

Eternit

a marca da coruja



Earnings Release
4Q21

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São Paulo, February 22, 2022 - Eternit S.A. – Under Court-Supervised Reorganization (B3: ETER3, “Eternit” or “Company”) announces today its results for the 4th quarter of 2021. Except where stated otherwise, the operational and financial information of the Company is presented on a consolidated basis in thousands of Brazilian reais, in accordance with the Brazilian accounting standards, especially Federal Law 6,404/76 and guidelines issued by the Accounting Pronouncements Committee (“CPC”) and approved by the Securities and Exchange Commission of Brazil (“CVM”), which should be read together with the financial statements and notes for the period ended on December 31, 2021. All comparisons in this earnings release are with the 4th quarter of 2020, except where stated otherwise.

Highlights

4Q21

Eternit ends 2021 with the best result in the decade: Adjusted EBITDA of R\$ 337 million and Net Income of R\$ 269 million.

MARKET CAP (12/31/2021)

R\$ 1.3 billion

SHARE PRICE: (12/31/2021)

R\$ 20.96

NUMBER OF SHARES: (12/31/2021)

61,776,575

FREE FLOAT

99%

INVESTOR RELATIONS

ri@eternit.com.br

Vítor Mallmann - Investor Relations Officer
Anderson Rebeque - Investor Relations Manager

Videoconference:

February 23, 2022 at 3 p.m.

Webcast:

<https://choruscall.com.br/eternit/4t21.htm>

4Q21/4Q20 PERFORMANCE



Net Revenue of R\$ 290 million, up 26%.



Gross Profit of R\$ 119 million, up 16%, and **Gross Margin** of 41%.



Adjusted EBITDA of R\$ 76 million, up 13%.



Net income of R\$ 53 million.



Positive Net Cash of R\$ 181 million, up R\$ 166 million.

Message from Management

Despite the healthy performance in 4Q21, the quarter proved more challenging, especially with the continuous hike in prices of raw materials and other production inputs, restrictions on international logistics and falling demand in the construction materials sector during the year.

Against this backdrop, in 4Q21, the Company recorded net income of R\$53 million. In 2021, net income came to R\$269 million, a significant growth of 70% from 2020.

Net revenue in 4Q21 totaled R\$290 million, 5% higher than in 3Q21 and 26% higher than in 4Q20. Gross margin in 4Q21 was 41%, remaining practically at the same level as in 3Q21.

Adjusted EBITDA reached R\$76 million in 4Q21, 10% lower than in 3Q21, but 13% higher than in 4Q20. In the year, adjusted EBITDA totaled R\$337 million, the best result in the decade and one of the best in the Company's history.

The Company continued expansion work at its units in Rio de Janeiro and Goiânia, among other projects in the program to modernize fiber-cement units, which will jointly represent additional production capacity of 7,000 tons per month, about 10% of current capacity. Expansion work at the Rio de Janeiro plant is scheduled for completion in 1Q22 and the Goiânia plant in 2Q22.

In 4Q21, the Company continued to sell BIG-F10 concrete photovoltaic tiles, still restricted to selected projects, completing yet another important stage of business development. In December, the F-140 fiber-cement photovoltaic tile received approval for registration from Inmetro, thus completing the final stage of the new product registration process.

As part of the Court-Supervised Reorganization Plan, Eternit paid R\$ 655,000 to Class I bankruptcy creditors this quarter. As such, Eternit's bankruptcy debt at the end of 2021 was approximately R\$45 million, of which R\$37 million refer to the loan borrowed in 2014 from Banco da Amazônia (BASA) to build the polypropylene fiber unit of Eternit Amazônia.

In November, the company announced a new fiber-cement roofing panels factory in Northeastern Brazil, in the city of Caucaia, Ceará, at an investment of approximately R\$ 165 million, with operational startup scheduled for 2023. The new unit will initially have production capacity of 7,000 tons per month, which can be doubled at a later stage using the infrastructure currently under construction.

In line with its strategy of growth and industry consolidation, the Company raised R\$ 110 million in March through capital increase, which involved the issue of shares for private subscription, in order to fund the acquisition of Confibra. In January 2022, the Company informed the market through a Material Fact notice of the signing of a purchase agreement for the acquisition of the entire capital stock of Confibra. The acquisition will add 20% to the Eternit Group's production capacity for fiber-cement roofing panels.

Production of synthetic polypropylene (PP) at the Manaus unit, an input for fiber-cement production, totaled 12,000 tons in 2021, a new production record and 25% above project capacity. In view of heated demand in the fiber-cement segment, the acquisition of Confibra and the greenfield project in Ceará, in January 2022, the Company announced to the market the expansion of production capacity at the Manaus unit to 18,000 thousand tons p.a., representing an addition of 40% to the current capacity. The expansion of the Manaus plant is scheduled for completion in 2023 at an estimated investment of R\$ 24 million.

After a period of six years, the Company once again started paying interest on equity to its shareholders this quarter, distributing R\$ 14.9 million in December.

Main Indicators

Consolidated - R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Gross Sales Revenue	359,741	285,995	25.8	344,131	4.5	1.393,132	860,368	61.9
Net revenue	289,545	229,453	26.2	275,978	4.9	1.123,125	683,423	64.3
Gross profit	119,216	102,707	16.1	118,709	0.4	491,050	227,344	116.0
<i>Gross margin</i>	<i>41%</i>	<i>45%</i>	<i>- 4 p.p.</i>	<i>43%</i>	<i>- 2 p.p.</i>	<i>44%</i>	<i>33%</i>	<i>11 p.p.</i>
Net income (loss) for the period	53,343	121,077	(55.9)	98,014	(45.6)	269,446	158,733	69.7
<i>Net margin</i>	<i>18%</i>	<i>53%</i>	<i>- 35 p.p.</i>	<i>36%</i>	<i>- 18 p.p.</i>	<i>24%</i>	<i>23%</i>	<i>1 p.p.</i>
Adjusted Net Income/Loss	54,866	63,548	(13.7)	76,698	(28.5)	251,059	85,775	192.7
<i>Adjusted Net Margin</i>	<i>19%</i>	<i>28%</i>	<i>- 9 p.p.</i>	<i>28%</i>	<i>- 9 p.p.</i>	<i>22%</i>	<i>13%</i>	<i>9 p.p.</i>
EBITDA CVM 527/12	73,906	135,446	(45.4)	116,939	(36.8)	362,070	209,052	73.2
<i>EBITDA Margin CVM527/12</i>	<i>26%</i>	<i>59%</i>	<i>- 33 p.p.</i>	<i>42%</i>	<i>- 16 p.p.</i>	<i>32%</i>	<i>31%</i>	<i>1 p.p.</i>
Adjusted EBITDA	76,214	67,350	(13.2)	84,642	(10.0)	336,995	122,224	175.7
<i>Adjusted EBITDA Margin</i>	<i>26%</i>	<i>29%</i>	<i>- 3 p.p.</i>	<i>31%</i>	<i>- 5 p.p.</i>	<i>30%</i>	<i>18%</i>	<i>12 p.p.</i>

Economy and Market

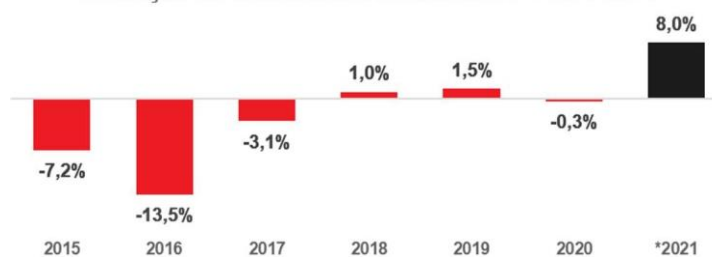
Confidence indicators ended 2021 with an overall downward revision. Market expectations, reflected in the Focus Report¹ and Copom² of the Brazilian Central Bank, have been pointing to worsening macroeconomic parameters, marked by a reduction in the GDP growth forecast (2022: +0.30%) and an increase in the basic interest rate (SELIC 2022: 11.75% p.a.).

In the industrial segment, according to data from the Brazilian Confederation of Industry ("CNI"), the construction sector should grow above expectations in 2021, which is forecast at 8.2%.

According to the Brazilian Construction Materials Industry Association ("ABRAMAT"), deflated total revenue of the sector continues to show signs of cooling in 4Q21. According to the report, sales in October 2021³ declined 4.2% year on year, repeating the poor performance of September 2021, and declined 0.3% from September 2021³, the fourth successive decline.

Despite the decline in recent months, sales from January through October 2021^[3] were 12.8% higher than in the same period in 2020. As such, ABRAMAT maintained its growth projection of 8% for 2021³.

Evolução do faturamento deflacionado - ABRAMAT



(1) Focus Report – 07/01/22 e 28/02/22

(2) 244º Reunião do Copom – 02/02/22

(3) ABRAMAT: www.abramat.org.br - Index Out/21

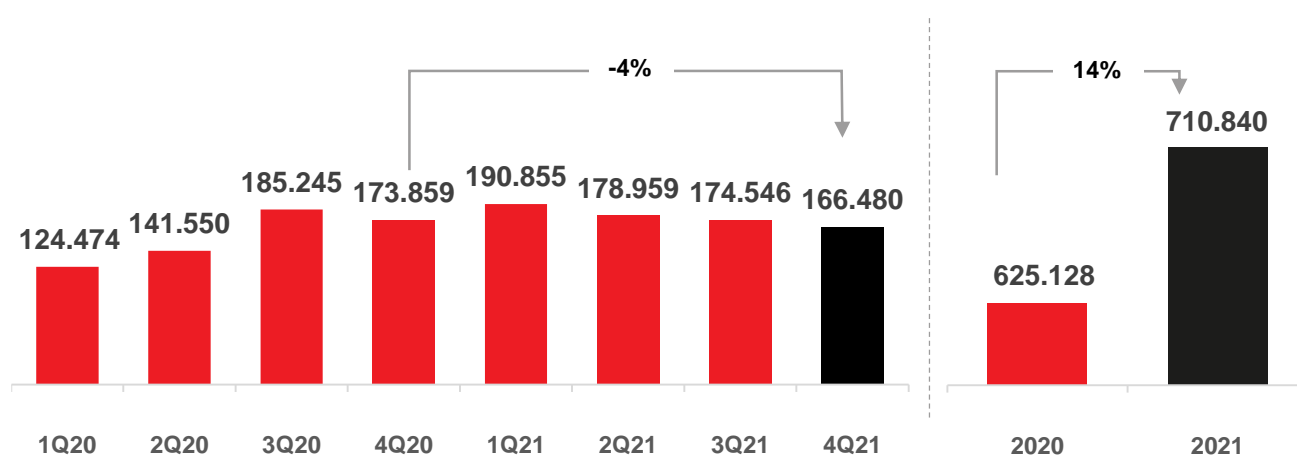
Operating Performance

| Eternit – Fiber-cement segment

In 4Q21, sales of roofing panels totaled around 167,000 tons, down 4% from the same period in 2020, in line with the scenario registered for sales in the construction materials industry.

In the year, sales volume came to 711,000 tons, up 14% from 2020.

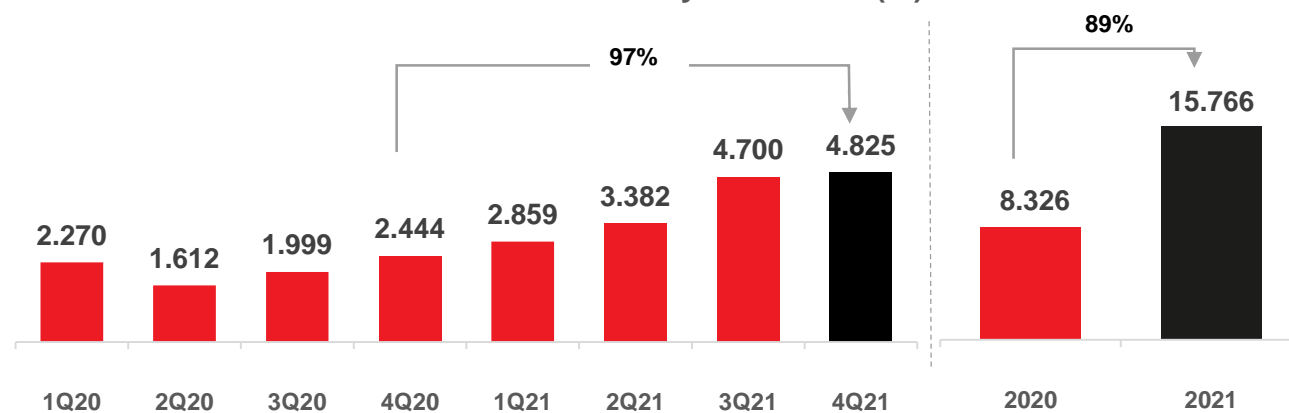
Fiber-Cement Roofing Panel Sales (t)



The construction systems segment, which includes cement cladding panels and wall cladding panels, registered the 6th consecutive quarter of sales growth in 4Q21. Sales volume in 4Q21 was 97% higher than in the same period in 2020.

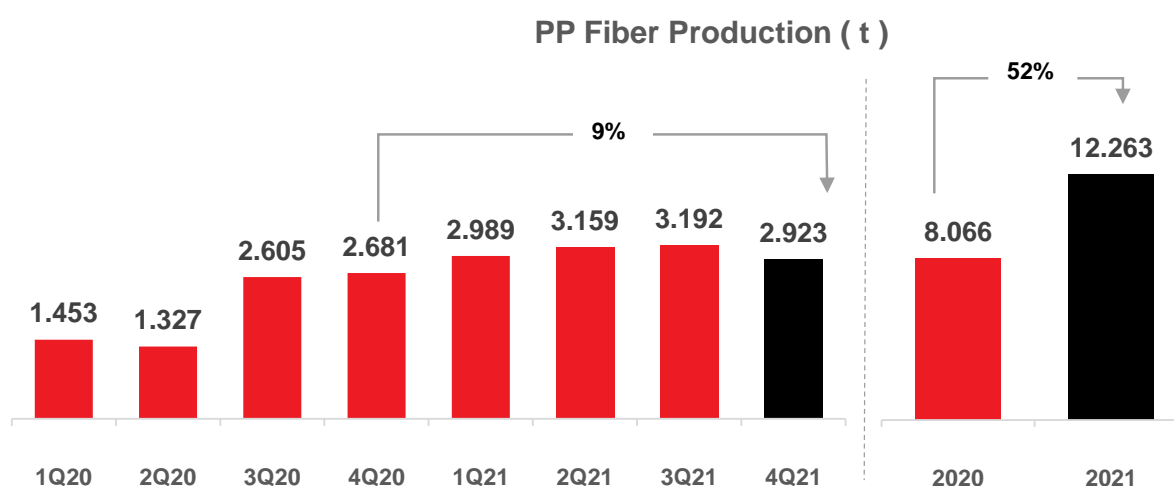
In the year, sales totaled about 16,000 tons, up 89% from 2020.

Construction System Sales (t)



In 4Q21, the Manaus unit, which produces polypropylene fiber (PP), an input used in the production of tiles and construction systems, totaled around 3,000 tons, surpassing the output in the same period in 2020 by 9%.

In 2021, the unit produced 12,000 tons, up 52% from 2020 and 25% higher than project capacity, a new annual record.



In 4Q21, Eternit continued to be pressured by higher prices of raw materials and other production inputs. As such, the Company remained focused on maintaining gross margin from the fiber-cement segment, which includes the integrated production of polypropylene fiber. In the quarter, gross margin reached 37%, practically the same level as in 4Q20 and 3Q21.

In the year, gross margin came to 39%, climbing 11 p.p. from 2020.

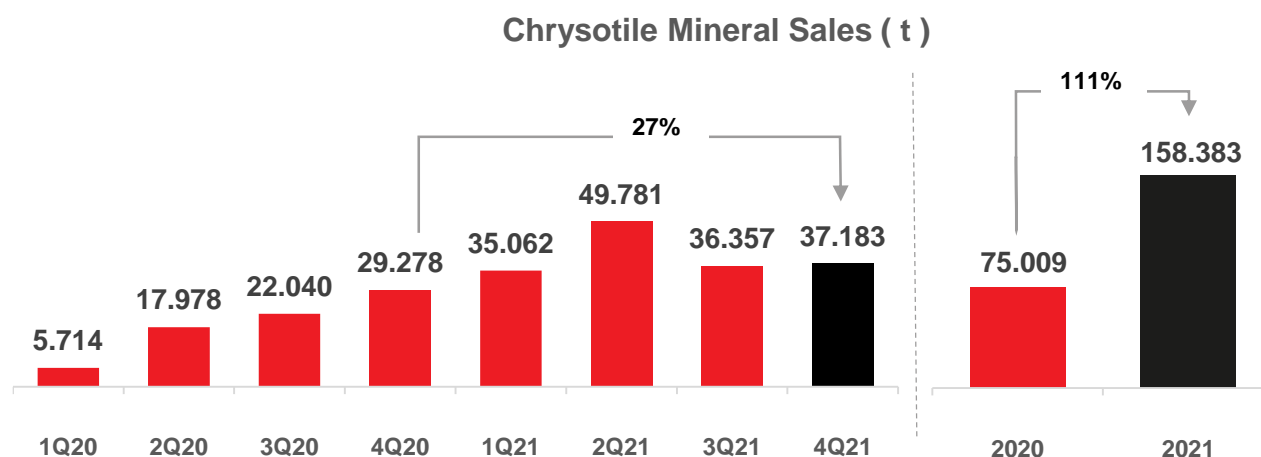
Fiber-cement - R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Net revenue	213,217	171,468	24.3	214,127	(0.4)	837,049	519,989	61.0
Gross profit	78,397	65,565	19.6	83,919	(6.6)	326,099	143,302	127.6
Gross margin	37%	38%	- 1 p.p.	39%	- 2 p.p.	39%	28%	11 p.p.

| Sama – Chrysotile Mineral Segment

In 4Q21, chrysotile fiber exports totaled around 37,000 tons, growing 27% from 4Q20. In comparison with 3Q21, exports grew slightly by 2%, impacted by the restrictions in international export logistics.

In the year, exports totaled approximately 158,000 tons, up 111% from 2020.

The entire chrysotile fiber output was allocated to exports, based on Goiás State Law 20,514 of July 16, 2019.



In 4Q21, gross margin from exports reached 61%, down 11 p.p. from 4Q20 but up 2 p.p. from 3Q21.

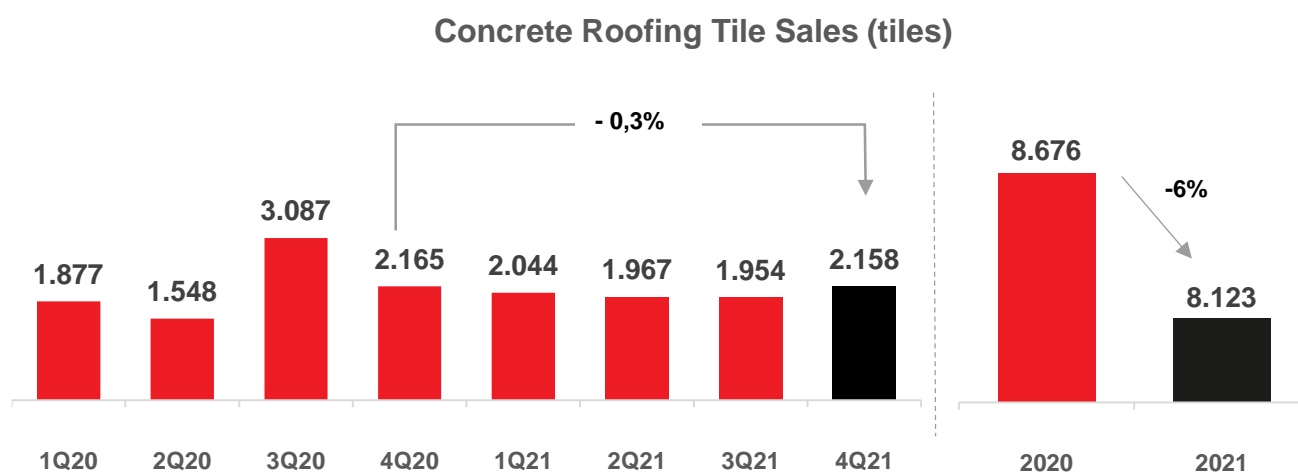
In the year, gross margin stood at 62%, down 9 p.p. from 2020.

Chrysotile mineral - R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Net revenue	71,316	52,742	35.2	57,656	23.7	268,738	133,698	101.0
Gross profit	43,415	37,734	15.1	33,821	28.4	165,649	94,566	75.2
Gross margin	61%	72%	- 11 p.p.	59%	2 p.p.	62%	71%	- 9 p.p.

| Tégula – Concrete Roofing Tiles Segment

Sales of concrete roofing tiles in 4Q21 totaled around 2 million pieces, practically the same as in 4Q20, but 10% higher than in 3Q21.

In the year, sales volume reached approximately 8 million tiles, decreasing 6% from 2020.



In 4Q21, gross margin stood at 15%, down 1 p.p. from 4Q20.

Despite the drop in sales of concrete roofing tiles, the segment registered gross margin of 18% in the year, an increase of 9 p.p. in relation to 2020.

Concrete Roofing Tiles - R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Net revenue	4,540	4,225	7.5	4,195	8.2	16,719	15,315	9.2
Gross profit	693	681	1.8	982	(29.4)	3,000	1,317	127.8
Gross margin	15%	16%	- 1 p.p.	23%	- 8 p.p.	18%	9%	9 p.p.

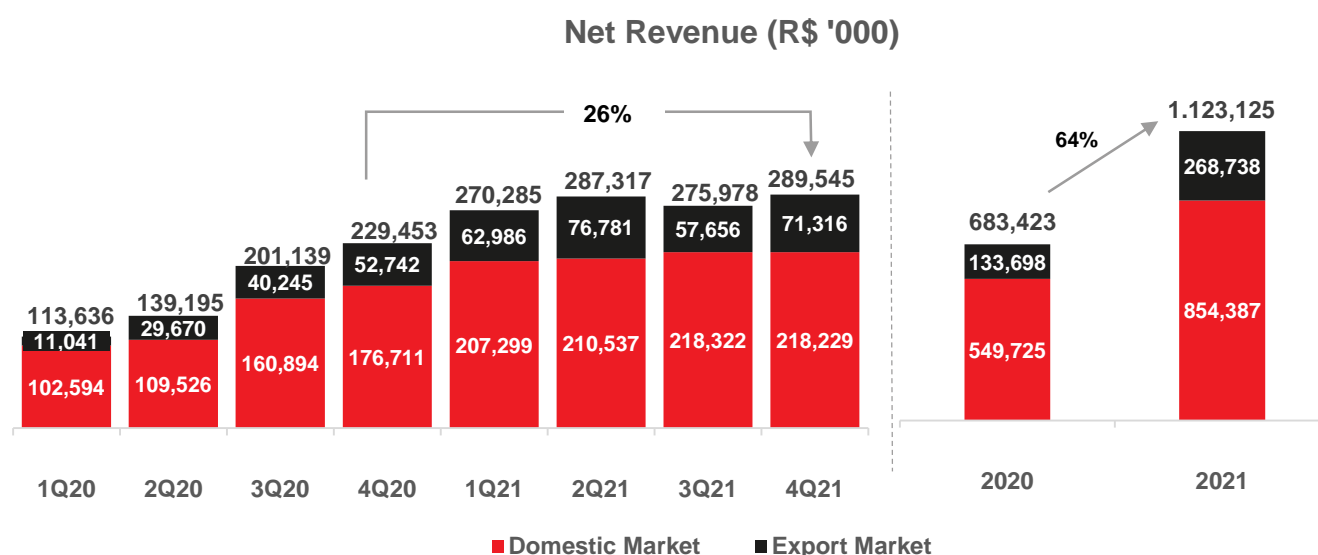
Consolidated Financial Performance

| Net Revenue

Net revenue from the domestic market totaled R\$218 million in 4Q21, 23% higher than in the same period in 2020 but unchanged in relation to 3Q21, due to the prices charged by the Company, which offset the slight decline in fiber-cement sales. In the year, net revenue totaled R\$ 854 million, growing 55%.

With regard to chrysotile exports, net revenue totaled R\$ 71 million in 4Q21, up 35% from 4Q20 and 24% from 3Q21.

In 4Q21, net revenue totaled R\$ 290 million, growing 26% in relation to 4Q20 and 5% in relation to 3Q21. In the year, net revenue reached R\$ 1.1 billion, increasing 64% from 2020.



| Costs of Goods and Products Sold

Costs of goods and products sold (COGS) totaled R\$ 170 million in 4Q21, an increase of 34% from 4Q20 and 8% from 3Q21, due to the continuous hike in raw material prices during the period (cement: +7.9%; pulp: +5.3%; polypropylene resin: +21%).

In the year, COGS totaled R\$ 632 million, an increase of 39% from 2020, mainly due to significant sales growth the fiber-cement segment and the sharp rise in raw material prices in 2021, notably cement (+19%), pulp (+41%) and polypropylene resin (+38%).

Consolidated - R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Net revenue	289,545	229,453	26.2	275,978	4.9	1,123,125	683,423	64.3
Costs of Goods and Products Sold	(170,329)	(126,746)	34.4	(157,269)	8.3	(632,075)	(456,079)	38.6
Gross profit	119,216	102,707	16.1	118,709	0.4	491,050	227,344	116.0
Gross margin	41%	45%	- 4 p.p.	43%	- 2 p.p.	44%	33%	11 p.p.

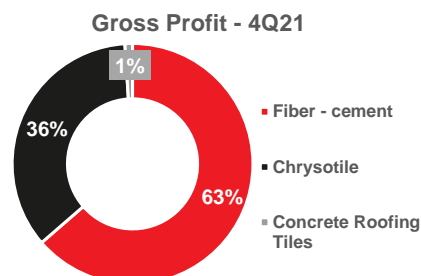
| Gross Profit

Gross profit in 4Q21 reached R\$ 119 million, the same as in 3Q21, with fiber-cement, the Company's core business, accounting for 63% of the result.

In the year, gross profit totaled R\$ 491 million, representing growth of 116% from 2020, with fiber-cement accounting for 66% of the result.

Gross margin in 4Q21 was 41%, down 2 p.p. from 3Q21.

Despite the increase in the prices of raw materials and other production inputs, gross margin in 2021 was 44%, remaining practically stable in relation to the last four quarters and 11 p.p. higher than in 2020.



| Selling expenses

In absolute terms, selling expenses increased 30% in 4Q21 compared to 4Q20, reflecting the increase in sales volume and the hike in variable expenses for chrysotile exports. Similarly, selling expenses in the year totaled R\$ 94 million, increasing R\$34 million from 2020 (+56%).

However, when selling expenses are analyzed as a ratio of net revenue, the numbers show that commercial expenses in 4Q21 remained at 10%, the same level as in 4Q20. When the same analysis is extended to 2021, commercial expenses declined 1 p.p. from 2020.

Consolidated - R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Net Revenue	289,545	229,453	26.2	275,978	4.9	1.123,125	683,423	64.3
Selling expenses	28,565	22,009	29.8	21,770	31.2	94,141	60,499	55.6
% of Net Revenue	10%	10%	-	8%	2 p.p.	8%	9%	- 1 p.p.

| General and administrative expenses

General and administrative expenses totaled around R\$ 30 million in 4Q21, up 22% from 4Q20 and 26% in 3Q21. Compared to 3Q21, these expenses were higher due to the increase in the provision for variable compensation for employees and managers. In the year, general and administrative expenses totaled R\$ 97 million, increasing 18% from 2020.

| Other operating income (expenses)

Other operating income was R\$ 10 million in 4Q21, resulting from the reversal of provisions for contingencies (R\$ 5 million) and the recognition of credits with tax incentives (R\$ 6 million) at the Manaus/AM, Simões Filho/BA and Goiânia/GO units.

In the year, other operating income totaled R\$ 46 million, mainly as a result of non-recurring events: (i) R\$ 24 million from the sale of non-operational plant, property and equipment assets, set forth in the Court-Supervised Reorganization Plan; and (ii) R\$ 12 million booked from PIS/COFINS tax credits from prior years.

Consolidated - R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Selling expenses	(28,565)	(22,009)	29.8	(21,770)	31.2	(94,141)	(60,499)	55.6
General and administrative expenses⁽¹⁾	(30,449)	(24,850)	22.5	(24,119)	26.2	(96,855)	(82,320)	17.7
Other operating income (expenses)	9,654	74,525	(87.0)	40,044	(75.9)	45,595	104,089	(56.2)
Total operating expenses	(49,360)	27,666	(278.4)	(5,845)	744.5	(145,401)	(38,730)	275.4

(1) Includes management compensation

| EBITDA

EBITDA¹ totaled R\$ 74 million in 4Q21 and R\$ 362 million in the year, up 73% in the annual comparison.

Adjusted EBITDA², excluding non-recurring events, totaled R\$ 76 million in 4Q21, up 13% from 4Q20, and came to R\$ 337 million in the year, increasing R\$ 215 million in relation to 2020 - one of the best results in the Company's history.

Consolidated - R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Net income (loss) for the period	53,343	121,077	(55.9)	98,014	(45.6)	269,446	158,733	69.7
Income and social contribution taxes	19,586	22,008	(11.0)	19,709	(0.6)	77,578	34,918	122.2
Net financial income (loss)	(3,073)	(12,712)	(75.8)	(4,859)	(36.8)	(1,375)	(5,037)	(72.7)
Depreciation and amortization	4,050	5,073	(20.2)	4,075	(0.6)	16,421	20,438	(19.7)
EBITDA CVM 527/12¹	73,906	135,446	(45.4)	116,939	(36.8)	362,070	209,052	73.2
Nonrecurring Events	2,308	(68,096)	-	(32,297)	-	(25,075)	(86,828)	-
Restructuring	-	-	-	-	-	-	778	-
Expenses related to court-supervised reorganization	546	584	-	549	-	2,479	2,239	-
Estimated loss from asset impairment	-	(44,688)	-	-	-	(5,645)	(68,438)	-
Expenses related to discontinued units	120	3,849	-	296	-	797	21,396	-
Revenue from extemporaneous credits	-	(31,844)	-	(12,425)	-	(12,425)	(52,496)	-
Sale of fixed assets	(83)	(2,192)	-	(23,290)	-	(20,377)	(3,161)	-
Brokerage commission on the divestment of CSC	-	4,320	-	-	-	410	4,320	-
Exceptional provision for terminations of representatives	-	1,874	-	-	-	2,662	8,533	-
Receivables from sale of court-order debt	(416)	-	-	-	-	(1,558)	-	-
Loss due to unexpected realization of recoverable taxes at CSC	(4)	-	-	1,993	-	5,099	-	-
Other Nonrecurring Events	2,145	-	-	580	-	3,483	-	-
Adjusted EBITDA²	76,214	67,350	13.2	84,642	(10.0)	336,995	122,224	175.7

(1) EBITDA does not include adjustments for non-recurring events.

(2) Adjusted EBITDA is an indicator used by the Company's Management to analyze the operational and financial performance of the Company's wholly-owned businesses, excluding equity pickup, as well as non-recurring events.

| Financial Result

The Company's financial result in 4Q21 was an income of R\$ 3 million, with financial income from cash investments amounting to R\$ 4.6 million.

In 2021 too, the financial result was positive, totaling R\$ 1.4 million, resulting from income from financial investments of R\$ 9.3 million and the absence of short-term funding to finance working capital requirements during 2021.

Consolidated - R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Financial income	4,575	314	1,357	2,798	64	9,261	528	1,654
Financial Investments	4,575	314	1,357	2,798	64	9,261	528	1,654
Financial Expenses	(637)	(1,241)	(49)	(772)	(17)	(4,207)	(6,513)	(35)
Interest on Bankruptcy-related Debt	(637)	(1,241)	(49)	(772)	(17)	(4,207)	(4,431)	(5)
Financing Interest	-	-	-	-	-	-	(2,082)	(100)
Other	(1,227)	16,261	(108)	(2,008)	(39)	(3,989)	11,825	(134)
Net of exchange variations	362	(2,622)	(114)	4,841	(93)	310	(804)	(139)
Net financial income (loss)	3,073	12,712	(76)	4,859	(37)	1,375	5,037	(73)

| Net Income

Net income was R\$ 53 million in 4Q21 and R\$ 269 million in 2021, up 70%.

Excluding non-recurring effects, adjusted net income in 4Q21 totaled R\$ 55 million, down 14% from 4Q20 and 29% from 3Q21. In the year, net income totaled R\$ 251 million, increasing by R\$ 165 million (+193%) from 2020.

Consolidated - R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Net income (loss) for the period	53,343	121,077	(55.9)	98,014	(45,6)	269,446	158,733	(69,7)
<i>Net margin</i>	<i>18%</i>	<i>53%</i>	<i>(35) p.p</i>	<i>36%</i>	<i>(18) p.p</i>	<i>24%</i>	<i>23%</i>	<i>1 p.p.</i>
Nonrecurring Events	2,308	(87,165)	-	(32,297)	-	(27,859)	(110,543)	-
Restructuring	-	-	-	-	-	-	778	-
Expenses related to court-supervised reorganization	546	584	-	549	-	2,479	2,239	-
Estimated loss from asset impairment	-	(44,688)	-	-	-	(5,645)	(68,438)	-
Expenses related to discontinuity of units	120	3,849	-	296	-	797	21,396	-
Revenue from extemporaneous credits	-	(50,913)	-	(12,425)	-	(12,425)	(76,211)	-
Sale of fixed assets	(83)	(2,192)	-	(23,290)	-	(20,377)	(3,161)	-
Brokerage comission on the divestment of CSC	-	4,320	-	-	-	410	4,320	-
Exceptional provision for terminations of representatives	-	1,874	-	-	-	2,662	8,533	-
Receivables from sale of court-order debt	(416)	-	-	-	-	(1,558)	-	-
Loss due to unexpected realization of recoverable taxes at CSC	(4)	-	-	-	-	5,099	-	-
Other Nonrecurring Events	2,145	-	-	2,573	-	3,483	-	-
Inflation adjustment on receivables from the sale of court-order debt	-	-	-	-	-	(2,784)	-	-
<i>Effect of Income Tax/Social Contribution*</i>	<i>(785)</i>	<i>29,636</i>	<i>-</i>	<i>10,981</i>	<i>-</i>	<i>9,472</i>	<i>37,584</i>	<i>-</i>
Adjusted Net Income/Loss	54,866	63,548	(13.7)	76,698	(28.5)	251,059	85,775	192.7

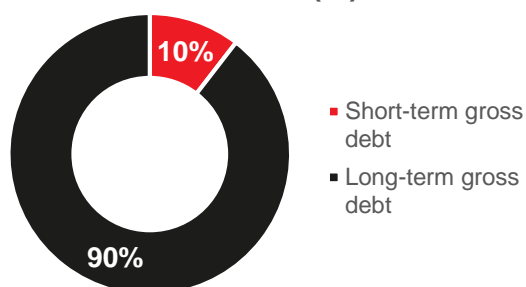
(*) Income tax and social contribution (IR/CSLL) impact (34%) over nonrecurring events

| Net Cash and Debt

The Company ended 4Q21 with net cash of R\$ 181 million, as against R\$ 15 million in the same period in 2020.

Cash balance on December 31, 2021 was R\$ 219 million, broken down as follows: (i) funds from the capital call allocated to the acquisition of Confibra (R\$110 million); (ii) cash generation (R\$ 97 million); and (iii) the balance remaining from the capital increase in June 2020 to fund strategic investments (R\$ 12 million).

2021 Gross Debt (%)



In the year ended December 2021, the Company's gross debt decreased 44% from 2020 to R\$ 37 million and consisted solely of the loan from Banco da Amazônia borrowed to fund the investment in Eternit's unit in Amazônia (PP fiber).

Net (Cash) Debt - R\$ thousand	12/31/2021	12/31/2020	Chg. %	9/30/2021	Chg. %
Short-term gross debt	3,911	-	-	6,997	(44.1)
Long-term gross debt	33,485	66,388	(49.6)	31,375	6.7
Total gross debt	37,396	66,388	(43.7)	38,372	(2.5)
(-) Cash and cash equivalents	218,864	81,175	169.6	259,344	(15.6)
Net (Cash) Debt	(181,468)	(14,787)	1,127	(220,972)	(17.9)

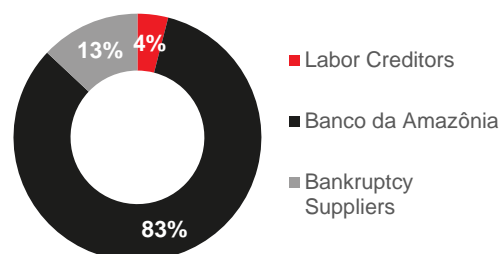
| Bankruptcy-Related Debt

In 4Q21, the Company paid R\$ 665,000 to Class I bankruptcy creditors.

Bankruptcy-related debt on December 31, 2021 totaled around R\$ 45 million, including US\$ 175,000 (R\$ 5.58: 1 US\$):

- Banco da Amazônia: R\$ 37.4 million, with monthly payments and fixed interest of 7% p.a.;
- Class I Creditors: R\$ 1.7 million, related to new authorized labor claims;
- Class III and IV creditors: R\$ 5.6 million, related to suppliers that did not file any claim for payment.

4Q21 Bankruptcy-related debt (%)



Class	Balance Approved in CSR Plan	Haircut	Payment Guarantee	New Authorized (Unauthorized) Credits	Interest / Charges	Payments made	Balance at end of period
Class I - Labor Creditors - R\$ thousand	6,466	-	-	2,564	-	(7,302)	1,728
Class II - Creditors with Secured Claims - R\$ thousand	36,225	-	-	-	7,476	(6,305)	37,395
Class III - Unsecured Creditors							
Option A - R\$ thousand	107,672	(17,314)	(40,400)	(1,407)	3,369	(48,049)	3,871
Option A - US\$ thousand	953	-	-	(520)	1	(309)	125
Option A - R\$ thousand	84,097	(37,839)	-	-	3,242	(49,500)	-
Option A - US\$ thousand	1,696	(763)	-	-	5	(938)	-
Class IV - Micro and Small Company Creditors - R\$ thousand	4,612	-	-	-	71	(3,623)	1,060
Total - R\$ thousand	239,072	(55,153)	(40,400)	1,157	14,158	(114,779)	44,054
Total - US\$ thousand	2,649	(763)	0	(520)	6	(1,247)	125

| Court-Supervised Reorganization

The court-supervised reorganization is part of the Eternit Group's restructuring plan, which strives to lay a solid operational foundation for the Company by modernizing its units, and by innovating and focusing on the profitability of its business.

The termination of Court-Supervised Reorganization is awaiting the judgment of the Special Appeal filed by the Company at the Superior Court of Justice (STJ) against the unfavorable decision by the Court of Appeals of the State of São Paulo (TJSP), seeking to reestablish the original payment plan for Class I creditors, duly approved by the 2nd Bankruptcy and Judicial Reorganization Court of São Paulo on May 30, 2019.

| Investments - Capex

At the end of 4Q21, capex totaled R\$ 56 million, of which 52% went to strategic projects (photovoltaic tiles and the program to modernize the fiber-cement industrial facilities) and 48% to working capital requirements.

Regarding the strategic projects, which were funded by the capital increase in June 2020, amounting to R\$ 46.6 million, R\$ 10 million was disbursed in 4Q21, bringing total investments in projects so far to R\$ 34.6 million and leaving a balance of R\$ 12 million to be invested.

Photovoltaic Roofing Panels:

- In 4Q21, the Company continued to sell BIG-F10 concrete photovoltaic tiles, still restricted to selected projects, completing yet another important stage of business development.
- In December 2021, the F-140 fiber-cement photovoltaic tile received approval for registration from Inmetro, thus completing the final stage of the new product registration process.

Modernization of fiber-cement production:

- In 4Q21, Eternit continued expansion work at the Goiânia and Rio de Janeiro units, which will jointly add 7,000 tons per month to its production capacity, or around 10% of current capacity. Expansion work at the Rio de Janeiro plant is scheduled for completion in 1Q22 and the Goiânia plant in 2Q22.

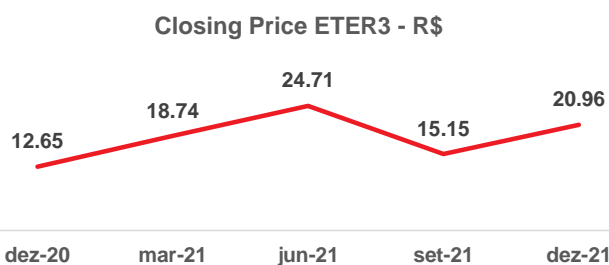
R\$ thousand	Total investments	Paid	%Real
Photovoltaic Roofing Tiles Project	5,800	5,572	96%
Fiber-Cement Modernization Program	40,770	29,042	71%
Total	46,570	34,614	74%

Capital Markets

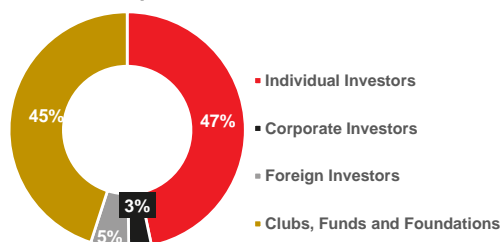
The market cap of the Company on 12/31/2021 was R\$ 1,295 million considering the closing price of R\$ 20.96.

With fragmented stock ownership and no shareholders' agreement or controlling group, the shareholder base of the Company on December 31 had 26,981 shareholders. At the end of the period, only two shareholders held more than 5% interest in the capital stock, with an aggregate interest of 33% of the total capital stock.

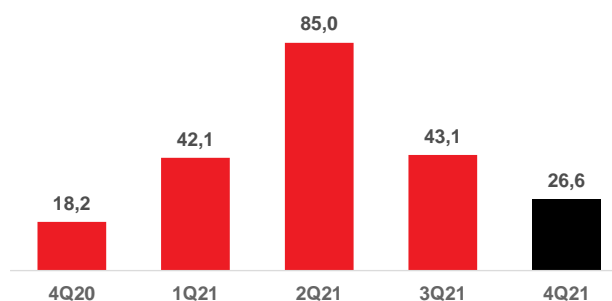
Average daily trading volume of the Company's shares in 4Q21 was R\$ 27 million, 46% higher than in the same period in 2020.



Ownership Structure 12/31/2021



Average Daily Trading ETER3 - R\$ '000



Visit the IR website (ri.eternit.com.br) for more information.

Events Subsequent to the Reporting Period

Acquisition of Confibra

On 01/10/22, Eternit announced to the market that it had signed an Agreement for the Purchase and Sale of Shares and Other Covenants with the partners of Confibra Indústria e Comércio Ltda. ("Confibra") to acquire 100% of the capital stock of the company.

The acquisition price for 100% of the ownership interest in Confibra and the land where the unit is located is one hundred ten million reais (R\$ 110 million). In addition, the sellers will be entitled to an earnout of ten million reais (R\$ 10 million), adjusted for inflation by the IPCA index published by IBGE, depending the achievement of certain financial targets related to fiscal year 2022.

The Extraordinary Shareholders Meeting held on 02/16/22 approved the acquisition of Confibra. Thus, the conclusion of the transaction is subject only to approval of the acquisition by CADE, the Brazilian antitrust agency.

Expansion of PP fiber production capacity at Manaus unit

On 01/18/22, the Company announced to the market that the Board of Directors approved the expansion of the Manaus unit to produce 18,000 thousand tons a year of polypropylene fiber, an input used to produce fiber-cement. The expansion of the unit will add about 40% to the current capacity at an estimated investment of R\$ 24 million, with completion scheduled for late 2023.

Appendices

ETERNIT S,A, - Under Court-Supervised Reorganization Balance Sheet

R\$ thousand

ASSETS	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Total current assets	573,031	238,859	740,202	486,081
Cash and cash equivalents	3,370	4,145	218,864	81,175
Accounts receivable	68,592	51,872	153,229	89,938
Inventories	116,112	52,136	185,268	73,470
Taxes recoverable	61,139	53,212	126,392	88,986
Related parties	316,442	68,920	-	-
Prepaid expenses	3,932	2,494	30,014	30,266
Other current assets	3,444	5,284	21,590	12,907
Assets held for sale	-	796	4,845	109,339
Total non-current assets	361,295	342,678	271,729	259,187
Judicial deposits	7,105	8,848	10,500	12,202
Taxes recoverable	1,781	25,086	10,629	34,694
Related parties	2,005	3,447	-	-
Other non-current assets	140	814	1,595	2,270
Investments	205,399	192,425	-	-
Right-of-use assets	-	-	7,758	9,149
Fixed assets	144,313	110,951	240,643	199,730
Intangible assets	552	1,107	604	1,142
Total assets	934,326	581,537	1.011,931	745,268

LIABILITIES AND EQUITY	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Total current liabilities	204,197	179,659	208,855	221,245
Suppliers	33,096	31,434	50,201	60,536
Loans and financing	-	-	3,911	-
Related parties	69,703	71,753	-	-
Personnel expenses	22,692	15,746	29,530	19,981
Dividends of interest on equity	24,346	-	24,355	-
Taxes, charges and contributions payable	24,411	21,235	34,919	31,029
Provision for post-employment benefits	3,659	2,582	7,851	7,211
Lease obligations	-	-	6,572	4,106
Other current liabilities	26,290	36,909	51,516	98,382
Total non-current liabilities	166,884	186,978	239,721	309,012
Loans and financing	-	9,327	33,485	66,388
Related parties	37,201	44,178	-	-
Taxes, charges and contributions payable	12,249	15,938	32,893	42,356
Personnel expenses	6,216	7,230	7,007	9,006
Provisions for tax, civil and labor risks	53,543	62,495	71,205	81,613
Provision for post-employment benefits	36,209	32,378	73,773	84,686
Provision for decommissioning of mine	-	-	9,273	7,125
Provision for investment losses	10,282	3,249	-	-
Lease obligations	-	-	1,214	5,070
Deferred income tax and social contribution	11,184	12,117	10,871	12,702
Other non-current liabilities	-	66	-	66
Total equity	563,247	214,900	563,245	214,900
Share capital	438,082	385,537	438,082	385,537
Profit reserves	145,788	20,601	145,786	20,601
Treasury shares	(174)	(174)	(174)	(174)
Retained losses	-	(162,409)	-	(162,409)
Other comprehensive income (loss)	(20,449)	(28,655)	(20,449)	(28,655)
Equity attributable to controlling shareholders	563,247	214,900	563,355	215,011
Non-controlling interests	-	-	110	111
Total liabilities and equity	934,328	581,537	1.011,931	745,268

ETERNIT S.A. - Under Court-Supervised Reorganization (PARENT COMPANY)
Income Statement

R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Net revenue	199,684	168,527	18,5%	202,791	-1,5%	795,431	513,874	54,8%
Costs of goods and services sold	(134,995)	(108,434)	24,5%	(130,241)	3,7%	(512,711)	(385,450)	33,0%
Gross profit	64,689	60,093	7,6%	72,550	-10,8%	282,720	128,424	120,1%
Gross margin	32%	36%	- 4 p.p.	36%	- 4 p.p.	36%	25%	11 p.p.
Operating revenues (expenses)¹	(29,685)	2,281	-1401,4%	(19,400)	53,0%	(102,101)	18,136	-663,0%
Selling expenses	(14,994)	(11,284)	32,9%	(13,217)	13,4%	(51,934)	(37,443)	38,7%
General and administrative ²	(16,564)	(10,734)	54,3%	(13,625)	21,6%	(56,715)	(45,675)	24,2%
Other operating revenues (expenses), net	1,873	24,299	-92,3%	7,442	-74,8%	6,548	101,254	-93,5%
Income (Loss) before equity pick-up (EBIT)	35,004	62,374	56,1%	53,150	-34,1%	180,619	146,560	23,2%
EBIT margin	18%	37%	- 19 p.p.	26%	- 8 p.p.	23%	29%	- 6 p.p.
Equity pick-up	30,948	59,466	-48,0%	46,391	-33,3%	118,348	19,923	494,0%
Operating income (loss) before financial result	65,952	121,840	-45,9%	99,541	-33,7%	298,967	166,483	79,6%
Net financial income (loss)	(1,187)	16,732	-107,1%	(1,733)	-31,5%	(2,731)	13,324	-120,5%
Income (Loss) before income tax and social contribution	64,765	138,572	-53,3%	97,808	-33,8%	296,236	179,807	64,8%
Current income tax and social contribution	(6,265)	(5,419)	n.a	(5,941)	5,5%	(27,793)	(8,939)	n.a
Deferred income tax and social contribution	(5,193)	(12,117)	n.a	6,127	n.a	934	(12,117)	n.a
Net income (loss) for the period	53,307	121,036	-56,0%	97,994	-45,6%	269,377	158,751	69,7%
Net margin	27%	72%	- 45 p.p.	30%	- 3 p.p.	34%	31%	3 p.p.

ETERNIT S.A. - Under Court-Supervised Reorganization (CONSOLIDATED)
Income Statements

R\$ thousand	4Q21	4Q20	Chg. %	3Q21	Chg. %	2021	2020	Chg. %
Net revenue	289,545	229,453	26,2%	275,978	4,9%	1.123,125	683,423	64,3%
Costs of goods and services sold	(170,329)	(126,746)	34,4%	(157,269)	8,3%	(632,075)	(456,079)	38,6%
Gross profit	119,216	102,707	16,1%	118.709	0,4%	491,050	227,344	116,0%
Gross margin	41%	45%	- 4 p.p.	43%	- 2 p.p.	44%	33%	11 p.p.
Operating revenues (expenses)	(49,360)	27,666	-278,4%	(5,845)	744,5%	(145,401)	(38,730)	275,4%
Selling expenses	(28,565)	(22,009)	29,8%	(21,770)	31,2%	(94,141)	(60,499)	55,6%
General and administrative ¹	(30,449)	(24,850)	22,5%	(24,119)	26,2%	(96,855)	(82,320)	17,7%
Other operating revenues (expenses), net	9,654	74,525	-87,0%	40,044	-75,9%	45,595	104,089	-56,2%
Income (Loss) before equity pick-up (EBIT)	69,856	130,373	-46,4%	112,864	-38,1%	345,649	188,614	83,3%
EBIT margin	24%	57%	- 33 p.p.	41%	- 17 p.p.	31%	28%	3 p.p.
Net financial income (loss)	3,073	12,712	-75,8%	4.859	-36,8%	1,375	5,037	-72,7%
Income (Loss) before income and social contribution taxes	72,929	143,085	-49,0%	117.723	-38,1%	347,024	193,651	79,2%
Current income tax and social contribution	(14,914)	(9,961)	49,7%	(25.785)	-42,2%	(79,409)	(22,457)	253,6%
Deferred income tax and social contribution	(4,672)	(12,047)	-61,2%	6.076	n.a	1,831	(12,461)	-114,7%
Net income (loss) for the period	53,343	121,077	-55,9%	98.014	-45,6%	269,446	158,733	69,7%
Net margin	18%	53%	- 35 p.p.	36%	- 18 p.p.	24%	23%	1 p.p.

ETERNIT S.A. - Under Court-Supervised Reorganization
STATEMENT OF CASH FLOWS

R\$ thousand - Accrued	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash flows from operating activities				
Income (Loss) before income and social contribution taxes	296,236	179,807	347,024	193,651
Reconciliation of earnings before income tax and social contribution to net cash provided by operations:				
Equity pick-up	(118,349)	(19,923)	-	-
Depreciation and amortization	10,854	8,520	16,421	20,438
Gain (Loss) on write-off of fixed and intangible assets	-	(684)	2,529	(2,784)
Allowance for doubtful accounts	530	(188)	446	512
Allowance for inventory write down to net realizable value	(1,197)	(1,199)	(7,007)	(3,078)
Estimated impairment losses	-	(71,636)	(2,191)	(71,629)
Provisions for tax, civil and labor risks	(8,952)	3,399	(10,408)	3,316
Provision for post-employment benefits	(1,800)	3,980	(2,067)	9,983
Financial charges and monetary and exchange variations	-	-	2,148	308
Right-of-use amortization	2,412	2,539	3,441	3,679
Net change in prepaid expenses	179,734	104,615	350,336	154,396
Decrease (increase) in operating assets:				
Accounts receivable	(17,249)	(7,442)	(62,801)	(31,889)
Related parties	(247,394)	(67,397)	-	-
Inventories	(62,779)	26,112	(104,791)	34,529
Taxes recoverable	17,735	(50,844)	(16,421)	(59,583)
Judicial deposits	1,743	(197)	1,702	(592)
Other assets	1,076	2,667	(7,756)	(11,276)
Assets held for sale	796	-	104,494	-
Increase (decrease) in operating liabilities:				
Suppliers	1,197	(3,517)	(10,156)	1,106
Payments of dividends and interest on equity	(14,892)	-	(14,892)	-
Related parties	(10,999)	(20,974)	-	-
Taxes, charges and contributions payable	(4,447)	7,150	(8,669)	3,569
Personnel expenses	5,932	3,539	7,550	3,363
Post-employment benefits	-	(2,622)	-	(7,204)
Payments of contingencies	-	(528)	-	(572)
Other liabilities	(10,683)	14,836	(46,923)	23,825
Cash provided by (used in) operating activities	(160,231)	5,398	191,674	109,672
Interest paid	-	(327)	-	(502)
Income tax and social contribution paid	(26,213)	(8,294)	(73,303)	(20,739)
Net cash provided by (used in) operating activities	(186,443)	(3,223)	118,370	88,431
Cash flows from investing activities				
Related-party loan receivables	1,335	-	-	-
Dividends	127,322	-	-	-
Additions to PP&E and intangible assets	(43,662)	(5,130)	(55,743)	(11,444)
Net cash used in investing activities	84,995	(5,130)	(55,743)	(11,444)
Cash flow from financing activities				
Loans and financing raised	569	29,452	1,594	48,556
Amortization of loans and financings	(9,896)	(67,395)	(33,802)	(99,162)
Lease obligations	-	-	(2,730)	(1,134)
Increase in share capital	110,000	46,570	110,000	46,570
Net cash generated by financing activities	100,673	8,627	75,062	(5,170)
Increase (Reduction) in cash and cash equivalents	(775)	274	137,689	71,817
At the beginning of the period	4,145	3,871	81,175	9,358
At the end of the period	3,370	4,145	218,864	81,175
Increase (Reduction) in cash and cash equivalents	(775)	274	137,689	71,817