

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, July 31, 2023 - Taurus Armas S.A., ("Company" or "Taurus"), listed on Level 2 of B3 (Symbols: TASA3, TASA4), in compliance with CVM (Brazilian Securities and Exchange Commission) Resolution No. 77, dated March 29, 2022, informs its shareholders and the market that, following authorization from the Board of Directors, it has entered, on this date, into a Memorandum of Understanding (MoU), which is non-binding, to allow for the feasibility study of establishing a joint venture in the Kingdom of Saudi Arabia with the company SCOPA DEFENSE TRADING LLC.

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.

From the signing of the MoU, the parties will have up to 12 months to complete the studies for the creation of the joint venture and the business plan to be developed. The shareholding of each involved party and other conditions for the establishment of the joint venture will also be defined during this period. During this time, SCOPA DEFENSE TRADING LLC. will act as a business agent and distributor of TAURUS to explore business opportunities for the Police and Military Forces throughout the GCC region.

SCOPA DEFENSE TRADING LLC is one of the most prominent defense companies in the Kingdom of Saudi Arabia. Through a portfolio of products for military industries, it contributes to the modernization of the Saudi army and armed forces, reaching global defense and security markets. The company belongs to Mohammad bin Abdulaziz Alajlan, the Vice Chairman of Ajlan & Bros Group, founded in 1979, which holds stakes in more than 75 companies and employs around 15,000 employees in several countries, being an active conglomerate in several strategic sectors.

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 agreement 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.