

TAURUS ARMAS S.A.
A PUBLICLY-HELD COMPANY
National Registry of Legal Entities Nº 92.781.335/0001-02
NIRE 43 3 0000739 1

MATERIAL FACT

São Leopoldo, December 28TH, 2023 – Taurus Armas S.A., ("Company" or "Taurus"), listed on Level 2 of B3 (Symbols: TASA3, TASA4), in compliance with CVM resolution nº 44, of August 23, 2021, informs its shareholders and the market that, following the Material Fact published on July 31, 2023 and after authorization from the Board of Directors, it signed on this date a non-binding Term Sheet, which establishes the initial premises to move forward with the feasibility study of establishing a joint venture in the Kingdom of Saudi Arabia with the company **SCOPA MILITARY INDUSTRIES** (formerly known as SCOPA DEFENSE TRADING).

The objective of the joint venture, subject to obtaining all statutory and legal authorizations, will be the manufacturing of Taurus firearms in the Kingdom of Saudi Arabia and their commercialization throughout the "GCC" region (Cooperation Council for the Arab States of the Gulf), whose member countries are: Saudi Arabia, Bahrain, Qatar, United Arab Emirates, Kuwait, and Oman.

The partnership, if materialized, also aims to cater to a series of programs and platforms of the Saudi Vision 2030 project (www.vision2030.gov.sa), which seeks to achieve a comprehensive and ambitious position for the Kingdom of Saudi Arabia ("KSA") by the year 2030, with various strategic initiatives to promote economic and social development in the region, particularly in the defense sector.

The parties will proceed with studies for the development of the business plan, as well as the other conditions for the creation of the joint venture.

SCOPA is one of the leading defense companies in the Kingdom of Saudi Arabia. Through a portfolio of products for military industries, it contributes to the Saudi 2030 Vision to localize 50% and help and contribute in developing the military industries in the Kingdom to achieve sustainability in meeting the Saudi armed forces needs and demand.

Currently, Saudi Arabia has the 5th largest defense budget in the world and plans that, by the year 2030, 50% of its military investments will come from local companies.

The execution of this Term Sheet is another important step in **TAURUS's** global strategy as a world leader in the manufacture of small arms and technology transfer, based on sustainable profitability, quality, and improvement of financial and operational indicators, as well as strong investment in the development of new products, processes, and materials.

TAURUS will keep its shareholders and the market duly informed of any further information regarding the subject matter of this Material Fact.

SERGIO CASTILHO SGRILLO FILHO
CHIEF FINANCIAL OFFICER
CHIEF INVESTOR RELATIONS OFFICER
TAURUS ARMAS S.A.