

TAURUS ARMAS S.A.
PUBLICLY-TRADED COMPANY
CNPJ/MF No. 92.781.335/0001-02
NIRE 43 3 0000739 1

MATERIAL FACT

São Leopoldo, February 25, 2022 – This is a further statement by Taurus Armas S.A., listed on Level 2 of the B3 (Codes: TASA3, TASA4), to the Material Fact disclosed on August 25, 2017, in accordance with Law No. 6404, dated December 15, 1976, its amendments (“The Corporations Law”), and the regulations of the Brazilian Securities and Exchange Commission (“CVM”), in particular, CVM Resolution No. 44, dated September 01, 2021. The Company wishes to inform its shareholders and the market that a settlement has been reached between Taurus and the Federal Public Prosecutor’s Office, to conclude the civil action filed against the Company in 2017, in accordance with the policy of the current management of resolving legal issues from previous administrations of the Company, wherever possible, and providing greater assurance and transparency for its shareholders and the market. The agreement has already been approved by the Justice for the 2nd Federal Court of Sergipe. The Federal Public Prosecutor alleged that there were quality issues with ten weapons models manufactured by Forjas Taurus SA, as it was then, and called for the manufacture and sale of these models to be suspended and the weapons to be replaced, repaired or compensated for and for damages to be paid for the moral harm to the public. They considered the case worth approximately BRL 45,000,000.00.

The settlement, which does not include an acknowledgment of any liability, fault or product defect by Taurus, will cost the Company a total of BRL 10,000,000.00 over five years, in sums to be paid to benefit the public and law enforcement, including: (a) Sums to train armorers to maintain government weapons for law enforcement agencies, (b) preventive maintenance programs for out-of-warranty government weapons, as well as inspections of private weapons belonging to police and civilians, (c) supplies of ammunition and other non-lethal supplies for law enforcement agencies, (d) sponsoring technical inter-departmental meetings for law enforcement agencies and the Armed Forces and (e) sponsoring Olympic and Paralympic athletes, preferably from either police forces or the military.

Taurus will present a plan, including the scope, schedule, estimated costs and expected results (indicators, targets and delivery milestones), at least 40 days before the activities are due to



start , so that the Federal Prosecutor's office can approve it and it can be ratified by the Federal court of Sergipe.

Agreeing such a settlement is an effective way in which to end the litigation and reduces the impact on the Company. It avoids the risks and costs that would have been incurred if the litigation had continued. In addition, the money will be put to uses that are compatible with the Company's values, as they will have a benefits for the public and, in particular, to the law enforcement community.

Taurus will keep its shareholders and the market informed of any new information to do with the matter covered in this Material Fact.

SERGIO CASTILHO SGRILLO FILHO.

CHIEF ADMINISTRATIVE AND FINANCIAL OFFICER

DIRECTOR OF INVESTOR RELATIONS.

TAURUS ARMAS S.A.