



**PRESS
RELEASE
4Q20**

Eternit
eternit.com.br/ri

São Paulo, March 2, 2021 – Eternit S.A. – under Court-Supervised Reorganization (B3: ETER3, “Eternit” or “Company”) announces today the results for the fourth quarter of 2020 (4Q20). Except where stated otherwise, the operational and financial information of the Company is presented on a consolidated basis in Brazilian real, in accordance with the Brazilian Corporations Law and International Financial Reporting Standards (IFRS). All comparisons in this press release are with the fourth quarter of 2019 (4Q19), except where stated otherwise.

Net Revenue up 90% and adjusted EBITDA of R\$67.4 million in 4Q20

4Q20
Listing Segment
Novo Mercado of B3
Share Price ETER3 (12/31/2020)
R\$/share 12.65
Shareholder base (12/31/2020)
Shares issued 51,675,555
Free Float 98.9%
Market Cap (12/31/2020)
R\$653.7 million
Book Value Per Share (12/31/2020)
R\$4.16
Conference Call / Webcast
March 3, 2021, Time: 3:00 p.m. (Brasília)
Dial-in:
+55 (11) 3181-8565 or +55 (11) 4210-1803
HD Web Phone Eternit Participant
Password: Eternit
Webcast (in Portuguese):
www.eternit.com.br/ri or
https://choruscall.com.br/eternit/4t20.htm

★ 4Q20 vs. 4Q19 HIGHLIGHTS

- **22% growth in sales of fiber-cement roofing panels**, which reached 173,900 tons.
- **90% growth in Net Revenue (R\$ 229.5 million)**
- **Gross Margin of 45%**, up 23 percentage points.
- **Adjusted EBITDA of R\$67.4 million** (increase of R\$75.5 million) with adjusted EBITDA Margin of 29%.
- **Adjusted Net Income of R\$63.6 million**, compared to Adjusted Loss of R\$17.0 million.
- **Shareholders' Equity of R\$ 215.0 million** at the end of the year.
- **Net cash of R\$14.8 million on Dec. 31, 2020**, compared to net debt of R\$104.2 million on Dec. 31, 2019.
- **Sale of UPI Louças Sanitárias (CSC) for R\$102 million.**
- **Implementation of first pilot projects of BIG-F10 concrete photovoltaic roofing tiles.**
- **Start of capacity expansion of fiber-cement production:** Rio de Janeiro 15%; Goiânia 25% (January, 2021).

Main Indicators								
Consolidated - R\$ '000	4Q20	4Q19	% Chg.	3Q20	% Chg.	2020	2019	% Chg.
Gross revenues	285,995	159,762	79.0	254,124	12.5	860,368	638,757	34.7
Net revenues	229,453	120,692	90.1	201,139	14.1	683,423	488,671	39.9
Gross profit	102,707	26,137	293.0	76,593	34.1	227,344	68,570	231.6
Adjusted Gross margin	45%	22%	23 p.p.	38%	7 p.p.	33%	14%	19 p.p.
Net income (loss) for the period	121,077	6,712	1,703.9	39,955	203.0	158,733	(12,626)	-
EBITDA Margin	53%	6%	47 p.p.	20%	33 p.p.	23%	-3%	26 p.p.
Adjusted Net income (loss) for the period	63,548	(17,040)	-	34,380	84.8	85,775	(46,856)	-
Adjusted Net margin	28%	-14%	42 p.p.	17%	11 p.p.	13%	-10%	23 p.p.
Earnings (loss) per share - R\$	2.3435	0.2113	1,009.0	0.7733	203.0	3.0723	(0.3975)	-
EBITDA²	135,446	27,799	387.2	50,439	168.5	209,052	57,211	265.4
EBITDA Margin	59%	23%	36 p.p.	25%	34 p.p.	31%	12%	19 p.p.
Adjusted EBITDA	67,350	(8,189)	-	46,574	44.6	122,224	(5,419)	-
Adjusted EBITDA Margin	29%	-7%	36 p.p.	23%	6 p.p.	18%	-1%	19 p.p.

MANAGEMENT COMMENTS

The Company continued in 4Q20 the healthy operating performance of 3Q20, registering 21.9% year-on-year growth in the sales of fiber-cement roofing panels and exporting 29,300 tons of chrysotile. This healthy performance in the domestic market reflect the resumption of activity in the construction sector at the end of the first half of the year.

In the year, Adjusted EBITDA totaled R\$122.2 million, including R\$67.4 million in 4Q20 alone, resulting in a cash balance of R\$81.2 million at the end of 2020.

This quarter, Eternit continued the photovoltaic roofing tiles project at the Tégula unit in Atibaia. It completed the implementation of the first pilot projects of BIG-F10 concrete photovoltaic roofing. Regarding the fiber-cement modernization program, the Company launched expansion projects at the Goiânia (+25%) and Rio de Janeiro (+15%) units, which represent an additional capacity of around 7,000 tons per month.

As part of the Court-Supervised Reorganization, in November 2020, the company divested UPI Louças Sanitárias (CSC) for R\$102 million and the proceeds were used to pay Class III qualified creditors, whose dues totaled R\$106.1 million on December 31, 2020. In November, the Company prepaid all Class IV qualified creditors, in the amount of R\$3.4 million.

Eternit concluded the business restructuring process, ending 2020 with its portfolio focused on the roofing segment.

ECONOMY AND MARKET

The year 2020 brought a challenging scenario in both the domestic and international markets due to the spread of the COVID-19 pandemic. In Brazil, despite the sharp decline in economic activity in 2Q20, recent indicators showed ongoing recovery, although unequal among diverse sectors, and with loss of momentum in 4Q20¹.

The recovery is mainly seen in consumer goods segments, while various service segments remain dull¹.

In this scenario, the grant of emergency aid started on April 2020 was of fundamental importance for the recovery of activity in the construction materials sector.

The job market did not show consistent signs of recovery² during the year, with unemployment rate remaining high at 14.1% in the quarter between September and November, only slightly declining in relation to the quarter between July and September, when it was 14.6%.

In this scenario, the basic interest rate was maintained at 2% by the Monetary Policy Committee (Copom)³ and Brazil's GDP is expected to decline by 4% in 2020⁴. Recent market projections⁵ indicate growth of 3.5% in 2021, with inflation rate measured by IPCA of 3.53% and the R\$/US\$ exchange rate of 5.01 at the end of the year.

¹ BACEN: Inflation Report – December 2020

² EXAME: January 28, 2021

³ Valor Investe – February 1, 2021

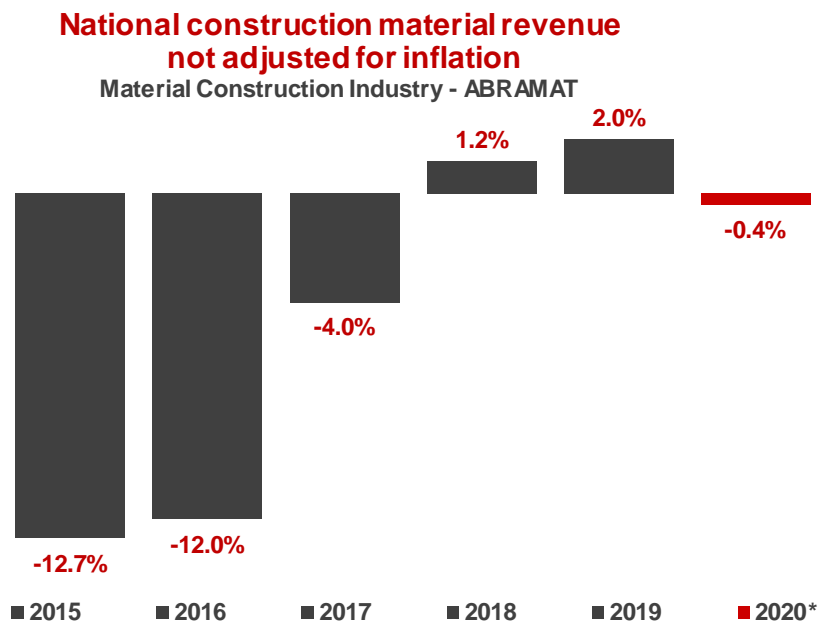
⁴ BACEN: FOCUS Report – January 29 2021

⁵ CNI: Industrial Indicators – November 2020

The uncertainty about the pace of economic growth remains higher than usual, in line with the government's scale-down of measures to combat the economic impacts of the pandemic.

In the industrial segment, according to data from the National Industry Confederation (CNI), the use of installed capacity in the country remained at 80% in November 2020, down 0.2 percentage points from October, after seasonal adjustment, which did not mean a reversal in industrial growth, but reinforced the conclusion that the pace of growth⁶ was slowing down.

As for the construction materials segment, the Brazilian Construction Materials Industry Association (ABRAMAT) indicates that preliminary data show a reduction of 0.4%⁷ in consolidated revenue in 2020 compared to 2019. In 2021, revenues are projected to increase 4%¹⁰, reflecting the expected continuity of residential and commercial construction works, and the increase in demand for construction materials with the approval of the Federal Government's Casa Verde e Amarela program and the resumption of infrastructure works.



*Preliminary data

⁶ CNI: Industrial Indicators – November 2020

⁷ Abrammat – VALOR Newspaper – January 17, 2021

OPERATING AND FINANCIAL PERFORMANCE

| Sales volume

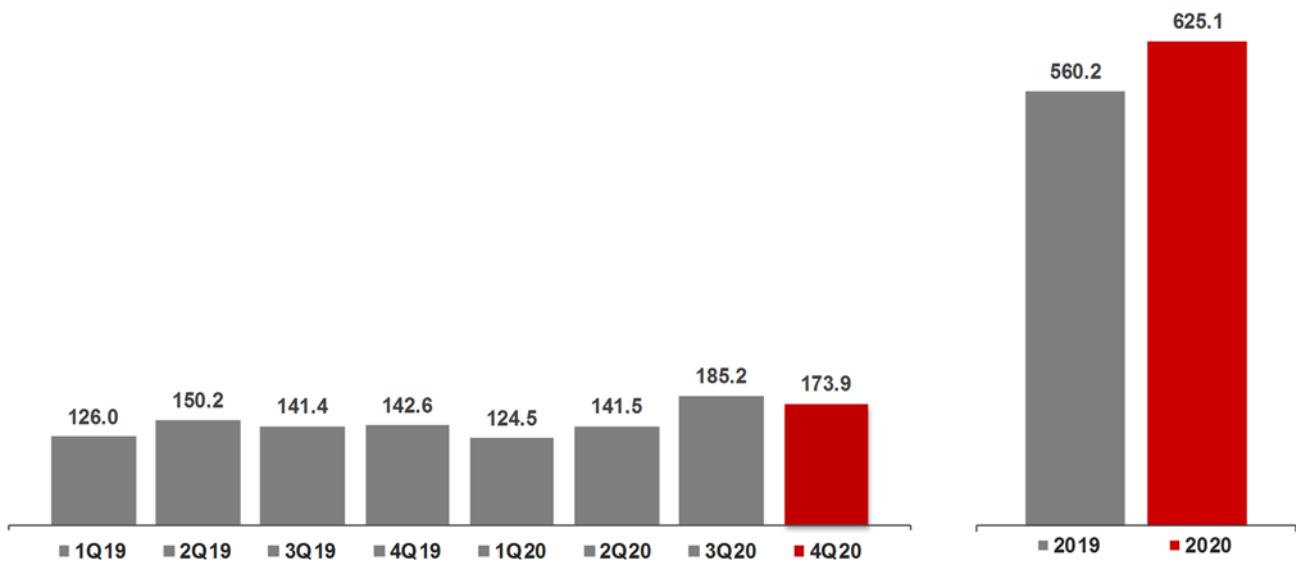
ETERNIT - Fiber-cement



Roofing panels

Sales of fiber-cement roofing panels increased 21.9% in 4Q20 from 4Q19, reflecting the strong growth in demand for construction materials since the third quarter of 2020. This growth offset the decline registered in March and April due to the onset of the COVID-19 pandemic, such that total sales volume in the year grew 11.6% in relation to 2019.

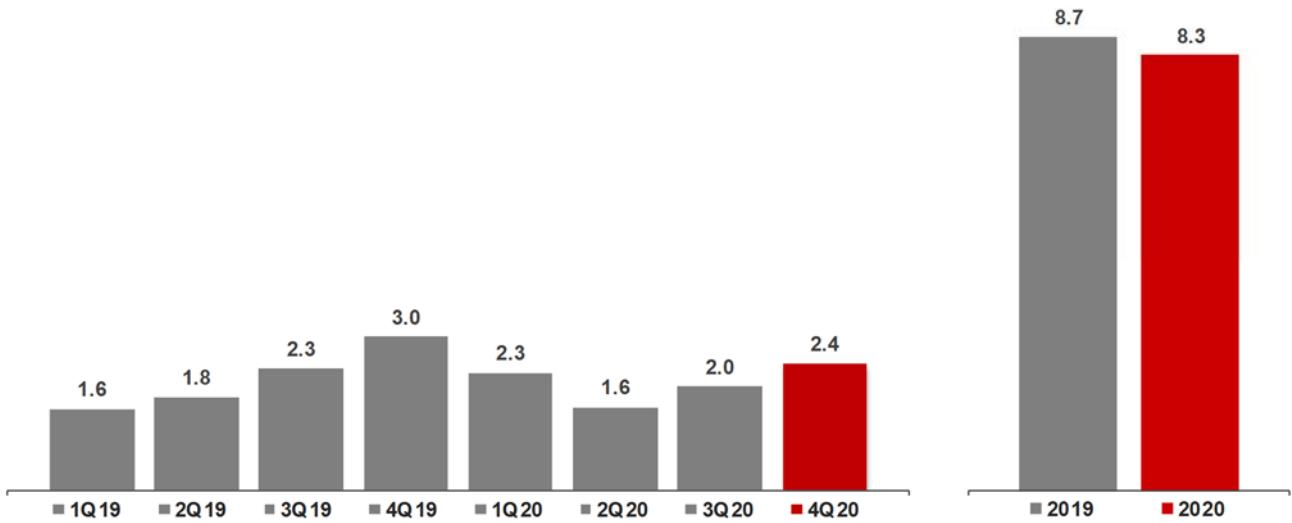
Sales of fiber-cement roofing panels ('000 t)



Construction systems

In 4Q20, sales of cement cladding panels and wall cladding panels declined 17.7% from 4Q19 due to the effects of the pandemic, which had a strong impact on commercial construction materials, the main market for products. In 2020, the Company registered a 4.1% drop in sales from 2019, though in 4Q20, it registered the second consecutive of sales growth.

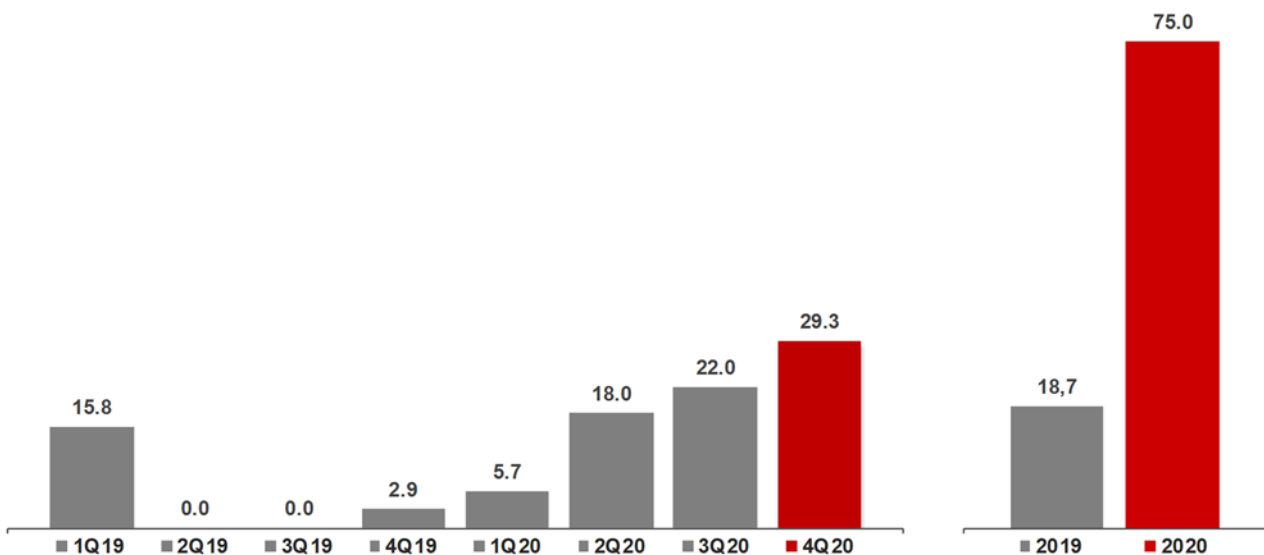
Sales of construction systems ('000 t)



SAMA - Chrysotile

In 4Q20, 29,300 tons of chrysotile fiber were exported, for a total of 75,000 tons exported in 2020. The Company, based on Goiás State Law 20,514 of July 16, 2019, announced on November 18, 2020 that SAMA resumed stripping operations to release the ore and export all of the resulting product.

Sales of chrysotile mineral ('000 t)

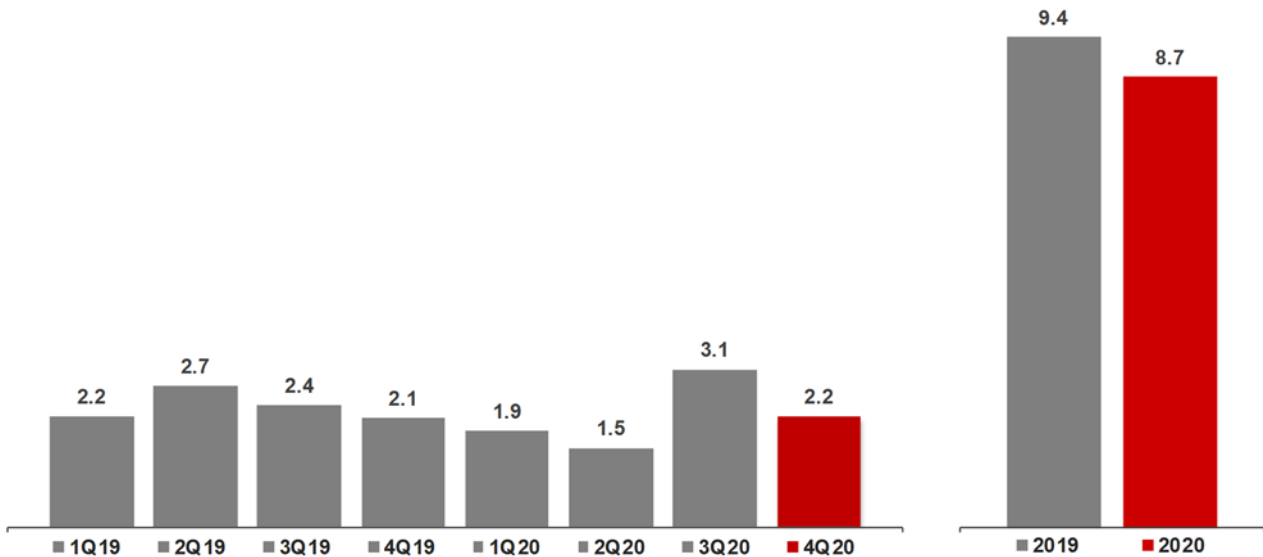




TÉGULA - Concrete roofing tiles

In 4Q20, sales of concrete roofing tiles remained practically stable in relation to the same period the previous year (+1.3%). Therefore, sales in 2020 declined 8.1% in relation to 2019, reflecting the poor performance by the segment in the first half of the year.

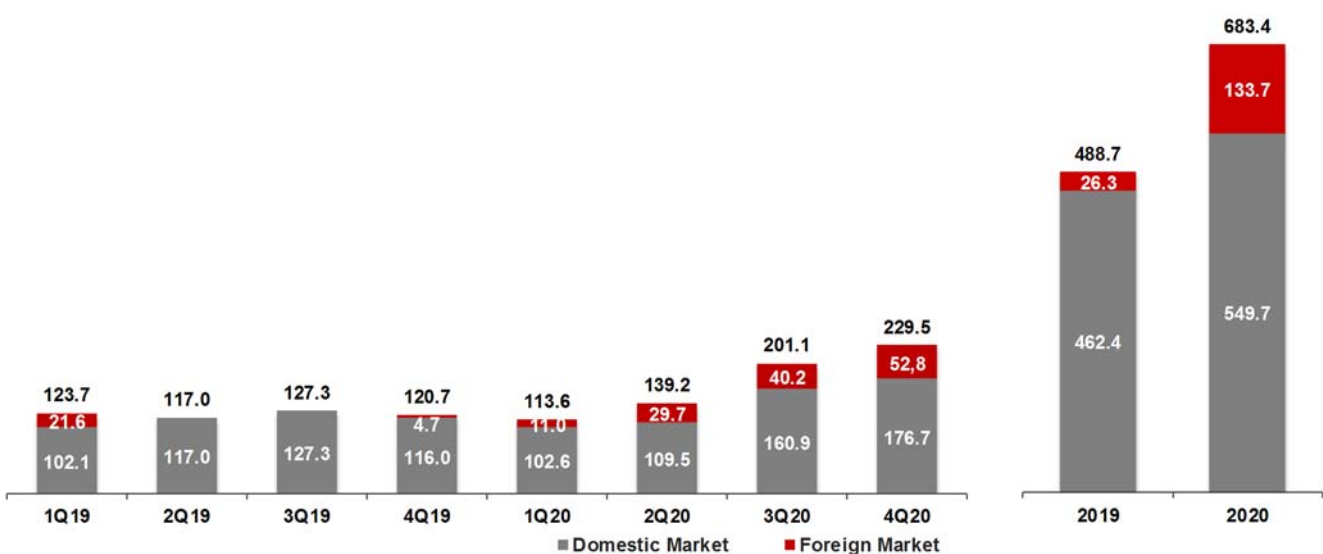
Concrete roofing tile sales (million tiles)



| Net Revenue

Net revenue totaled R\$229.5 million in 4Q20, up 90% from 4Q19, reflecting the growth in fiber-cement sales and chrysotile exports. In 2020, net revenue was R\$683.4 million, increasing 40% from 2019, with the domestic market alone growing 18.9%.

Consolidated Net Revenue (R\$ million)



| Costs of Goods and Products Sold

Costs of goods and products sold (COGS) totaled R\$126.7 million in 4Q20, up 34% from 4Q19, driven by higher sales. Gross margin in the period was 45%, 23 p.p. higher than in 4Q19 and 7 p.p. higher than in 3Q20.

In 2020, COGS rose 8.6% in relation to 2019, with gross margin of 33%, 19 p.p. higher.

R\$ '000	4Q20	4Q19	% Chg.	3Q20	% Chg.	2020	2019	% Chg.
Net Revenue	229,453	120,692	90.1	201,139	14.1	683,423	488,671	39.9
Cost of goods sold	(126,746)	(94,555)	34.0	(124,546)	1.8	(456,079)	(420,101)	8.6
Gross Profit	102,707	26,137	293.0	76,593	34.1	227,344	68,570	231.6
Gross Margin	45%	22%	23 p.p.	38%	7 p.p.	33%	14%	19 p.p.

| Operating Expenses

Selling expenses increased R\$11.3 million in 4Q20 vs. 4Q19, due to sales growth (commissions increased R\$3.2 million) and the resumption of exports at SAMA (variable selling expenses increased R\$9.7 million).

General and administrative expenses increased R\$ 5.4 million in relation to 4Q19, due to the brokerage commission paid on the sale of CSC (R\$4.3 million) and the contracting of land cleaning services from Precon in preparation for the sale (R\$2.6 million).

In 4Q20, the item "Other operating income (expenses)" included the non-recurring effects of the reversal of the impairment provision of CSC (R\$44.5 million) and the revenue related to tax credits on the exclusion of ICMS from the PIS/COFINS base (R\$32.9 million)

In the year, the sum of selling and administrative expenses inherent to the operations increased 19.1% due to the aforementioned factors and the business combination of CSC starting from 3Q19, when its results were consolidated.

In the year, "Other operating income (expenses)" included the non-recurring effects of the reversal of the impairment of the fiber-cement cash-generating unit (R\$68.4 million) and the revenue related to tax credits on the exclusion of ICMS from the PIS/COFINS base (R\$52.5 million).

In R\$ '000	4Q20	4Q19	Chg. %	3Q20	Chg. %	2020	2019	Chg. %
Selling expenses	(22,009)	(10,696)	105.8	(15,340)	43.5	(60,499)	(50,698)	19.3
General and administrative expenses*	(24,850)	(19,485)	27.5	(23,416)	6.1	(82,320)	(69,174)	19.0
Other operating revenues (expenses), net**	74,525	34,832	114.0	6,695	1,013.1	104,089	77,937	33.6
Total operating expenses	27,666	4,651	494.8	(32,061)	-	(38,730)	(41,935)	(7.6)

* Includes Management Compensation.

** This table includes the items "Loss due to impairment of assets and provision for restructuring"

| Financial Result

In 4Q20, Financial Expenses decreased 66% (approximately R\$2.4 million) from 4Q19, resulting from the drop in interest on bankruptcy-related debt (R\$1.1 million) indexed to the CDI and the absence of short-term funding for working capital purposes (R\$1.4 million). During the period, revenue from inflation adjustment on tax credits related to the exclusion of ICMS from the PIS/COFINS base, amounting to R\$18 million, was recorded in the "Others" account.

As such, net financial result was an income of R\$12.7 million, compared to R\$846,000 in 4Q19. In the year, net financial result was an income of R\$5.0 million, compared to R\$7.0 million in 2019.

In R\$ '000	4Q20	4Q19	% Chg.	3Q20	% Chg.	2020	2019	% Chg.
Financial Income	314	2	12,983.3	208	51.0	528	26	1,972.2
Short-term investment	314	2	12,983.3	208	51.0	528	26	1,972.2
Financial Expenses	(1,241)	(3,678)	(66.3)	(391)	217.4	(6,513)	(10,501)	(38.0)
Bankruptcy-related debt interest	(1,241)	(2,327)	(46.7)	(185)	570.8	(4,431)	(5,731)	(22.7)
Financing interest	-	(1,351)	(100.0)	(206)	(100.0)	(2,082)	(4,770)	(56.4)
Others	16,261	4,602	253.3	2,953	450.7	11,825	18,245	(35.2)
Net exchange variation	(2,622)	(81)	3,137.0	217	-	(804)	(731)	10.0
Net financial result	12,712	846	1,402.8	2,986	325.7	5,037	7,038	(28.4)

EBITDA

Adjusted EBITDA, excluding non-recurring items, totaled R\$67.4 million in 4Q20, up R\$75.5 million from the same period last year, driven by the healthy operating performance by the fiber-cement sector and the resumption of exports at SAMA. In 2020, adjusted EBITDA totaled R\$122.2 million, compared to a negative R\$5.4 million in 2019.

EBITDA amounted to R\$135.5 million in 4Q20 and R\$209.1 million in 2020, resulting from the accounting of non-recurring effects detailed in the table below.

Reconciliation of consolidated EBITDA (R\$'000)	4Q20	4Q19	% Chg.	3Q20	% Chg.	2020	2019	% Chg.
Net Income (loss)	121,077	6,712	1,703.9	39,955	203.0	158,733	(12,626)	-
Income tax and social contributions	22,008	24,922	(11.7)	7,563	191.0	34,918	57,065	(38.8)
Net financial income	(12,712)	(846)	1,402.6	(2,986)	325.7	(5,037)	(7,038)	(28.4)
Depreciation and amortization	5,073	(2,989)	-	5,907	(14.1)	20,438	19,810	3.2
EBITDA¹	135,446	27,799	387.2	50,439	168.5	209,052	57,211	265.4
<i>EBITDA Margin</i>	<i>59%</i>	<i>23%</i>	<i>36 p.p.</i>	<i>25%</i>	<i>34 p.p.</i>	<i>31%</i>	<i>12%</i>	<i>19 p.p.</i>
Equity pickup	-	-	-	-	-	-	(10,766)	(100.0)
Non-recurring events								
Restructuring	-	103	(100.0)	-	-	778	600	29.7
Expenses related to the judicial recovery	584	527	10.7	538	8.6	2,239	1,967	13.8
Provisions for contingencies	-	(26,387)	(100.0)	-	-	-	(26,387)	(100.0)
Impairment of assets	(44,688)	(14,144)	215.9	-	-	(68,438)	(7,295)	838.1
Interruption of production units	3,849	3,811	1.0	4,490	(14.3)	21,396	23,810	(10.1)
Reversal of provision for mine reassembly	-	-	-	-	-	-	(7,477)	(100.0)
Recovery of tax credits	(31,844)	(2,706)	1,076.8	(15,552)	104.8	(52,496)	(2,706)	1,840.1
Receivables of judgment debt compulsory of	-	(6,190)	(100.0)	-	-	-	(6,190)	(100.0)
Capital gain - Sale of fixed assets	(2,192)	-	-	-	-	(3,161)	(37,184)	(91.5)
Provision for post-employment benefit	-	8,998	(100.0)	-	-	-	8,998	(100.0)
Representatives, exceptional provision and terminations	1,874	-	-	6,660	(71.9)	8,533	-	-
Provision intermediation commission on the sale of the CSC	4,320	-	-	-	-	4,320	-	-
Recurring and Adjusted EBITDA²	67,350	(8,189)	-	46,574	44.6	122,224	(5,419)	-
<i>Adjusted EBITDA Margin</i>	<i>29%</i>	<i>-7%</i>	<i>36 p.p.</i>	<i>23%</i>	<i>6 p.p.</i>	<i>18%</i>	<i>-1%</i>	<i>19 p.p.</i>

¹ Consolidated EBITDA includes the results of the joint venture Companhia Sulamericana de Cerâmica (CSC) until 2Q19, in accordance with the equity method of accounting and non-recurring events, in compliance with Instruction 527 of October 4, 2012, issued by the Securities and Exchange Commission of Brazil (CVM).

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 and non-recurring events.

| Net Income (Loss)

In 4Q20, the Company posted Adjusted Net Income of R\$63.6 million, excluding non-recurring events and net of income tax and social contribution (IR/CSLL), up R\$80.6 million from 4Q19, reflecting the good performance of the fiber-cement sector and the resumption of exports at SAMA. In the year, Adjusted Net Income amounted to R\$85.8 million, compared to net loss of R\$46.9 million in 2019.

Net income totaled R\$121.1 million in 4Q20 and R\$158.7 million in 2020, reflecting the non-recurring events shown below.

Consolidated Net Income (loss) (R\$'000)	4Q20	4Q19	% Chg.	3Q20	% Chg.	2020	2019	% Chg.
Net Income (loss)	121,077	6,712	1,703.9	39,955	203.0	158,733	(12,626)	-
<i>Net Margin</i>	<i>53%</i>	<i>6%</i>	<i>47 p.p.</i>	<i>20%</i>	<i>33 p.p.</i>	<i>23%</i>	<i>-3%</i>	<i>26 p.p.</i>
Non-recurring events								
Restructuring	-	103	(100.0)	-	-	778	600	29.7
Expenses related to the judicial recovery	584	527	10.7	538	8.6	2,239	1,967	13.8
Provisions for contingencies	-	(26,387)	(100.0)	-	-	-	(26,387)	(100.0)
Impairment of assets	(44,688)	(14,144)	215.9	-	-	(68,438)	(7,295)	838.1
Interruption of production units	3,849	3,811	1.0	4,490	(14.3)	21,396	23,810	-
Reversal of provision for mine reassembly	-	-	-	-	-	-	(7,477)	(100.0)
Recovery of tax credits	(50,913)	(2,706)	1,781.6	(20,135)	152.9	(76,211)	(2,706)	(100.0)
Receivables of judgment debt compulsory of Eletrob	-	(6,190)	(100.0)	-	-	-	(6,190)	(100.0)
Capital gain - Sale of fixed assets	(2,192)	-	-	-	-	(3,161)	(37,184)	(91.5)
Provision for post-employment benefit	-	8,998	(100.0)	-	-	-	8,998	(100.0)
Representatives, exceptional provision and	1,874	-	-	6,660	(71.9)	8,533	-	-
Provision intermediation commission on the sale of the CSC	4,320	-	-	-	-	4,320	-	-
Effect of Income and social contributions taxes*	29,636	12,236	142.2	2,872	931.9	37,584	17,634	113.1
Adjusted Net income (loss) for the period	63,548	(17,040)	-	34,380	84.8	85,775	(46,856)	-
<i>Adjusted Net margin</i>	<i>28%</i>	<i>-14%</i>	<i>42 p.p.</i>	<i>17%</i>	<i>11 p.p.</i>	<i>13%</i>	<i>-10%</i>	<i>23 p.p.</i>

* Impact on Income Tax/Social Contribution (34%) on non-recurring events

| Net cash and Bank debt

Eternit ended 4Q20 with gross bank debt of R\$66.4 million, 100% in local currency, which includes installments of the bankruptcy-related debt Classes II and III owed to banks. Note that the Company paid during the quarter, short-term bank debt related to trade finance operations (bill discounting, ACE, etc.).

Cash balance at the end of 4Q20 stood at R\$81.2 million, reflecting the operating cash flow and the capital increase made in June to fund investments in strategic projects (photovoltaic roofing tiles and modernization of fibro-cement), whose balance at the end of the quarter totaled R\$40.7 million.

As a result, the Company ended 4Q20 with net cash of R\$14.8 million, reversing the net debt of R\$104.2 million at the end of 2019.

Net (Cash) Debt - R\$ '000	12/31/2020	12/31/2019	% Chg.	9/30/2020	% Chg.
Short-term gross debt	-	49,812	-100.0%	1,066	-100.0%
Long-term gross debt	66,388	63,762	4.1%	65,712	1.0%
Total gross debt	66,388	113,574	-41.5%	66,778	-0.6%
(-) Cash and cash equivalents	81,175	9,358	767.4%	58,877	37.9%
(-) Cash and short-term investments	81,175	9,358	767.4%	58,877	37.9%
Net (Cash) debt	(14,787)	104,216	-	7,901	-

| Bankruptcy-related debt

Bankruptcy-related debt consists of labor dues (Class I), bank loans with security interest (Class II), unsecured loans (Class III), including bank loans and dues to suppliers, and dues to micro and small companies (Class IV), being booked under diverse Balance Sheet lines.

In compliance with the Court-Supervised Reorganization, payments totaling R\$52.3 million were made, of which R\$40.4 million given in property, plant and equipment, and discounts (haircut) were applied in the amount of R\$58.3 million and US\$763,000 as per the option exercised by Class III creditors.

As such, bankruptcy-related debt on December 31, 2020 totaled R\$141 million and US\$1.4 million (US\$1 : R\$5.20), equivalent to around R\$148.3 million.

Class	Balance approved in CSR Plan	Discounts obtained	Debt charges	New authorized debts (disabled)	Payments made	Assets given in payment	Final balance
Class I – Labor Creditors – R\$ '000	6,466	-	-	862	(6,647)	-	681
Class II – Creditors with Security Interest – R\$ '000	36,225	-	4,045	-	-	-	40,270
Class III – Unsecured Creditors		0	0	0	0	0	0
Option A – R\$ '000	107,672	(17,314)	2,812	(1,327)	(1,830)	(40,400)	49,613
Option A – US\$ '000	953	-	1	(487)	-	-	467
Option B – R\$ '000	87,208	(40,964)	2,970	6	(3)	-	49,217
Option B – US\$ '000	1,696	(763)	4	-	-	-	937
Class IV – Micro and Small Company Creditors – R\$ '000	4,612	0	38	0	(3,446)	0	1,204
Total - R\$ '000	242,183	(58,278)	9,865	(459)	(11,926)	(40,400)	140,985
Total - US\$ '000	2,649	(763)	5	(487)	-	-	1,404

| Capex

Capex of Eternit totaled R\$11.4 million in 2020, and went to the program for modernizing the fiber-cement production facilities, the project for manufacturing photovoltaic roofing tiles and working capital investments.

Status of Projects

In 2020, the Company increased its capital by R\$46.6 million through the issue of shares for private subscription. The proceeds will be allocated to the Photovoltaic Roofing Tiles and Fiber-Cement Modernization projects, including the Manaus plant.

Monitoring of Project Funding – 2020

R\$ '000	Total Investment	Paid
Photovoltaic Roofing Tiles	5,800	4,664
Program for modernizing the fiber-cement industrial	40,770	1,161
Total	46,570	5,825

(i) Photovoltaic Roofing Tiles – Eternit has been complying with the phases set out in the proof of technology project and, in 4Q20, implemented the first pilot projects for the manufacture of BIG-F10 concrete photovoltaic roofing tiles to verify the performance and durability of the product in real-time applications. The product is expected to be commercialized at the start of the second half of 2021.

(ii) Fiber-cement – The Company continued the program to modernize the fiber-cement units through expansion projects at the following units:

- The Goiânia unit's capacity will be ramped up to 25,000 tons/month, an increase of 25% from the current capacity, and the expansion should be concluded in early 2022;
- The Rio de Janeiro unit's capacity will be expanded to 15,000 tons/month, an increase of 15% from the existing capacity, and the expansion should be concluded in the second half of 2021.

| Court-Supervised Reorganization

The court-supervised reorganization is part of the restructuring of the Eternit Group and is designed to establish a resilient foundation for the coming years, marked by modernity, innovation and focus on the profitability of its business.

As established in the court-supervised reorganization plan, the following assets will be sold through auctions to make early payments to creditors (liquidity events):

Liquidity Events

Class	Option	Assets to be sold through auctions	Minimum value (R\$ million)	Bankruptcy-related debt* (R\$ million)
Class III	A		97.4	52.0
		(i) Property in Aparecida de Goiânia	30.6	
		(ii) Property in Goiânia	66.8	
Class III	B	(iii) Assets of CSC	54.2	54.1
Total			151.6	106.1

(*) On 12/31/2020

On November 11, UPI Louças Sanitárias (CSC) was sold for R\$102 million. The Company awaits the release of funds deposited in court, which will be used to pay Class III qualified creditors in accordance with the Court-Supervised Reorganization plan for the Company.

Note that the court-supervised reorganization establishes a waterfall mechanism between options A and B of Class III, that is, if the net result of the liquidity events of a given option exceeds the amount of its dues, this surplus will be used to pay the dues of the other option.

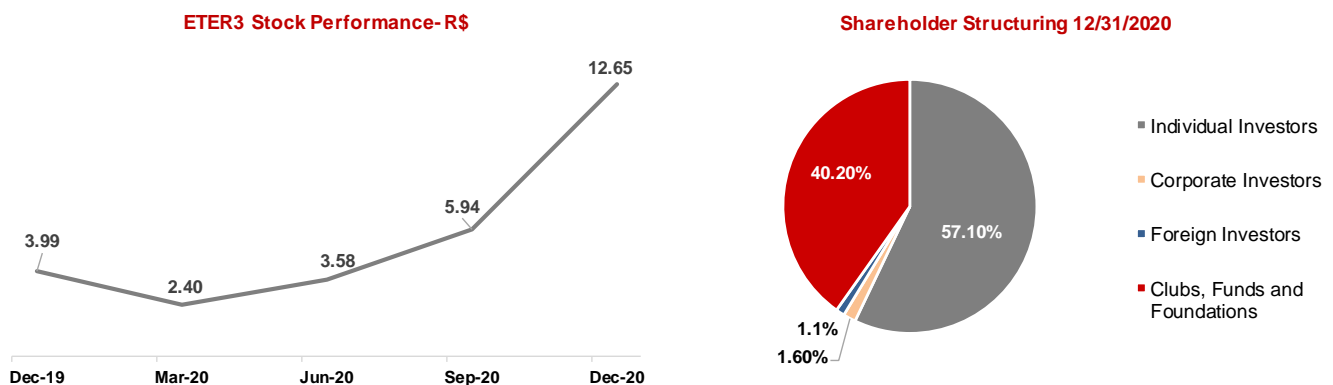
On November 24, all Class IV qualified creditors were prepaid in the amount of approximately R\$3.4 million.

CAPITAL MARKETS AND OWNERSHIP STRUCTURE

Eternit has been a listed company since 1948 and, since 2006, its stock has been traded on the Novo Mercado, the highest level of corporate governance on the São Paulo Stock Exchange (B3) under the stock ticker ETER3.

Eternit stock ended December 30, 2020 quoted at R\$12.65/share, appreciating 217% in relation to December 30, 2019.

With highly disperse stock ownership and no shareholders' agreement or controlling group, the Company's shareholder base has 24,000 shareholders, with a high share of individual investors (57%). At the end of the year, only three shareholders held more than 5% interest in the capital stock, with an aggregate interest of 43% of the total capital stock. Visit the Company's [IR website](#) for more information.



EVENTS SUBSEQUENT TO THE REPORTING PERIOD

| Approval of sale of UPI Louças Sanitárias (CSC)

According to the Notice to the Market disclosed on January 28, 2021, the sale of UPI Louças Sanitárias (CSC) at an auction for R\$102 million was approved. The Company is awaiting the release of the funds deposited in court.

ETERNIT S.A. – under Court-Supervised Reorganization
Balance Sheet

R\$ '000

ASSETS	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Current	238,859	140,016	486,081	232,558
Cash and cash equivalents	4,145	3,871	81,175	9,358
Accounts receivable	51,872	42,374	89,938	56,738
Inventories	52,136	77,049	73,470	104,921
Taxes recoverable	53,212	2,328	88,986	23,496
Related parties	68,920	3,136	-	-
Prepaid expenses	2,494	7,822	30,266	21,680
Other current assets	5,284	2,640	12,907	7,950
Noncurrent assets held for sale	796	796	109,339	8,415
Non-current	342,678	246,905	259,187	313,029
Judicial deposits	8,848	10,412	12,202	19,362
Taxes recoverable	25,086	25,128	34,694	40,834
Related parties	3,447	26,093	-	-
Other noncurrent assets	814	794	2,270	2,250
Investments	192,425	139,481	-	-
Right-of-use assets	-	-	9,149	11,210
Property, Plant and Equipment (PP&E)	110,951	44,861	199,730	238,789
Intangible assets	1,107	136	1,142	584
Total assets	581,537	386,921	745,268	545,587

LIABILITIES AND EQUITY

LIABILITIES AND EQUITY	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Current liabilities	179,659	206,841	221,245	228,576
Trade accounts payable	31,434	34,951	60,536	59,719
Loans and financing	-	37,689	-	49,812
Related parties	71,753	85,951	-	-
Personnel expenses	15,746	11,773	19,981	15,650
Provision for post-employment benefits	2,582	2,622	7,211	7,118
Taxes, charges and contributions payable	21,235	11,716	31,029	19,559
Lease obligations	-	-	4,106	2,095
Other current liabilities	36,909	22,139	98,382	74,623
Non-Current	186,978	182,902	309,012	319,789
Loans and financing	9,327	9,327	66,388	63,762
Related parties	44,178	49,089	-	-
Taxes, charges and contributions payable	15,938	17,712	42,356	48,774
Labor obligations	7,230	7,664	9,006	9,974
Provision for tax, civil and labor risks	62,495	61,385	81,613	86,620
Provision for post-employment benefits	32,378	37,725	84,686	94,486
Provision for decommissioning of mine	-	-	7,125	6,817
Investment loss provision	3,249	-	-	-
Deferred income tax and social contributions	12,117	-	12,702	241
Other non-current liabilities	66	-	66	-
Lease obligations	-	-	5,070	9,115
Equity	214,900	(2,822)	215,011	(2,778)
Capital	385,537	338,967	385,537	338,967
Capital reserve	20,601	19,437	20,601	19,437
Treasury shares	(174)	(174)	(174)	(174)
Accumulated loss	(162,409)	(319,912)	(162,409)	(319,912)
Other comprehensive income	(28,655)	(41,140)	(28,655)	(41,140)
Equity attributable to controlling interests	214,900	(2,822)	214,900	(2,822)
Noncontrolling interests	-	-	111	44
Total liabilities and equity	581,537	386,921	745,268	545,587

ETERNIT S.A. – under Court-Supervised Reorganization (PARENT COMPANY)

Income Statements								
R\$ '000	4Q20	4Q19	% Chg.	3Q20	% Chg.	2020	2019	% Chg.
Net revenue	168,527	106,189	58.7	150,931	11.7	513,874	417,072	23.2
Cost of goods sold	(108,434)	(89,869)	20.7	(107,119)	1.2	(385,450)	(362,407)	6.4
Gross profit (loss)	60,093	16,320	268.2	43,812	37.2	128,424	54,665	134.9
<i>Gross margin</i>	<i>36%</i>	<i>15%</i>	<i>21 p.p.</i>	<i>29%</i>	<i>7 p.p.</i>	<i>25%</i>	<i>13%</i>	<i>12 p.p.</i>
Operating income (expenses)¹	2,281	(16,869)	-	(18,118)	-	18,136	(77,601)	-
Selling expenses	(11,284)	(8,569)	31.7	(10,427)	8.2	(37,443)	(35,631)	5.1
General and administrative expenses ²	(10,734)	(14,282)	(24.8)	(14,995)	(28.4)	(45,675)	(44,566)	2.5
Other operating income (expenses), net	24,299	5,982	306.2	7,304	232.7	101,254	2,596	3,800.4
Operating income (expenses) before equity pickup (EBIT)	62,374	(549)	-	25,694	142.8	146,560	(22,936)	-
<i>EBIT margin</i>	<i>37%</i>	<i>-1%</i>	<i>38 p.p.</i>	<i>17%</i>	<i>20 p.p.</i>	<i>29%</i>	<i>-5%</i>	<i>34 p.p.</i>
Equity pickup	59,466	14,380	313.5	14,457	311.3	19,923	16,718	19.2
Loss on impairment of assets and provision for restructuring	-	21,715	(100.0)	-	-	-	21,320	(100.0)
Remeasurement of Investment – business combination - CSC	-	-	-	-	-	-	-	-
Operating income (expenses) before financial expenses (EBIT*)	121,840	35,546	242.8	40,151	203.5	166,483	15,102	1,002.4
Financial income (expenses), net	16,732	(1,693)	-	3,300	407.0	13,324	(2,281)	-
Income (loss) before income and social contribution taxes	138,572	33,853	309.3	43,451	218.9	179,807	12,821	1,302.4
Current (loss) income and social contributions taxes	(5,419)	-	-	(3,520)	53.9	(8,939)	-	-
Deferred (loss) income and social contributions taxes	(12,117)	(24,595)	(50.7)	-	-	(12,117)	(25,468)	(52.4)
Net income (loss) for the year	121,036	9,258	1,207.4	39,931	203.1	158,751	(12,647)	-

ETERNIT S.A. – under Court-Supervised Reorganization (CONSOLIDATED)

Income Statements								
R\$ '000	4Q20	4Q19	% Chg.	3Q20	% Chg.	2020	2019	% Chg.
Gross revenues	285,995	159,762	79.0	254,124	12.5	860,368	638,757	34.7
Gross revenues deductions	(56,542)	(39,070)	44.7	(52,985)	6.7	(176,945)	(150,086)	17.9
Net revenue	229,453	120,692	90.1	201,139	14.1	683,423	488,671	39.9
Cost of goods sold	(126,746)	(94,555)	34.0	(124,546)	1.8	(456,079)	(420,101)	8.6
Gross profit (loss)	102,707	26,137	293.0	76,593	34.1	227,344	68,570	231.6
<i>Gross margin</i>	<i>45%</i>	<i>22%</i>	<i>23 p.p.</i>	<i>38%</i>	<i>7 p.p.</i>	<i>33%</i>	<i>14%</i>	<i>19 p.p.</i>
Operating income (expenses)¹	27,666	4,651	494.8	(32,061)	-	(38,730)	(41,935)	(7.6)
Selling expenses	(22,009)	(10,696)	105.8	(15,340)	43.5	(60,499)	(50,698)	19.3
General and administrative expenses ²	(24,850)	(19,485)	27.5	(23,416)	6.1	(82,320)	(69,174)	19.0
Other operating income (expenses), net	74,525	23,924	211.5	6,695	1,013.1	104,089	67,704	53.7
Equity pickup	-	-	-	-	-	-	10,766	-10000%
Loss on impairment of assets and provision for restructuring	-	10,908	(100.0)	-	-	-	10,233	(100.0)
Operating income (expenses) before financial expenses (EBIT*)	130,373	30,788	323.5	44,532	192.8	188,614	37,401	404.3
Financial income (expenses), net	12,712	846	1,402.6	2,986	325.7	5,037	7,038	(28.4)
Income (loss) before income and social contribution taxes	143,085	31,634	352.3	47,518	201.1	193,651	44,439	335.8
Current (loss) income and social contributions taxes	(9,961)	(224)	4,346.9	(7,559)	31.8	(22,457)	(16,729)	34.2
Deferred (loss) income and social contributions taxes	(12,047)	(24,698)	(51.2)	(4)	301,075.0	(12,461)	(40,336)	(69.1)
Net income (loss) for the period	121,077	6,712	1,703.9	39,955	203.0	158,733	(12,626)	-
<i>Net margin</i>	<i>53%</i>	<i>6%</i>	<i>47 p.p.</i>	<i>20%</i>	<i>33 p.p.</i>	<i>23%</i>	<i>-3%</i>	<i>26 p.p.</i>
Adjusted Net income (loss) for the period	63,548	(17,040)	-	34,380	84.8	85,775	(46,856)	-
<i>Adjusted Net margin</i>	<i>28%</i>	<i>-14%</i>	<i>42 p.p.</i>	<i>17%</i>	<i>11 p.p.</i>	<i>13%</i>	<i>-10%</i>	<i>23 p.p.</i>
Earnings (loss) per share, basic and diluted - R\$	2.3435	0.2113		0.7733		3.0723	(0.3975)	
EBITDA	135,446	27,799	387.2	50,439	168.5	209,052	57,211	265.4
<i>EBITDA margin</i>	<i>59%</i>	<i>23%</i>	<i>36 p.p.</i>	<i>25%</i>	<i>34 p.p.</i>	<i>31%</i>	<i>12%</i>	<i>19 p.p.</i>
Adjusted EBITDA	67,350	(8,189)	-	46,574	44.6	122,224	(5,419)	-
<i>Adjusted EBITDA Margin</i>	<i>29%</i>	<i>-7%</i>	<i>36 p.p.</i>	<i>23%</i>	<i>6 p.p.</i>	<i>18%</i>	<i>-1%</i>	<i>19 p.p.</i>

(*) Adjusted EBIT due to the result of the joint venture Companhia Sulamerica de Cerâmica

¹ It does not include equity pickup, presented separately from total operating income (expenses)

ETERNIT S.A. – under Court-Supervised Reorganization
STATEMENTS OF CASH FLOW

R\$ '000 - Accumulated	Parent Company		Consolidated	
	12/31/2020	12/31/19	12/31/2020	12/31/19
Cash flows from operating activities				
Loss (income) before income and social contribution taxes	179,807	12,821	193,651	44,439
Adjustments to concile pre-tax income to net cash generated by operating activities:				
Equity pickup	(19,923)	(16,718)	-	(10,766)
Remeasurement of Investment	-	-	-	-
Depreciation and amortization	8,520	5,808	19,277	18,514
Gain (loss) on disposal of property, plant and equipment and intangible assets	(684)	-	(2,784)	3,208
Write-off of judicial deposits	-	(117)	-	(97)
Allowance for doubtful accounts	(188)	609	512	941
Provision for impairment of net realizable value	(1,199)	(2,558)	(3,078)	(2,294)
Estimated impairment losses	(71,636)	(21,586)	(71,629)	(2,959)
Provision for tax, civil and labor risks	3,399	(4,882)	3,316	(27,889)
Provision for post-employment benefits	3,980	3,651	9,983	17,131
Provision for decommissioning of mine	-	-	308	(6,111)
Provision for restructuring	-	498	-	498
Provision for granting	-	(266)	-	(339)
Financial charges, and monetary and exchange variations	2,539	10,683	3,679	13,944
Short-term investment yield	-	(5)	-	(13)
Property, plant and equipment given in payment	-	(16,282)	-	(40,400)
Business combination	-	(3,297)	-	(3,297)
Discount in debt - Court-supervised reorganization	-	(12,880)	-	(23,216)
Amortization of right of use	-	-	1,161	1,296
	104,615	(44,521)	154,396	(17,410)
Decrease (increase) in operating assets:				
Accounts receivable	(7,442)	3,531	(31,889)	76,578
Related parties	(67,397)	5,741	-	18,709
Inventories	26,112	(7,062)	34,529	3,201
Taxes recoverable	(50,844)	1,179	(59,583)	9,084
Judicial deposits	(197)	(2,637)	(592)	(3,442)
Other assets	2,667	(2,667)	(11,276)	(377)
Increase (decrease) in operating liabilities				
Trade accounts payable	(3,517)	7,859	1,106	11,456
Related parties	(20,974)	44,685	-	(16,051)
Taxes, charges and contributions payable	7,150	(6,435)	3,569	(13,976)
Personnel expenses	3,539	(746)	3,363	(10,906)
Post-employment benefits	(2,622)	(2,640)	(7,204)	(5,949)
Restructuring expenses	-	(805)	-	(843)
Mine closure expenses	-	-	-	(8,112)
Contingency payment	(528)	-	(572)	-
Other liabilities	14,836	(6,619)	23,825	(24,555)
Cash provided by operating activities	5,398	(11,137)	109,672	17,407
Interest paid	(327)	(2,203)	(502)	(7,418)
Income and social contribution taxes paid	(8,294)	-	(20,739)	(2,853)
Net cash provided by operating activities	(3,223)	(13,340)	88,431	7,136
Cash flow from investing activities				
Cash business combinations CSC	-	-	-	1,537
Additions to PP&E and intangible assets	(5,130)	(5,192)	(11,444)	(9,038)
Net cash used in investing activities	(5,130)	(5,192)	(11,444)	(7,501)
Cash flows from financing activities				
Loans and financing raised	29,452	161,067	48,556	688,311
Repayment of loans and financing	(67,395)	(149,795)	(99,162)	(690,017)
Dividends	-	(23)	-	(23)
Increase in capital stock	46,570	4,716	46,570	4,716
Lease operations	-	-	(1,134)	(2,445)
Net cash used in financing activities	8,627	15,965	(5,170)	542
Increase (Decrease) in cash and cash equivalents	274	(2,567)	71,817	177
At beginning of period	3,871	6,438	9,358	9,181
At end of period	4,145	3,871	81,175	9,358
Decrease (Increase) in cash and cash equivalents	274	(2,567)	71,817	177