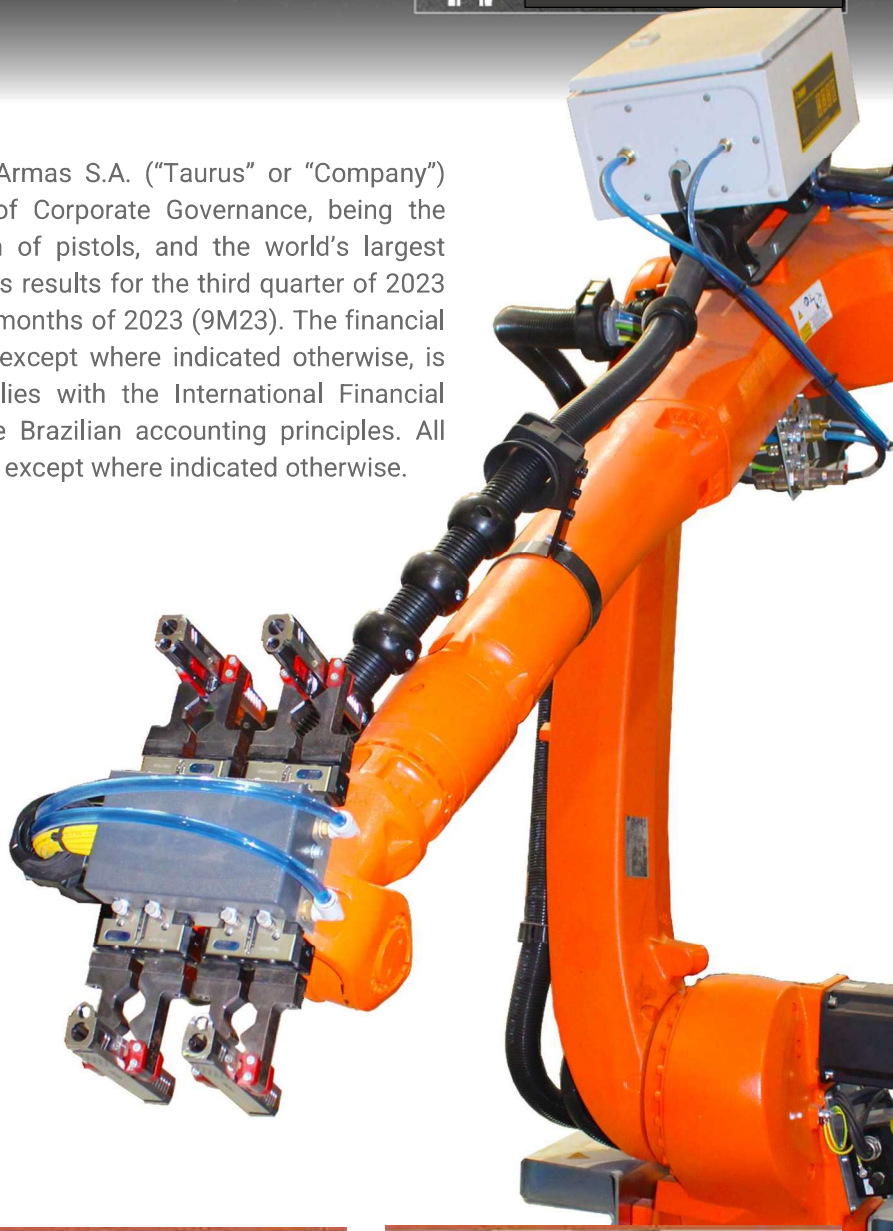




São Leopoldo, November 7, 2023 – Taurus Armas S.A. (“Taurus” or “Company”) (B3:TASA3; TASA4), listed on B3’s Level 2 of Corporate Governance, being the company that has created the 3rd generation of pistols, and the world’s largest manufacturer of revolvers, hereby announces its results for the third quarter of 2023 (3Q23), along with the results for the first nine months of 2023 (9M23). 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), in addition to the Brazilian accounting principles. All comparisons refer to the same periods of 2022, except where indicated otherwise.

3Q23/9M23 RESULTS

Taurus attained revenues in the amount of R\$439.3 million in 3Q23, with a 37.5% gross margin



Highlights for 3Q23

NET REVENUE:
R\$439.3 million

GROSS PROFIT:
R\$164.7 million
Gross margin of 37.5%

ADJUSTED EBITDA:
R\$70.7 million
Adjusted EBITDA margin of 16.1%

NET INCOME:
R\$26.0 million

Reduction in greenhouse gas emissions and engagement of all areas in achieving Taurus targets.


MAIN INDICATORS

R\$ million	3Q23x3Q22			3Q23x2Q23		9M23x9M22		
	3Q23	3Q22	% Chg.	2Q23	% Chg.	9M23	9M22	% Chg.
Net operating revenues	439.3	640.0	-31.4%	470.3	-6.6%	1,362.8	1,942.1	-29.8%
Domestic market	72.8	240.7	-69.8%	83.6	-12.9%	230.3	652.2	-64.7%
Exports market	366.5	399.3	-8.2%	386.7	-5.2%	1,132.5	1,289.9	-12.2%
COGS	-274.7	-346.0	-20.6%	-298.3	-7.9%	-849.8	-1,015.9	-16.4%
Gross profit	164.7	293.9	-44.0%	172.0	-4.2%	513.1	926.2	-44.6%
Gross margin (%)	37.5%	45.9%	-8.4 p.p.	36.6%	0.9 p.p.	37.6%	47.7%	-10.1 p.p.
Operating expenses (SG&A)	-103.4	-120.9	-14.5%	-98.7	4.8%	-322.4	-321.5	0.3%
Earnings before financial result and income tax (EBIT)	61.3	173.0	-64.6%	73.3	-16.4%	190.7	604.7	-68.5%
Net financial income (expenses)	-22.3	-20.6	8.3%	4.5	-	-17.9	-21.7	-17.5%
Income tax and social contribution	-13.7	-48.5	-71.8%	-28.2	-51.4%	-62.0	-181.8	-65.9%
Net income (loss) from continued operations	25.3	103.8	-75.6%	49.5	-48.9%	110.8	401.2	-72.4%
Net income (loss) from discontinued operations	0.7	-0.7	-	-0.7	-	-0.5	-2.2	-
Net income (loss)	26.0	103.1	-74.8%	48.9	-46.8%	110.3	399.0	-72.4%
Adjusted EBITDA*	70.7	181.7	-61.1%	81.9	-13.7%	217.9	629.5	-65.4%
Adjusted EBITDA Margin*	16.1%	28.4%	-12.3 p.p.	17.4%	-1.3 p.p.	16.0%	32.4%	-16.4 p.p.
Net debt (end of period)	360.3	218.4	65.0%	243.9	47.7%	360.3	218.4	65.0%

* Adjusted EBITDA does not consider the result from discontinued operations. This indicator is not adopted by the accounting practices. Its calculation is presented in the item "EBITDA" of this report.



**MESSAGE FROM MANAGEMENT**

During the third quarter, conditions in the firearms market did not change significantly from what we have seen since the beginning of the year. This is an opposite situation to what we had experienced in previous years, when the legal issue relating to the sector in Brazil was clearly defined, and demand was at an all-time high in the North American market.

The structure we have developed at Taurus over the last few years has created a Company with solid foundations. The changes seen in our results are a reflection of the conditions of the adjustments to the markets in which we operate: (i) the domestic market, where there was a change in the political scenario, with the publication of Decree 11,366/23; (ii) in the North American market, the return of the NICS to its pre-pandemic level; rising inflation; adjustment to the product mix and adjustments to distributors' inventories to lower levels, aiming to reduce their financial costs; and (iii) in the world market, international biddings are taking longer, especially after the start of the war in Ukraine. In order to adapt to the different market scenarios, we have focused on efficiency and low production costs, which has enabled us to achieve results in line with our expectations, with growth when compared to 2019, the pre-pandemic period, and with gross margins higher than the average for foreign players in the sector. In 3Q23, our gross margin was 37.5%, compared to Ruger's 20.5% and 26.6% of Smith and Wesson, which, since its fiscal year ends on April 31, refers to the results released for 1Q24 (May to July 2023). We have been continuously monitoring the opportunities that arise and working to reinforce Taurus' prominent position in the global firearms industry. An example of our flexibility and promptness to adapt is the change in production mix to keep up with consumer purchasing behavior. As demand in the US is currently more focused on the revolver segment, we expanded the manufacture of these products on our production line at the Brazilian plant, over the course of this year. The production of revolvers accounted for nearly 45% of the total volume of firearms produced by Taurus in 3Q23, versus approximately 30% in 3Q22, with a gain in share in relation to the production of pistols, which went from 69% in 3Q22 to 55% in 3Q23.

Manufacturing modernization, with the acquisition of state-of-the-art equipment and the use of robots on the production line, has resulted in growing industrial efficiency and productivity, leading to a reduction in losses and, consequently, gains for the Company, even with the recent decline in production volume. At the same time, the research conducted by our Brazil/USA Integrated Technology and Engineering Center (CITE) into the development of new processes and the use of new materials, allows the Company to move ahead in terms of innovation, presenting differentiated products to the market. One of Taurus' features that has been consolidated over recent years is the continuous launch of models, always offering new options for the consumer. In addition to the solid operational aspect, we have also succeeded in establishing a balanced financial profile, with an adequate capital structure and a low level of financial leverage. These fundamentals are consistent and are not subject to cyclical fluctuations in the market.

The firearms market in the US, the main destination for our products, has been consolidating its new position, after the booming phase during the pandemic years. The NICS data, which shows the number of intentions to acquire firearms in the country, confirms the expectation we had already been discussing that, in 2023, the US market would return to the levels seen in the pre-pandemic period, showing some growth in comparison to 2019. In the first nine months of 2023, the NICS recorded 11.1 million queries, 20.7% more than in the same period in 2019. At the same time, there has been a trend towards a change in the pattern of product inventories held by the retail chain, with distributors seeking to increase their inventory turnover, as a means to protect themselves from the financial cost generated by rising US inflation. As a result, new orders are postponed with the purpose of reducing inventories to levels capable of covering sales for close to a month, compared to a previous pattern of inventories sufficient to cover 3 to 5 months of sales.

The NICS for October showed a substantial increase of 20% compared to September, which indicates that the outlook for the last quarter of the year in the US market points to an increase in demand, also taking into account the traditional seasonality of this period, although the adjustment of inventories in the retail chain could curb this effect for manufacturers. As for 2024, since it is a presidential election year in the US, there could be greater movement in the firearms market in that country, as the uncertainty about the policy to be adopted for the sector on the part of the president to be elected has historically led to an increase in demand.

In Brazil, the economy has been experiencing conflicting data that combines, on the one hand, concern about public spending and the primary deficit and, on the other, the expectation of economic growth of 3.3%, according to an estimate by the National Confederation of Industry (CNI). However, this expected growth is based on increased activity in the primary sector, and not on the performance of industry. Industrial production data up to August released by the Brazilian Institute of Geography and Statistics (IBGE) shows a 0.1% downturn in activity over a 12-month period, and 0.3% in the year to date compared to the same period in 2022. As for our sector, there is also the fact that the domestic market remains extremely restricted due to legal issues, making this a very atypical year.

On January 1, 2023, Decree 11,366 was published, which laid down restrictions for the sector, and was supposed to be enforced within three months, which did not happen. The uncertainty paralyzed the market, with both consumers and retailers halting their purchases until the issue was settled. It was only on July 21 that the new Decree was published. However, some uncertainties still remain to be clarified by the regulatory bodies, since the maximum energy limit in joules authorized for firearms to be sold in the Brazilian market was determined, but without the presentation of a table of calibers. So far, new purchases of firearms by CACs (collectors, marksmen and hunters) have basically been halted.

Thus, demand in the Brazilian market has remained suppressed until the legal aspect is fully clarified, and the permit requirements for firearms purchases return to normal. When this happens, we will be ready to cater for consumers. In this regard, we continue to carry out a number of new product launches, having presented 16 new models to the market over the course of 3Q23. Based on our technological development capacity, we are creating a .38 caliber, within the maximum energy limit established by legislation. It is an incremental technology developed by Taurus for a new caliber for pistols created to occupy the space left by the 9mm caliber, which has now become of restricted use. At the beginning of 2024, when we will probably have the Decree 11,366 regulations in place, we will launch versions of the G2C and GX4 compact pistols with this new caliber.

In the international market, except for the USA, Taurus mainly serves the military and defense forces, with sales to more than 100 countries. Our low production costs make us very competitive in international bids, so we have an interesting option in this market at times of lower demand in other markets. We are attentive to the recent conflict in the Middle East, which could generate a natural increase in demand for the sector. It is important to remind that all our exports must be previously authorized by the Brazilian Ministries of Foreign Affairs and Defense.

In India, the JD Taurus operation is due to receive the last license needed to start production at the local facilities, within the next few days. As part of reinforcing our brand's presence in the region, we were present at Milipol India, an important international trade fair for the mobile security sector, held for the first time in India between October 26 and 28. The organization of this fair in India confirms the growing importance of this country in the global firearms market.

As I always insist on remarking, investment in innovation, geared towards the development of products, processes, materials and equipment, is an essential aspect of Taurus' strategy. In this sense, we are forming another partnership with the university research center of UFSC - Federal University of Santa Catarina, aimed at developing a new "CMT - Catalytic Material Taurus" compound to be used in the M.I.M. (Metal Injection Molding) plant, reducing dependence on external suppliers. CITE is developing various projects towards Industry 4.0, including research into the application of new materials in the manufacture of firearms, such as graphene, niobium, long fiber polymer and DLC (Diamond Like Carbon). I suggest you read the text "Research under development" in the "Investments" section of this report, which provides further details on these projects.

Since the beginning of our term, in 2018, we have adopted a work model based on our strategic planning and the tripod we have established to achieve the goal of placing Taurus in a position of increasing prominence in the global market for the sector: "people development; technology and innovation; and a collaborative environment". Following these established guidelines, in 2023 we have initiated another strategic project for the Company: "ESG indicators management and targets". By monitoring the indicators and the growing engagement of employees, we have already seen practical results, such as a positive impact in terms of reducing greenhouse gas emissions.

The search for ongoing evolution is what motivates us on a daily basis. The soundness that today ensures Taurus' stability to adapt to different market conditions has been created from the dedication of the entire team, the support of shareholders, the partnership of suppliers and the trust from our clients.

I couldn't fail to mention our next in-person APIMEC meeting, which will take place on December 6 at our store in São Paulo (AMTT Taurus, Rua Umberto Caputi, 139). I would like to take this opportunity to invite analysts, investors and shareholders to join us at this event.

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OPERATIONAL PERFORMANCE

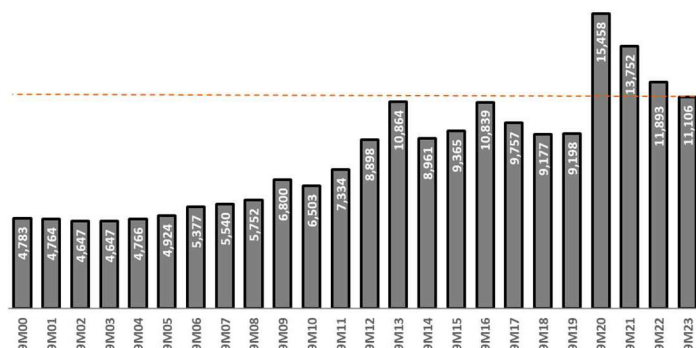
Market

In the US, the firearms market has been confirming the expected normalization, following the exceptional years of unprecedented heat since the beginning of the pandemic in 2020. The Adjusted NICS (National Instant Criminal Background System) reported 11.1 million queries for the purchase of firearms in the country, during the first nine months of 2023, up by 20.7% when compared to the pre-pandemic period in 2019. As shown in the chart below, on the left, when the three previous periods (9M22, 9M21 and 9M20) are excluded, the Adjusted NICS for 9M23 is the highest ever recorded in the historical series of this indicator.

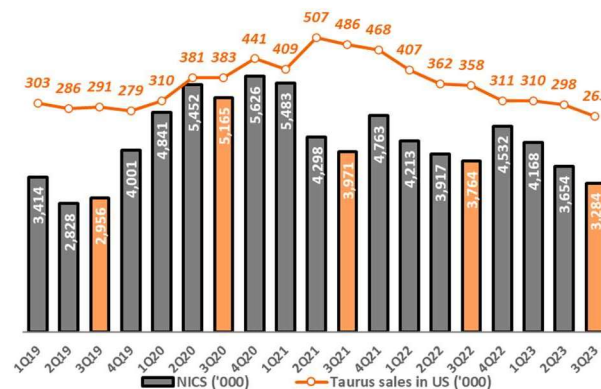
Taking into account the quarterly performance, in a year-over-year comparison, and in order to avoid seasonal distortions, Adjusted NICS totaled 3.3 million queries in 3Q23, representing a decrease of 12.8% when compared to 3Q22, and an increase of 11.1% when compared to 3Q19, prior to the pandemic. The third quarter tends to be a sluggish period for the firearms market in the US, when consumers wait for the end of the year, the start of the hunting season in the country, Black Friday promotions and Christmas shopping. At the same time, rising inflation in the US has also been impacting the firearms sales chain. In order to curb the financial cost generated by rising US inflation, distributors and retailers tend to increase their inventory turnover, which affects the placing of new orders.

Adjusted NICS - Intentions to acquire firearms in the US (‘000 queries)

Historical series - January thru September



Quarterly performance and Taurus sales in the US



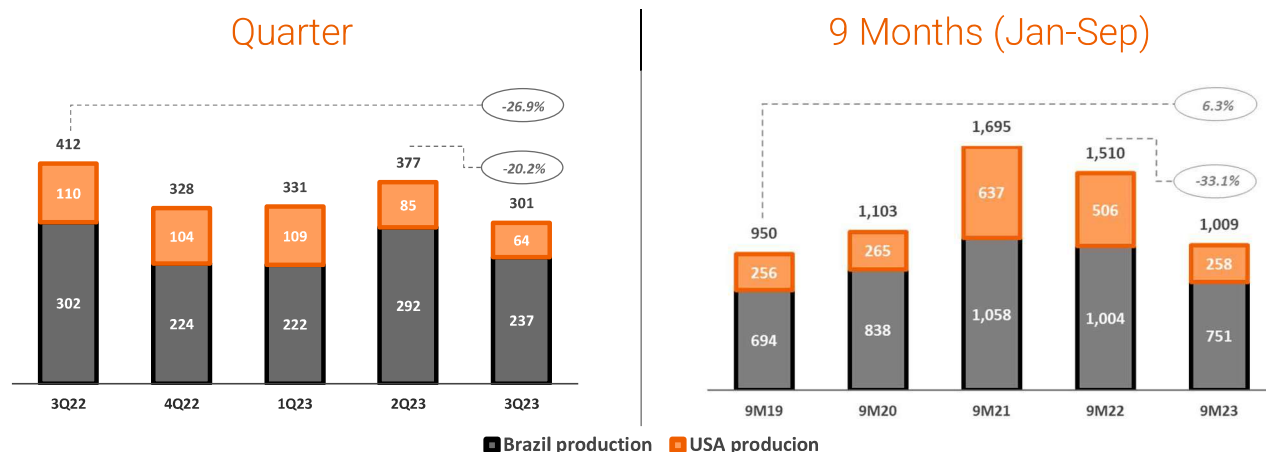
In Brazil, the market continued to shrink during 3Q23, still due to legal uncertainties. Despite the reissue of the Decree on July 21, 2023, there are still doubts regarding some of the regulations and processes, as the authorization for new firearm acquisitions for CACs (collectors, marksmen and hunters) and the possibility of issuing new registers. It's an atypical year for the domestic market, with consumers waiting for legal requirements to be normalized and cautious retailers, keeping their inventories at a rather low level.

Production and sales

The production of Taurus firearms in 3Q23 totaled 301,000 units, bringing the total to 1 million for the first nine months of the year. The total volume up to September 2023 came 6.3% higher than in the same period in 2019, before the boom in the market during the pandemic, when the Company was fully prepared to serve the consumer. Compared to 9M22, there was a 33.1% decline in the volume of firearms produced, considering the new product mix, with a greater emphasis on revolvers, the production process of which requires more hours than that of pistols, and the new market conditions. It is worth stressing the longer period of a 30-day collective vacation granted to the Brazilian unit, between December 22 and the first half of January 23, which was reflected in a lower output volume in 1Q23.

Taurus has been expanding the manufacture of revolvers in its product line, since this segment, together with long arms, has shown greater demand in the North American market, the Company's main sales destination. In 3Q23, revolvers accounted for approximately 45% of the total production of firearms, compared to nearly 30% in 3Q22 and, considering the total period from January to September, this figure rose from around 31% in 2022 to 37% in 2023. The current industrial structure, which has undergone a major makeover over the last few years, in terms of processes and equipment, provides the flexibility to make significant adjustments to the production mix.

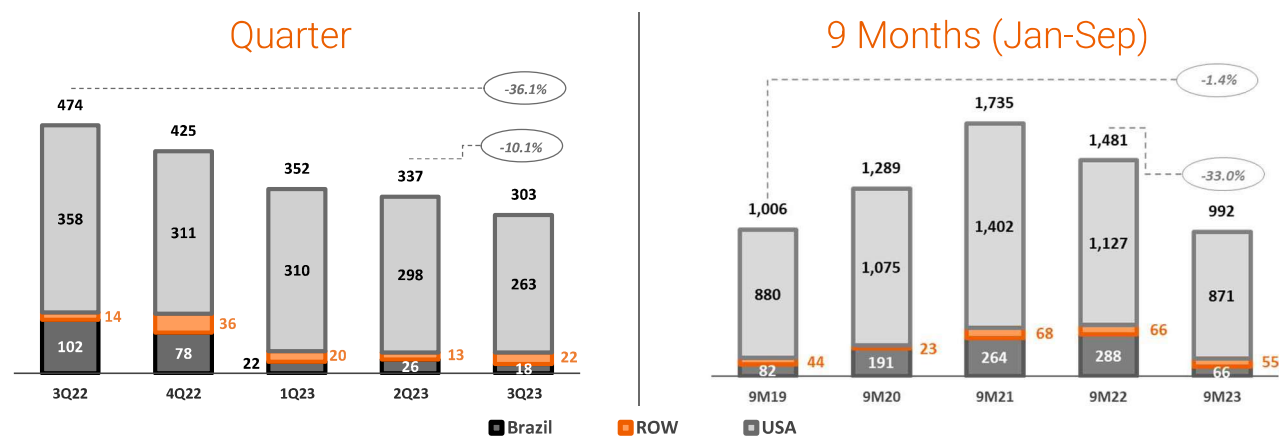
Production of firearms – Taurus ('000 units)



As an essential part of its strategy, Taurus continues to invest in product development, through the use of new materials, incorporated technology and efficient production processes, in order to offer consumers quality, innovative products, at competitive prices. In 3Q23, 16 models were launched, including seven revolvers and nine pistols.

In order to ensure a leading position in the market, the Company relies on a team of more than 200 professionals focused on the development of products, processes, materials and equipment, at the Brazil/USA Integrated Technology and Engineering Center (CITE). The investments being made in technology, new machinery and robots geared for the production line, some of which are already in operation, provide enhanced productivity, with shorter product manufacturing times and the elimination of losses, leading to cost savings. The first of the three autonomous manufacturing units planned at Taurus is being implemented. At a later date, new production units will be set up for pistols and tactical firearms. Further information on the innovation projects under development at Taurus can be found in the "Investments" section of this report.

Firearms Sales Volume – Taurus ('000 units)



The sales performance of Taurus firearms reflects the market conditions in the segment where it operates, with the normalization of sales in the North American market, after the historic records of recent years, and the slowdown in the domestic market, as mentioned above. Considering the total production in the first nine months of the year, overall sales volume fell by 33.0%, as compared to the same period in 2022, when the Company was still reaping the benefits of the strong growth in demand in the USA. In relation to 9M19, in the pre-pandemic period, sales volume fell slightly, by -1.4%.

In the Brazilian market, after almost seven months of the civilian arms market being at a virtual standstill due to legal uncertainties, since the Decree on the sector originally scheduled for March was only published on July 21, there are still doubts to be clarified by the regulatory bodies, since the maximum energy limit allowed has been determined, but not a table of calibers. This situation has been affecting Taurus' sales in the domestic market, causing 2023 to be a totally unusual period. In 3Q23, the Company sold 18,000 units in the domestic market, totaling 66,000 firearms in 9M23, which represents reductions of 82.4% and 77.1% when compared to equal periods in 2022.

The national distribution channel remains short of supplies, which represents an opportunity to meet this pent-up demand, as soon as the regulatory bodies clarify their doubts, and the legal processes for registering and acquiring firearms in the country are fully regularized. Taurus has been working to quickly adapt to the new rules, and to continue launching new products in the market, in order to motivate retailers, and meet the needs of Brazilian consumers. To this end, the CITE team has been developing a new caliber for pistols. It's a new .38 caliber, with energy ranging within the maximum permitted limit, aimed at filling the gap left by the 9mm caliber, which is now restricted for use. At the beginning of 2024, when the regulatory framework is expected to be fully established, Taurus should launch new versions of the G2C and GX4 pistols, presenting this new caliber developed by CITE.

In the North American market, the Company sold 263,000 units in 3Q23, totaling 871,000 firearms in 9M23. Compared to the same period in the previous year, the performance shows a 26.5% drop in the quarter, and a 22.7% drop in the nine-month period. Compared to 9M19, the sales volume in the US during the first nine months of 2023 fell slightly, by 1.0%. Although final consumer demand in the US is showing an upward trend compared to the pre-pandemic period, as shown by the NICS data (up by 20.7% in 9M23 versus 9M19), this effect has not reached firearms manufacturers, due to the reduction in inventories by the retail sales chain. This movement tends to stabilize when distributors reach new inventory levels, in line with the economic scenario. In the last quarter of the year, there is a seasonal upward trend in US consumer demand, which could also be cooled for manufacturers, due to this movement to increase inventory turnover in the sales chain.

As for **exports to countries other than the USA**, the largest sales volumes in 3Q23 were to Guatemala, the Philippines and Honduras. International sales are mainly geared towards security force tenders, deals that usually involve longer development and sales cycles, including phases of budget approval, pitching, negotiation, sending samples, tests, reviews, approvals, among other stages. So far in 2023, no major international bidding has been completed, and the war in Ukraine has created instability in procurement processes around the world in terms of bidding.

Taurus products serve the military and police forces and are distributed to more than 100 countries around the world, with these exports always being previously authorized by the Ministry of Foreign Affairs and the Ministry of Defense. The recent war situation in the Middle East tends to prompt greater expansion in the sector, with the possibility of a natural increase in demand which, should it occur, Taurus will be prepared to meet.

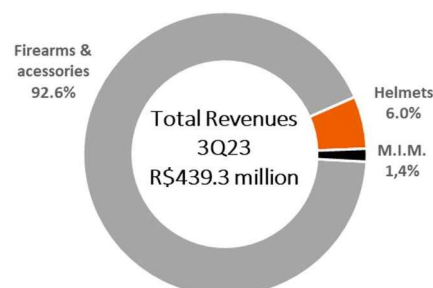
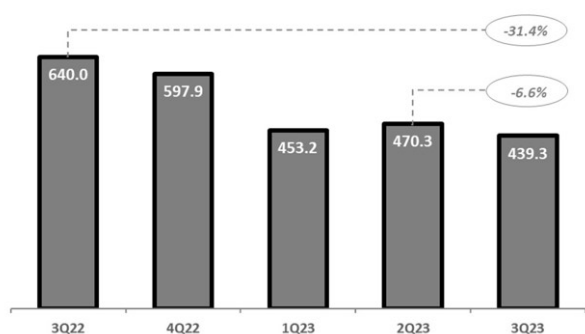
The largest tender ever held in the world, for 425,000 rifles, by the Indian Ministry of Defense, remains underway, in which the Company is participating through JD Taurus. The delivery of firearm samples for testing and evaluation, originally scheduled for the first half of October 2023, has been postponed until January 2024.

ECONOMIC AND FINANCIAL PERFORMANCE

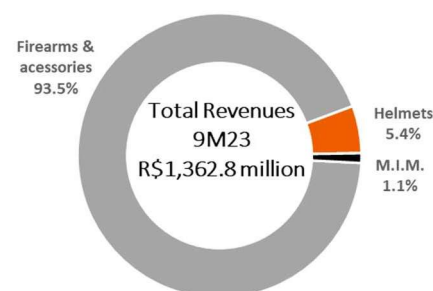
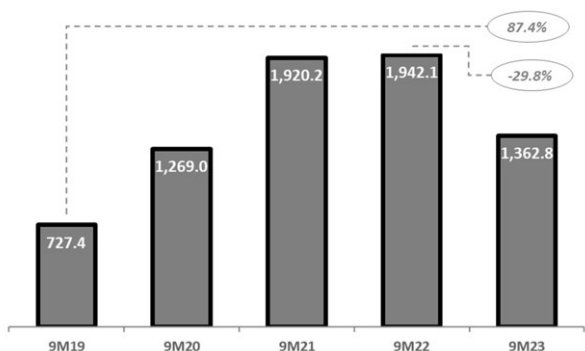
Net Operating Revenue

Taurus' consolidated revenues include, in addition to the sales of firearms & accessories, revenues from the sales of helmets and M.I.M. (Metal Injection Molding). In 3Q23, consolidated net revenues amounted to R\$439.3 million, adding up to R\$1,362.8 million in 9M23. As the Company's core business, the firearms & accessories segment accounted for 92.6% of overall revenue in the quarter, and 93.5% in 9M23, with its results therefore being the main drivers of consolidated performance.

Consolidated Net Operating Revenue - (R\$ million) Quarter

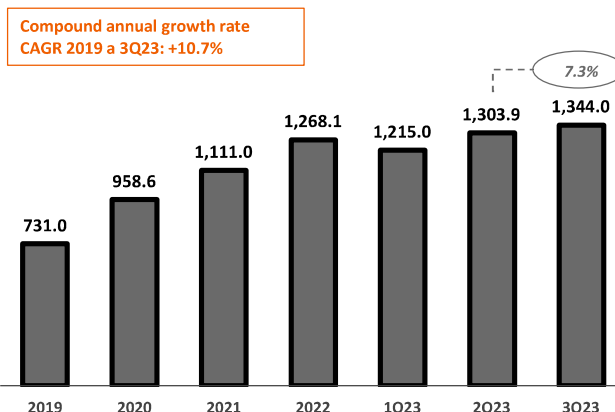


Consolidated Net Operating Revenue - (R\$ million) 9 Months (Jan-Sep)



In line with the trends in the firearms market, the comparison of 3Q23 with the same period in the previous year is imbalanced, given that in 2022 Taurus had achieved record results, as a reflection of the high levels of demand in the USA. In view of the lower sales volume in all of its markets, and the pressure on revenues derived from sales made abroad, represented by the 7.0% appreciation in the Brazilian Real against the US dollar at the average exchange rate in 3Q23 compared to 3Q22, consolidated net revenues in 3Q23 amounted to R\$439.3 million, down by 31.4% from the same period in 2022. This performance, however, shows that the increase in the average sales price made it possible to partially offset these factors, since the reduction in revenues in the period was lower than that in sales volume (down by 31.4% compared to 36.1%).

Taurus' average selling prices of firearms (R\$/unit)

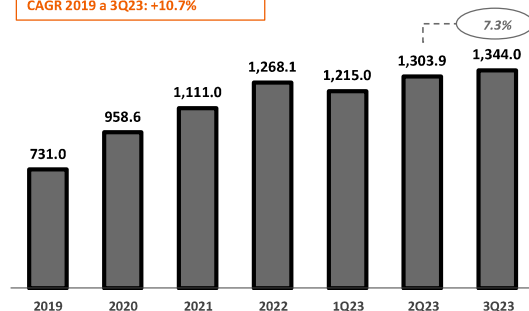


In 9M23, consolidated net revenues in the amount of R\$1,362.8 million represented a 29.8% reduction in relation to 9M22. Compared to the figure recorded in 9M19, before the period of record demand for firearms in the US, consolidated revenues rose by 87.4%, demonstrating all the progress the Company has made, consolidating itself at a new level of performance, as a solid company that stands out in the market.

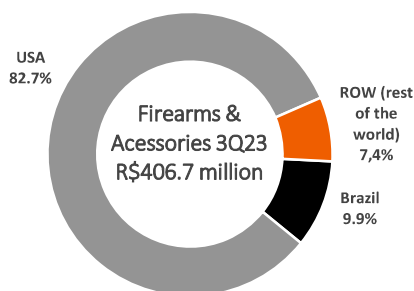
Considering the performance of the firearms & accessories segment alone, net revenue came to R\$406.7 million in 3Q23, adding up to a total of R\$1,274.6 million in 9M23, which represents reductions of 33.0% and 31.2% over the same periods in 2022, respectively, as a result of market conditions. Looking at the performance of revenues from the firearms & accessories segment in the first nine months of the year since 2019, as shown in the chart on the right, the positive effect from the period of increased demand during the pandemic is evident. Comparing Taurus' net revenue in 9M23 versus 9M19, there was a 77.2% rise, despite the Company's overall sales volume of firearms remaining basically flat (-1.0%) in the period. This performance can be explained by the increase in average sales prices, due to the higher added value of the sales mix, and the gain from the translation into Brazilian Reais of sales made in US dollars, given that the Brazilian currency devalued by 28.8% in the period (average dollar exchange rate: R\$3.89 in 9M19 and R\$5.01 in 9M23).

Net Revenue - Firearms & Accessories (R\$ million)

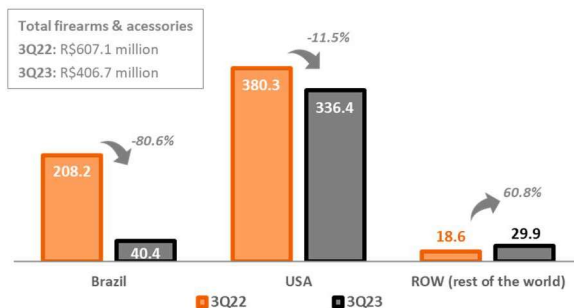
Compound annual growth rate
CAGR 2019 a 3Q23: +10.7%



Net Operating Revenue - Firearms & Accessories Quarter



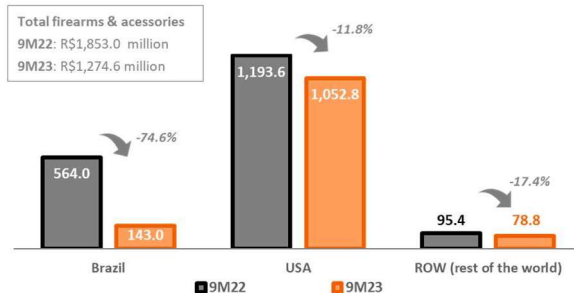
Revenues from firearms & accessories by market (R\$ million)



Net Operating Revenue - Firearms & Accessories January thru September



Revenues from firearms & accessories by market (R\$ million)



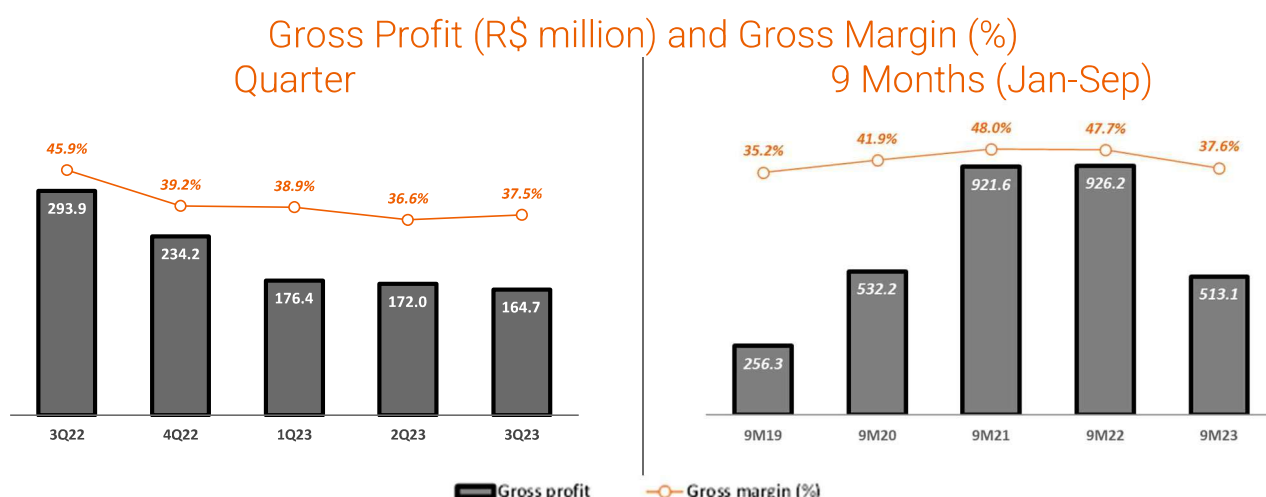
Gross profit

The cost of goods sold in 3Q23 stood at R\$274.7 million, representing a 20.6% decline in comparison to 3Q22. Given the contraction in sales and revenues in the same period of comparison, there was a less significant dilution of fixed costs, leading the Company to record a gross profit of R\$164.7 million in the quarter, corresponding to a 44.0% fall in relation to 3Q22. The gross margin in the quarter was 37.5%, a figure 0.9 p.p. higher than in 2Q23, but 8.4 p.p. lower than the gross margin in 3Q22.

In 9M23, Taurus posted a gross profit of R\$513.1 million, representing a 44.6% drop versus 9M22, presenting a 37.6% margin on net revenue, 10.1 p.p. lower than in the same period in 2022. However, when compared to the performance in 9M19, before the outbreak of the pandemic, gross profit showed a 100.2% increase, and a 2.4 p.p. rise in margin.

In the two periods of comparison in relation to 2022, both for the quarter and for the first nine months, in addition to the lower dilution of fixed costs, the sharper reduction in sales revenues in Brazil, due to the stagnation of the local market, and the greater share of revolvers in the sales mix, a product that provides lower margins for Taurus, also put pressure on the gross margin.

Nevertheless, given Taurus' competitive costs, the Company's gross profitability has remained higher than that recorded by North American peers listed on the stock exchange. In 3Q23, Ruger's gross margin was 20.5% and Smith & Wesson's, considering the quarter from May to July 2023 (1Q24), was 26.6%, 17.0 p.p. and 10.9 p.p. lower, respectively, than Taurus' gross margin of 37.5%.



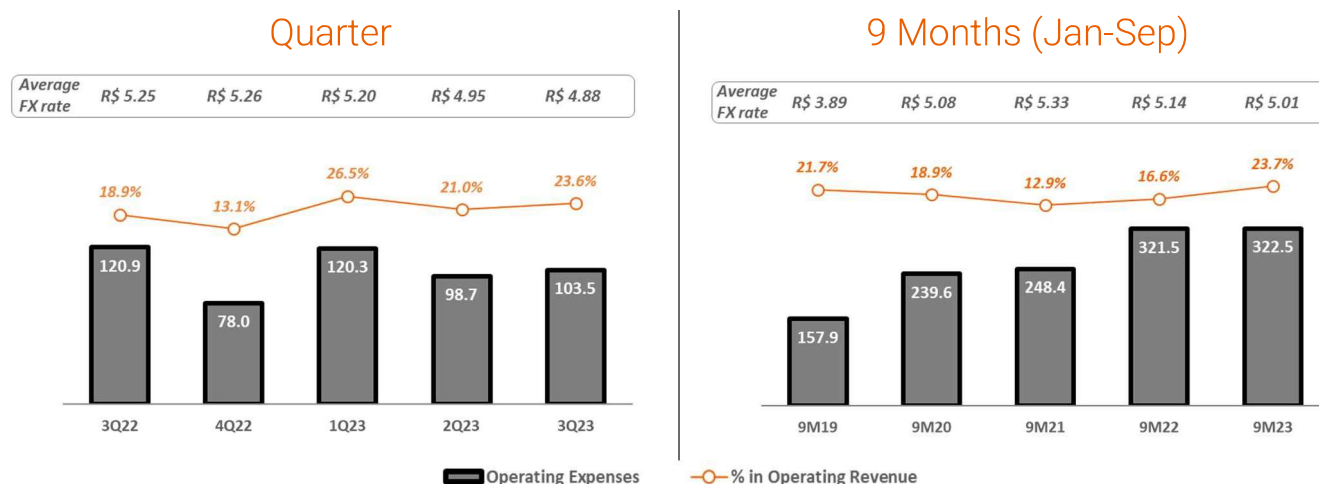
Operating expenses

Total operating expenses in 3Q23, including the "equity from results of affiliates" and "losses/income from the impairment of assets", amounted to R\$103.4 million, representing a 14.5% fall in relation to 3Q22. The main factors leading to this performance were: (i) the recording of the net balance of "other operating revenues" of R\$17.3 million in the quarter, mainly related to recoverable tax credits; (ii) a R\$3.6 million income related to the impairment of assets; (iii) a R\$8.5 million decrease in selling expenses, reflecting lower freight and commission expenses; and (iv) firm control over general and administrative expenses, which rose by only 1.7% (R\$1.0 million) in the period, despite the rise in inflation in Brazil.

	3Q23	3Q23x3Q22		3Q23x2Q23		9M23	9M23x9M22	
		% Chg.		% Chg.			% Chg.	
Selling expenses	55.8	64.3	-13.2%	58.2	-4.1%	175.4	189.8	-7.6%
General and administrative expenses	60.6	59.6	1.7%	48.5	24.9%	164.4	157.4	4.4%
Losses (income) due to non-recoverable assets	3.6	0.5	620.0%	-5.0	-172.0%	2.4	1.1	118.2%
Other operating (income)/expenses	-17.3	-4.5	284.4%	-3.1	458.1%	-21.3	-28.1	-24.2%
Equity from results of affiliates	0.6	1.1	-45.5%	0.1	500.0%	1.4	1.4	0.0%
Operating expenses (SG&A)	103.4	120.9	-14.5%	98.7	4.8%	322.4	321.5	0.3%
Op. expenses / Net Op. Revenues (%)	23.5%	18.9%	4.6 p.p.	21.0%	2.5 p.p.	23.7%	16.6%	7.1 p.p.
Average Ptax dollar exchange rate (R\$)	4.88	5.25	-7.0%	4.95	-1.4%	5.01	5.14	-2.5%

In 9M23, Taurus recorded a total of R\$322.5 million in operating expenses, a performance basically in line (up by 0.3% or R\$1.0 million) with that recorded in 9M22. The selling expenses account fell by R\$14.4 million in the period, for the same reason already mentioned in the quarterly comparison, namely lower freight and commission expenses. In the opposite direction, offsetting the lower selling expenses were administrative expenses (up by R\$7.0 million) and non-recurring events, which led to a net income balance of R\$28.1 million in the other operating income/expenses account in 9M22, compared to an income balance of R\$21.3 million in this account in 9M23 (down by R\$6.8 million). The balance reported in "other operating income/expenses" line, as in the third quarter evaluation period, is mainly related to recoverable tax credits.

Operating Expenses (R\$ million) and their share over Net Revenue (%)



Adjusted EBITDA

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) disregards the results from discontinued operations and equity in earnings from affiliated companies, since these results are not directly linked to Taurus' operating activities.

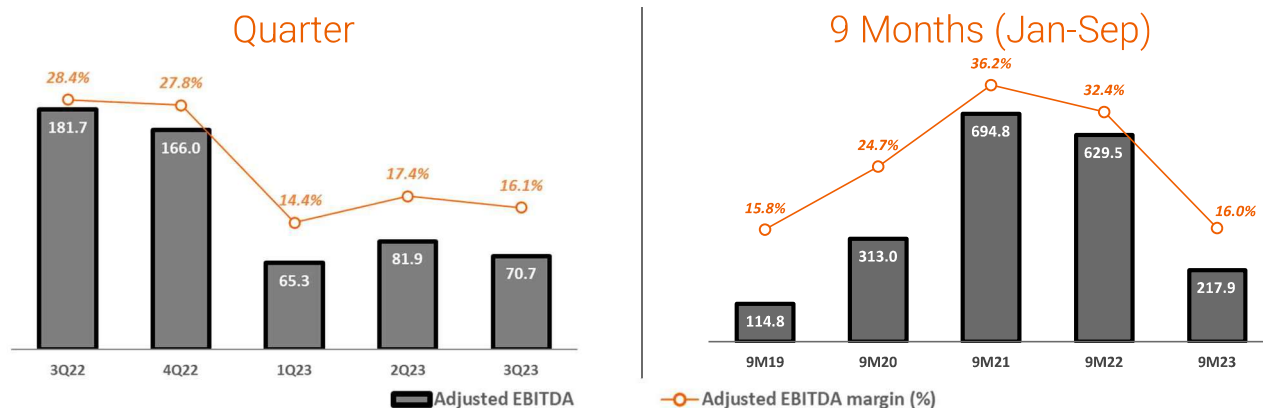
The current firearm market conditions, with stagnation in Brazil, coupled with the resumption of more normalized levels in the North American market, after the period of exceptional demand during the pandemic, were reflected in Taurus' operating results. As previously mentioned, this led to a decrease in sales volume and revenues, lower gross profit and less dilution of operating expenses. In 3Q23, adjusted EBITDA amounted to R\$70.7 million, down by 61.1% from 3Q22, while total EBITDA in 9M23 amounted to R\$217.9 million, down by 65.4% in relation to the same period in the previous year. Compared to 9M19, Taurus' EBITDA in the first nine months of 2019 was up by 89.8%.

The adjusted EBITDA margin stood at 16.1% in 3Q23 and 16.0% in 9M23, pressured by the reasons mentioned above, including the reduction in gross margin, also influenced by lower sales in Brazil and a greater share of revolvers in the mix.

Calculation of adjusted EBITDA – Reconciliation pursuant to ICVM 156/22

R\$ million	3Q23	3Q22	3Q23x3Q22 % Chg.	2Q23	3Q23x2Q23 % Chg.	9M23	9M22	9M23x9M22 % Chg.
Net income	26.0	103.1	-74.8%	48.9	-46.8%	110.3	399.0	-72.4%
Taxes	13.7	48.5	-71.8%	28.2	-51.4%	62.0	181.8	-65.9%
Net financial result	22.3	20.6	8.3%	-4.5	—	17.9	21.7	-17.5%
Depreciation and amortization	8.8	7.6	15.8%	8.5	3.5%	25.8	23.4	10.3%
EBITDA	70.8	179.9	-60.6%	81.2	-12.8%	216.0	625.8	-65.5%
EBITDA margin	16.1%	28.1%	-12.0 p.p.	17.3%	-1.2 p.p.	15.8%	32.2%	-16.4 p.p.
Result from discontinued operations	-0.7	0.7	-	0.7	-	0.5	2.2	-77.3%
Equity from results of affiliates	0.6	1.1	-45.5%	0.1	500.0%	1.4	1.4	0.0%
Adjusted EBITDA	70.7	181.7	-61.1%	81.9	-13.7%	217.9	629.5	-65.4%
Adjusted EBITDA margin	16.1%	28.4%	-12.3 p.p.	17.4%	-1.3 p.p.	16.0%	32.4%	-16.4 p.p.

Adjusted EBITDA (R\$ million) and its 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

Having settled its bank debt, as a result of the Company's general restructuring, coupled with the consequent increase in cash generation, the Company's current financial profile is quite different from the scenario of a few years ago, when a significant part of revenues was used to meet financial commitments. In 3Q23, Taurus posted a net financial expense of R\$22.3 million, representing an 8.3% hike compared to the net expense recorded in the same quarter of 2022. From January to September 2023, the total net financial expense amounted to R\$17.9 million, 17.9% lower than the net expense for 9M22.

A major portion of its revenues (83.1% in 9M23) comes from sales abroad, and most of its debt (92.7% as of September 30, 2023) is denominated in foreign currency. Exchange rate variations, both assets (income) and liabilities (expenses), represent the main component of Taurus' financial results. The devaluation of the Brazilian currency is reflected in the form of an asset exchange variation (income) on the customer portfolio, and on the dollar-denominated cash of the US subsidiary and, in the form of a liability exchange variation (expense), on the financial obligations relating to the Company's bank debt in dollars. Exchange rate variations, however, are accounting records that have no cash effect.

As the exchange rate variations affect balance sheet accounts, which are calculated on the closing date of the period, the accounting record for these accounts has no cash effect.

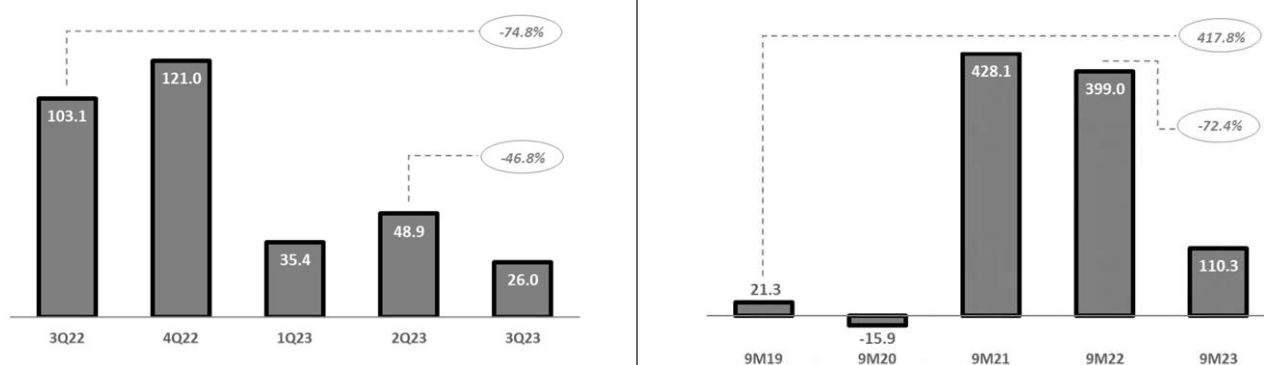
R\$ million	3Q23	3Q22	3Q23x3Q22 % Chg.	2Q23	3Q23x2Q23 % Chg.	9M23	9M22	9M23x9M22 % Chg.
(+) Financial income	25,3	49,5	-48,9%	47,4	-46,6%	115,5	281,5	-59,0%
Foreign exchange gains	20,7	35,7	-41,9%	42,4	-51,2%	98,4	261,6	-62,4%
Interest and other income	4,6	13,8	-66,7%	5,0	-8,0%	17,1	19,9	-14,1%
(-) Financial expenses	47,6	70,1	-32,1%	42,9	11,0%	133,4	303,3	-56,0%
Foreign exchange losses	34,8	54,1	-35,7%	30,7	13,4%	94,1	261,3	-64,0%
Interest, IOF and other expenses	12,8	16,0	-20,0%	12,2	4,9%	39,3	42,0	-6,4%
(+/-) Net financial result	-22,3	-20,6	8,3%	4,5	-	-17,9	-21,8	-17,9%
US dollar Ptax rate at the end of period (R\$)	5,01	5,41	-7,4%	4,82	3,9%	5,01	5,41	-7,4%

Net income

The year 2023 has been an unusual one for Taurus, especially considering the virtually sluggish domestic market due to the legal uncertainty in the sector. This is happening after a very different situation in 2022, when the Company achieved record results, with heated sales in the Brazilian market and the unprecedented increase in demand for firearms in the USA, which represents the main market for Taurus products.

Considering these different market dynamics, the Company posted net earnings of R\$26.0 million in 3Q23, representing a 74.8% drop compared to the same quarter in 2022. In the year to September 2023, net income came to R\$110.3 million, showing a 72.4% reduction in comparison to 9M22, and a 417.8% increase compared to the result obtained in 9M19, before the outbreak of the pandemic.

Net Income (R\$ million)



DEBT

At the end of September 2023, Taurus' net bank debt stood at R\$360.3 million, R\$200.7 million higher than at the end of 2022. The movement over the first nine months of 2023 reflects a decrease in the cash and marketable securities position by R\$187.3 million, following the payment of mandatory dividends in May, plus additional dividends in August, with a simultaneous increase in the gross bank debt by R\$13.5 million.

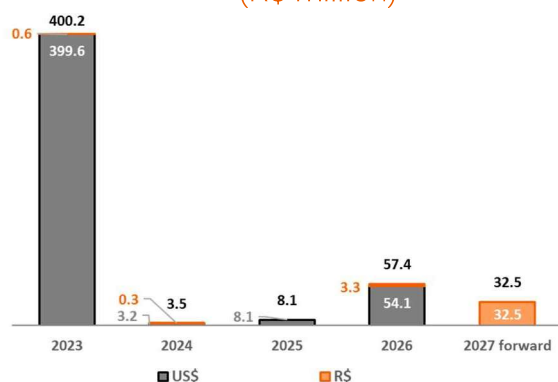
For the first nine months of the year, the Company has received the first installment of R\$37.9 million, and is in the process of releasing the second installment of approximately R\$51.8 million, of the total credit line of R\$175.7 million approved by FINEP (Financing Agency for Studies and Projects) in March/23, to finance 90% of the Strategic Innovation Plan for Competitiveness (PEI) Project. This financing comes in line with Taurus' current financial policy of regaining access to the credit market, while improving the Company's debt profile. FINEP's credit line offers extremely competitive rates, a 36-month grace period and payment in 108 monthly installments.

From the total gross debt on 09/30/23, 92.7% was denominated in US dollars, which relies on a natural hedge represented by the portion of the Company's revenues from sales abroad (83.1% of total net revenues in 9M23).

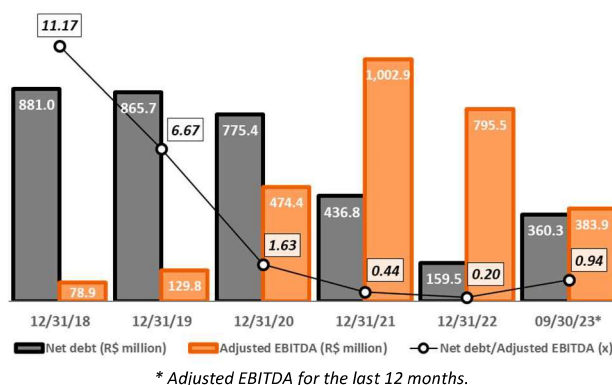
Taurus enjoys a very comfortable financial profile, showing a low degree of financial leverage. Any further fundraising is primarily centered on FINEP's loans, at very favorable interest rates, aimed at financing investments in innovation, and on foreign exchange operations involving advance payments on foreign exchange contracts (ACC). Based on the EBITDA for the last 12 months ended September 30, 2023, the level of financial leverage remained below 1, at 0.94x on that date.

R\$ million	09/30/2023	12/31/2022	% Chg.
Loans and financing	19.1	78.0	-75.5%
Foreign exchange drafts	381.1	314.9	21.0%
Short term	400.2	393.0	1.8%
Foreign exchange drafts + Loans and financing	101.5	95.3	6.5%
Long term	101.5	95.3	6.5%
Gross debt	501.7	488.2	2.8%
Cash and marketable securities	141.4	328.7	-57.0%
Net debt	360.3	159.5	125.9%
US dollar Ptax rate at the end of period (R\$)	5.01	5.22	-4.0%
Gross debt converted into dollars (US\$ million)	100.1	93.5	7.1%
Net debt converted into dollars (US\$ million)	71.9	30.6	135.0%

Bank debt profile
(R\$ million)



Level of financial leverage
Net debt/adjusted EBITDA



CAPITAL EXPENDITURES

Taurus' investments amounted to R\$92.0 million in the first nine months of 2023, mainly geared towards the acquisition of machinery and equipment, the construction of the new CITE (Brazil/USA Integrated Technology and Engineering Center) facilities, in addition to the development of new products. The Company also earmarked a portion of the investments for the installation of the new SAP management system, in line with the Company's digital transformation plan.

The innovation projects are funded by FINEP (Funding Agency for Studies and Projects), through a credit line of R\$175.7 million approved for the Company in March/23. In 2023, the Company decided not to carry out the entire Capex originally planned, due to lower own cash generation as a result of external factors, prioritizing the Capex financed by FINEP.

Research in progress

Taurus has been developing relevant research into the use of new materials, such as niobium, a mineral of which Brazil has more than 90% of the world's reserves. The Company has been considering the inclusion of niobium in the production of parts using post-metallic injection molding technology (M.I.M. - Metal Injection Molding), adding all the benefits of this new material, which ensures greater strength and durability. The study carried out by Taurus on niobium indicates that, with just a small amount of the metal, it is possible to modify steel, making the alloy more efficient and the end product lighter and more resistant.

The MIM technology enables Taurus to produce complex geometry parts at low cost and high volume, dispensing with the need for external suppliers, who are used by the majority of firearms manufacturers, with a great advantage over traditional processes. Currently, apart from Taurus, only one other firearms factory in the world produces the metal injection compound in its facilities. The Company is already manufacturing 25% of all the MIM compound needed to produce the polymer parts of its firearms and accessories, reducing its dependence on foreign suppliers of this material and generating cost savings.

At an even more advanced stage is Taurus' research into graphene, a material currently used in the production of more than 10 products in its portfolio. After launching the GX4 Graphene pistol in 2022, the world's first graphene weapon, the Company has continued to innovate. Today, it offers several models on different platforms: the GX4 family (GX4 Graphene, GX4 XL Graphene and GX4 Carry Graphene), the Striker TS9 platform (TS9 Graphene and the compact TS9c Graphene version) and the Taurus Hammer platform (TH380 Graphene and the compact TH380c Graphene version). In addition to the various firearms models, there are accessory lines such as Holsters, Suppressors, Lubricants and Handmade Knives.

Other pioneering projects at Taurus include the use of Long Fiber Polymer and DLC (Diamond Like Carbon), adding ever lighter and more resistant weapons to its portfolio.



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.

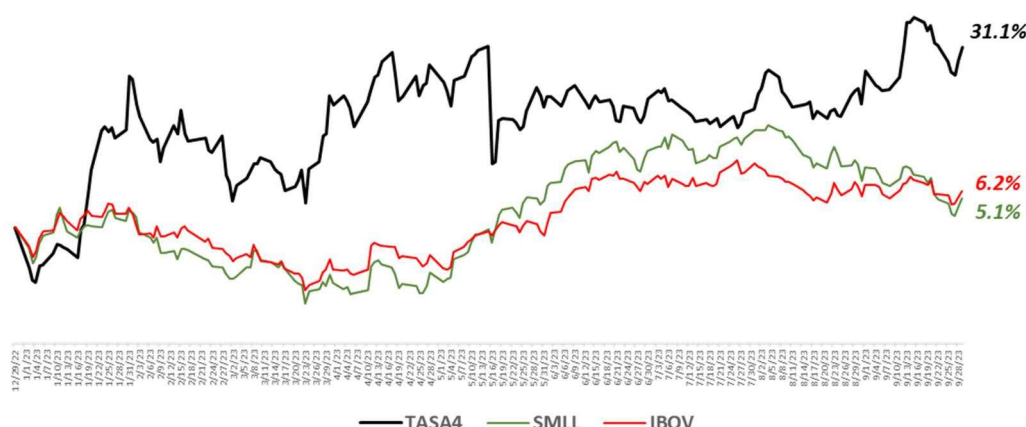
Date	TASA3* (R\$/share)	TASA3 Volume ('000)	TASA4* (R\$/share)	TASA4 Volume ('000)	TASA Total volume ('000)	Market capitalization (R\$ million)	EV** (R\$ million)
12/29/2022	R\$12.16	46,445	R\$12.25	80,189	126,634	R\$1,547.09	R\$1,638.56
09/29/2023	R\$15.88	46,445	R\$16.06	80,189	126,634	R\$2,025.38	R\$2,318.57
% change	+30.6%	-	+31.1%	-	-	+30.9%	+41.5%

* TASA3 and TASA4 prices at 12/29/2022 are adjusted by the dividends paid.

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

IBRA B3 SMLL B3 ITAG B3 IGCT B3 INDX B3 IGC B3

Performance of preferred shares (TASA4) versus SMLL B3 and IBOV B3
January to September 2023 - Base 100: Closing prices as at 12/29/2022



**ESG**

Since the beginning of the Company's ESG efforts, there has been an increase in people's engagement in relation to the commitment to material issues and the assessment of ESG impacts on their areas, whether through better reporting of data, aimed at assessing results, impact analyses of actions carried out or the greater interest of the teams from the various areas in disseminating knowledge about ESG issues. These changes in attitude have already shown practical results, in terms of various indicators monitored, with an impact on reductions in greenhouse gas emissions, as well as improvements related to people management.

Corporate governance

Taurus relies on a well-structured and established corporate governance system, which presents well-defined principles and management processes, capable of formally ensuring compliance with laws and regulations and connecting employees, suppliers, shareholders and investors.

The management of Taurus Armas S.A. is exercised by a Board of Directors, with deliberative functions; by a Board of Executive Officers, with representative and executive functions; and by advisory committees to the Board of Directors, namely: (i) the Audit and Risks Committee, (ii) the Ethics Committee, (iii) the Information Security Privacy Committee and (iv) the ESG Committee. These bodies aim to propose and keep up to date the guidelines/rules of the policies linked to governance, analyze any violations of the policies and, in the event that non-compliance is identified, report their findings to the Board of Directors. The Company's Fiscal Council is permanently in place and performs the duties laid down by law.

Social

Taurus reinforces its commitment to the continuous training and development of people, along with a collaborative environment between the team, the company and society.

With the purpose of broadening inclusion and enabling communication between all the employees of the Brazilian unit, Taurus held the first module of the Brazilian Sign Language (Libras) course, taught by SENAI, with the participation of 60 employees, who will act as multipliers of the knowledge acquired, promoting the inclusion of deaf people. The initiative is part of the Taurus Continued Education Program, offered to train the professionals who work for the Company. Taurus is already planning the Module II of the Libras course, as well as a new class for Module I.

Furthermore, a group of 12 students, from the 2nd class of the social project "Taurus do Bem"(Taurus of Good) - Respecting differences in favor of equality", visited the Museum of Contemporary Art of Rio Grande do Sul in August. The initiative is part of pedagogical practice and aims to inspire the students to create their own works of art during the project's workshops, in partnership with the Federal University of Rio Grande do Sul (UFRGS).

Environment

Aware of its environmental responsibilities, Taurus is constantly striving to improve its environmental management system, relying on a trained and motivated team that works on the environmental management of all the existing processes at the São Leopoldo (RS) plant, as well as ensuring that good environmental practices are applied to new projects.

The current operating licenses of the group's companies are inspected by the State Foundation for Environmental Protection (FEPAM), the body responsible for environmental licensing in the state of Rio Grande do Sul, and linked to the State Secretariat for the Environment.

Taurus has a wastewater treatment plant (ETE) for industrial and sanitary effluents, in which the effluent is treated and tested to guarantee acceptable parameters for discharge into the public sewage system, a procedure authorized by the current environmental operating license.

Waste management follows the best market practices. The necessary legal documents are issued for all waste leaving Taurus to accompany the shipments. Waste generation indicators are monitored on a monthly basis, and are critically analyzed in order to search for opportunities to reduce waste at source, together with the generating areas.

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>	3Q23	3Q22	% Chg.	2Q23	% Chg.	9M23	9M22	% Chg.
Net revenues from sales of goods and/or services	439.3	640.0	-31.4%	470.3	-6.6%	1,362.8	1,942.1	-29.8%
Cost of goods and/or services sold	-274.7	-346.0	-20.6%	-298.3	-7.9%	-849.8	-1,015.9	-16.4%
Gross Profit	164.7	293.9	-44.0%	172.0	-4.2%	513.1	926.2	-44.6%
Operating (expenses)/income	-103.4	-120.9	-14.5%	-98.7	4.8%	-322.4	-321.5	0.3%
Selling expenses	-55.8	-64.3	-13.2%	-58.2	-4.1%	-175.4	-189.8	-7.6%
General and administrative expenses	-60.6	-59.6	1.7%	-48.5	24.9%	-164.4	-157.4	4.4%
Losses due to non-recoverable assets	-3.6	-0.5	620.0%	5.0	-	-2.4	-1.1	118.2%
Other operating income	21.4	5.7	275.4%	6.5	229.2%	31.3	41.3	-24.2%
Other operating expenses	-4.2	-1.3	223.1%	-3.4	23.5%	-10.0	-13.2	-24.2%
Equity from results of subsidiaries and affiliates	-0.6	-1.1	-45.5%	-0.1	500.0%	-1.4	-1.4	0.0%
Profit before financial income (expenses) and taxes	61.3	173.0	-64.6%	73.3	-16.4%	190.7	604.7	-68.5%
Financial result	-22.3	-20.6	8.3%	4.5	-	-17.9	-21.7	-17.5%
Financial income	25.3	49.5	-48.9%	47.4	-46.6%	115.5	281.5	-59.0%
Financial expenses	-47.6	-70.1	-32.1%	-42.9	11.0%	-133.4	-303.3	-56.0%
Earnings (loss) before taxes	39.0	152.4	-74.4%	77.8	-49.9%	172.8	582.9	-70.4%
Income tax and social contribution	-13.7	-48.5	-71.8%	-28.2	-51.4%	-62.0	-181.8	-65.9%
Current	-14.0	-36.3	-61.4%	-28.7	-51.2%	-66.4	-137.1	-51.6%
Deferred	0.2	-12.3	-	0.5	-60.0%	4.4	-44.7	-
Net income (loss) from continued operations	25.3	103.8	-75.6%	49.5	-48.9%	110.8	401.2	-72.4%
Net income (loss) from discontinued operations	0.7	-0.7	-	-0.7	-	-0.5	-2.2	-77.3%
Consolidated net income (loss) for the period	26.0	103.1	-74.8%	48.9	-46.8%	110.3	399.0	-72.4%
Attributed to shareholders of the parent company	26.0	103.1	-74.8%	48.9	-46.8%	110.3	295.8	-62.7%
<i>Earnings per share (R\$/share)</i>								
<i>Basic earnings per share</i>								
Common shares (ON)	0.2053	0.7181	-71.4%	0.3859	-50.0%	0.8707	3.1564	-72.4%
Preferred shares (PN)	0.2053	0.9220	-77.7%	0.3858	-50.0%	0.8707	3.4564	-74.8%
<i>Diluted earnings per share</i>								
Common shares (ON)	0.2053	0.7181	-71.4%	0.3859	-50.0%	0.8707	3.1564	-72.4%
Preferred shares (PN)	0.2051	1.0348	-80.2%	0.3853	-50.0%	0.8699	3.4477	-74.8%


ASSETS

<i>R\$ million</i>	09/30/23	12/31/22	% Chg.
Total Assets	2,170.6	2,276.2	-4.6%
Current assets	1,275.9	1,467.6	-13.1%
Cash and cash equivalents	48.3	201.2	-76.0%
Cash and banks	33.8	178.6	-81.1%
Highly-liquid short-term investments	14.5	22.6	-35.8%
Marketable securities	93.1	105.5	-11.8%
Accounts receivable	275.0	352.4	-22.0%
Inventories	683.6	630.4	8.4%
Recoverable taxes	68.8	37.0	85.9%
Prepaid expenses	13.1	41.9	-68.7%
Other current assets	93.9	99.0	-5.2%
Non-current assets	894.8	808.6	10.7%
Long-term receivables	193.4	165.7	16.7%
Financial investments at amortized cost	0.0	21.9	-
Deferred taxes	65.3	60.9	7.2%
Receivables from related-party	11.9	0.0	-
Other non-current assets	116.2	82.9	40.2%
Investments	5.4	4.4	22.7%
Stake in jointly-controlled subsidiaries	5.4	4.2	28.6%
Other investments	0.0	0.2	-100.0%
Property, plant and equipment	558.8	512.7	9.0%
Fixed assets in operation	393.9	353.0	11.6%
Fixed assets in progress	165.0	159.7	3.3%
Intangible assets	137.1	125.8	9.0%


LIABILITIES

<i>R\$ million</i>	09/30/23	12/31/22	% Chg.
Total Liabilities and Equity	2,170.6	2,276.2	-4.6%
Current Liabilities	788.1	998.7	-21.1%
Social and labor obligations	60.9	66.9	-9.0%
Social obligations	5.8	6.9	-15.9%
Labor obligations	55.1	60.0	-8.2%
Suppliers	115.6	112.2	3.0%
Local suppliers	63.5	69.3	-8.4%
Foreign suppliers	52.0	42.9	21.2%
Taxes payable	78.1	86.8	-10.0%
Federal Taxes payable	75.8	80.9	-6.3%
Income tax and social contribution payable	15.5	16.3	-4.9%
Other taxes	60.3	64.6	-6.7%
State tax payable	2.2	5.8	-62.1%
Municipal tax payable	0.1	0.1	0.0%
Loans and financing	400.2	393.0	1.8%
In local currency	0.5	1.8	-72.2%
In foreign currency	399.8	391.1	2.2%
Debentures	0.0	0.0	-
Other accounts payable	56.5	258.4	-78.1%
Dividends and interest on equity payable	0.1	164.1	-99.9%
Derivative financial instruments	0.0	0.0	-
Advances from customers	20.7	38.9	-46.8%
Legal settlements to be paid	0.0	0.0	-
Other payables	35.8	55.3	-35.3%
Provisions	69.7	71.6	-2.7%
Provisions for tax	48.1	48.0	0.2%
Provisions for social security and labor risks	5.1	6.7	-23.9%
Provisions for civil risks	5.7	5.9	-3.4%
Other provisions	10.8	11.0	-1.8%
Liabilities on assets of discontinued operations	7.1	9.7	-26.8%
Noncurrent Liabilities	274.5	253.3	8.4%
Loans and financing	101.5	95.3	6.5%
In local currency	36.2	1.8	1911.1%
In foreign currency	65.2	93.4	-30.2%
Debentures	0.0	0.0	-
Other accounts payable	93.6	80.1	16.9%
Related-party liabilities	1.9	1.8	5.6%
Provision for unsecured liabilities	0.3	0.0	-
Taxes payable	15.2	22.6	-32.7%
Suppliers	10.2	12.6	-19.0%
Rents	0.0	0.0	-
Other accounts payable	65.9	43.1	52.9%
Deferred taxes	16.5	16.7	-1.2%
Provisions	62.9	61.1	2.9%
Provisions for tax	1.4	2.7	-48.1%
Provisions for social security and labor	40.9	37.5	9.1%
Provisions for civil risks	15.8	15.9	-0.6%
Other provisions	4.8	5.0	-4.0%
Liabilities on assets of discontinued operations	0.0	0.0	-
Consolidated Shareholders' Equity	1,108.1	1,024.2	8.2%
Share Capital	367.9	367.9	0.0%
Capital reserves	-14.3	-21.4	-33.2%
Disposal of subscription warrants	9.9	9.9	0.0%
Stock options granted	21.4	14.1	51.8%
Capital transactions	-45.6	-45.3	0.7%
Retained earnings	451.6	464.3	-2.7%
Legal reserve	41.1	41.1	0.0%
Statutory reserve	292.0	0.0	-
Retained earnings reserve	0.0	304.7	-
Tax incentive reserve	118.5	118.5	0.0%
Proposed supplementary dividend	0.0	0.0	-
Accumulated earnings/losses	110.7	0.0	-
Equity valuation adjustments	44.1	44.5	-0.9%
Accumulated translation adjustments	148.1	168.9	-12.3%