

Eternit

a marca da coruja



Earnings Release
3Q22

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São Paulo, November 8, 2022 – Eternit S.A. – under Court-Supervised Reorganization (B3: ETER3, “Eternit” or “Company”) announces today the results for the third quarter of 2022 (3Q22). 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 quarter ended September 30, 2022. All comparisons in this earnings release are with the 3rd quarter of 2021, except where stated otherwise.

Highlights

3Q22

After the acquisition of Confibra, Eternit reports Net Income of R\$41 million in 3Q22 and R\$124 million in the year.

3Q22/2Q22 PERFORMANCE

MARKET CAP (09/30/2022)

R\$791 million

CLOSING SHARE PRICE (09/30/2022)

R\$12.80

NUMBER OF SHARES (09/30/2022)

61,776,575

FREE FLOAT

98.45%

INVESTOR RELATIONS

ri@eternit.com.br

Videoconference:

Wednesday, November 9, 2022.

3 p.m. (BRT) | 2 p.m. (EDT)

Webcast:

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Net revenue of R\$323 million (+11%).



Gross Profit of R\$ 100 million, and **Gross Margin** of 31%.



Recurring EBITDA of R\$57 million, with **EBITDA Margin** of 18%.



Recurring Net Income of R\$43 million (+4%).



Acquisition of Confibra concluded and start of consolidation of results on August 1, 2022.

Message from Management

The Eternit Group delivered excellent performance in 3Q22 despite the challenging scenario in the construction materials sector. Net revenue amounted to R\$323 million in the quarter, up 11% from 2Q22. Net Income totaled R\$41 million in 3Q22, a performance similar to in 2Q22, and R\$124 million in the year.

Recurring EBITDA amounted to R\$ 57 million in 3Q22, repeating the performance of the previous quarter. On the other hand, Recurring EBITDA margin stood at 18% in 3Q22 and 19% in 9M22, comparable to the best performance registered between 2012 and 2020.

In the fiber-cement segment, Eternit took control of Confibra's operations in August 2022 and launched several actions to capture synergies with the Group's operations. The Company's performance in the quarter was marked by the recovery in the sales volume of roofing tiles, which grew 3% from the second quarter, on the same industrial basis, and 16% if Confibra's sales were included.

The acquisition of Confibra will increase Eternit's capacity to produce fiber-cement roofing panels by around 20% and is in line with its strategy of growth and industry consolidation, strengthening the Company's position in the state of São Paulo, where Confibra has a strong presence.

The Company concluded expansion works at the Goiânia unit and continued expansion work at the Rio de Janeiro unit, which should be concluded in November 2022. The expansion projects at the Goiânia and Rio de Janeiro units will jointly add 7,000 tons per month to production capacity.

The project related to the new fiber-cement roofing panels unit in Caucaia/CE continues. The contract for the installation of infrastructure (construction, electric and hydraulic) was signed this quarter and orders for the acquisition of equipment have been placed with a longer delivery period. The operational startup of the unit is slated for September 2023.

Continuing the program for the development of solar roofing tile technology, this quarter the Company rolled out the first pilot project of F-140 fiber-cement photovoltaic roofing tiles. The project was installed in a cattle confinement shed in the state of Mato Grosso do Sul. The Company launched four new models of concrete photovoltaic tiles at the Intersolar South America fair held in São Paulo.

At the end of 3Q22, Eternit's bankruptcy-related debt was approximately R\$41 million, of which around R\$35 million refers to the loan from Banco da Amazônia to build the polypropylene fiber unit in Manaus.

To conclude the Court-Supervised Reorganization, the Company is awaiting the final outcome of the proceedings at the Superior Court of Justice (STJ) claiming the reestablishment of the payment conditions of labor creditors established in the Court-Supervised Reorganization Plan approved at the general meeting of creditors.

The Eternit Board of Directors Meeting held on November 8, 2022 approved the payment of interest on equity of around R\$8.6 million related to the 3Q22 results, in accordance with the Company's Dividend and Interest on Equity Policy.

Key Indicators

Consolidated - R\$ thousand	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Gross Sales Revenue	388,640	344,131	12,9	351,034	10,7	1.063,964	1.033,391	3,0
Net revenue	323,048	275,978	17,1	292,086	10,6	874,827	833,580	4,9
Gross profit	99,990	118,709	(15,8)	107,458	(6,9)	293,386	371,834	(21,1)
<i>Gross margin</i>	<i>31%</i>	<i>43%</i>	<i>- 12 p.p.</i>	<i>37%</i>	<i>- 6 p.p.</i>	<i>34%</i>	<i>45%</i>	<i>- 11 p.p.</i>
Net income (loss) for the period	41,040	98,014	(58,1)	40,346	1,7	123,681	216,103	(42,8)
<i>Net margin</i>	<i>13%</i>	<i>36%</i>	<i>- 23 p.p.</i>	<i>14%</i>	<i>- 1 p.p.</i>	<i>14%</i>	<i>26%</i>	<i>- 12 p.p.</i>
Adjusted Net Income/Loss	43,260	76,698	(43,6)	41,470	4,3	116,566	198,030	(41,1)
<i>Adjusted Net Margin</i>	<i>13%</i>	<i>28%</i>	<i>- 15 p.p.</i>	<i>14%</i>	<i>- 1 p.p.</i>	<i>13%</i>	<i>24%</i>	<i>- 11 p.p.</i>
EBITDA CVM 527/12	53,444	116,939	(54,3)	56,781	(5,9)	174,494	288,164	(39,4)
<i>EBITDA Margin CVM 527/12</i>	<i>17%</i>	<i>42%</i>	<i>- 25 p.p.</i>	<i>19%</i>	<i>- 2 p.p.</i>	<i>20%</i>	<i>35%</i>	<i>- 15 p.p.</i>
Adjusted EBITDA	56,807	84,642	(32,9)	58,484	(2,9)	163,714	260,781	(37,2)
<i>Adjusted EBITDA Margin</i>	<i>18%</i>	<i>31%</i>	<i>- 13 p.p.</i>	<i>20%</i>	<i>- 2 p.p.</i>	<i>19%</i>	<i>31%</i>	<i>- 12 p.p.</i>

Economy and Market

The year 2022 continues to be affected by the macroeconomic scenario, especially the inflationary pressure caused by the effects of the Ukraine-Russia war, resulting in a scenario of uncertainties that has been worsening with the hike in interest rates and the risk of recession in the U.S. and important economies across Europe.

In Brazil, inflation measured by the IPCA index in the last 12 months reached 7.17% in September - the third consecutive month of deflation - mainly due to the tax cuts on fuel announced by the Federal Government. Market expectations disclosed in the Focus Report^[1] of the Brazilian Central Bank predict GDP growth of 2.76% in 2022, with inflation measured by IPCA at 5.60% and the SELIC basic interest rate maintained at 13.75% p.a. at the end of the year.

According to the Brazilian Construction Materials Industry Association (ABRAMAT)[2], revenue from the construction materials sector not adjusted for inflation decreased in September by 0.7% from August and 3.9% from September 2021. As such, accumulated decline in the year was 7.2% from the same period in 2021.

In September, ABRAMAT revised the projected revenue in the construction materials sector, not adjusted for inflation in 2022, from growth of 1% to a decrease of 2.2%, reflecting the weak performance of the industry during the year.



^[1] FOCUS Report – October 24, 2022

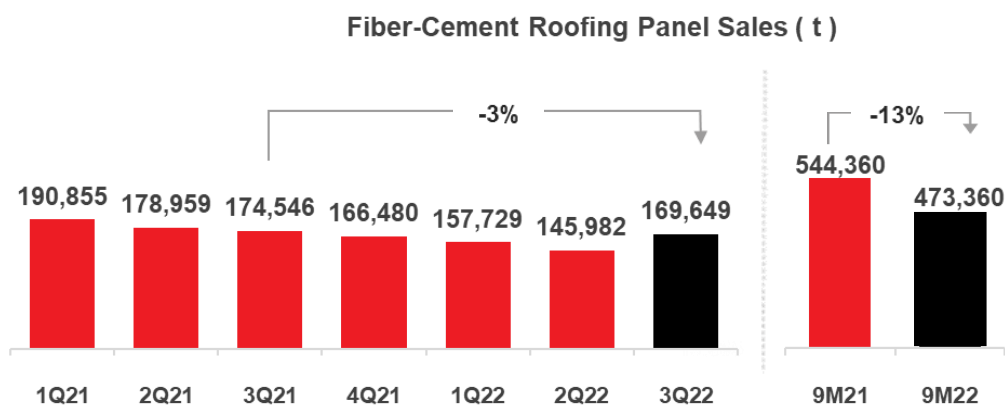
^[2] ABRAMAT: www.abramat.org.br – ABRAMAT index - October 11, 2022

Operating Performance

| Eternit – Fiber-cement Segment

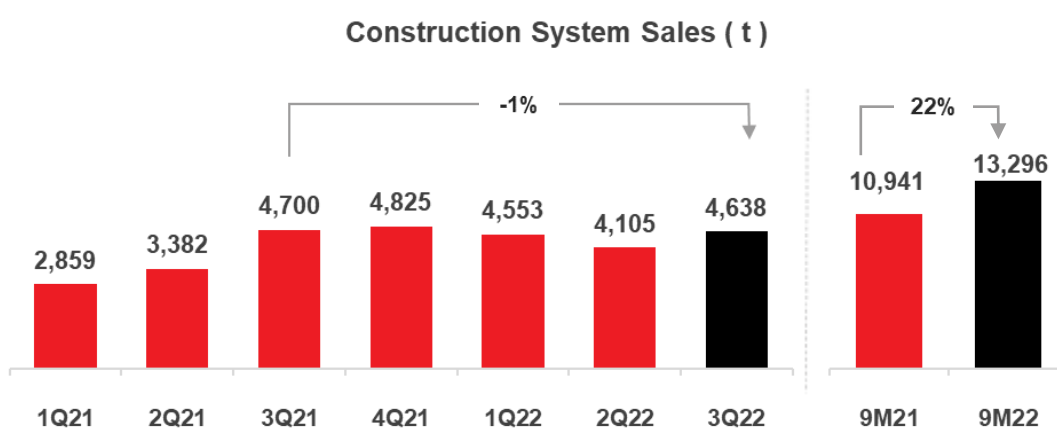
Sales of roofing panels in 3Q22 totaled 170,000 tons, including Confibra’s sales in August and September (19,000 tons), up 16% from 2Q22 but down 3% from 3Q21.

In the year, sales totaled approximately 473,000 tons, down 13% from 2021, a year of record performance in the construction materials industry.



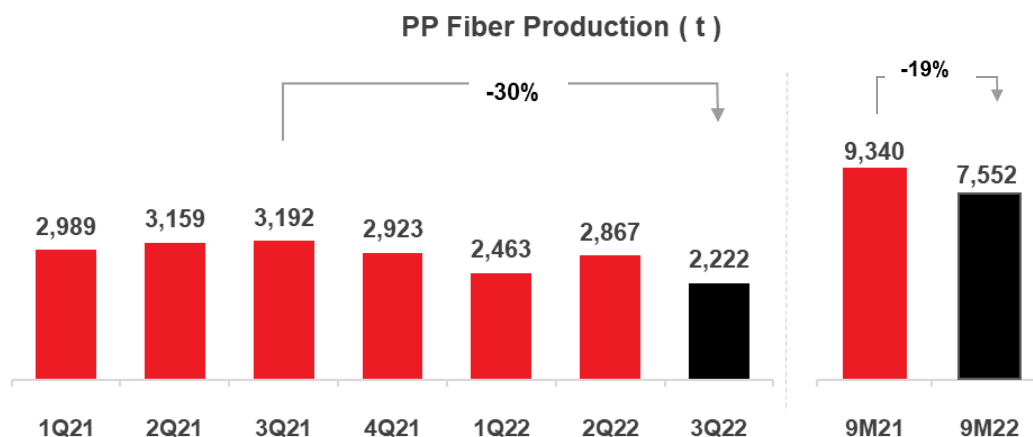
In line with the fiber-cement product diversification strategy, the construction systems segment (cement cladding panels and wall cladding panels) grew 13% in 3Q22 compared to 2Q22, totaling 4,600 tons, though declining slightly by 1% from 3Q21.

Sales in the year totaled 13,300 tons, increasing 22% from the same period in 2021.



Production of polypropylene fiber (PP), whose main market is the captive demand for the manufacture of fiber-cement roofing panels and constructive systems, reached 2,200 tons at the Manaus unit in 3Q22, down 30% from 3Q21.

In 9M22, production totaled 7.600 tons, down 19% from 9M21, following the decline in sales of fiber-cement roofing panels.



Following the drop in sales in the construction materials sector, the fiber-cement segment, which includes the integrated production of polypropylene fiber, ended 3Q22 with gross margin of 22%, including Confibra's results in August and September, down 7 *p.p.* from 2Q22 and 17 *p.p.* from the same period in 2021.

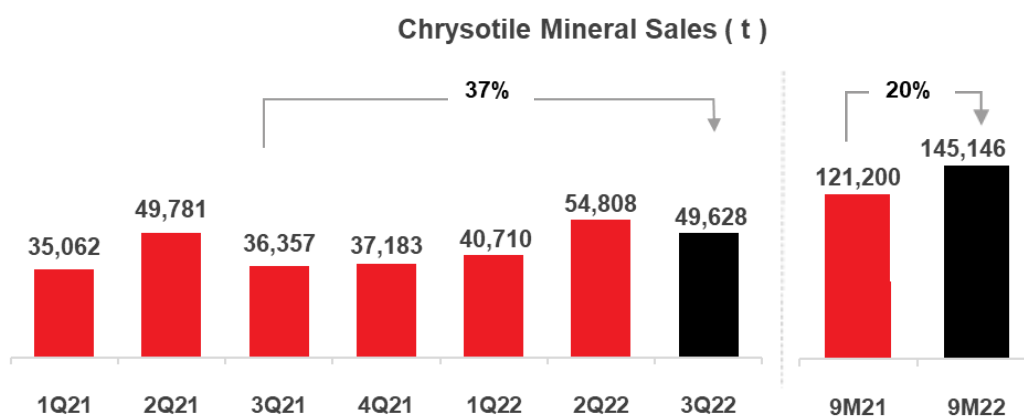
In 9M22, gross margin was 27%, down 13 *p.p.* from 9M21.

Fiber-cement - R\$ thous:	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Net revenue	207,762	214,127	(3,0)	181,823	14,3	577,883	623,832	(7,4)
Gross profit	44,971	83,919	(46,4)	52,127	(13,7)	158,307	247,702	(36,1)
Gross margin	22%	39%	- 17 <i>p.p.</i>	29%	- 7 <i>p.p.</i>	27%	40%	- 13 <i>p.p.</i>

| Sama – Chrysotile Mineral Segment

In 3Q22, chrysotile fiber exports totaled around 50,000 tons, growing 37% from 3Q21. In the year, exports totaled approximately 145,000 tons, up 20% from 9M21.

The entire chrysotile fiber output exported, based on Goiás State Law 20,514 of July 16, 2019.



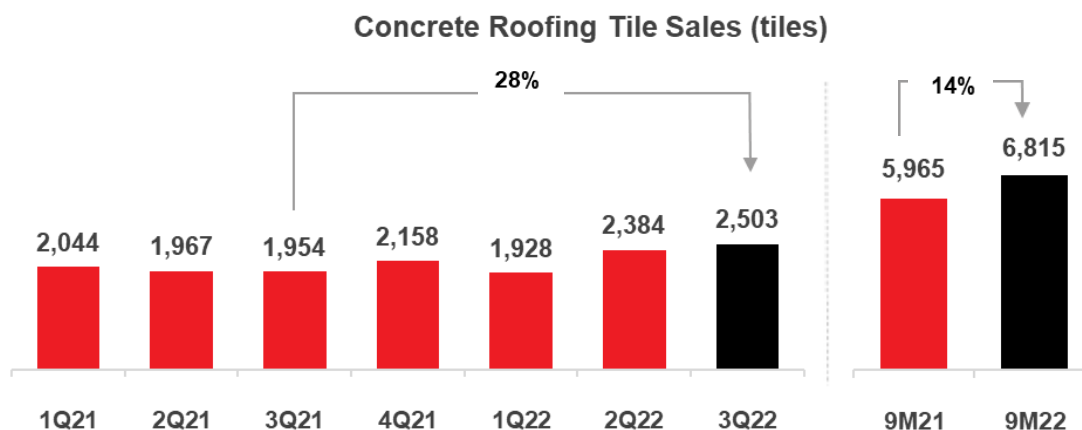
In 3Q22, gross margin from exports remained at 53%, up 13% from the average price of exports in 2Q22. In 9M22, gross margin was 49%, down 13 *p.p.* from the same period in 2021.

Chrysotile mineral - R\$ thousand	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Net revenue	104,882	57,656	81,9	102,574	2,2	274,429	197,422	39,0
Gross profit	55,851	33,821	65,1	54,251	2,9	135,046	122,234	10,5
Gross margin	53%	59%	- 6 <i>p.p.</i>	53%	-	49%	62%	- 13 <i>p.p.</i>

| Tégula – Concrete Roofing Tiles Segment

Sales of concrete roofing tiles grew for the second consecutive quarter in 3Q22, totaling 2.5 million pieces, up 28% from 3Q21 and 5% from 2Q22.

In 9M22, sales totaled around 6.8 million, increasing 14% from the same period in 2021.



In 3Q22, gross margin was 9%, down 2 *p.p.* from 2Q22 and 14 *p.p.* from 3Q21. In 9M22, gross margin stood at 10%, down 9 *p.p.* from 9M21, due to the increase in raw material prices, mainly cement (+36%) and sand (+33%).

Concrete Roofing Tiles - R\$ thousand	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Net revenue	6,286	4,195	49,8	5,632	11,6	16,204	12,179	33,0
Gross profit	594	982	(39,5)	598	(0,7)	1,606	2,307	(30,4)
Gross margin	9%	23%	- 14 <i>p.p.</i>	11%	- 2 <i>p.p.</i>	10%	19%	- 9 <i>p.p.</i>

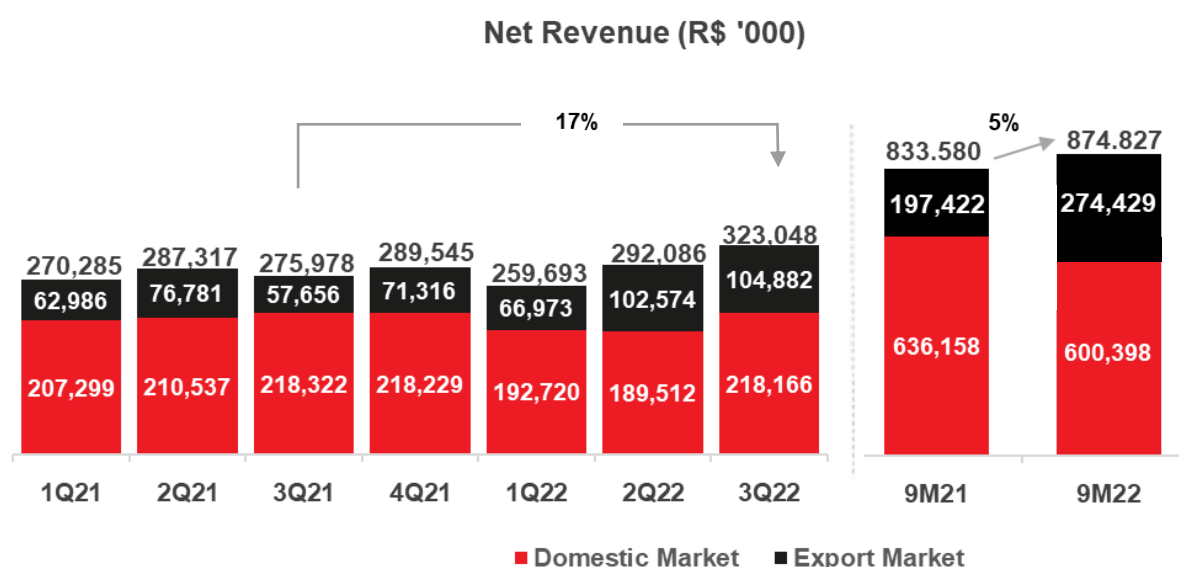
Consolidated Financial Performance

| Net Revenue

In 3Q22, net revenue totaled R\$323 million, growing 17% from 3Q21 and 11% from 2Q22. In 9M22, net revenue totaled R\$875 million, increasing 5% from the same period in 2021.

In the domestic market, net revenue totaled R\$ 218 million in 3Q22, up 15% from 2Q22, driven by the increase in sales of fiber-cement roofing panels, including Confibra's sales in August and September. Compared to 3Q21, net revenue from the domestic market remained stable in 3Q22.

In the international market, chrysotile fiber exports in 3Q22 generated net revenue of R\$105 million, an increase of 82% from 3Q21 and 2% from 2Q22.



| Costs of Goods and Products Sold

Costs of goods and products sold (COGS) totaled R\$223 million in 3Q22, increasing 21% and 42%, respectively, from 2Q22 and 3Q21.

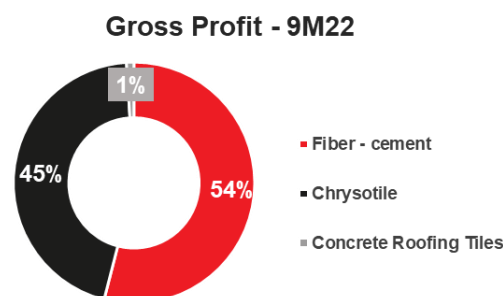
In 9M22, COGS totaled R\$581 million, up 26% from 9M21, mainly due to the hike in raw material prices between the periods (PP resin: 31%; cement: 31%; pulp: 21%; lime: 31%).

Consolidated - R\$ thousand	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Net revenue	323,048	275,978	17,1	292,086	10,6	874,827	833,580	4,9
Costs of Goods and Products Sold	(223,058)	(157,269)	41,8	(184,628)	20,8	(581,441)	(461,746)	25,9
Gross profit	99,990	118,709	(15,8)	107,458	(6,9)	293,386	371,834	(21,1)
Gross margin	31%	43% - 12 p.p.		37% - 6 p.p.		34%	45% - 11 p.p.	

| Gross Profit

In 3Q22, gross profit reached R\$100 million, 7% lower than in 2Q22 and 16% in relation to 3Q21.

In 9M22, gross profit reached R\$293 million, down 21% from the same period in 2021, with the fiber-cement segment accounting for 54% of the result.



Gross margin in 3Q22 was 31%, down 6 *p.p.* from 2Q22. In 9M22, gross margin stood at 34%, down 11 *p.p.* from 9M21, caused by the scenario of an increase in the prices of raw materials and inputs, especially in the fiber-cement segment.

| Selling expenses

Selling expenses totaled R\$28 million in 3Q22, remaining stable in relation to 2Q22, despite the merger of Confibra. Compared to 3Q21, selling expenses increased R\$5.7 million in 3Q22.

However, when analyzed as a ratio of net revenue, selling expenses in both 2Q22 and 9M22 remained at 9%, slightly increasing by 1 *p.p.* from 9M21.

Consolidated - R\$ thousand	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Net Revenue	323,048	275,978	17,1	292,086	10,6	874,827	833,580	4,9
Selling expenses	27,515	21,770	26,4	27,469	0,2	77,414	65,576	18,1
% of Net Revenue	9%	8%	1 <i>p.p.</i>	9%	-	9%	8%	1 <i>p.p.</i>

| General and administrative expenses

General and administrative expenses totaled R\$25 million in 3Q22, decreasing 9% from 2Q22 and increasing 3% from 3Q21, and include the merger of Confibra as from August.

In 9M22, general and administrative expenses totaled R\$74 million, up R\$7.7 million from 9M21, mainly due to the increase in expenses with labor and services resulting from inflation in the period (9M22/9M21: +10.4%).

| Other operating income (expenses)

In 3Q22, other operating income/(expenses) was an income of R\$461 thousand, reflecting the reversal of provisions for contingencies.

In 9M22, other operating income/(expenses) was an income of R\$18.3 million, mainly due to the sale of non-operational property, plant and equipment (R\$14.5 million) in 1Q22.

Consolidated - R\$ thousand	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Selling expenses	27,515	21,770	26,4	27,469	0,2	77,414	65,576	18,1
General and administrative expenses⁽¹⁾	24,737	24,119	2,6	27,307	(9,4)	74,136	66,406	11,6
Other operating income (expenses)	(461)	(40,044)	(98,8)	466	-	(18,340)	(35,941)	(49,0)
Total operating expenses	51,791	5,845	-	55,242	(6,2)	133,210	96,041	38,7

(1) Includes management compensation

| EBITDA

Recurring EBITDA in 3Q22 was R\$57 million, similar to in 2Q22 (R\$58 million), resulting in Recurring EBITDA Margin² of 18%.

In 9M22, Recurring EBITDA² totaled R\$164 million, with Recurring EBITDA margin² of 19%.

EBITDA¹ totaled R\$53 million in 3Q22 and R\$175 million in 9M22, including non-recurring events, mainly the result of the sale of a non-operating asset in 1Q22.

Consolidated - R\$ thousand	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Net income (loss) for the period	41,040	98,014	(58,1)	40,346	1,7	123,681	216,103	(42,8)
Income and social contribution taxes	7,281	19,709	(63,1)	15,993	(54,5)	32,109	57,992	(44,6)
Net financial income (loss)	(122)	(4,859)	(97,5)	(4,123)	(97,0)	4,386	1,698	158,3
Depreciation and amortization	5,245	4,075	28,7	4,565	14,9	14,318	12,371	15,7
EBITDA CVM 527/12¹	53,444	116,939	(54,3)	56,781	(5,9)	174,494	288,164	(39,4)
Nonrecurring Events	3,363	(32,297)	-	1,703	-	(10,780)	(27,383)	-
Expenses related to court-supervised reorganization	419	549	-	1,283	-	2,180	1,933	-
Estimated loss from asset impairment	-	-	-	-	-	-	(5,645)	-
Expenses related to discontinued units	104	296	-	(11)	-	377	4,384	-
Revenue from extemporaneous credits	-	(12,425)	-	(2,726)	-	(2,726)	(12,425)	-
Sale of fixed assets	2,252	(23,290)	-	18	-	(12,593)	(24,402)	-
Brokerage commission on the divestment of CSC	-	-	-	-	-	-	410	-
Exceptional provision for terminations of representatives	-	-	-	-	-	-	2,662	-
Receivables from sale of court-order debt	-	-	-	-	-	-	(1,142)	-
Loss due to unexpected realization of recoverable taxes at CSC	-	-	-	-	-	-	3,109	-
Other Nonrecurring Events	588	2,573	-	3,139	-	1,982	3,733	-
Recurring EBITDA²	56,807	84,642	(32,9)	58,484	(2,9)	163,714	260,781	(37,2)
<i>Net margin</i>	18%	31%	- 13 p.p.	20%	- 2 p.p.	19%	31%	- 12 p.p.

(1) EBITDA: measure of operational performance according to CVM Instruction 527/12

(2) Recurring 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 non-recurring events.

| Financial Result

In 3Q22, the Company's financial income was R\$2.2 million, lower than in 2Q22 due to the lower cash balance on account of the payment made for the acquisition of Confibra (R\$110 million). Moreover, the company resumed operations for prepayment of export receivables in the quarter. As such, net financial income totaled R\$122 thousand in 2Q22.

In 9M22, net financial result was an expense of R\$4.4 million, mainly reflecting the financial income on

investments of the cash balance (+R\$12.6 million) and the exchange variation on receivables in foreign currency at the subsidiary Sama, recorded in 1Q22 (-R\$11.4 million). Due to the volatile exchange scenario during the year, the Company started contracting hedge from 2Q22 using forward contracts as non-derivative financial instruments.

Consolidated - R\$ thousand	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Financial income	2,158	2,798	(22,9)	5,246	(58,9)	12,604	4,687	168,9
Financial Investments	2,158	2,798	(22,9)	5,246	(58,9)	12,604	4,687	168,9
Financial Expenses	(874)	(772)	13,2	(601)	45,4	(2,077)	(3,571)	(41,8)
Interest on Bankruptcy-related Debt	(597)	(772)	(22,7)	(601)	(0,7)	(1,800)	(3,571)	(49,6)
Financing Interest	(277)	-	-	-	-	(277)	-	-
Other	(809)	(2,008)	(59,7)	(1,070)	(24,4)	(3,667)	(2,762)	32,8
Net of exchange variations	(353)	4,841	-	548	-	(11,246)	(52)	21.526,9
Net financial income (loss)	122	4,859	(97,5)	4,123	(97,0)	(4,386)	(1,698)	158,3

| Net Income

In 3Q22, Recurring Net Income reached R\$43 million, up 4% from 2Q22, and R\$ 117 million in 9M22, down 41% from 9M21, which was a year of record performance for the construction material industry.

Net income in 3Q22 was R\$41 million, up 2% from 2Q22, and R\$124 million in 9M22, down 43% from 9M21.

Consolidated - R\$ thousand	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Net income (loss) for the period	41,040	98,014	(58,1)	40,346	1,7	123,681	216,103	(42,8)
Net margin	13%	36%	- 23 p.p.	14%	- 1 p.p.	14%	26%	- 12 p.p.
Nonrecurring Events	3,363	(32,297)	-	1,703	-	(10,780)	(27,383)	-
Expenses related to court-supervised reorganization	419	549	(23,7)	1,283	(67,3)	2,180	1,933	-
Estimated loss from asset impairment	-	-	-	-	-	-	(5,645)	-
Expenses related to discontinuity of units	104	296	(64,9)	(11)	-	377	4,384	-
Revenue from extemporaneous credits	-	(12,425)	-	(2,726)	-	(2,726)	(12,425)	-
Sale of fixed assets	2,252	(23,290)	-	18	-	(12,593)	(24,402)	-
Brokerage commission on the divestment of CSC	-	-	-	-	-	-	410	-
Exceptional provision for terminations of representatives	-	-	-	-	-	-	2,662	-
Receivables from sale of court-order debt	-	-	-	-	-	-	(1,142)	-
Loss due to unexpected realization of recoverable taxes at	-	-	-	-	-	-	3,109	-
Other Nonrecurring Events	588	2,573	(77,1)	3,139	(81,3)	1,982	3,733	-
Effect of Income Tax/Social Contribution*	(1,143)	10,981	-	(579)	97,4	3,665	9,310	-
Adjusted Net Income/Loss	43,260	76,698	(43,6)	41,470	4,3	116,566	198,030	(41,1)
Net margin	13%	28%	- 15 p.p.	14%	- 1 p.p.	13%	24%	- 11 p.p.

(1) Recurring 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 non-recurring events.

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

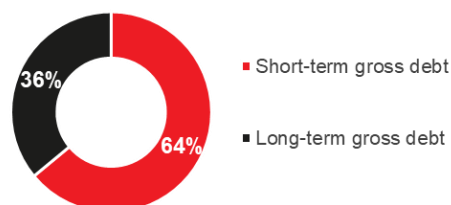
| Net Debt

The Company ended 3Q22 with net debt of R\$11.4 million, mainly reflecting the payment of R\$ 110 million for the acquisition of Confibra in late July.

Cash balance on September 30, 2022 was R\$72.5 million.

At the end of the quarter, the Company's gross debt totaled R\$84 million, consisting of the discount of export receivables (ACE) (R\$50 million) and the loan from Banco da Amazônia borrowed to fund the investments in Eternit's unit in Amazônia (R\$34 million).

3Q22 Gross Debt (%)



Net (Cash) Debt - R\$ thousand	09/30/2022	09/30/2021	Chg. %	12/31/2021	Chg. %
Short-term gross debt	53,339	6,997	662,3	3,911	1.263,8
Long-term gross debt	30,525	31,375	(2,7)	33,485	(8,8)
Total gross debt	83,864	38,372	118,6	37,396	124,3
(-) Cash and cash equivalents	72,460	259,344	(72,1)	218,864	(66,9)
Net (Cash) Debt	11,404	(220,972)	-	(181,468)	-

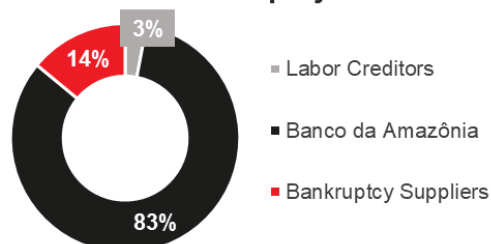
| Bankruptcy-Related Debt

In 3Q22, the Company paid R\$1.6 million to bankruptcy creditors: R\$77,000 to Class I and III creditors and R\$1,561,000 to Class II creditors (Banco da Amazônia).

Bankruptcy-related debt on September 30, 2022 totaled around R\$41 million, including the installment of US\$125,000 converted at the rate of R\$5.41 to US\$1, as follows:

- Class I: R\$1.4 million related to new authorized labor claims;
- Class II: R\$34.4 million borrowed from Banco da Amazônia solely to finance the unit in Manaus, with monthly payments and fixed interest of 7% p.a.;
- Class III: R\$3.9 million, related to creditors that did not file any claim for payment, with interest no longer being levied on the outstanding balance, and R\$538,000 related to new authorized creditors;
- Class IV: R\$1.0 million, related to suppliers that did not file any claim for payment, with interest no longer being levied on the outstanding balance.

3Q22 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	-	-	3,773	-	(8,888)	1,351
Class II - Creditors with Secured Claims - R\$ thousand	36,225	-	-	-	8,873	(10,662)	34,436
Class III - Unsecured Creditors							
Option A - R\$ thousand	107,672	(17,314)	(40,400)	(1,386)	3,411	(48,201)	3,782
Option A - US\$ thousand	953	-	-	(520)	1	(309)	125
Option B - R\$ thousand	84,097	(37,839)	-	-	3,242	(49,500)	-
Option B - US\$ thousand	1,696	(763)	-	-	5	(938)	-
Class IV - Micro and Small Company Creditors - R\$ thousand	4,612	-	-	-	71	(3,661)	1,022
Total - R\$ thousand	239,072	(55,153)	(40,400)	2,387	15,597	(120,912)	40,591
Total - US\$ thousand	2,649	(763)	0	(520)	6	(1,247)	125

The Company is awaiting the final outcome on the proceedings at the Superior Court of Justice (STJ), currently pending judgment. The appeal filed by the Eternit Group, claiming the reestablishment of the payment conditions of labor credits established in the Court-Supervised Reorganization Plan approved at the general meeting of creditors, ratified by the 2nd Bankruptcy and Judicial Reorganization Court of São Paulo on May 30, 2022.

| Investments - Capex

During 3Q22, capex totaled R\$45 million, of which 17% went to strategic projects (photovoltaic roofing tiles and the program to modernize the fiber-cement industrial facilities), 31% to working capital requirements and 52% to the greenfield project in Caucaia, Ceará.

Regarding strategic projects, cash disbursement until September 30, 2022 totaled R\$46.6 million, representing the commitment of all the funds obtained through the capital call of R\$46,570 thousand ratified in July 2020.

R\$ thousand	Total investments	Disbursed	%Real
Photovoltaic Roofing Tiles Project	5,800	5,920	102
Fiber-Cement Modernization Program	40,770	40,650	100
Total	46,570	46,570	100

Photovoltaic Roofing Panels:

- In 3Q22, the Company continued to sell BIG-F10 concrete solar roofing tiles totaling around 57 kWp.
- In 3Q22, the first pilot project of F-140 fiber cement photovoltaic tiles was installed, with capacity of 25.6kWp, equivalent to the monthly generation of 3000kWh. The project was installed in a cattle confinement shed in the state of Mato Grosso do Sul.

- At the Intersolar South America fair, the Company launched new models of concrete photovoltaic roofing tiles: BIG-F11, more powerful version of the BIG (11Wp) roofing tile; BiG-F10C (10Wp) roofing tile, for roofs with smaller clearances, and Flat (12Wp and 15Wp) roofing tile.

Modernization of fiber-cement production

In 3Q22, the Company concluded expansion work at the Goiânia unit. Expansion work at the Rio de Janeiro unit is scheduled for completion in 4Q22. The expansion projects at the Goiânia and Rio de Janeiro units will jointly add 7,000 tons per month to production capacity.

Greenfield Project - Ceará

Work continues on the installation of the fiber-cement roofing panels unit in Caucaia, Ceará. An agreement was signed in 3Q22 to install the infrastructure (construction, electrical and hydraulic) and purchase orders were placed for the equipment, with a longer delivery period.

Project for Expansion at the Manaus Unit (PP)

Work removing the bottleneck at the Manaus unit, which produces synthetic polypropylene fiber, is on schedule and the equipment has been acquired and services are being contracted.

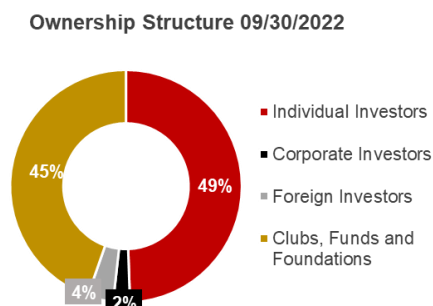
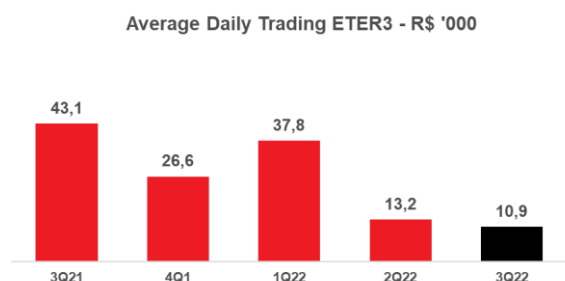
Capital Markets

The market cap of the Company on September 30, 2022 was R\$791 million considering the closing share price of R\$12.80.



With fragmented stock ownership and no shareholders' agreement or controlling group, the shareholder base of the Company on September 30, 2022, had 26,201 shareholders. At the end of the period, only three shareholders held more than 5% interest in the capital stock, with an aggregate interest of 39% of the total capital stock.

Average daily trading volume of the Company's shares in 3Q22 was R\$10.9 million.



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

Events Subsequent to the Reporting Period

Declaration of Interest on Equity (IoE)

According to the Dividends and Interest on Equity Policy, approved on June 30, 2022, the Company will pay interest on equity for 3Q22 in the amount of R\$8.6 million, corresponding to a gross amount of R\$0.140066 per common share, which should be paid on March 31, 2023.

Loan from Banco Daycoval

In October, the Company borrowed R\$30 million from Banco Daycoval to strengthen its cash position.

Annexes

**ETERNIT SA. - Under Court-Supervised Reorganization
Balance Sheet**

R\$ thousand

ASSETS	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Total current assets	376,848	573,031	709,395	740,202
Cash and cash equivalents	1,640	3,370	72,460	218,864
Accounts receivable	70,181	68,592	248,676	153,229
Inventories	126,935	116,112	240,486	185,268
Taxes recoverable	17,889	61,139	88,882	126,392
Related parties	149,242	316,442	-	-
Prepaid expenses	5,724	3,932	31,154	30,014
Other current assets	5,237	3,444	26,714	21,590
Assets held for sale	-	-	1,023	4,845
Total non-current assets	623,292	361,295	477,622	271,729
Judicial deposits	7,271	7,105	11,448	10,500
Taxes recoverable	2,692	1,781	40,553	10,629
Related parties	2,057	2,005	-	-
Other non-current assets	139	140	1,595	1,595
Investments	444,398	205,399	-	-
Right-of-use assets	-	-	16,238	7,758
Fixed assets	166,400	144,313	347,607	240,643
Intangible assets	335	552	60,181	604
Total assets	1,000,140	934,326	1,187,017	1,011,931

LIABILITIES AND EQUITY	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Total current liabilities	172,807	204,197	278,556	208,855
Suppliers	26,186	33,096	59,521	50,201
Loans and financing	-	-	53,339	3,911
Related parties	58,107	69,703	-	-
Personnel expenses	23,924	22,692	35,658	29,530
Dividends of interest on equity	8,760	24,346	8,768	24,355
Taxes, charges and contributions payable	18,064	24,411	34,466	34,919
Provision for post-employment benefits	3,659	3,659	7,851	7,851
Lease obligations	-	-	3,607	6,572
Other current liabilities	34,107	26,290	75,346	51,516
Total non-current liabilities	167,551	166,884	248,474	239,721
Loans and financing	-	-	30,525	33,485
Related parties	26,016	37,201	-	-
Taxes, charges and contributions payable	5,714	12,249	22,682	32,893
Personnel expenses	6,434	6,216	6,872	7,007
Provisions for tax, civil and labor risks	50,830	53,543	69,417	71,205
Provision for post-employment benefits	36,404	36,209	73,902	73,773
Provision for decommissioning of mine	-	-	9,273	9,273
Provision for investment losses	18,597	10,282	-	-
Lease obligations	-	-	12,658	1,214
Deferred income tax and social contribution	23,556	11,184	23,145	10,871
Equity attributable to controlling shareholders	659,782	563,245	659,782	563,245
Share capital	438,082	438,082	438,082	438,082
Capital reserves	78,982	69,927	78,982	69,927
Treasury shares	(174)	(174)	(174)	(174)
Revenue reserves	163,341	75,859	163,341	75,859
Other comprehensive income (loss)	(20,449)	(20,449)	(20,449)	(20,449)
Total equity	659,782	563,245	659,987	563,355
Non-controlling interests	-	-	205	110
Total liabilities and equity	1,000,140	934,326	1,187,017	1,011,931

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

R\$ thousand	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Net revenue	186,868	202,791	-7,9%	176,775	5,7%	549,683	595,747	-7,7%
Costs of goods and services sold	(150,637)	(130,241)	15,7%	(132,058)	14,1%	(418,022)	(377,716)	10,7%
Gross profit	36,231	72,550	-50,1%	44,717	-19,0%	131,661	218,031	-39,6%
Gross margin	19%	36%	- 17 p.p.	25%	- 6 p.p.	24%	37%	- 13 p.p.
Operating revenues (expenses)	(29,929)	(19,400)	54,3%	(35,732)	-16,2%	(93,748)	(72,416)	29,5%
Selling expenses	(13,616)	(13,217)	3,0%	(13,817)	-1,5%	(40,313)	(36,940)	9,1%
General and administrative	(14,057)	(13,625)	3,2%	(15,903)	-11,6%	(43,454)	(40,151)	8,2%
Other operating revenues (expenses), net	(2,256)	7,442	-130,3%	(6,012)	-62,5%	(9,981)	4,675	-313,5%
Income (Loss) before equity pick-up (EBIT)	6,302	53,150	-88,1%	8,985	-29,9%	37,913	145,615	-74,0%
EBIT margin	3%	26%	- 23 p.p.	5%	- 2 p.p.	7%	24%	- 17 p.p.
Equity pick-up	30,693	46,391	-33,8%	33,031	-7,1%	88,060	87,400	0,8%
Operating income (loss) before financial result	36,995	99,541	-62,8%	42,016	-12,0%	125,973	233,015	-45,9%
Net financial income (loss)	(1,274)	(1,733)	-26,5%	(2,288)	-44,3%	(5,433)	(1,544)	251,9%
Income (Loss) before income tax and social contribution	35,721	97,808	-63,5%	39,728	-10,1%	120,540	231,471	-47,9%
Current income tax and social contribution	3,704	(5,941)	-162,3%	(3,306)	-212,0%	(8,137)	(21,528)	-62,2%
Deferred income tax and social contribution	1,599	6,127	-73,9%	3,884	-58,8%	11,184	6,127	82,5%
Net income (loss) for the period	41,024	97,994	-58,1%	40,306	1,8%	123,587	216,070	-42,8%
Net margin	22%	48%	- 26 p.p.	23%	- 1 p.p.	22%	36%	- 14 p.p.

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

R\$ thousand	3Q22	3Q21	Chg. %	2Q22	Chg. %	9M22	9M21	Chg. %
Net revenue	323,048	275,978	17,1%	292,086	10,6%	874,827	833,580	4,9%
Costs of goods and services sold	(223,058)	(157,269)	41,8%	(184,628)	20,8%	(581,441)	(461,746)	25,9%
Gross profit	99,990	118,709	-15,8%	107,458	-6,9%	293,386	371,834	-21,1%
Gross margin	31%	43%	- 12 p.p.	37%	- 6 p.p.	34%	45%	- 11 p.p.
Operating revenues (expenses)	(51,791)	(5,845)	786,1%	(55,242)	-6,2%	(133,210)	(96,041)	38,7%
Selling expenses	(27,515)	(21,770)	26,4%	(27,469)	0,2%	(77,414)	(65,576)	18,1%
General and administrative	(24,737)	(24,119)	2,6%	(27,307)	-9,4%	(74,136)	(66,406)	11,6%
Other operating revenues (expenses), net	461	40,044	-98,8%	(466)	-198,9%	18,340	35,941	-49,0%
Income (Loss) before equity pick-up (EBIT)	48,199	112,864	-57,3%	52,216	-7,7%	160,176	275,793	-41,9%
EBIT margin	15%	41%	- 26 p.p.	18%	- 3 p.p.	18%	33%	- 15 p.p.
Net financial income (loss)	122	4,859	-97,5%	4,123	-97,0%	(4,386)	(1,698)	158,3%
Income (Loss) before income and social contribution taxes	48,321	117,723	-59,0%	56,339	-14,2%	155,790	274,095	-43,2%
Current income tax and social contribution	(8,707)	(25,785)	-66,2%	(20,645)	-57,8%	(43,340)	(64,495)	-32,8%
Deferred income tax and social contribution	1,426	6,076	-76,5%	4,652	-69,3%	11,231	6,503	72,7%
Net income (loss) for the period	41,040	98,014	-58,1%	40,346	1,7%	123,681	216,103	-42,8%
Net margin	13%	36%	- 23 p.p.	14%	- 1 p.p.	14%	26%	- 12 p.p.

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

R\$ thousand - Accrued	Parent Company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Cash flows from operating activities				
Income (Loss) before income and social contribution taxes	120,540	231,471	155,790	274,095
Reconciliation of earnings before income tax and social contribution to net cash provided by operations:				
Equity pick-up	(88,060)	(87,400)	-	-
Depreciation and amortization	9,943	8,131	14,318	12,371
Gain (Loss) on write-off of fixed and intangible assets	2,249	-	2,254	2,529
Allowance for doubtful accounts	1,510	254	1,274	245
Allowance for inventory write down to net realizable value	(400)	(539)	(990)	(2,378)
Estimated impairment losses	-	-	-	(2,193)
Provisions for tax, civil and labor risks	(2,713)	(3,137)	(2,357)	(3,508)
Provision for post-employment benefits	195	(62)	129	(549)
Financial charges and monetary and exchange variations	2,461	1,720	(5,262)	1,346
	45,725	150,438	165,156	281,958
Decrease (increase) in operating assets:				
Accounts receivable	(3,099)	(30,529)	(58,359)	(39,702)
Related parties	144,984	(132,175)	-	-
Inventories	(10,423)	(35,619)	(19,449)	(61,022)
Taxes recoverable	48,524	3,464	11,533	(17,651)
Judicial deposits	(166)	(196)	(170)	(490)
Other assets	(3,578)	3,202	(6,221)	(9,841)
Assets held for sale	-	796	3,822	104,494
Increase (decrease) in operating liabilities:				
Suppliers	(6,947)	(7,401)	1,997	(15,669)
Related parties	(3,041)	(3,380)	-	-
Taxes, charges and contributions payable	(10,442)	(3,565)	(11,062)	(7,512)
Personnel expenses	1,450	5,325	5,412	9,897
Other liabilities	7,817	(7,346)	1,375	(49,117)
Cash provided by (used in) operating activities	210,804	(56,986)	94,034	195,345
Interest paid	-	-	-	(1,517)
Income tax and social contribution paid	(16,763)	(21,870)	(46,417)	(60,703)
Net cash provided by (used in) operating activities	194,041	(78,856)	47,617	133,125
Cash flows from investing activities				
Related-party loan receivables	-	1,336	-	-
Additions to PP&E and intangible assets	(34,065)	(27,060)	(72,369)	(33,890)
Acquisition of subsidiary net of cash in the business combination	-	-	(118,686)	-
Additions to investments	(119,068)	-	-	-
Net cash used in investing activities	(153,133)	(25,724)	(191,055)	(33,890)
Cash flow from financing activities				
Loans and financing raised	-	569	61,660	1,594
Amortization of loans and financings	-	(9,895)	(19,537)	(30,679)
Payments of dividends and interest on equity	(42,638)	-	(42,638)	-
Lease obligations	-	-	(2,451)	(1,981)
Increase in share capital	-	110,000	-	110,000
Net cash generated by financing activities	(42,638)	100,674	(2,966)	78,934
Increase (Reduction) in cash and cash equivalents	(1,730)	(3,906)	(146,404)	178,169
At the beginning of the period	3,370	4,145	218,864	81,175
At the end of the period	1,640	239	72,460	259,344
Increase (Reduction) in cash and cash equivalents	(1,730)	(3,906)	(146,404)	178,169