



4Q22/ FY 2022 Earnings

TAURUS™

COMPROMISSO COM A EXCELÊNCIA



Operational and Financial Highlights – 2022



Total production:

1.8 million units



Net revenues:

R\$ 2,540.0 million



Gross profit:

R\$ 1,160.4 million, with a 45.7% margin



EBITDA:

R\$ 795.5 million, with a 31.3% margin



Net income:

R\$ 520.0 million, with a 20.5% margin



Capex:

R\$ 213.9 million

Taurus has maintained its positive operational performance in 2022, with a 45.7% gross margin, and a net income of R\$ 520.0 million

São Leopoldo, March 21, 2023 – Taurus Armas S.A. (“Taurus” or “Company”) (B3:TASA3; TASA4), listed on B3’s Level 2 of Corporate Governance, the world’s largest manufacturers of light firearms, hereby presents its results for the fourth quarter of 2022 (4Q22), along with the results for FY 2022. The financial and operational information disclosed herein, except where indicated otherwise, is presented in Brazilian Reais (R\$), and complies with the International Financial Reporting Standards (IFRS) and the Brazilian accounting principles. All comparisons refer to the same periods of 2021.

Main indicators

<i>R\$ million</i>	2022x2021			4Q22x4Q21		
	2022	2021	% Chg.	4Q22	4Q21	% Chg.
Net operating revenues	2,540.0	2,740.5	-7.3%	597.9	820.3	-27.1%
Domestic market	881.0	733.8	20.1%	228.8	220.5	3.8%
Exports market	1,659.0	2,006.7	-17.3%	369.1	599.8	-38.5%
COGS	-1,379.6	-1,422.7	-3.0%	-363.7	-424.1	-14.2%
Gross profit	1160.4	1317.8	-11.9%	234.2	396.2	-40.9%
Gross margin (%)	45.7%	48.1%	-2.4 p.p.	39.2%	48.3%	-9.1 p.p.
Operating expenses (SG&A)	-399.6	-344.2	16.1%	-78.0	-95.8	-18.6%
Earnings before financial result and income tax (EBIT)	760.9	973.6	-21.8%	156.2	300.4	-48.0%
Net financial income (expenses)	-4.7	-72.3	-93.5%	17.0	-3.0	-666.7%
Income tax and social contribution	-233.3	-263.9	-11.6%	-51.6	-90.1	-42.7%
Net income (loss) from continued operations	522.8	637.4	-18.0%	121.6	207.4	-41.4%
Net income (loss) from discontinued operations	-2.8	-2.3	21.7%	-0.6	-0.4	50.0%
Net income (loss)	520.0	635.1	-18.1%	121.0	206.9	-41.5%
EBITDA	795.5	1002.9	-20.7%	166.0	307.8	-46.1%
EBITDA Margin	31.3%	36.6%	-5.3 p.p.	27.8%	37.5%	-9.8 p.p.
Net debt (end of period)	159.5	436.8	-63.5%	159.5	436.8	-63.5%

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

With the close of fiscal year 2022, it is once again with a sense of pride that we present the results obtained by Taurus. This feeling of pride stems from the confirmation, that over the last few years, we have successfully built a solid company, with solid foundations. We rely on a modern and efficient operating base, and we have remained focused on progressing more and more in terms of innovation. We have consolidated a level of profitability of operations that is quite comfortable, well above the average for the worldwide firearms industry. We rely on a business model that provides strong cash flow generation, which has made it possible to reduce the bank debt and financial leverage in a significant manner, thus transforming the capital structure. All this comes accompanied by a strong brand in the markets where we operate, and a brand that is admired by consumers.

The trend in demand in the US, the world's largest firearms market, and therefore, also our main market, has confirmed our expectations, showing a downturn in comparison with the historical peaks seen in 2020, and 2021 in particular. In 2022, the NICS (National Instant Criminal Background System) - an index that shows the number of people who are willing to acquire a firearm in the USA - totaled 16.4 million queries, the third highest number in the historical series, since the indicator started being recorded in 2000, being exceeded only by data from 2020 and 2021. If we look at the performance of this indicator in 4Q22 alone, there was a 20.4% increase when compared to the previous quarter. This trend results from the seasonality of the market, which tends to show a lower turnover during the period from May to July, and an increase in sales at the end of the year, due to the hunting season in this country, the "Black Friday" and Christmas. At Taurus, we have adopted the strategic decision to take advantage of this growth in retail demand at the end of 2022, with a view to reducing inventories in our dealerships. During the first months of 2023, the upward trend in the indicator regarding the intention to buy firearms was repeated, which will have a positive influence on our sales in the medium term.

Over the last few years, Taurus has gained a share in the North American market, and has consolidated its position as the world's leading company in terms of sales volume in the sector. In January, we attended the SHOT Show, in Las Vegas, USA, the largest firearms fair in the world, where we launched nine new models of light firearms. From the interest of the public present and contact with our distributors, we were able to corroborate that our products have been increasingly recognized by our consumers. This recognition has also been translated into three important awards granted to us in 2022: the GX4 pistol won the Handgun of the Year 2022, from the American magazine GUNS & AMMO, and the Best Value Handgun (better cost x benefit), from Ballistic's; whereas the Taurus 856 Executive Grade revolver won the Golden Bullseye, from NRA (National Rifle Association), one of the most prestigious awards in the firearms industry. Now, in January, we pioneered the launch of the T.O.R.O. (Taurus Optic Ready Option) revolver line.

The Brazilian market was heated in 2022, particularly due to expectations with the presidential elections and likely changes in legislation. As we had anticipated, this was accentuated in 4Q22, in view of the election of the current President, which generated an impact of increased demand, with the anticipation of purchases by consumers, in light of the imminence of more restrictive rules being established in relation to the sale of firearms in the country.

As regards the international market, excluding the USA, we have maintained our sales performance in 2022, to more than 40 countries. We are constantly monitoring the market opportunities, as well as the international firearms biddings, where Taurus is highly competitive, considering the quality of its products and the best production costs. In 4Q22, we carried out two major sales to the Philippines, totaling more than 10,000 firearms, for delivery to the Army and police forces. We consider the Philippines to be an important strategic partner for Taurus and, although this sale placed a slight pressure on our margins, since success in international bids requires an effort in terms of pricing, our strong competitiveness still enabled us to maintain an interesting margin for the Company.

For 2023, our expectation is of a challenging market, although with attractive opportunities in other countries, besides the USA, which we have been working on. We have prospected the potential to supply an additional 44,000 tactical firearms and 90,000 pistols to the Indian market, where we are present and, in addition to the 425,000 rifles already disclosed, there are other potential opportunities for more than 55,000 firearms. On the one hand, there is the adverse economic environment. According to the Global Economic Prospects report, released by the World Bank in January, global growth is decelerating sharply due to high inflation, higher interest rates, declining investments, and repercussions from the Russian invasion in Ukraine. The possibility of recession in some countries cannot yet be ruled out, but on the other hand, a certain resilience in global economic activity can be perceived.

Within this international scenario, the outlook for Brazil is not likely to be much different. Important in this scenario is Taurus' solid position in relation to its indebtedness and cash flow.

With regard to the firearms market in the USA, which has always been an important priority for Taurus, the expectation is that demand will stabilize at a level higher than that seen during the pre-pandemic period. As previously mentioned, the NICS accumulated in the first two months of 2023 validates this trend, presenting a 2.7% increase in relation to the same period of 2022, and of 24.5% in relation to the first two months of 2019, before the start of the pandemic. In Brazil, the market started the year showing some retraction, as it was waiting for the regulation of the decree that would determine the new rules for the sector, which should occur by April. From this fact onwards, the outlook is for normalization, even with a greater domestic market turnover, due to the pent-up demand during this period. Likewise, in the cases of the demands from the armed forces and public security, the acquisitions normally take place after the approval of the budgets and the allocation of funds.

In the international market, apart from the USA, we remain alert to all opportunities, such as the ongoing bid for 425,000 rifles by the Indian Ministry of Defense. This is the largest bid for rifles ever made in the world, and will probably maintain this position for many years to come. Once all the registration bureaucracy is over, we finally got our factory in India ready to operate, just pending the final government homologation. The strategy of setting up the plant in India has enabled us to participate in this bid, since there is a restrictive requirement for local producers. This corroborates the management's decision to constantly monitor new opportunities and capture untapped markets. Besides its unprecedented magnitude, this bid has a differentiated characteristic, which is the possibility of the second place bidder being able to take 40% of the order, as long as it accepts the same price and conditions as the winner, which can contribute, also, to reduce the price war among the participants. Furthermore, we are monitoring other not so grand bids in these countries, in which we should also take part.

Our strategy for maintaining Taurus' prominence in the global firearms market continues to entail a focus on innovation, with investment in the development of technology for materials, products, processes and equipment that guarantee increasing quality and efficiency in the production line. An example of this is the first automated bolt line installed at the plant in Brazil. Based on an automation process, Taurus is developing a production line that performs self-management and on-line corrections of the manufacturing parameters, thereby guaranteeing superior quality and losses tending zero. We were enthusiastic to see this automated process in operation, in a fully successful "try out". Investments in R&D are gradually becoming aspects that consolidate Taurus's differentiation on the world market. The launching of innovative products is part of our strategy of attracting growing consumer interest in Taurus' products. In this sense, after the launch in Brazil in July/22, we are finally launching in the USA, in 1Q23, the GX4 Graphene pistol, the first in the world that uses graphene. The material is now used in the TS9 Graphene and TS9c Graphene pistols, which will be launched in Brazil in April, together with several other innovative products, on the occasion of LAAD Defense & Security 2023 - International Defense and Security Fair, the largest defense fair in Latin America.

The revolutionary and disruptive technology of using graphene in the production of firearms, which placed Taurus and Brazil in the limelight in the world firearms industry, is one of the examples of innovative projects developed by the Brazil/USA Integrated Technology and Engineering Center (CITE), which contributed to the registration of another important milestone for the Company. On March 14th, we announced to the market, by means of a Material Fact, that we were granted approval by FINEP (Studies and Projects Financing Agency, as a Public Company linked to the Ministry of Planning) of a credit line to finance the Strategic Innovation Plan for Competitiveness (PEI) project. This funding is intended exclusively for innovation, and is only released after a strict evaluation process. In addition to the financial resources, in the amount of R\$ 175.7 million, at a very attractive interest rate, Taurus' financing of this credit line introduces a factor that is perhaps even more important for us, which is the return to the credit market with a seal of approval in relation to the quality and trust in the solidity of the Company's fundamentals, and the innovative character of the technological projects that have been developed. As we continue to prioritize our investments in the development and use of technology and innovation, Taurus has now opened doors at FINEP to present other innovative projects.

We closed 2022 showing a solid and sustainable situation. The strong cash flow generation has enabled us to reduce our gross debt by R\$ 205.1 million during the year, so that we will reach the end of 2022 with a financial leverage measured by the EBITDA/Net Debt indicator of 0.2x. We hold very competitive production costs and keep our expenses under control, which allowed us to maintain high profitability margins, much higher than those of foreign players in the same sector. In FY 2022, Taurus posted a gross margin of 45.7%, compared to Ruger's 30.2% and Smith & Wesson's 35.8%, stressing that the latter company closed its fiscal year in January 2023, therefore including the results for the month of December 2021, when the North American market was still buoyant. In terms of EBITDA margin, Taurus attained 31.3% in the year, a performance that was even better than our

expectations, while Ruger recorded an EBITDA margin of 22.1% and Smith & Wesson, also benefited by the last two months of 2021, of 23.8%.

The net income for 2022 stood at R\$ 520.0 million, representing a 167.6% increase over the net income for 2021, after the exclusion of accumulated losses and the realization of the legal reserve. Based on this result, at the general shareholders' meeting, we will present for approval a proposal for the payment of dividends of at least the mandatory amount established in our Bylaws, of 35% of the adjusted net income, and also the creation of a statutory reserve in an amount that provides the flexibility to approve possible payments of dividends with greater frequency in 2023, in addition to the possibility of creating a share buyback program for Taurus shares, always maintaining a comfortable cash position - R\$ 328.7 million on 12/31/2022 - in the Company. Our objective is always aimed at maximizing the return for our shareholders, reaffirming Taurus's new phase as a reliable and safe company, which aims to remunerate its shareholders without detriment to its strategy of growth and technological development.

This structure achieved by Taurus, based on all the effort that has been taken since 2018, with the restructuring of the Company, has enabled it, in just a few years, to attain the current solid situation of stability and comfortable cash position. This structure, which relies on the best corporate governance practices, has also allowed us to turn our attention to another essential aspect, which is the development of people and our responsibility with regard to environmental preservation. We are very pleased to announce that in April we will present our first Annual Sustainability Report, prepared in record time. I invite and strongly recommend everyone to appraise this document, which presents our achievements and the ESG culture that is being developed at Taurus.

We began the year 2023 with the plant adjusted to the new level of the post-pandemic market, and confident in our strength and capability for adapting and identifying opportunities in different market scenarios. Taurus currently presents itself as a solid company, with a consolidated management model, with a focus on the future. It is constantly seeking to maintain its position as the largest light firearms producer in the world, whether through growth in demand, through its ability to quickly adapt to new trends, or through acquisitions and partnerships. Our main focus is on the law-enforcement market, a Company strategy for accessing a new market niche in the USA, while entering other police markets in the rest of the world, as well as being a prime choice for the civilian consumer, who seeks to use police-use firearms.

We would like to thank our shareholders, Board members, business partners and employees for their support, which was fundamental for the development of today's Taurus, a company with solid foundations.

Salesio Nuhs
CEO

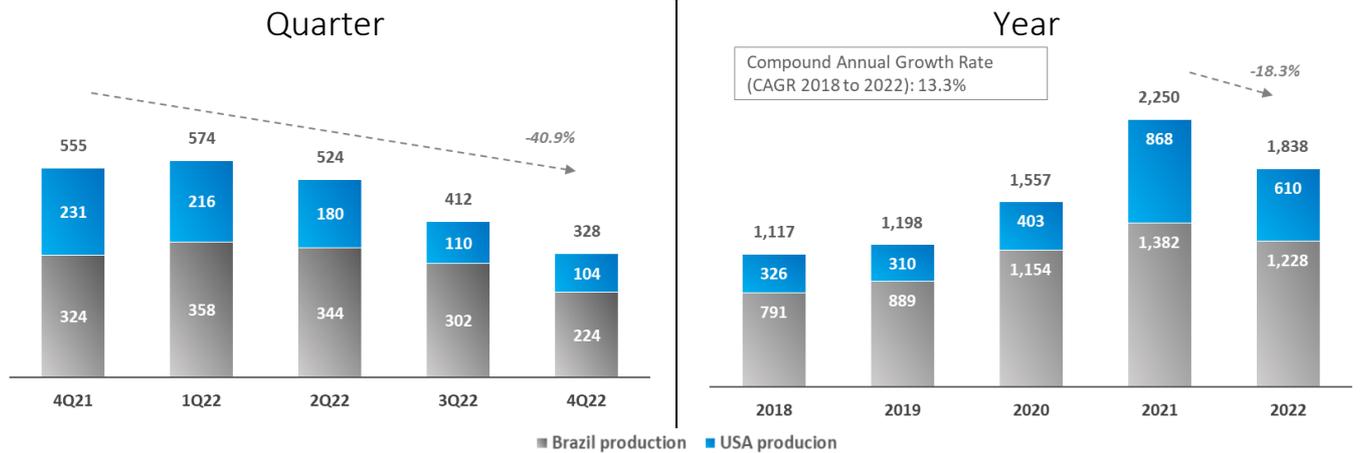


Operational performance

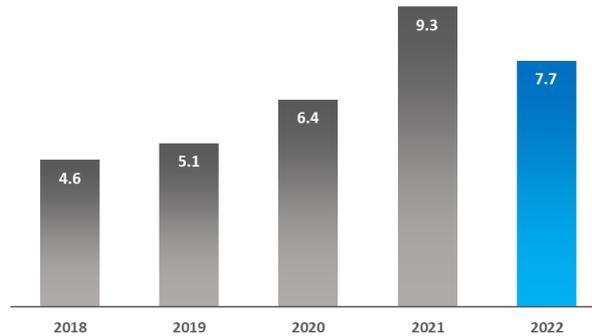
Production

In 4Q22, Taurus produced 328,000 firearms in its two industrial plants, in Brazil and in the USA, for a total of 1.8 million units, **the second best volume for one year in the Company's history**.

Production of firearms – Taurus ('000 units)



Average production/day (Brazil + USA, '000 units)



The Company continues to invest in the development of products that meet consumer demand, with the use of innovative materials, integrated technology and efficient production processes, based on the projects prepared by the Brazil/USA Integrated Engineering and Technology Center (CITE), which allow us to produce differentiated, quality firearms at competitive costs.

The recognition by the market has been reasserted, with important awards won by the Company. The Taurus GX4 pistol platform, which includes both the standard and T.O.R.O. (Taurus Optic Ready Option) versions of the GX4 and GX4XL models, won the coveted Handgun of the Year 2022 award, from the North American magazine GUNS & AMMO, which had already been won by the Company in 2019 with the TX22 pistol. The GX4 Family also stood out in the fifth annual edition of the North American magazine Ballistic's Best Guns of the Year award, receiving, in December 2022, the Best Value Handgun (best cost x benefit) award. In 2021, the year of its launch, the Taurus GX4 pistol had already received two of the most important awards of the sector in the United States: Best New Firearm of 2021, and Best New Overall Product at the 5th edition of the NASGW-POMA Caliber Awards (Quality/Excellence Awards), an entity that represents shooting sports wholesalers, manufacturers and their commercial partners.

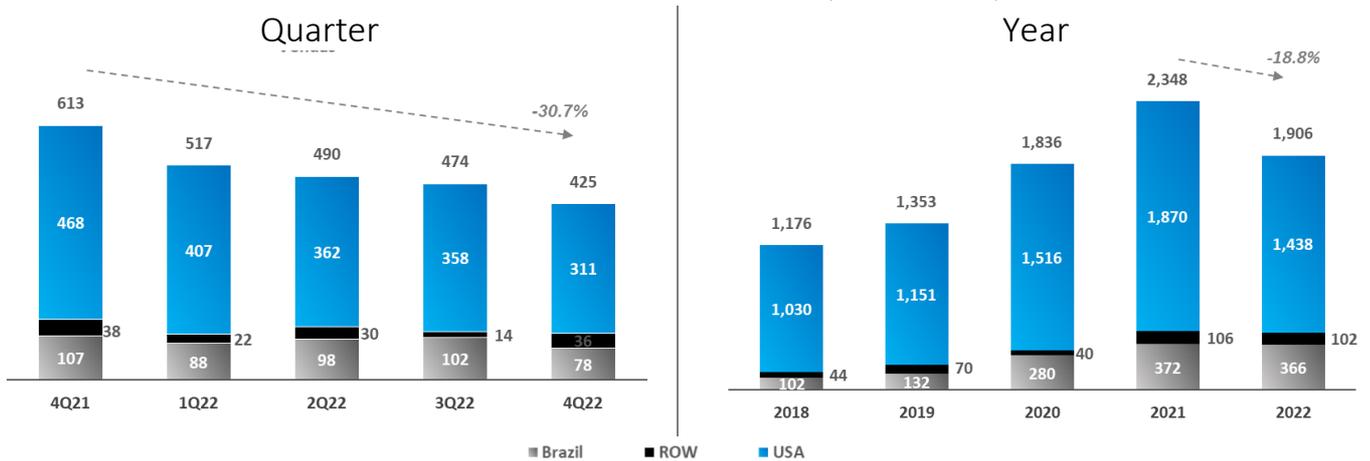
Also in December 2022, the Taurus 856 Executive Grade revolver won the NRA (National Rifle Association) Publications' Golden Bullseye, one of the most prestigious awards in the firearms industry in the United States. This is the 21st year of the Golden Bullseye Awards, and the 4th time Taurus has won the award.



Sales

In 4Q22, Taurus sold 425,000 firearms, which led annual sales to reach a total of 1.9 million units by 2022. As expected, there was a decrease in the total sales volume for both periods of analysis when compared to the same periods of the previous year, primarily as a consequence of the reversal of the upturn in the North American market, the main destination for Taurus's products. In 4Q22, the total volume sold by the Company showed a 30.7% drop in relation to 4Q21, and for the whole of 2022, it showed an 18.8% decrease in relation to the previous year.

Firearms Sales Volume - Taurus - (thousand units)

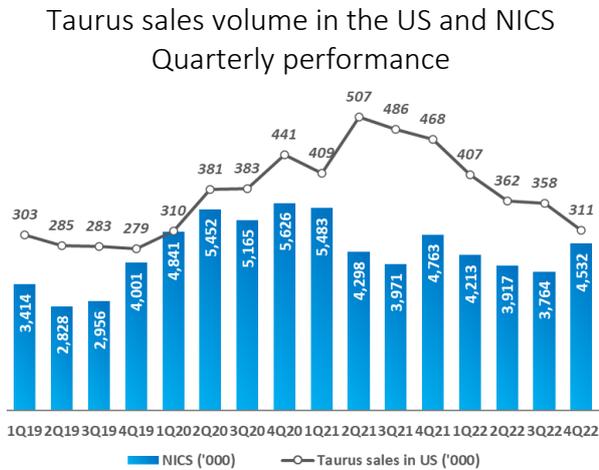


Taurus's sales in the USA accounted for 75.5% of the total number of units sold by the Company in 2022, and were down by 23.1% year-over-year. The data for the basis of comparison, for the year 2021 and even for 2020, reveal a point outside the curve for the North American market, when there was an intense movement to increase the demand for firearms in this country, for different and exceptional reasons, such as the consequences from the Covid-19 pandemic situation, coupled with the occurrence of major public rallies in some regions of the USA. In 2022, as presented in the Adjusted NICS (National Instant Criminal Background System) data series, which indicates the number of people who are willing to purchase a firearm in the US, there was a cooling of demand, which nevertheless remained above the historical average. There were 16.4 million queries recorded in the NICS during the year, the third highest point in the entire historical series for this indicator, exceeded only by those recorded in the years 2020 and 2021.

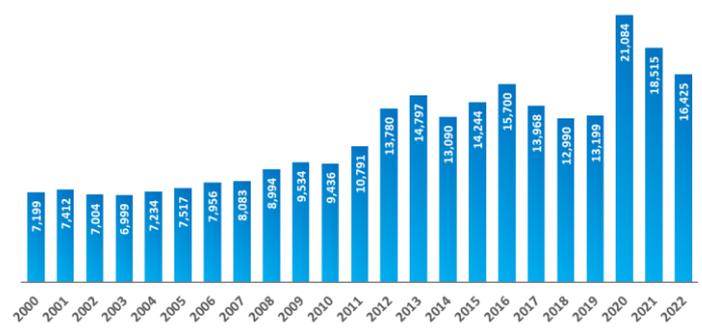
In terms of quarterly performance, we can point out an increase in the number of queries at the NICS in 4Q22, when compared to the first three quarters of the year. This trend not only indicates that the market remains heated, although not at the levels of the last two years, but this upward movement in the last months of 2022 reflects the seasonality of the market, in view of the beginning of the hunting season in the USA, the "Black Friday" promotions and Christmas shopping. Taurus's sales on the North American market during this period did not follow that retail trend, due to the strategy adopted by the Company of reducing the inventories of the distributors.

US Market - Taurus sales and intention to acquire firearms (NICS)

(‘000 units)



Adjusted NICS – 2000 to 2022 (‘000)
Yearly performance



In Brazil, demand had already been showing an upward move in 2020 and 2021, and remained heated in 2022, mostly due to Taurus' offer of new and innovative products on the local market. For example, we may cite: the GX4 Graphene pistol, the 3rd generation of pistols and the first in the world to use graphene; a new range of tactical firearms, such as the T4 rifles in caliber .300 AAC Blackout and T10 caliber 308, 1911 Government pistol in 9mm caliber, the KR-9 carbine; the limited edition TS9 Executive Grade pistol; and the TX22 Competition model. As we had anticipated, in 4Q22, the outlook for more restrictive regulations in the sector, due to the election of the new President, also influenced the increase in sales. In 2022, in terms of volume, the 366,000 units sold in the local market accounted for 19.2% of the Company's overall sales volume. In comparison with the previous year, sales in the domestic market in 2022 remained virtually flat, showing a 1.6% decrease in terms of volume.

Taurus's products are sold in more than 100 countries. The other countries, except the USA, to which Taurus exports its products, represent an additional market that the Company pursues with greater or lesser priority, according to the conditions prevailing in the North American market, which tends to provide more attractive margins, and the availability of products. The Company's market intelligence team is continuously monitoring the movements of the global market, and the bids carried out abroad. In 2022, the Company's exports to countries other than the USA totaled 102,000 units, a volume 3.8% lower than in 2021, but much higher than in previous years. A special mention in 2022 goes to the Philippines, where Taurus sold more than 10,600 firearms, including pistols and rifles, to both Police and Army.

Economic and financial performance

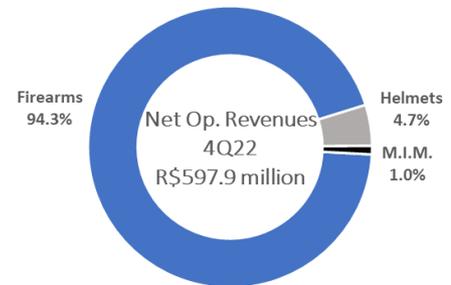
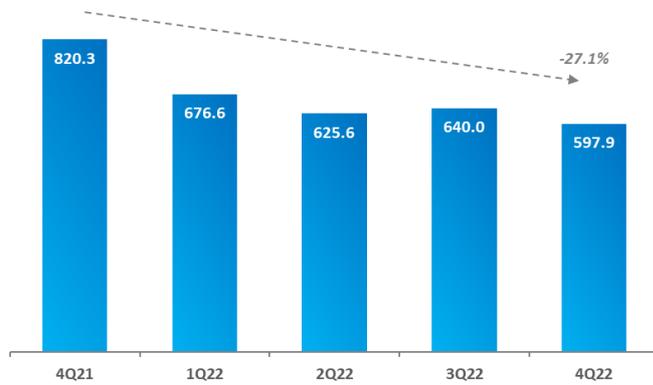
Net Operating Revenues

In addition to firearms & accessories - the Company's core business segment, accounting for 95.2% of overall revenues in 2022 - Taurus' net operating revenues also comprise helmets, along with the revenues from sales of M.I.M. (metal injection molding) parts.

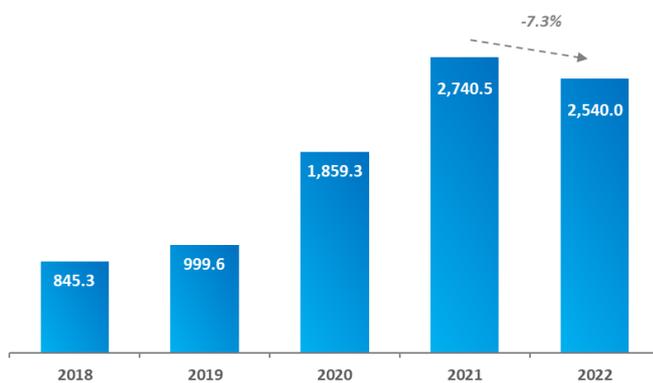
Taurus's consolidated net revenues in 4Q22, mainly reflecting the lower volume of sales of firearms and accessories, amounted to R\$ 597.9 million, representing a 27.1% decrease in relation to 4Q21. For the FY 2022, consolidated net revenue totaled R\$2,540.0 million, **for the second time in the Company's history, a figure that exceeded the R\$ 2 billion mark**, even though the result was 7.3% lower than that recorded in the previous year.

The helmets and M.I.M. segments, which represent a modest share in the Company's consolidated results, accounted for 4.1% and 0.7%, respectively, of the consolidated revenue for FY 2022. Revenues from helmets came to R\$ 28.1 million in 4Q22, representing a 6.3% rise when compared to 4Q21, leading to total revenues of R\$ 105.1 million in the year, showing an 8.0% fall when compared to 2021. As for M.I.M., the segment that produces parts and pieces using metal injection molding, revenues stood at R\$ 5.9 million in 4Q22, up by 47.1% from the same quarter of the previous year, and totaled R\$ 18.0 million for the year, down by 1.7% year-over-year.

Consolidated Net Operating Revenues (R\$ million)
QUARTER



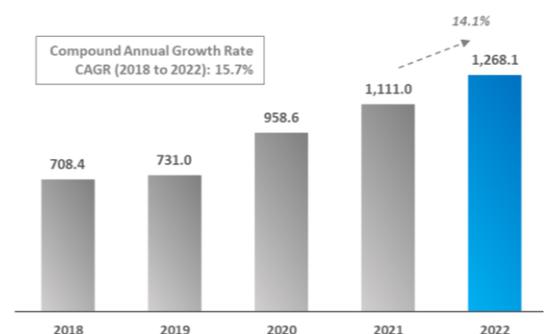
Consolidated Net Operating Revenues (R\$ million)
YEAR



The firearms & accessories segment showed a reduction in net revenues when comparing the quarterly and yearly performances, but at lower percentages than those recorded in terms of sales volumes of firearms. In 4Q22, revenues declined by 28.6% versus 4Q21, whereas sales volume decreased by 30.7%. This difference is even greater when comparing the year-over-year performance: when comparing 2022 with 2021, revenues decreased by 7.3%, and sales volume by 18.8%. This performance reflects the sales mix of firearms with higher added value, with products manufactured from efficient processes that enable the development of differentiated, innovative, and quality models, at competitive costs. This is the strategic model that has been adopted by Taurus, which prioritizes R&D and investment in financial and human resources, geared towards the development of technology, activities that, since August 2020, have been centered at the CITE - the Brazil / United States Integrated Technology and Engineering Center.

In strategic terms, Taurus's average sales price of firearms has been continuously growing. In 2022, it was R\$ 1,268.1, representing a 14.1% increase in relation to the previous year, and of 79.0% when compared to the average sales price of 2018, when the Company's current management took over.

Taurus's Average Selling Prices
(R\$/unit)

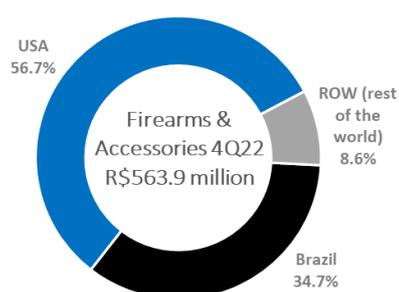


The higher average sales price also contributed to partially offset the decrease in revenues in Brazilian reais, due to the appreciation of the Brazilian currency against the US dollar, a factor that has a negative impact on the Company's results, since most of its sales are carried out abroad and, therefore, denominated in foreign currency. When accounting for these sales in local currency, there is a gain or loss arising from the devaluation or appreciation of the Brazilian real. Between 4Q22 and 4Q21, the average dollar retreated by 5.9%, and the average annual rate also retreated by 4.3% between 2022 and 2021, thus reducing the revenues from sales performed in foreign currency.

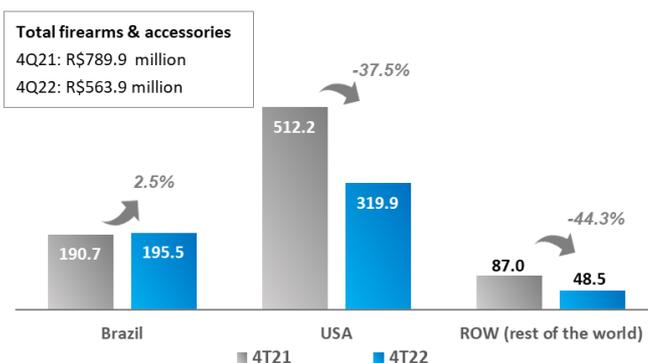
The analysis of the revenues performance of firearms & accessories by region shows a 2.5% increase in 4Q22 versus 4Q21, and a 25.8% increase when comparing the results for 2022 and 2021. The performance of the local market has partly offset the reduction in net revenues obtained from sales in the USA (down by 37.5% in the evaluation between quarters, and down by 17.2% in the yearly evaluation), as well as in the other countries to which Taurus exported its products (down by 44.3% in the quarterly evaluation and down by 18.8% in the yearly evaluation).

Net Operating Revenues - Firearms & Accessories (R\$ million)

QUARTER

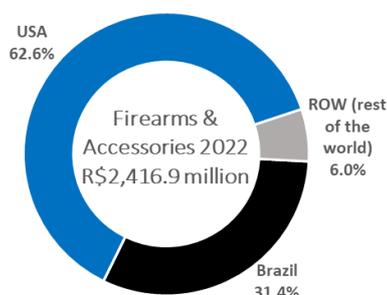


Firearms & accessories per market (R\$ million)

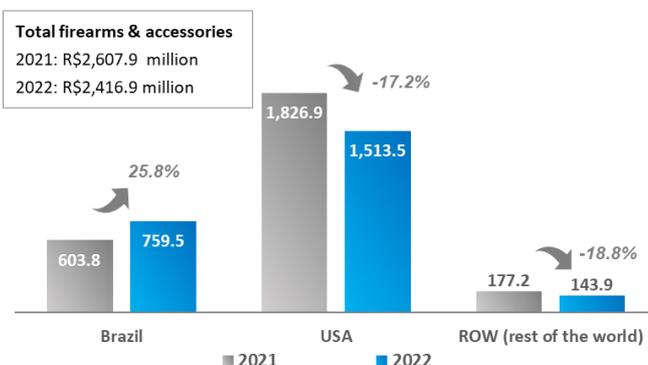


Net Operating Revenues - Firearms & Accessories (R\$ million)

YEAR



Firearms & accessories per market (R\$ million)



Gross Profit

The cost of goods sold amounted to R\$ 363.7 million in 4Q22, bringing the COGS for the year to a total of R\$ 1,379.6 million, which, compared to 4Q21 and FY 2021, represents decreases of 14.2% and 3.0%, respectively. Although the Company has maintained firm control over costs, inflationary pressure, especially during the first half of the year, plus the 12% wage adjustment granted in 2022, coupled with the portion of fixed costs that do not depend on production volumes, led to a reduction in COGS for the periods under review, at a lower percentage than that of revenues.

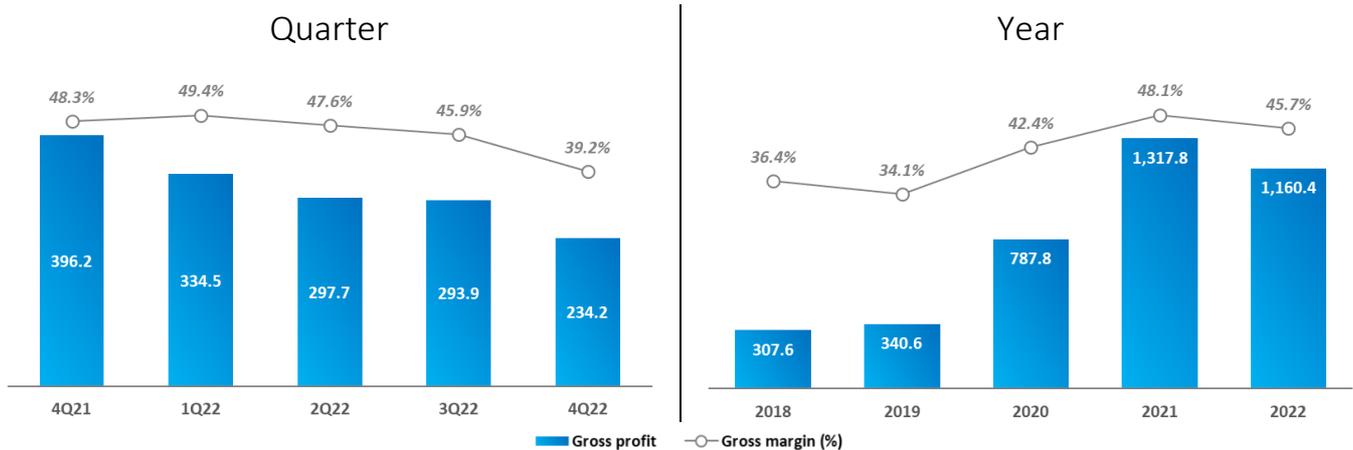
The Company's gross profit in 4Q22 came to R\$ 234.2 million, corresponding to a 40.9% decrease when compared to 4Q21, and the gross margin stood at 39.2%. In FY 2022, the gross profit totaled R\$ 1,160.4 million, representing an 11.9% drop when compared to FY 2021, but still **the second best gross profit in Taurus's history**, exceeding by 47.3% the gross profit recorded in FY 2020.

The gross margin for the year was 45.7%, maintaining a high level, in spite of the pressure exerted by some factors, namely: (i) a lower gross margin in 4Q22 (39.2%), influenced by the sale of more than 10,000 firearms to the Army and police forces of the Philippines, an important strategic partner for Taurus. The success of these bids, however, requires very competitive pricing, but still enabled the Company to attain an advantageous margin; (ii) appreciation of the Brazilian Real against the US dollar during the

year, which lowered the profitability of sales denominated in foreign currency; and (iii) lower dilution of fixed costs, as mentioned above. The cooling down in the US firearms market in 2022, the main consumer of Taurus's products, did not prompt the Company to pressure its margins as a way of expanding its sales in the country, thus maintaining an outstanding position in this market. Taurus's operational efficiency is corroborated when comparing the Company's gross profitability for 2022 of 45.7%, with that published by North American companies in the sector, which are also listed on the stock exchange, namely: *Smith & Wesson, with a margin of 35.8%, and Ruger, of 30.2%.

*Smith & Wesson: Fiscal Year ended January/2023

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



Operating expenses

In 4Q22, operating expenses, including the result from the equity method from affiliates, and losses from the non-recovery of assets, totaled R\$ 78.0 million, down by 18.6% from 4Q21. As a result of lower sales in 4Q22 and, therefore, lower disbursements with freight and commissions, selling expenses in 4Q22 dropped by R\$ 11.7 million, or 15.7%. General and administrative expenses, due to the management of outlays, also decreased by R\$ 11.1 million or 19.9% in 4Q22, when compared to 4Q21.

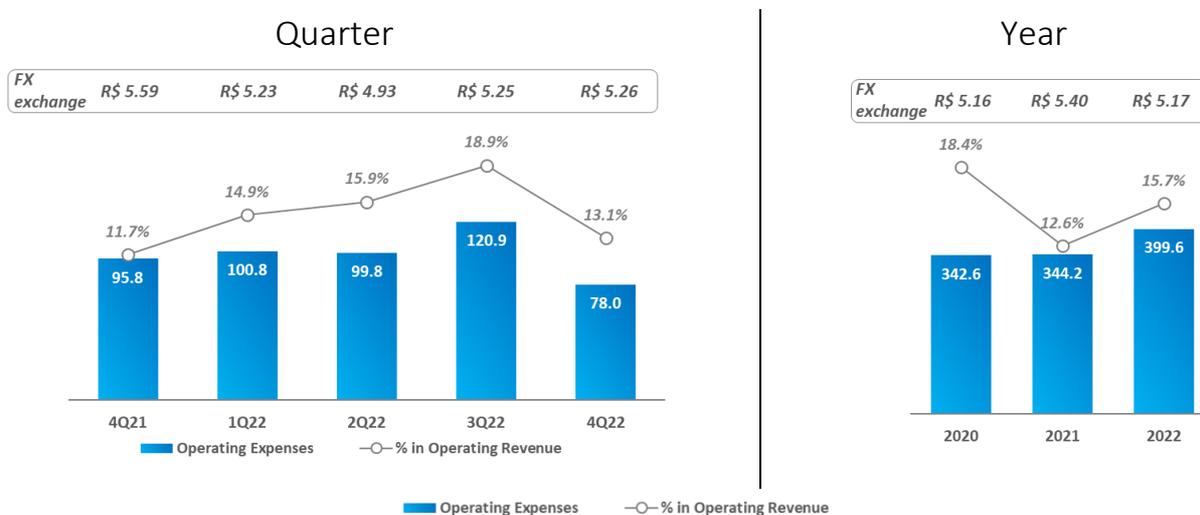
In 2022, total operating expenses amounted to R\$ 399.6 million, representing a 16.1% increase over the previous year. This performance can be mainly explained by the accounting of non-recurring items under the caption "other operating income/expenses", which, in 2021, showed an income balance of R\$ 105.0 million, thus contributing to the reduction of total operating expenses. In that year, the Company recorded extraordinary income equivalent to US\$ 3.0 million in Taurus USA, relating to the full cancellation of a loan obtained through a program of support from the American government, during the crisis caused by the Covid-19 pandemic (PPP - Paycheck Protection Program). Moreover, the balance of the "other operating income/expenses" account incorporated the income of R\$ 69.0 million referring to the recovery of PIS/COFINS, IPI and presumed ICMS. In 2022, Taurus also recorded an income balance under the caption "other operating expenses/income", to the amount of R\$ 61.2 million, which is R\$ 43.8 million or 41.7% lower than that recorded in 2021.

Selling expenses also contributed to the increase in operating expenses in 2022, showing an increase of R\$ 10.7 million, or 4.4% compared to the previous year. This result was due to the efforts undertaken in the commercial area during the first half of 2022, which included strengthening the internal marketing team, attendance at various events in the sector, as well as a substitution of the advertising agency, aimed at further strengthening the brand Taurus, particularly in the North American market.

In general and administrative expenses in 2022, there was a reduction of 1.6% (R\$ 3.2 million) in the year-over-year comparison. The 4.3% appreciation of the Brazilian real against the dollar, considering the average exchange rate, contributed to reducing the expenses incurred in Taurus' North American unit, in addition to the fact that management made an effort to reduce expenses during the year, thereby offsetting inflationary pressure and the 12% salary adjustment granted in 2022 to all employees, including the administrative team.

	2022	2021	2022x 2021 % Chg.	4Q22	4Q21	4Q22x4Q21 % Chg.
Selling expenses	252.7	242.0	4.4%	62.9	74.6	-15.7%
General and administrative expenses	201.9	205.1	-1.6%	44.6	55.7	-19.9%
Losses (income) due to non-recoverable assets	2.8	1.5	86.7%	1.7	0.3	466.7%
Other operating (income)/expenses*	-61.2	-105.0	-41.7%	-33.1	-35.0	-5.4%
Equity pick-up	3.4	0.5	580.0%	1.9	0.2	850.0%
Operating expenses (SG&A)	399.6	344.2	16.1%	78.0	95.8	-18.6%
Op. expenses / Net Op. Revenues (%)	15.7%	12.6%	3.1 p.p.	13.1%	11.7%	1.4 p.p.
Average Ptax dollar exchange rate (R\$)	5.17	5.40	-4.3%	5.26	5.59	-5.8%

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



EBITDA

The factors already mentioned, with a reduction in both sales volume and revenues, mainly in view of the change in the North American market scenario, gross profit and an increase in operating expenses, especially due to lower non-recurring income recorded in 2022, led to a decrease in EBITDA. In 4Q22, EBITDA amounted to R\$ 166.0 million, down by 46.1% when compared with 4Q21, and in 2022, it stood at R\$ 795.5 million, down by 20.7% when compared with the previous year.



The EBITDA performance fell within Taurus' expectations, given that fiscal year 2021, the basis of comparison considered, was atypical for the firearms & accessories sector, with a record demand in the USA, resulting in exceptional sales and results, which also benefited from the effect of the devaluation of the Brazilian real on the revenues earned by the Company in dollars. In 2022, Taurus reaffirmed its attribute of being a strong cash flow generating company, having recorded the Company's second highest EBITDA for one year, which exceeded that for 2020 by 67.7%.

At the same time, the Company maintained a high level of operating profitability, which is a feature of its operation, with an EBITDA margin of 31.3% in 2022. This performance places

Taurus in a quite differentiated position in relation to North American competitors listed on the stock exchange and which, therefore, publicly disclose their results. Ruger presented an EBITDA margin of 22.1% in 2022, whereas Smith & Wesson, whose last fiscal year was closed in October/22, posted an EBITDA margin of 23.8%.

Calculation of EBITDA — Conciliation pursuant to ICVM 527/12

R\$ million	2022	2021	2022x 2021 % Chg.	4Q22	4Q21	4Q22x4Q21 % Chg.
Net operating revenues	2,540.0	2,740.5	-7.3%	597.9	820.3	-27.1%
Cost of goods sold	-1,379.6	-1,422.7	-3.0%	-363.7	-424.1	-14.2%
Gross profit	1,160.4	1,317.8	-11.9%	234.2	396.2	-40.9%
Operating expenses	-399.6	-344.2	16.1%	-78.0	-95.8	-18.6%
Deduction of the equity from results of subsidiaries	3.4	0.5	580.0%	1.9	0.2	850.0%
Inclusion of depreciation and amortization	31.3	28.8	8.7%	7.9	7.2	9.7%
EBITDA	795.5	1,002.9	-20.7%	166.0	307.8	-46.1%
EBITDA margin	31.3%	36.6%	-5.3 p.p.	27.8%	37.5%	9.7 p.p.

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



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

Foreign exchange variations, both asset (income) and liability (expenses), represent the major component of Taurus's financial result. The devaluation of the Brazilian currency is expressed as an asset exchange variation on the client portfolio, and on the dollar-denominated cash of the American subsidiary, and alternatively as a liability exchange variation over the financial obligations related to the Company's bank debt, which is mostly denominated in dollars (position as at 12/31/22 of R\$ 484.5 million, or 99.3% of total bank debt). Exchange variations, however, are accounting records that imply no cash effect.

The dollar exchange rate at the end of the period is used to calculate the changes in Taurus' financial results, since the foreign exchange assets and liabilities are charged to the balance sheet accounts, and are calculated considering the exchange rate on the closing date of the period. Considering the Ptax dollar rate at the close of fiscal years 2022 and 2021, the Brazilian real depreciated by 6.5% between these dates.

R\$ million	2022	2021	2022x 2021 % Chg.	4Q22	4Q21	4Q22 x 4Q21 % Chg.
(+) Financial income	383.4	225.0	70.4%	101.8	54.8	85.8%
Foreign exchange gains	345.6	196.6	75.7%	83.9	28.5	194.6%
Interest and other income	37.8	28.4	33.1%	17.9	26.4	-32.2%
(-) Financial expenses	388.1	297.3	30.5%	84.8	57.8	46.7%
Foreign exchange losses	332.7	245.5	35.5%	71.5	43.6	64.0%
Interest, IOF and other expenses	55.4	51.8	6.9%	13.3	14.3	-7.0%
(+/-) Net financial result	-4.7	-72.3	-93.5%	17.0	-3.0	-
US dollar Ptax rate at the end of period (R\$)	5.22	5.58	-6.5%	5.22	5.58	-6.5%

In 4Q22, the Company reported a net financial income of R\$ 17.0 million, mainly due to the R\$ 83.9 million income recorded as asset exchange variations

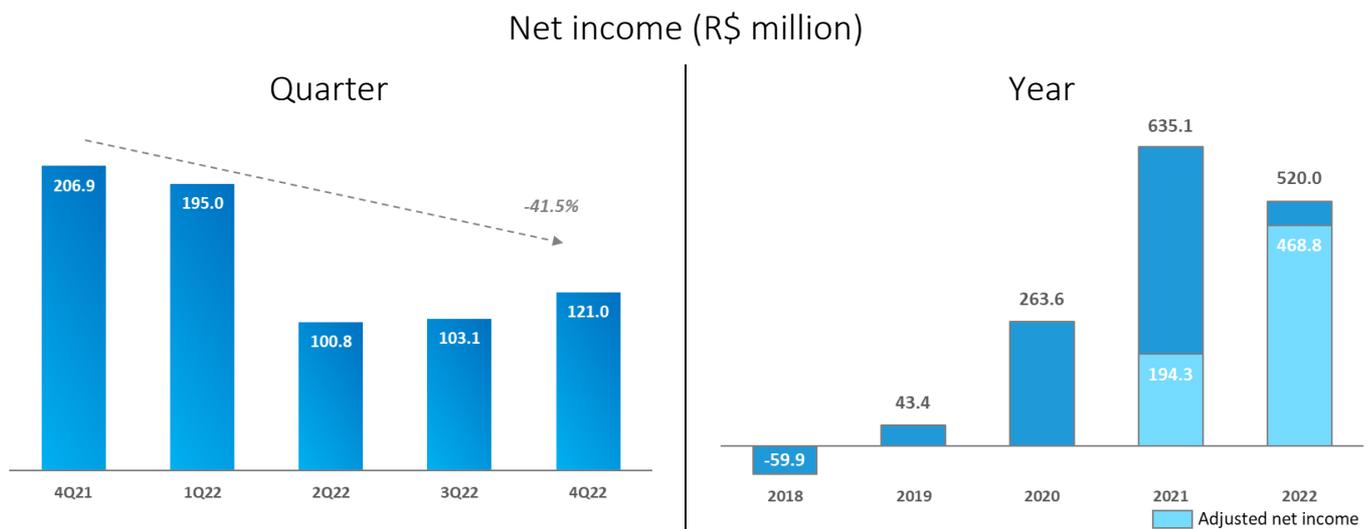
Over the past years, Taurus has fully reverted its financial profile. The restructuring of its bank debt has considerably reduced the cost of the debt. At the same time, there was an increase in financial income, as a result of the strong operating results, which have boosted the Company's cash flow, in addition to enabling a larger volume of funds to be allocated to financial investments. The performance of the last quarter of 2022, with a financial income surplus, contributed to the significant reduction in net financial expenses in 2022, which totaled R\$ 4.7 million, compared to R\$ 72.3 million in 2021. The increase in financial income, of R\$ 158.4 million in the period, resulting mainly from the changes in the foreign exchange assets account, contributed to offset the growth in financial expenses for the period.

Net income

Taurus's net income in 4Q22 amounted to R\$ 121.0 million, representing a 41.5% decrease in relation to that obtained in 4Q21, although 17.3% and 20.0% higher than that recorded in the two immediately preceding quarters (3Q22 and 2Q22, respectively). For the FY 2022, the Company recorded **the second highest result in its history**, with net income of R\$ 520.0 million and a net margin of 20.5%. This result represents a 18.1% reduction in net income, and a 2.7 percentage-point reduction in net margin in relation to 2021, when Taurus had been fully prepared to benefit from the extremely favorable market conditions in the USA at that time. The USA is the largest destination for the Company's products.

The net income performance since 2018, the year in which the current management took over its positions in the Company, evidences the change in Taurus's profile, along with the consolidation of a solid company, prepared to readily adjust to the conditions and opportunities of the market.

It is worth noting that **the adjusted net income** for 2022 (after the constitution of legal reserves, tax incentive reserves, and equity valuation adjustments), which is the basis for calculating the payment of dividends, totaled R\$ 468.8 million, an amount R\$ 274.5 million or 141.3% higher than the adjusted net income for 2021 of R\$ 194.3 million.



The Company has maintained its strategy based on a focus on R&D, with the development of products which incorporate innovations and state-of-the-art technology, produced from efficient processes which provide competitive industrial costs. With operational flexibility and worldwide operations, all market opportunities are consistently assessed by Taurus's market intelligence team.

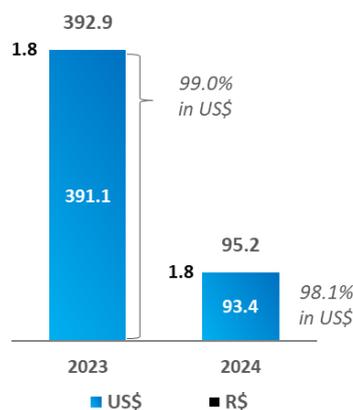
Debt

Over the last 12 months, Taurus's gross bank debt was reduced by R\$ 205.1 million, from R\$ 693.3 million as at December 31, 2021 to R\$ 488.2 million at the close of 2022. At the same time, the Company increased its cash position and financial investments by 28.1% (R\$ 72.2 million), closing 2022 with a balance of R\$ 328.7 million. This has become possible due to the Company's strong cash flow generation. Thus, the net bank debt on 12/31/2022 stood at R\$ 159.5 million, which decreased by 63.5% (R\$ 277.2 million) during the year.

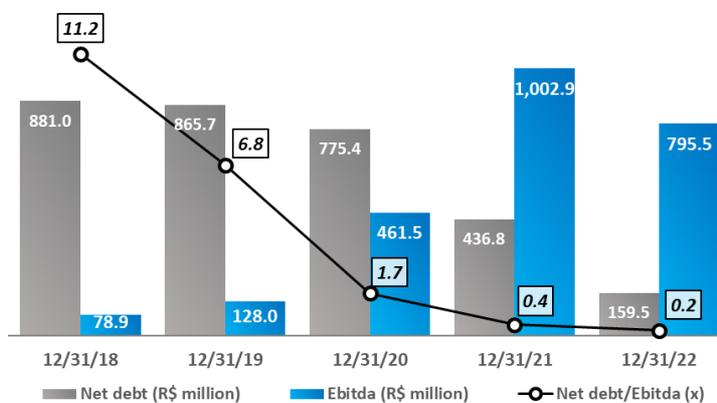
At the close of fiscal year 2022, R\$ 78.0 million, or 16.0% of total gross bank debt, was represented by the remaining balance related to the agreement entered into with the syndicate of creditor banks, whose full maturity was booked in the short term. The remainder of the debt at this date was made up of foreign exchange drafts and working capital loans. Almost all of the gross debt (99.3%) at the end of 2022 is denominated in foreign currency. With most of the Company's revenues from sales abroad (65.3% of overall net revenues in 2022) denominated in dollars, the Company relies on natural hedges for its debt in dollars. The portion of the debt maturing in the short-term represented 80.5% (R\$ 393.0 million) of the gross bank debt, and the remaining 19.5% (R\$ 95.3 million) recorded in the long term matures in 2024. As in previous years, the Company is negotiating with the creditor banks to change this profile, so as to lengthen the debt maturity.

<i>R\$ million</i>	12/31/2022	12/31/2021	% Chg.
Loans and financing	78.0	476.0	-83.6%
Foreign exchange drafts	314.9	142.9	120.4%
Short term	393.0	618.9	-36.5%
Foreign exchange drafts	95.3	74.4	28.1%
Long term	95.3	74.4	28.1%
Gross debt	488.2	693.3	-29.6%
Cash and marketable securities	328.7	256.5	28.1%
Net debt	159.5	436.8	-63.5%
US dollar Ptax rate at the end of period (R\$)	5.22	5.58	-6.5%
Gross debt converted into dollars (US\$ million)	93.6	124.2	-24.6%
Net debt converted into dollars (US\$ million)	30.6	78.3	-60.9%

Bank debt profile
(R\$ million)



Level of financial leverage – Net Debt / EBITDA



While maintaining strong cash flow generation and, at the same time, significantly reducing its bank debt, Taurus's capital structure on 12/31/2022 showed a largely unleveraged position for the Company, with an indicator measured by EBITDA/Net Debt of 0.2x. This indicator shows that 20% of the cash flow generation measured by EBITDA for 2022 would be sufficient to pay off all of the bank debt recorded at the end of the year.

As detailed in the section on "Subsequent events" in this report, in March 2023, the Company had an innovation project submitted to FINEP - Financiadora de Estudos de Projetos (Projects Studies Financing Agency), and was approved, obtaining financing for 90% of its total value. With a strategic focus based on innovation and technological development, and counting on a solid operational and financial structure, Taurus was able to attain a position that enabled it to access this type of incentivized financing, at extremely competitive rates. The credit line granted totaled R\$ 175.7 million, with a grace period of 36 months. For additional information on this operation, please see "Subsequent events".

Capital expenditures

The focus of Taurus's investments continues to be on expanding industrial efficiency and developing technology. In 2022, the Company invested R\$ 213.9 million, of which 71.0% of the total (R\$ 151.9 million) was allocated to the modernization and expansion of the industrial complex, with the acquisition of machinery and equipment. For the development of new products, R\$ 30.0 million were invested, representing 14.0% of the investments for the whole year. The remaining investments made in 2022 were geared to the construction and expansion of the industrial area, assembly of the AMTT store in São Paulo, among others.

An important innovation made, as a result of investments in R&D and equipment, was the installation of Taurus' first autonomous manufacturing system, with an autonomous cell for machining the main component (bolt) of the GX4 pistol, based on a project developed by CITE - the Brazil/USA Integrated Technology and Engineering Center - and equipment ordered from third parties. The new technologies ensure greater accuracy and less deviation in the production of parts, providing scrap rate reduction, along with gains in productivity and efficiency, since it prevents the production of defective parts or failures that can damage the machine and generate long production downtimes, which translates into higher quality, efficiency, and cost reduction. The project is inserted in the Industry 4.0 model, including the possibility to perform controls and remote monitoring of status.

This first autonomous system installed had its trial operation carried out in February. With the technology already developed and the experience acquired, it will be possible to carry out the automation of other similar machining processes at Taurus, with implementation by its own in-house team and, therefore, lower development costs.

Capital markets

Taurus holds common shares (TASA3) and preferred shares (TASA4), which are listed on B3's Level II of Corporate Governance, a market segment that comprises those companies that have voluntarily adopted distinct corporate governance practices. Both classes of shares take part in the IGCX portfolio (Differentiated Corporate Governance Stock Index), and ITAG (Differentiated Tag Along Stock Index), and its preferred shares also take part in IBrA (Broad Brazil Index), IGCT (Corporate Governance Trade Index), INDX (Industrial Sector Index), and SMLL (Small Cap Index) of B3.

On October 5, 2022, the Company completed an important capital increase initiated in 2018, which contributed decisively to the reduction of its debt. In December 2022, the last installment referring to the warrants of the series (A, B, C and D) was approved, totaling:

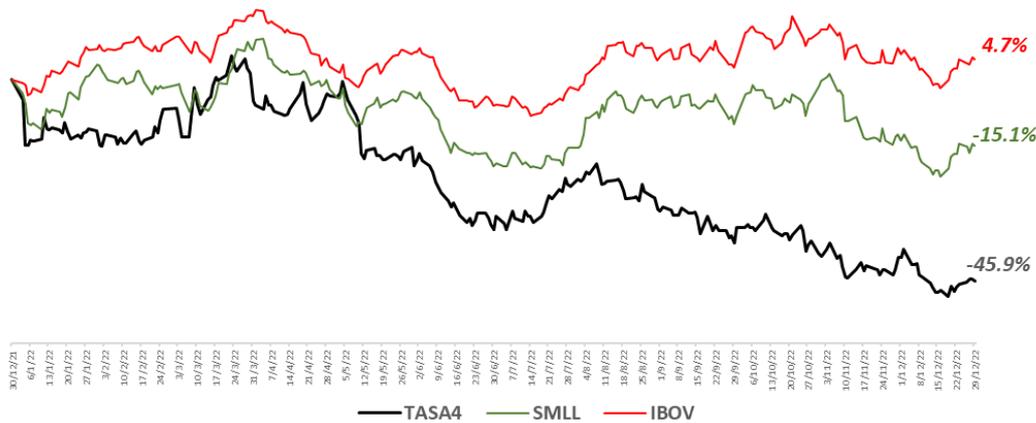
- (i) 61,946,222 additional preferred shares, with the same rights assigned to the other preferred shares already issued by the Company, participating on equal terms in all benefits, including dividends and any capital remuneration that may be approved;
- (ii) R\$ 334,411,550.00 for capital increase.

Date	TASA3 (R\$/share)	TASA3 (#/'000)	TASA4 (R\$/share)	TASA4 (#/'000)	TASA (Total #/'000)	Market Value (R\$ million)	EV (R\$ million)
12/30/2021	R\$24.51	46,445	R\$24.66	71,654	118,099	R\$2,881.0	R\$3,117.7
12/29/2022	R\$13.25	46,445	R\$13.35	80,189	126,634	R\$1,685.9	R\$1,845.5
% change	-45.9%	+0.00%	-45.9%	+11.9%	+7.2%	-41.5%	-40.8%

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

IBRA B3 SMLL B3 ITAG B3 IGCT B3 INDXB3 IGC B3

Performance of preferred shares (TASA4) in 2022, versus SMLL B3 and IBOV B3
Base 100: 12/30/2021



Subsequent Events

Approval of financing by FINEP

On 03/14/2023, the Company released a Material Fact announcing the approval of a credit line from FINEP ("Financiadora de Estudos e Projetos" or "Financing Agency for Studies and Projects", as a Public Company linked to the Ministry of Planning) for partial financing of the Strategic Innovation Plan for Competitiveness (PEI) project, presented by Taurus.

The approval of the credit line with FINEP is an important milestone for the Company because, more important than the funds made available, it represents an acknowledgment of the soundness, reliability and credibility achieved by Taurus and bears witness to the innovative nature of the projects developed by the Company. The investments made in innovation in recent years have significantly transformed Taurus's position in both the domestic and the global markets.

The amount of financing approved, to be released in 6 half-yearly installments, was R\$ 175.7 million, which accounts for 90% of the total value of the Project. The payment will be made in 108 monthly installments, after a grace period of 36 months, with an interest rate of TJLP - 0.385% p.a., in addition to the payment of 0.91% on each installment relating to the TIV (inspection and surveillance fee).

Taurus's Strategic Innovation Plan for Competitiveness (PEI) presented to FINEP is geared towards the innovation of products and processes. Of special mention is the project for the creation of modern facilities for the CITE - Integrated Technology and Engineering Center Brazil/USA, centralizing the activities of more than 250 engineers. A new R&D complex will be built with 8,480m², which will include modern metallurgy and metrology laboratories, training and people development rooms, a large open-space concept room to stimulate the engineering teams' creativity, an area for production try-outs and integration of production systems, an experimental and prototyping laboratory, a product testing and application laboratory, and a production tooling development station.

Election of Officer

Taurus's Board of Directors, at a meeting held on March 2, 2023, has appointed as an Officer without special designation, Mr. Eduardo Minghelli, a professional with a 32-year experience in the segment, more than 15 years of which in the Company. Mr. Eduardo Minghelli took office on March 3, 2023, with a mandate until the annual general shareholders' meeting to be held in 2023.

Political and regulatory scenario for the sector

As expected, in one of the first actions of the current Brazilian government, on the first day after his inauguration, the President signed a decree changing the rules for the acquisition and registration of firearms (Decree 11.366/23). The Decree suspended authorization for the opening of new shooting clubs, acquisition of restricted-use firearms and ammunition. A working group has been set up to make new regulations for the Disarmament Bylaw. During the first quarter of 2023, the domestic market has remained at a standstill, waiting for the regulation of Decree 11.366 to be published in April.

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.

Income Statement

<i>R\$ million</i>	2022	2021	% Chg.	4Q22	4Q21	% Chg.
Net revenues from sales of goods and/or services	2,540.0	2,740.5	-7.3%	597.9	820.3	-27.1%
Cost of goods and/or services sold	-1,379.6	-1,422.7	-3.0%	-363.7	-424.1	-14.2%
Gross Profit	1,160.4	1,317.8	-11.9%	234.2	396.2	-40.9%
Operating (expenses)/income	-399.6	-344.2	16.1%	-78.0	-95.8	-18.6%
Selling expenses	-252.7	-242.0	4.4%	-62.9	-74.6	-15.7%
General and administrative expenses	-201.9	-205.1	-1.6%	-44.6	-55.7	-19.9%
Losses due to non-recoverable assets	-2.8	-1.5	86.7%	-1.7	-0.3	466.7%
Other operating income	52.5	117.9	-55.5%	11.2	41.4	-72.9%
Other operating expenses	8.7	-13.0	-166.9%	21.9	-6.4	-442.2%
Equity from results of subsidiaries and affiliates	-3.4	-0.5	580.0%	-1.9	-0.2	850.0%
Profit before financial income (expenses) and taxes	760.9	973.6	-21.8%	156.2	300.4	-48.0%
Financial result	-4.7	-72.3	-93.5%	17.0	-3.0	-666.7%
Financial income	383.4	225.0	70.4%	101.8	54.8	85.8%
Financial expenses	-388.1	-297.3	30.5%	-84.8	-57.8	46.7%
Earnings (loss) before taxes	756.1	901.3	-16.1%	173.2	297.5	-41.8%
Income tax and social contribution	-233.3	-263.9	-11.6%	-51.6	-90.1	-42.7%
Current	-171.9	-179.2	-4.1%	-34.8	-62.8	-44.6%
Deferred	-61.5	-84.7	-27.4%	-16.8	-27.3	-38.5%
Net income (loss) from continued operations	522.8	637.4	-18.0%	121.6	207.4	-41.4%
Net income (loss) from discontinued operations	-2.8	-2.3	21.7%	-0.6	-0.4	50.0%
Consolidated net income (loss) for the period	520.0	635.1	-18.1%	121.0	206.9	-41.5%
Attributed to shareholders of the parent company	520.0	635.1	-18.1%	121.0	206.9	-41.5%
<i>Earnings per share (R\$/share)</i>						
<i>Basic earnings per share</i>						
Common shares (ON)	4.1062	5.3773	-23.6%	0.9498	1.7215	-44.8%
Preferred shares (PN)	4.4038	5.8928	-25.3%	0.9473	1.8403	-48.5%
<i>Diluted earnings per share</i>						
Common shares (ON)	4.1062	5.3773	-23.6%	0.9498	1.7215	-44.8%
Preferred shares (PN)	4.4038	5.8229	-24.4%	0.9561	1.7217	-44.5%

Assets

<i>R\$ million</i>	12/31/22	12/31/21	% Chg.
Total Assets	2,276.2	2,093.6	8.7%
Current assets	1,467.6	1,456.0	0.8%
Cash and cash equivalents	201.2	185.8	8.3%
Cash and banks	178.6	171.3	4.3%
Highly-liquid short-term investments	22.6	14.5	55.9%
Marketable securities	105.5	70.8	49.0%
Accounts receivable	352.4	515.2	-31.6%
Inventories	630.4	491.9	28.2%
Recoverable taxes	37.0	65.3	-43.3%
Prepaid expenses	41.9	31.0	35.2%
Other current assets	99.0	96.2	2.9%
Non-current assets	808.6	637.6	26.8%
Long-term receivables	165.7	151.8	9.2%
Financial investments at amortized cost	21.931	0.0	-
Deferred taxes	60.9	121.4	-49.8%
Receivables from related-party	0.0	0.0	-
Other non-current assets	82.9	30.4	172.7%
Investments	4.4	4.4	0.0%
Stake in jointly-controlled subsidiaries	4.2	4.3	-2.3%
Other investments	0.2	0.2	0.0%
Property, plant and equipment	512.7	379.0	35.3%
Fixed assets in operation	353.0	303.0	16.5%
Fixed assets in progress	159.7	76.1	109.9%
Intangible assets	125.8	102.4	22.9%

Liabilities

<i>R\$ million</i>	12/31/22	12/31/21	% Chg.
Total Liabilities and Equity	2,276.2	2,093.6	8.7%
Current Liabilities	998.7	1,119.8	-10.8%
Social and labor obligations	66.9	66.9	0.0%
Social obligations	6.9	10.1	-31.7%
Labor obligations	60.0	56.8	5.6%
Suppliers	112.2	143.6	-21.9%
Local suppliers	69.3	82.2	-15.7%
Foreign suppliers	42.9	61.4	-30.1%
Taxes payable	134.8	96.6	39.5%
Federal Taxes payable	80.9	91.3	-11.4%
Income tax and social contribution payable	16.3	21.1	-22.7%
Other taxes	64.6	70.2	-8.0%
State tax payable	53.9	5.3	917.0%
Municipal tax payable	0.1	0.0	-
Loans and financing	393.0	618.9	-36.5%
In local currency	1.8	43.6	-95.9%
In foreign currency	391.1	575.3	-32.0%
Debentures	0.0	0.0	-
Other accounts payable	258.4	134.3	92.4%
Dividends and interest on equity payable	164.1	68.0	-
Rents	0.0	0.0	-
Advances from customers	38.9	41.2	-5.6%
Legal settlements to be paid	0.0	0.0	-
Other payables	55.3	25.1	120.3%
Provisions	23.6	53.6	-56.0%
Provisions for tax, social security, labor and civil risks	12.6	41.7	-69.8%
Other provisions	11.0	11.9	-7.6%
Liabilities on assets of discontinued operations	9.7	5.8	67.2%
Noncurrent Liabilities	253.3	216.8	16.8%
Loans and financing	95.3	74.4	28.1%
In local currency	1.8	0.0	-
In foreign currency	93.4	74.4	25.5%
Debentures	0.0	0.0	-
Other accounts payable	80.1	64.2	24.8%
Related-party liabilities	1.8	1.7	5.9%
Taxes payable	22.6	23.6	-4.2%
Suppliers	12.6	0.0	-
Rents	0.0	0.0	-
Other accounts payable	43.1	38.9	10.8%
Deferred taxes	16.7	16.5	1.2%
Provisions	61.1	61.7	-1.0%
Provisions for tax, social security, labor and civil risks	56.1	55.2	1.6%
Other provisions	5.0	6.5	-23.1%
Liabilities on assets of discontinued operations	0.0	0.0	-
Consolidated Shareholders' Equity	1,024.2	757.0	35.3%
Share Capital	367.9	308.2	19.4%
Capital reserves	-21.4	-27.3	-21.6%
Disposal of subscription warrants	9.9	9.9	0.0%
Stock options granted	14.1	5.4	161.1%
Capital transactions	-45.3	-42.6	6.3%
Retained earnings	464.3	233.9	98.5%
Legal reserve	41.1	15.1	172.2%
Statutory reserve	0.0	0.0	-
Retained earnings reserve	304.7	0.0	-
Tax incentive reserve	118.5	92.6	28.0%
Proposed supplementary dividend	0.0	126.3	-100.0%
Accumulated earnings/losses	0.0	0.0	-
Equity valuation adjustments	44.5	45.2	-1.5%
Accumulated translation adjustments	168.9	197.0	-14.3%