

TAURUS ARMAS S.A.
PUBLICLY-TRADED COMPANY
CNPJ/MF 92.781.335/0001-02
NIRE 43 3 0000739 1

MATERIAL FACT

São Leopoldo, December 02, 2020 - Taurus Armas S.A., (“Company or “Taurus”), listed at Level 2 of B3 (Symbols: TASA3, TASA4), in compliance with the provisions of Law No. 6,404, of December 15, 1976, as amended (“Brazilian Corporate Law”), and the regulations of the Brazilian Securities and Exchange Commission (“CVM”), in particular CVM Instruction No. 358, of January 3, 2002, would like to inform its shareholders and the market, that, on this date, it has publicly signed an Agreement of Intent with the Municipality of São Leopoldo, establishing terms and commitments to enable industrial expansion in the city of São Leopoldo/RS.

Following the signature of this agreement, Taurus will begin the first stage of its expansion plan in January 2021, in São Leopoldo/RS with the construction of a modern industrial complex, within a 12,000 m² development, in order to be located closer to its strategic suppliers, improve its industrial processes and reduce production and logistics costs.

This industrial expansion will consist of investments in excess of BRL 110 million, including a contribution by Taurus of BRL 25 million into the infrastructure; and, BRL 85 million from its suppliers, in order to establish their own units in the complex; in all, it will lead to the creation of over 750 direct jobs. This investment demonstrates our partners' confidence in the company's expansion project.

As well as the economic and social benefits of this expansion, Taurus will also expand its production capacity from 6,000 weapons / day currently to 9,000 weapons / day, as well as create a strategic distribution *hub* for components for its manufacturing units in the United States and its future unit in India.

The formal agreement to this expansion is an important step in Taurus' global expansion strategy, and will put the company in a prominent position in the world market for small arms, and proves that the company's current management is in step with the worldwide developments in this industry. Taurus is firmly committed to a restructuring process based on sustainable profitability, quality and improving its financial and operational indicators, in addition to strong and solid investments in the development of new products and technology.

Taurus will keep its shareholders and the market duly informed of any eventual new information regarding the subject discussed in this Material Fact.

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