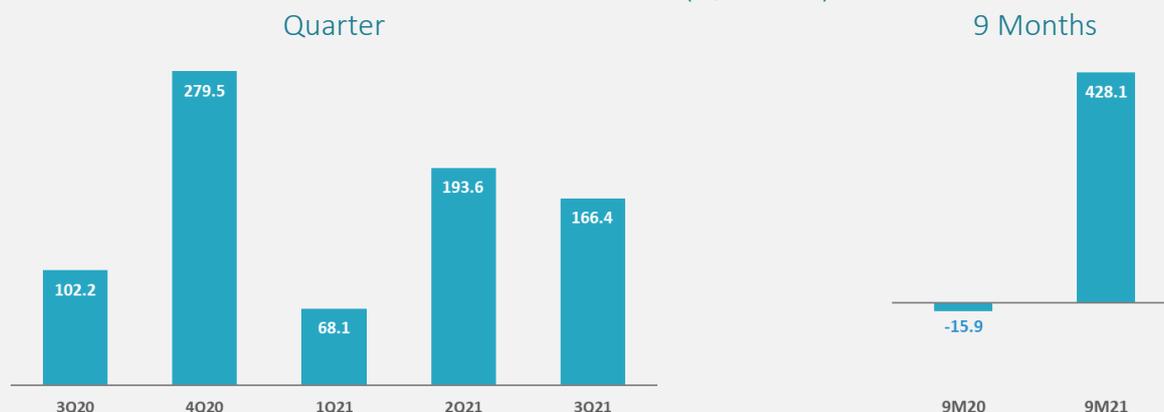
<i>R\$ million</i>	3Q21	3Q20	3Q21 x 3Q20 % chg.	2Q21	3Q21 x 2Q21 % chg.	9M21	9M20	19M1 x 9M20 % chg.
(+) Finance income	21.5	74.6	-71.2%	132.9	-83.8%	170.2	131.8	29.1%
Foreign exchange gains	21.0	74.3	-71.8%	131.7	-84.1%	168.2	131.0	28.4%
Interest IOF and other income	0.5	0.3	66.7%	1.2	-58.3%	2.0	0.8	150.0%
(-) Finance costs	74.1	116.4	-36.3%	73.5	0.8%	239.5	418.7	-42.8%
Foreign exchange losses	62.5	96.8	-35.4%	60.1	4.0%	201.9	373.2	-45.9%
Interest, IOF and other costs	11.6	19.6	-40.8%	13.4	-13.4%	37.6	45.5	-17.4%
(+/-) Finance income (costs), net	-52.6	-41.8	25.8%	59.4	-	-69.3	-286.9	-75.8%
US dollar Ptax rate at the end of period (R\$)	5.44	5.64	-3.5%	5.00	8.8%	5.44	5.64	-3.5%

Net income

Taurus recorded net income of R\$ 166.4 million in 3Q21, and R\$ 428.1 million in 9M21, as compared to a net loss in 9M21, already exceeding by 62.4% the net income recorded for the entire fiscal year of 2020 (R\$ 263.6 million).

A number of contributing factors came together to ensure the reversal of Taurus's profile, whose status at present has become that of a solid Company, a strong cash generator, with low financial leverage, and undergoing a phase of steady growth. Operational stability, the result of efficiency in production and distribution, in addition to the investments made in industrial modernization, cost and expense management, the sales mix which incorporates higher added-value models, and the restructuring of the financial situation, with a reduction in debt and its financial cost, have all ensured positive results for the Company.

Net income (R\$ million)



Debt

As at September 30, 2021, Taurus had a total gross debt of R\$ 617.6 million, an amount R\$ 249.1 million lower than the position recorded at the close of fiscal 2020. As the balance of cash and marketable securities increased in the period, there was a further reduction in net debt, of R\$ 331.9 million between those dates.

In spite of the 4.7% devaluation of the Brazilian Real in relation to the American currency in the period, gross debt converted into dollars presents a 32.0% drop over the year, for the total of US\$ 113.5 million as at September 30, 2021. In addition to continuing to honor the payments in accordance with the schedule agreed with the creditor banks, Taurus has been anticipating the disbursement of certain amounts, by making additional payments using the proceeds from the exercise of the subscription warrants relating to the capital increase in progress, thus reducing the total debt balance in an even more accelerated manner.

The US dollar exchange rate in relation to the local currency, which appreciated by 4.7% considering the closing Ptax rate for September 30, 2021 as compared to that at the close of fiscal 2020, has a strong influence on the debt balance, since the Company's indebtedness is mostly denominated in US dollars. As most of the revenues also derive from sales abroad, denominated in US dollars, Taurus relies on the natural hedge posed by such revenues.

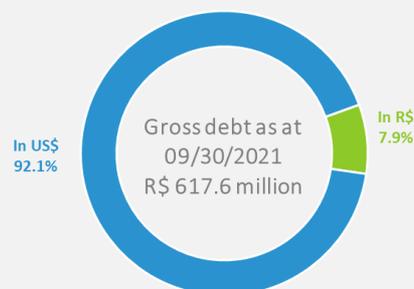
R\$ million	09/30/2021			12/31/2020			% chg. Consolidated
	Consolidated	Brasil	EUA	Consolidated	Brasil	EUA	
Borrowings and financing	16.7	16.7	0.0	71.5	71.5	0.0	-76.6%
Debentures	0.0	0.0	0.0	6.9	6.9	0.0	-100.0%
Foreign exchange drafts	102.4	102.4	0.0	100.3	100.3	0.0	2.1%
Short term	119.2	119.2	0.0	178.7	178.7	0.0	-33.3%
Borrowings and financing	460.6	443.9	16.7	627.0	550.4	76.6	-26.5%
Debentures	37.8	37.8	0.0	61.0	61.0	0.0	-38.0%
Long term	498.4	481.7	16.7	688.0	611.4	76.6	-27.6%
Gross debt	617.6	600.9	16.7	866.7	790.1	76.6	-28.7%
Cash and short-term investments	174.1			91.2			90.9%
Net debt	443.5			775.4			-42.8%
Ptax dollar exchange rate at end of period (R\$)	5.44			5.20			4.7%
Gross debt translated into US dollars (US\$ million)	113.5			166.8			-32.0%

Gross debt as at 09/30/2021 - R\$ 617.6 million

In its original currency



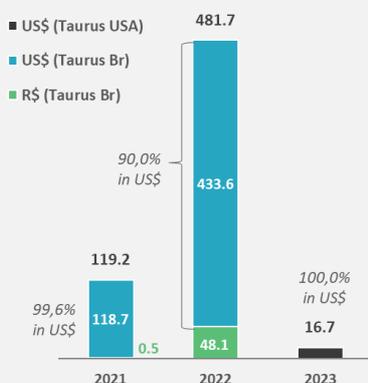
By currency



As for the maturity profile, as at September 30, 2021, 80.7% of the total debt was long term, maturing in 2022 and 2023. From the portion of R\$ 119.2 million maturing in the short term (19.3% of the total), the exchange drawdowns amounted to R\$ 102.4 million at the end of September. Taurus holds an agreement with the creditor bank for such operations, which entails their automatic renewal at each maturity, with the possibility of settlement by October 2022, and therefore, in practice, have their final maturity in the long term. Thus, the debt effectively maturing in the short term is limited to R\$ 16.8 million, or 2.7% of the overall gross debt.

Gross debt as at 09/30/2021 - R\$ 617.6 million

Maturity profile



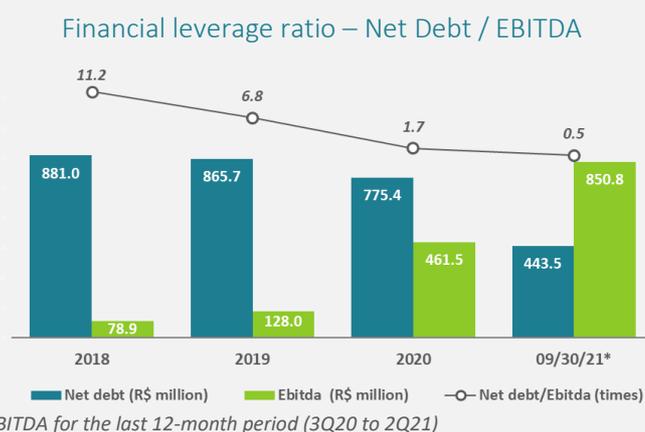
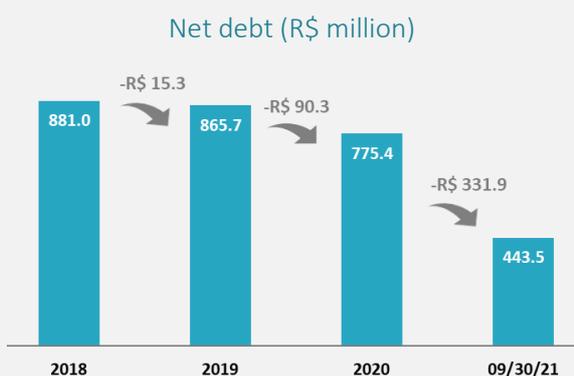
Short-term gross debt as at 09/30/2021 - R\$ 119.2 million



SHORT-TERM
≈ 19.3% of total gross debt

The reduction in the debt balance, coupled with the simultaneous growth in operating cash generation measured by EBITDA, has caused the level of leverage measured by the Net Debt/EBITDA ratio to fall significantly over the last few years, dropping to 0.5x at the end of September, based on the net debt balance as of that date and the EBITDA accrued over the last 12 months. The change in profile, from a Company where indebtedness was a matter of great concern, to the current very low-leverage status is evidenced in the chart below, which shows the drop in the Net Debt/EBITDA ratio from 11.2x to the current 0.5x.

The Company further counts on "potential credits" that are earmarked for debt reduction, consisting of the land of the former plant in Porto Alegre, plus the helmet plant, which are available for sale, as well as the balance of subscription warrants outstanding. If we simulate the deduction of such potential proceeds, estimated at R\$ 206.1 million, from the net debt position as at September 30, 2021, the debt on that date would amount to R\$ 237.4 million, which would bring down the Net Debt/EBITDA leverage ratio to 0.3.



Capital Markets

Taurus holds common shares (TASA3) and preferred shares (TASA4), which are listed on B3's Level II, a market segment that comprises those companies that have voluntarily adopted distinct corporate governance practices. Both classes of shares take part in B3's Small Caps Index (SMLL).

During the first nine months of 2021, the Company's preferred shares (TASA4) appreciated by 37.4%, in contrast to the devaluation rates of 6.8% and 5.5% of Ibovespa and SMLL, respectively, over the same period.

Data - Evolução 12 meses	TASA3	TASA4	Market value	Enterprise value (EV)*
09/30/2020	R\$7.78	R\$7.90	R\$698.0 million	R\$1,509.2 million
09/30/2021	R\$22.28	R\$21.29	R\$2,539.3 million	R\$3,048.8 million
Change	+ 186,4%	+169,5%	+ 263,8%	+ 102,0%

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

Performance of preferred shares (TASA4) in 9M21, versus SMLL B3 and IBOV B3
Base 100: 12/31/2020



Management Agenda

General and Extraordinary Shareholders' Meeting (EGM)

A General and Extraordinary Shareholders' Meeting has been called to be held on November 30, 2021, in person at the Company's headquarters. The agenda for the EGM consists of three matters to be deliberated, namely: (i) reduction of the Company's capital stock with a view to incorporating part of the accumulated losses recorded in the Financial Statements of 12/31/2020; (ii) amendment to Article 5 of the Bylaws, with regard to the amount of capital stock and number of shares, considering the capital increases approved by the Board of Directors at the meetings held on 04/26/2021, 07/28/2021 and 10/07/2021 and, also, the reduction in capital stock, if approved; and (iii) consolidation of the Bylaws with the change in capital stock.

Detailed information regarding the items on the agenda, as well as the participation of shareholders at the EGM, is available in the Management Proposal and Meeting Manual, on Taurus' Investor Relations website (www.taurusri.com.br), the CVM (www.gov.br/cvm) and B3 (www.b3.com.br).

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



Attachments

Statements of Income

<i>R\$ million</i>	3Q21	3Q20	% chg.	2Q21	% chg.	9M21	9M20	% chg.
Net operating revenue	718.0	514.5	39.6%	651.1	10.3%	1,920.1	1268.9	51.3%
Cost of sales and/or services	-347.5	-277.1	25.4%	-354.1	-1.9%	-998.6	-736.8	35.5%
Gross profit	370.5	237.5	56.0%	297.0	24.7%	921.5	532.1	73.2%
Operating (expenses) income	-83.0	-88.4	-6.1%	-79.8	4.0%	-248.4	-239.6	3.7%
Selling expenses	-74.2	-44.3	67.5%	-48.9	51.7%	-167.4	-119.1	40.6%
General and administrative expenses	-50.9	-45.7	11.4%	-54.8	-7.1%	-149.5	-126.7	18.0%
Impairment losses	-1.0	-1.7	-41.2%	0.2	-	-1.2	1.9	-
Other operating income	45.3	4.5	906.7%	25.8	75.6%	76.6	8.8	770.5%
Other operating expenses	-2.0	-1.1	81.8%	-2.0	0.0%	-6.6	-4.5	46.7%
Equity equivalence result	-0.3	0.0	-	0.0	-	-0.3	0.0	-
Profit before finance income (costs) and taxes	287.5	149.1	92.8%	217.2	32.4%	673.1	292.6	130.0%
Finance income (costs)	-52.6	-41.8	25.8%	59.4	-	-69.3	-286.9	-75.8%
Finance income	21.5	74.6	-71.2%	132.9	-83.8%	170.2	131.8	29.1%
Finance costs	-74.1	-116.4	-36.3%	-73.5	0.8%	-239.5	-418.7	-42.8%
Pretax income	234.9	107.3	118.9%	276.6	-15.1%	603.8	5.7	10493.0%
Income tax and social contribution	-66.8	-4.7	1321.3%	-82.9	-19.4%	-173.8	-20.8	735.6%
Current	-33.3	-4.8	593.8%	-60.5	-45.0%	-116.4	-8.6	1253.5%
Deferred	-33.5	0.1	-	-22.4	49.6%	-57.4	-12.2	370.5%
Profit (loss) from continuing operations	168.1	102.5	64.0%	193.7	-13.2%	430.0	-15.1	-
Profit (loss) from discontinued operations	-1.7	-0.3	466.7%	-0.1	1600.0%	-1.9	-0.7	171.4%
Consolidated profit (loss) for the period	166.4	102.2	62.8%	193.6	-14.0%	428.1	-15.9	-
Attributable to owners of the Company	166.4	102.2	62.8%	193.6	-14.0%	428.1	-15.9	-
<i>Earnings per share (R\$/share)</i>								
<i>Basic earnings per share</i>								
Common shares (ON)	1.2688	1.1565	8.3%	1.7072	-23.5%	3.6558	-0.1780	-1950.0%
Preferred shares (PN)	1.7283	1.1545	41.7%	2.1786	-22.7%	4.6412	-0.1804	-2400.0%
<i>Diluted earnings per share</i>								
Common shares (ON)	1.2688	1.1565	8.3%	1.7072	-23.5%	3.6558	-0.1780	-1950.0%
Preferred shares (PN)	1.2299	1.1623	0.0%	1.8266	-33.3%	4.1411	-0.1726	-2150.0%



Assets

<i>R\$ million</i>	30/09/2021	31/12/2020	Var. %
Total assets	1,863.3	1,460.6	27.6%
Current assets	1,268.7	930.8	36.3%
Cash and cash equivalents	174.1	91.2	90.9%
Cash and banks	152.1	86.0	76.9%
Highly liquid short-term investments	21.9	5.2	321.2%
Short-term investments	0.0	0.0	-
Accounts receivable	412.9	317.4	30.1%
Inventories	539.6	298.3	80.9%
Recoverable taxes	52.7	33.3	58.3%
Prepaid expenses	4.4	22.2	-80.2%
Other current assets	84.9	168.3	-49.6%
Noncurrent assets	594.6	529.8	12.2%
Long-term receivables	169.1	203.1	-16.7%
Tributos Diferidos	149.9	188.6	-20.5%
Outros Ativos Não Circulantes	19.2	14.5	32.4%
Investments	3.0	0.0	-
Stake in jointly-owned subsidiaries	2.8	0.0	-
Other investments	0.2	0.0	-
Property, plant and equipment	322.2	233.4	38.0%
Fixed assets in operation	270.6	216.1	25.2%
Fixed assets in under construction	51.6	17.2	200.0%
Intangible assets	100.3	93.3	7.5%



Liabilities

<i>R\$ million</i>	09/30/2021	12/31/2020	% chg.
Total liabilities and shareholders' equity	1,863.3	1,460.7	27.6%
Current liabilities	623.9	575.4	8.4%
Payroll, benefits and taxes thereon	82.0	57.5	42.6%
Payrol and related taxes	8.2	32.1	-74.5%
Employee benefits and related taxes	73.8	25.4	190.6%
Trade payables	164.1	111.9	46.6%
Local suppliers	112.4	69.5	61.7%
Foreign suppliers	51.7	42.4	21.9%
Taxes payable	116.7	68.3	70.9%
Federal tax liabilities	113.9	65.9	72.8%
Income tax and social contribution payable	17.9	14.3	25.2%
Other taxes	96.0	51.7	85.7%
State tax liabilities	2.8	2.3	21.7%
Municipal tax liabilities	0.1	0.1	-
Borrowings and financing	16.8	78.4	-78.6%
In local currency	0.4	1.8	-77.8%
In foreign currency	16.3	69.7	-76.6%
Debentures	0.0	6.9	-100.0%
Other payables	191.9	203.8	-5.8%
Dividends and interest on capital payable	102.4	100.3	2.1%
Advance from customers	55.9	49.1	13.8%
Payables from noncurrent assets for sale	5.5	27.3	-79.9%
Other payables	28.1	27.1	3.7%
Provisions	52.4	55.5	-5.6%
Tax, social security, labor and civil provisions	40.3	41.0	-1.7%
Other provisions	12.1	14.6	-17.1%
Noncurrent liabilities	637.6	843.0	-24.4%
Borrowings and financing	498.4	688.0	-27.6%
In local currency	10.3	13.3	-22.6%
In foreign currency	450.3	613.7	-26.6%
Debentures	37.8	61.0	-38.0%
Other payables	59.9	78.7	-23.9%
Deferred taxes	17.6	10.3	70.9%
Provisions	61.7	66.1	-6.7%
Social security, labor and civil provisions	54.8	59.5	-7.9%
Other provisions	6.9	6.6	4.5%
Consolidated shareholders' equity	601.8	42.3	1322.7%
Issued capital	673.1	560.3	20.1%
Capital reserves	-27.5	-31.1	-11.6%
Disposal of subscription warrants	13.5	9.9	36.4%
Capital transactions	-41.0	-41.0	0.0%
Retained earnings/accumulated losses	-276.1	-704.7	-60.8%
Valuation adjustments to equity	45.4	45.9	-1.1%
Cumulative translation adjustments	187.0	172.0	8.7%