

Eternit

a marca da coruja



Earnings Release
3Q21

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São Paulo, November 9, 2021 - Eternit S.A. - under Court-Supervised Reorganization (B3: ETER3, "Eternit" or "Company") announces today the results for the **third quarter of 2021 (3Q21)**. 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 September 30, 2021. All comparisons in this earnings release are with the 3rd quarter of 2020, except where stated otherwise.

Highlights

3Q21

Eternit maintains healthy operational performance and posts net income of R\$98 million in 3Q21 and R\$216 million in the year.

MARKET CAP (9/30/2021)
R\$935.9 million

SHARE PRICE (9/30/2021)
R\$15.15

SHAREHOLDER BASE (9/30/2021)
61,776,575

FREE FLOAT
99%

INVESTOR RELATIONS
ri@eternit.com.br

Vítor Mallmann - Investor Relations Officer

Anderson Rebeque - Investor Relations Manager

Videoconference:
November 10, 2021, at 3 p.m.

Webcast:

<https://choruscall.com.br/eternit/3t21.htm>

3Q21/3Q20 PERFORMANCE



Net Revenue of R\$276 million, up 37%.



Gross Profit of R\$119 million, growth of 55%.



Gross Margin at 43%, increase of 5 p.p.



Adjusted EBITDA of R\$85 million, up 82%.



Net Income of R\$98 million, growth of 145%.



Positive Net Cash Balance of R\$221 million, reversing the negative balance of R\$8 million.

Message from Management

Despite the strong pressure from the prices of raw materials and other production inputs, the Company delivered resilient performance to post net income of R\$98 million in 3Q21 and R\$216 million in the year.

Gross margin stood at 43% in 3Q21 and 45% in the year, remaining practically at the same level as in the three previous quarters. Adjusted EBITDA totaled R\$85 million in 3Q21 and R\$261 million in the year - the best result for the period in the last 10 years.

Excluding non-recurring events, adjusted net income totaled R\$77 million in 3Q21, up 25% from 2Q21 and 32% from 1Q21. In the year, adjusted net income reached R\$198 million, which is a significant 789% increase compared to the same period in 2020.

With regard to the modernization of the fiber-cement industrial facilities, the Company continued with the expansion of the Goiânia and Rio de Janeiro units, among other projects, which will jointly represent an additional monthly production capacity of 7 thousand tons, or 10% of current capacity. Due to the current scenario of restrictions on the supply of capital goods, the Company revised its forecast for completing expansion work at the Rio de Janeiro unit to 1Q22 and at the Goiânia plant to 2Q22.

Regarding the acquisition of Confibra, which is part of the company's sector growth and consolidation strategy, due diligence has been concluded and negotiations on the terms of the SPA are in the final phase. The acquisition will increase the production capacity of the Company's fiber-cement roofing panels unit by approximately 20%.

As part of the photovoltaic tiles project, continuing the technology development process, samples of BIG-F10 concrete roofing tiles were sent to the PI Berlin laboratory in Germany to conduct product life tests. In 3Q21, initial sales of BIG-F10 concrete photovoltaic tiles were made in a restricted manner for select projects, as one more phase in the business development program.

Pursuant to the Court-Supervised Reorganization Plan, the Company paid R\$8.3 million to Class III bankruptcy creditors this quarter, settling all the debts owed to Option A creditors eligible for receipt on that date. As such, to conclude the Court-Supervised Reorganization, the Company awaits the judgment of its Special Appeal filed 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.

Finally, after an in-depth restructuring process in 2020, the Company once again won business performance awards. At the 2021 edition of the ANAMACO Awards, which completed 30 years, Eternit was ranked 1st in the Spraying segment and 2nd in the Large Customers segment, underscoring its market leadership.

Key indicators

Consolidated - R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Gross Sales Revenue	344.131	254.124	35,4	350.645	(1,9)	1.033.391	574.373	79,9
Net revenue	275.978	201.139	37,2	287.317	(3,9)	833.580	453.970	83,6
Gross profit	118.709	76.593	55,0	132.831	(10,6)	371.834	124.637	198,3
<i>Gross margin</i>	<i>43%</i>	<i>38%</i>	<i>5 p.p.</i>	<i>46%</i>	<i>- 3 p.p.</i>	<i>45%</i>	<i>27%</i>	<i>18 p.p.</i>
Net income (loss) for the period	98.014	39.955	145,3	59.655	64,3	216.103	37.656	473,9
<i>Net margin</i>	<i>36%</i>	<i>20%</i>	<i>16 p.p.</i>	<i>21%</i>	<i>15 p.p.</i>	<i>26%</i>	<i>8%</i>	<i>18 p.p.</i>
Adjusted Net Income/Loss	76.698	37.404	105,1	61.237	25,2	198.030	22.269	789,2
<i>Adjusted Net Margin</i>	<i>28%</i>	<i>19%</i>	<i>9 p.p.</i>	<i>21%</i>	<i>7 p.p.</i>	<i>24%</i>	<i>5%</i>	<i>19 p.p.</i>
EBITDA CVM 527/12	116.939	50.439	131,8	88.798	31,7	288.164	72.769	296,0
<i>EBITDA Margin CVM 527/12</i>	<i>42%</i>	<i>25%</i>	<i>17 p.p.</i>	<i>31%</i>	<i>11 p.p.</i>	<i>35%</i>	<i>16%</i>	<i>19 p.p.</i>
Adjusted EBITDA	84.642	46.574	81,7	91.194	(7,2)	260.781	49.455	427,3
<i>Adjusted EBITDA Margin</i>	<i>31%</i>	<i>23%</i>	<i>8 p.p.</i>	<i>32%</i>	<i>- 1 p.p.</i>	<i>31%</i>	<i>11%</i>	<i>20 p.p.</i>

Economy and Market

Economic activity in July and August, as measured by the seasonally adjusted IBC-Br index, remained at the same level as in March 2021. However, market expectations, as outlined in the Focus Report^[1] published by the Brazilian Central Bank, have been signaling a deterioration in macroeconomic parameters, marked by a decline in the GDP growth forecast (2021: +4.94%; 2022: +1.20%), rising inflation (IPCA 2021: 9.17%) and increase in the interest rate (SELIC 2021: 9.25% p.a.).

According to the Brazilian Construction Materials Industry Association (ABRAMAT), deflated total sales in the sector signaled a decline in the quarter. In August 2021, the sector registered growth of 1.5% in relation to August 2020, the lowest performance of the year in the year-on-year comparison. In September 2021, the sector registered a 0.7% drop in relation to August 2021, representing the third consecutive monthly decline and down 3.7% from September 2020^[2].

In September 2021, consolidated revenues of the sector in the year grew 15.2% in relation to the same period in 2020. Note that, in September, ABRAMAT maintained the 8% growth forecast for the sector in 2021^[2].



*ABRAMAT's estimate

^[1] FOCUS REPORT – 10/29/21

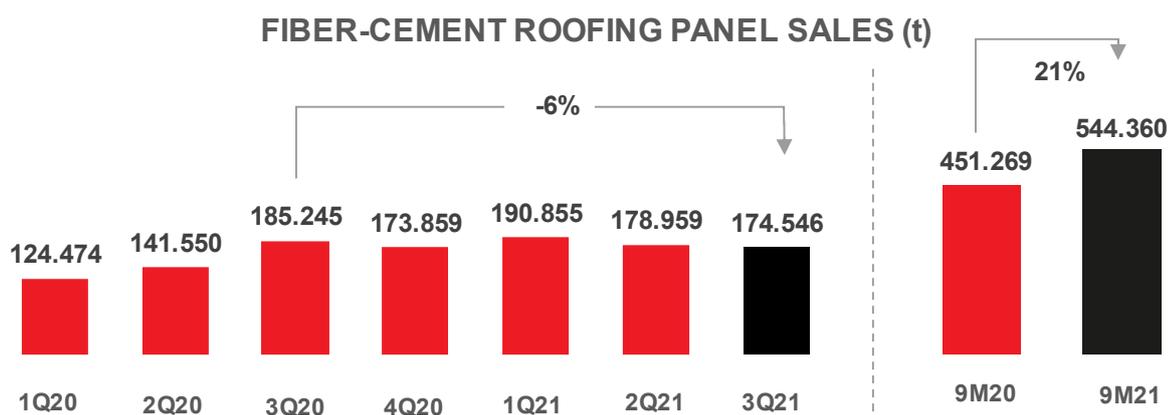
^[2] ABRAMAT: Index September 2021

Operating Performance

| Eternit - Fiber-cement segment

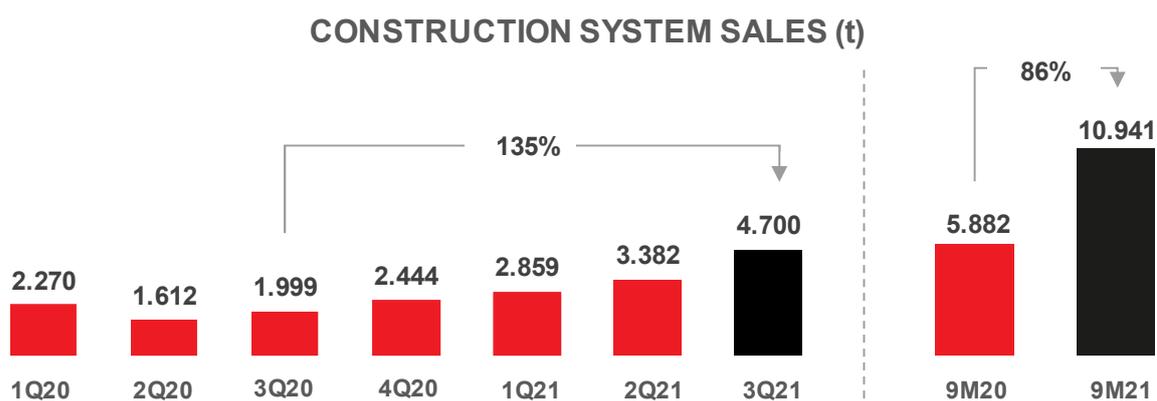
In 3Q21, sales of roofing panels totaled around 175,000 tons, down 6% from the same period last year, in line with the scenario registered for sales in the construction materials industry.

In 9M21, sales volume came to 544,000 tons, up 21% from 9M20.

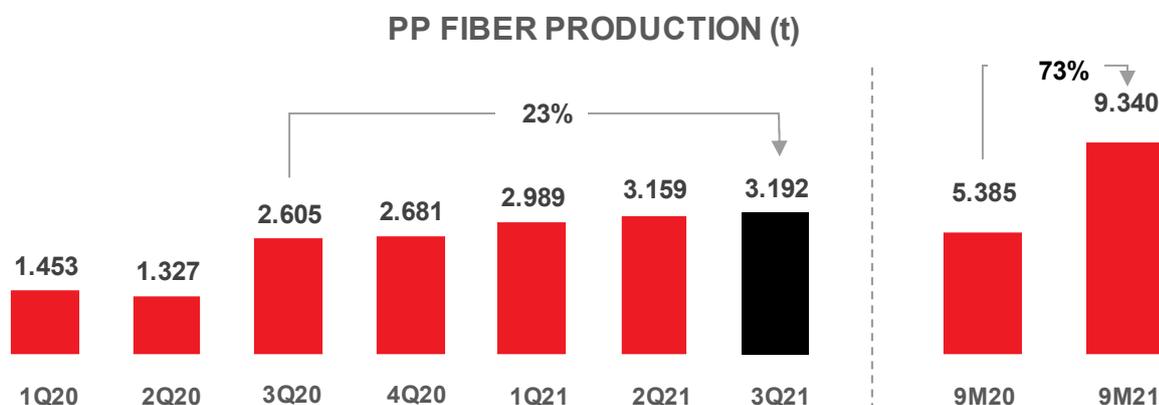


Strengthening the strategy of diversifying fiber-cement products, the construction systems segment, which includes wall and cement cladding panels, registered the fifth consecutive growth in sales in 3Q21. As such, sales volume in 3Q21 increased 135% and 39% compared to 3Q20 and 2Q21, respectively.

In 9M21, sales totaled 11 thousand tons, up 86% from 9M20.



The Manaus unit has been operating at full capacity in manufacturing polypropylene fiber (PP), a raw material used to produce roofing panels and construction systems. In 3Q21, production amounted to around 3,200 kton, setting a new record and increasing 23% from 3Q20. In 9M21, the unit recorded 9,340 tons, up 73% from 9M20, maintaining the average monthly production rate at above 1,000 tons.



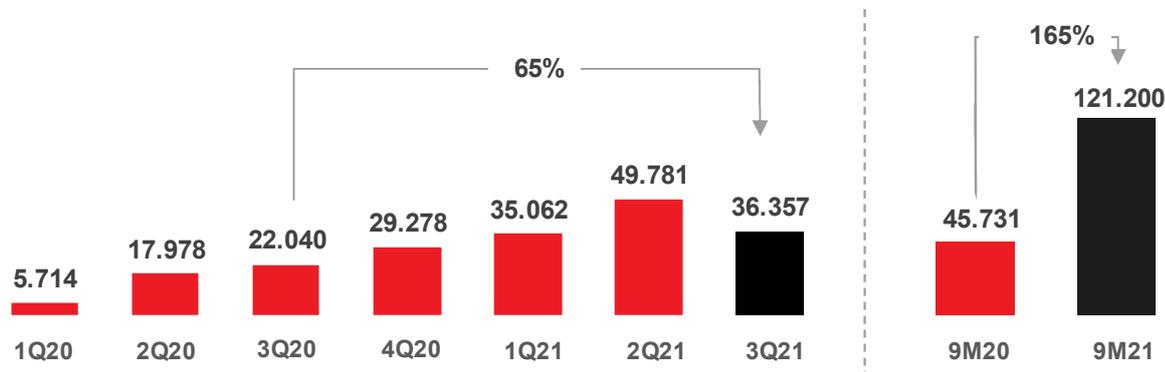
Despite the sharp hike in raw material costs, the Company remained focused on sustaining the gross margin of the fiber-cement segment, considering the integrated production of polypropylene fiber. Gross margin stood at 39% in 3Q21, virtually stable from 2Q21, but reached 40% in 9M21, increasing 18 p.p. from 9M20.

Fiber-cement - R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Net revenue	214,127	152,795	40.1	206,447	3.7	623,832	348,521	79.0
Gross profit	83,919	48,243	74.0	84,046	(0.2)	247,702	77,735	218.6
Gross margin	39%	32%	7 p.p.	41%	- 2 p.p.	40%	22%	18 p.p.

| Sama - Chrysotile Mineral Segment

In 3Q21, chrysotile fiber exports totaled around 36 thousand tons, growing 65% when compared to 3Q20. Compared to 2Q21, exports fell 27%, due to the 16-day suspension of operations resulting from the injunction filed by the Federal Prosecution Office (MPF), which was set aside on September 3, 2021 by the Superior Court of Justice ("STJ"). In 9M21, exports came to approximately 121,000 tons, up 165% from 9M20.

All chrysotile fiber output was allocated to exports, which is based on the Goiás State Law 20,514, of July 16, 2019.

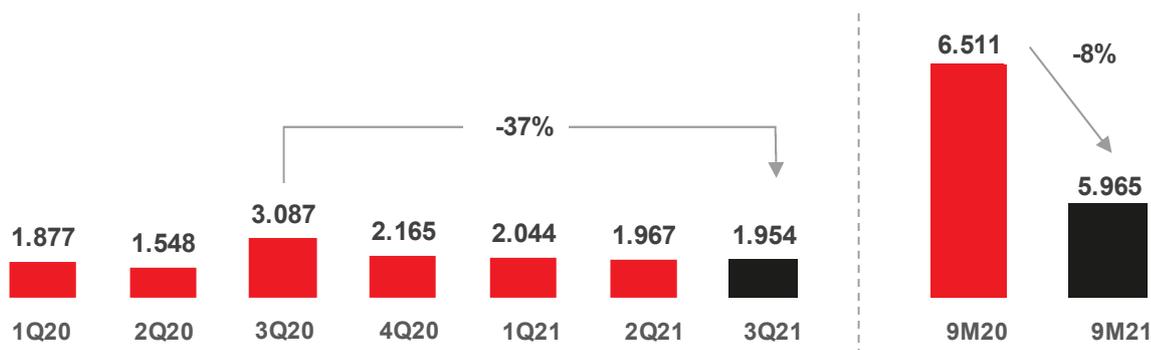
CHRYSOTILE MINERAL SALES (t)


Gross margin from exports reached 59% in 3Q21, down 3 p.p. from 2Q21, and reached 62% in 9M21, decreasing 8 p.p. from 9M20.

Chrysotile mineral - R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Net revenue	57,656	40,245	43,3	76,780	(24,9)	197,422	80,956	143,9
Gross profit	33,821	29,935	13,0	47,940	(29,5)	122,234	56,832	115,1
Gross margin	59%	74%	- 15 p.p.	62%	- 3 p.p.	62%	70%	- 8 p.p.

| Tégula - Concrete Roofing Tiles Segment

Concrete roofing tiles sales totaled approximately 2 million units in 3Q21, virtually stable in relation to 2Q21, but down 37% from 3Q20. In 9M21, sales volume reached approximately 6 million tiles, decreasing 8% from 9M20.

CONCRET ROOFING TILE SALES (tiles)


Gross margin stood at 23% in 3Q21, despite the slowdown in concrete roofing tiles sales, corresponding to an increase of 2 p.p. from 2Q21 and 14 p.p. from 3Q20.

The segment reported gross margin of 19% in 9M21, up 13 p.p. from 9M20.

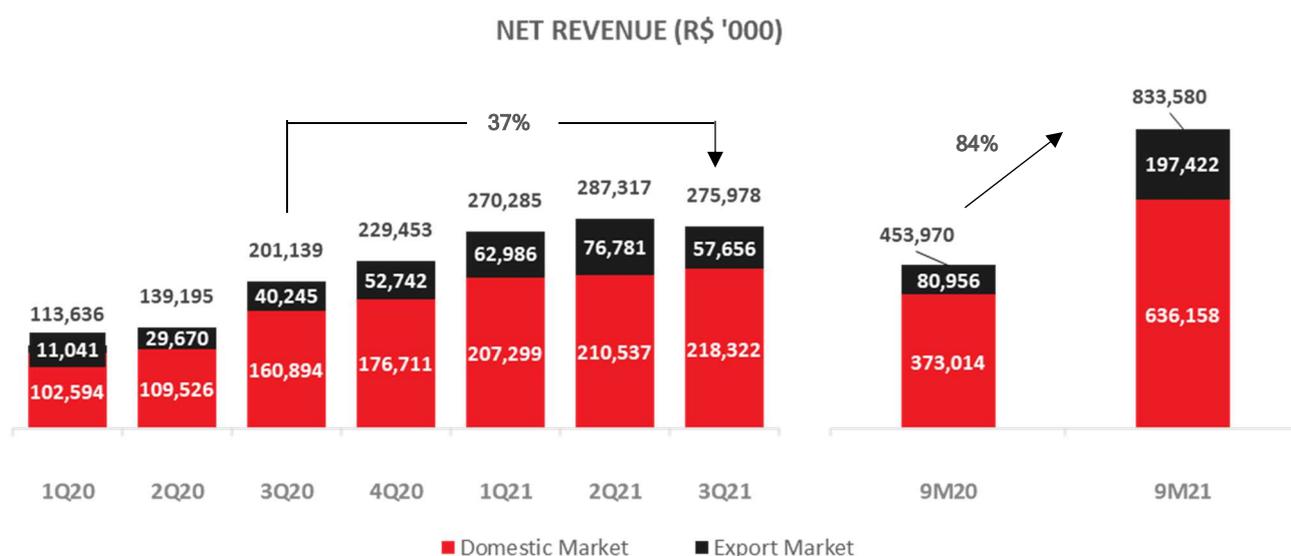
Concrete Roofing Tiles - R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Net revenue	4,195	5,124	(18.1)	4,088	2.6	12,179	11,090	9.8
Gross profit	982	456	405.9	853	15.1	2,307	636	262.7
Gross margin	23%	9%	14 p.p.	21%	2 p.p.	19%	6%	13 p.p.

Consolidated Financial Performance

| Net Revenue

Net revenue from the domestic market was R\$218 million in 3Q21, up 4% from 2Q21, due to the price standards implemented by the Company, which offset the slight reduction in fiber-cement sales volume. The quarterly performance was 36% higher than in 3Q20, while net revenue in the year amounted to R\$636 million, up 71%.

Considering exports, net revenue in 3Q21 was R\$276 million, increasing 37% from 3Q20 and down 4% from 2Q21. Net revenue in 9M21 amounted to R\$843 million, up 84% from 9M20.



| Costs of Goods and Products Sold

Costs of goods and products sold (COGS) totaled R\$157 million in 3Q21, up 26% and 2% from 3Q20 and 2Q21, respectively.

COGS in 9M21 amounted to R\$462 million, increasing 40% from the same period last year. The main drivers were: (i) strong growth in fiber-cement sales volume; and (ii) sharp rise in input prices in 2021, with cement (+20%), cellulose (+35%) and polypropylene resin (+36%) standing out.

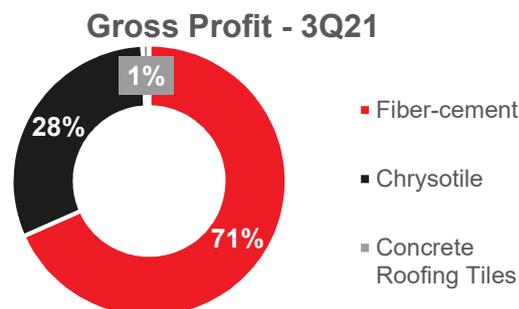
Consolidated - R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Net revenue	275,978	201,139	37.2	287,317	(3.9)	833,580	453,970	83.6
Costs of Goods and Products Sold	(157,269)	(124,546)	26.3	(154,486)	1.8	(461,746)	(329,333)	40.2
Gross profit	118,709	76,593	55.0	132,831	(10.6)	371,834	124,637	198.3
Gross margin	43%	38%	5 p.p.	46%	- 3 p.p.	45%	27%	18 p.p.

| Gross Profit

Gross Profit totaled R\$119 million, down 11% from 2Q21, due to the slight fall in fiber-cement sales volume, the temporary shutdown of chrysotile fiber exports and the hike in raw material prices.

The fiber-cement segment accounted for 71% of Gross Profit in 3Q21.

In 9M21, Gross Profit totaled R\$372 million, representing growth of 198% from 9M20, with the fiber-cement segment accounting for 67% of the result.



Despite the hike in raw material prices, Gross Margin stood at 43% in 3Q21, virtually stable compared to the last three quarters and 5 p.p. higher than in 3Q20, while it reached 45% in 9M21, increasing 18 p.p. from 9M20.

| Selling expenses

In absolute terms, selling expenses grew 42% in 3Q21 compared to 3Q20, due to the increase in sales volume and the hike in variable expenses for chrysotile exports. Similarly, selling expenses amounted to R\$65.6 million in 9M21, an increase of R\$27.1 million compared to the year-ago period (+70%).

However, when selling expenses are analyzed as a ratio of net revenue, the numbers show that commercial expenses remain at 8%, the same level as in 2020 and 2021.

Consolidated - R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Net Revenue	275,978	201,139	37.2	287,317	(3.9)	833,580	453,970	83.6
Selling expenses	21,770	15,340	41.9	25,189	(13.6)	65,576	38,490	70.4
% of Net Revenue	8%	8%	-	9%	- 1 p.p.	8%	8%	-

| General and administrative expenses

General and administrative expenses amounted to R\$24.1 million in 3Q21, virtually stable when compared to 3Q20, but R\$2.9 million higher than in 2Q21, due to the increase in the provision for variable compensation payable to employees and management and expenses with attorney fees. General and administrative expenses totaled R\$66.4 million in 9M21, up 16% from 9M20, due to the aforementioned events.

| Other operating income (expenses)

Other operating income amounted to R\$40.0 million in 3Q21, mainly due to the following 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. In addition, income of R\$5 million from the reversal of provisions and contingencies and R\$2.5 million related to the recognition of credits with tax incentives at the Manaus unit were also booked.

Year-to-date income totaled R\$35.9 million, mainly due to the events already discussed.

Consolidated - R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Selling expenses	(21,770)	(15,340)	41.9	(25,189)	(13.6)	(65,576)	(38,490)	70.4
General and administrative expenses⁽¹⁾	(24,119)	(23,416)	3.0	(21,202)	13.8	(66,406)	(57,470)	15.5
Other operating income (expenses)	40,044	6,695	498.1	(1,759)	-	35,941	29,564	21.6
Total operating expenses	(5,845)	(32,061)	(81.8)	(48,150)	(87.9)	(96,041)	(66,396)	44.6

(1) Includes management compensation

EBITDA

Adjusted EBITDA totaled R\$85 million in 3Q21 despite the pressure of raw material costs and the temporary shutdown of chrysotile exports, excluding nonrecurring events, up R\$38.1 million (+81.7%) from 3Q20. EBITDA in 9M21 amounted to R\$261 million, the best result for the period in 10 years.

The main drivers for the excellent adjusted EBITDA were: (i) increase in the sales volume due to the strong demand in the construction materials sector; (ii) rise in prices due to the commercial strategy of fragmented sales and expansion of geographical footprint; and (iii) productivity gains and greater operating efficiency at industrial units.

Consolidated - R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Net income (loss) for the period	98.014	39.955	145,3	59.655	64,3	216.103	37.656	473,9
Income and social contribution taxes	19.709	7.563	160,6	15.935	23,7	57.992	12.910	349,2
Net financial income (loss)	(4.859)	(2.986)	62,7	9.091	-	1.698	7.675	(77,9)
Depreciation and amortization	4.075	5.907	(31,0)	4.117	(1,0)	12.371	14.528	(14,8)
EBITDA CVM 527/12¹	116.939	50.439	131,8	88.798	31,7	288.164	72.769	296,0
Nonrecurring Events	(32.297)	(3.865)	-	2.397	-	(27.383)	(23.315)	-
Restructuring	-	-	-	-	-	-	778	-
Expenses related to court-supervised reorganization	549	538	-	609	-	1.933	1.655	-
Estimated loss from asset impairment	-	-	-	-	-	(5.645)	(23.750)	-
Expenses related to discontinued units	296	4.490	-	(19)	-	4.384	17.547	-
Revenue from extemporaneous credits	(12.425)	(15.552)	-	-	-	(12.425)	(25.235)	-
Sale of fixed assets	(23.290)	-	-	(501)	-	(24.402)	(969)	-
Brokerage comission on the divestment of ccc	-	-	-	410	-	410	-	-
Exceptional provision for terminations of representatives	-	6.660	-	737	-	2.662	6.660	-
Receivables from sale of court-order debt	-	-	-	-	-	(1.142)	-	-
Loss due to unexpected realization of recoverable taxes at CSC	-	-	-	-	-	3.109	-	-
Other Nonrecurring Events	2.573	-	-	1.160	-	3.733	-	-
Adjusted EBITDA²	84.642	46.574	81,7	91.194	(7,2)	260.781	49.455	427,3

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

(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 as non-recurring events.

Financial Result

Eternit's financial result was an income of R\$5 million in 3Q21, mostly resulting from the R\$4.8 million impact of foreign exchange variation due to the appreciation of the Brazilian real against the US dollar, on receivables in foreign currency of the subsidiary Sama.

Cash balance at the end of 3Q21 stood at R\$259 million, resulting from funds raised for investments and operational cash flow, which resulted in financial income of R\$2.8 million in the period. On the other hand, since there is no short-term financial debt for working capital needs, financial expenses were limited to the bankruptcy-related debt, in the amount of R\$772,000.

In 9M21, financial expense declined 78% from 9M20, mainly due to yields from financial investments and lower interest rates on short-term fundraising operations.

Consolidated - R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Financial income	2.798	208	1245,2%	1.451	92,8%	4.687	214	2090,2%
Financial Investments	2.798	208	1245,2%	1.451	92,8%	4.687	214	2090,2%
Financial Expenses	(772)	(391)	97,4%	(444)	73,9%	(3.571)	(5.194)	-31,2%
Interest on Bankruptcy-	(772)	(185)	317,3%	(444)	73,9%	(3.571)	(3.190)	11,9%
Financing Interest	-	(206)	-100,0%	-	N/A		(2.004)	-100,0%
Other	(2.008)	2.952	-168,0%	(1.278)	57,1%	(2.762)	(4.513)	-38,8%
Net of exchange variations	4.841	217	2130,9%	(8.820)	-154,9%	(52)	1.818	-102,9%
Net financial income (loss)	4.859	2.986	62,7%	(9.091)	-153,4%	(1.698)	(7.675)	-77,9%

| Net Income (Loss)

Net income came to R\$98 million in 3Q21 and R\$216 million in 9M21.

Excluding non-recurring effects, Adjusted Net Income totaled R\$77 million in 3Q21, up 25% from 2Q21 (+R\$15.4 million) and 105% from 3Q20 (+R\$39.2 million).

In 9M21, net income amounted to R\$198 million, up 789% compared to 9M20 (+R\$176 million).

Consolidated - R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Net income (loss) for the period	98.014	39.955	145,3	59.655	64,3	216.103	37.656	473,9
<i>Net margin</i>	36%	20%	16 p.p.	21%	15 p.p.	26%	8%	18 p.p.
Nonrecurring Events	(32,297)	(3,865)	-	2,397	-	(27,383)	(23,315)	-
Restructuring	-	-	-	-	-	-	778	-
Expenses related to court-supervised reorganization	549	538	-	609	-	1,933	1,655	-
Estimated loss from asset impairment	-	-	-	-	-	(5,645)	(23,750)	-
Expenses related to discontinuity of units	296	4,490	-	(19)	-	4,384	17,547	-
Revenue from extemporaneous credits	(12,425)	(15,552)	-	-	-	(12,425)	(25,235)	-
Sale of fixed assets	(23,290)	-	-	(501)	-	(24,402)	(969)	-
Brokerage commission on the divestment of CSC	-	-	-	410	-	410	-	-
Exceptional provision for terminations of representatives	-	6,660	-	737	-	2,662	6,660	-
Receivables from sale of court-order debt	-	-	-	-	-	(1,142)	-	-
Loss due to unexpected realization of recoverable taxes at CSC	-	-	-	-	-	3,109	-	-
Other Nonrecurring Events	2,573	-	-	1,160	-	3,733	-	-
Inflation adjustment on receivables from the sale of court-order debt	-	-	-	-	-	-	-	-
<i>Effect of Income Tax/Social Contribution*</i>	10,981	1,314	-	(815)	-	9,310	7,927	-
Adjusted Net Income/Loss	76,698	37,404	105,1	61,237	25,2	198,030	22,269	789,2

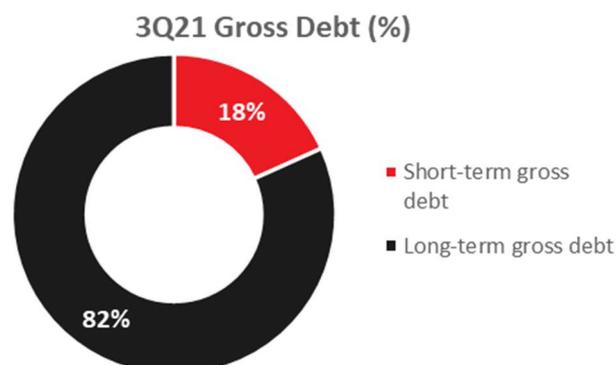
(*) Income tax and social contribution (IR/CSLL) impact (34%) over nonrecurring events

| Net cash and Debt

The Company ended 3Q21 with a positive net cash of R\$221 million, compared to negative net cash of R\$ 8 million in the same period in 2020.

Cash balance was R\$259 million on September 30, 2021, due to: (i) cash generation (R\$127 million); (ii) funds from the capital call allocated to the acquisition of Confibra (R\$110 million); and (iii) the balance remaining from the capital increase in June 2020 to fund strategic investments (R\$22 million).

In the period ended September 2021, the Company's gross debt totaled R\$38.4 million, consisting solely of debt owed to Banco da Amazônia, which was taken to fund the investments in Eternit's Amazônia unit (PP fiber). Compared to 3Q20, gross debt declined 42%.



Net (Cash) Debt - R\$ thousand	9/30/2021	9/30/2020	Chg. %	12/31/2020	Chg. %
Short-term gross debt	6,997	1,066	556.4%	-	0%
Long-term gross debt	31,375	65,712	-52.3%	66,388	-53%
Total gross debt	38,372	66,778	-42.5%	66,388	-42%
(-) Cash and cash equivalent	259,344	58,877	340.5%	81,175	219%
Net (Cash) Debt	(220,972)	7,901	-	(14,787)	1394%

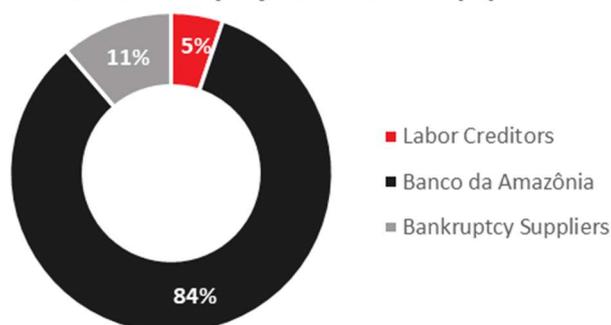
| Bankruptcy-related debt

In 3Q21, the Company paid R\$8.3 million to Class III bankruptcy creditors, settling the entire amount of Option A dues that the creditors were entitled to receive on that date.

On September 30, 2021, bankruptcy-related debt totaled R\$45.9 million, (R\$5.43: 1 USD), as follows:

- (i) Banco da Amazônia: R\$38.4 million, with monthly payments (117 installments) and interest fixed at 7% p.a.;
- (ii) Labor creditors: R\$2.4 million, related to new authorized claims;
- (iii) Class III and IV creditors: R\$5.1 million, related to suppliers that did not file any claim for payment.

3Q21 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	-	(6,647)	2,383
Class II - Creditors with Secured Claims - R\$ thousand	36,225	-	-	-	6,846	(4,700)	38,371
Class III - Unsecured Creditors							
Option A - R\$ thousand	107,672	(17,314)	(40,400)	(1,873)	3,362	(48,027)	3,420
Option A - US\$ thousand	953	-	-	(520)	1	(309)	125
Option A - R\$ thousand	84,097	(37,839)	-	-	3,242	(49,500)	0
Option A - US\$ thousand	1,696	(763)	-	-	5	(938)	0
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	691	13,521	-112,497	45,234
Total - US\$ thousand	2,649	-763	0	-520	6	-1,247	125

| Court-Supervised Reorganization

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

Having settled the debt owed to Class III creditors in order to conclude the Court-Supervised Reorganization, the Company awaits the outcome of its Special Appeal filed with the Superior Court of Justice (STJ) against an unfavorable decision by the State of São Paulo Court of Appeals (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

Capex totaled R\$12 million in 3Q21 and R\$33.9 million in the year, of which 55% were allocated to strategic projects (photovoltaic roofing panels project and the program for modernizing the fiber-cement industrial facilities) and 45% 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\$4.2 million was disbursed in 3Q21, with investments in projects totaling R\$24.6 million so far, and a balance of R\$21.9 million still available to be disbursed.

- (i) Photovoltaic Roofing Panels - Continuing the technology development process, samples of BIG-F10 concrete roofing tiles were sent to the PI Berlin laboratory in Germany to undergo product lifespan tests. In 3Q21, BIG-F10 concrete photovoltaic tiles were initially sold, in a restricted manner, to select projects as one more step in the business development program. At the end of October 2021, 4 generators (20 kWp) had been invoiced and 8 new all-residential projects had been contracted (34 kWp), totaling 54 kWp of installed power.
- (ii) Fiber-Cement Modernization - Eternit has been implementing its modernization plan at the fiber-cement industrial facilities, with an increase in installed capacity of the Rio de Janeiro and Goiânia units standing out, representing additional 7 thousand tons per month, about 10% of current capacity. Due to the current scenario of restrictions on the supply of capital goods, the Company revised its forecast for completing expansion work at the Rio de Janeiro unit to 1Q22 and at the Goiânia plant to 2Q22.

R\$ thousand	Total investments	Paid	%Real
Photovoltaic Roofing Tiles Project	5,800	5,537	95%
Fiber-Cement Modernization Program	40,770	19,078	47%
Total	46,570	24,615	53%

Capital Markets

Eternit joined Novo Mercado, the highest level of corporate governance of B3, in 2006 under the ticker ETER3.

Eternit shares ended September 30, 2021 quoted at R\$15.15, up 155% from 3Q20, resulting in market cap of R\$936 million.

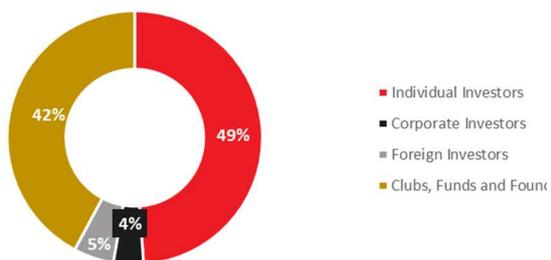
With a highly fragmented stock ownership and no shareholders' agreement or controlling group, the Company's shareholder base ended September 2021 with 26,578 shareholders. At the end of the period, only two shareholders held more than 5% interest in the capital stock, with an aggregate interest of 33.8% of the total capital stock.

The quarter registered an average daily trading of 2.1 million shares on B3, corresponding to an average daily volume of R\$43 million.

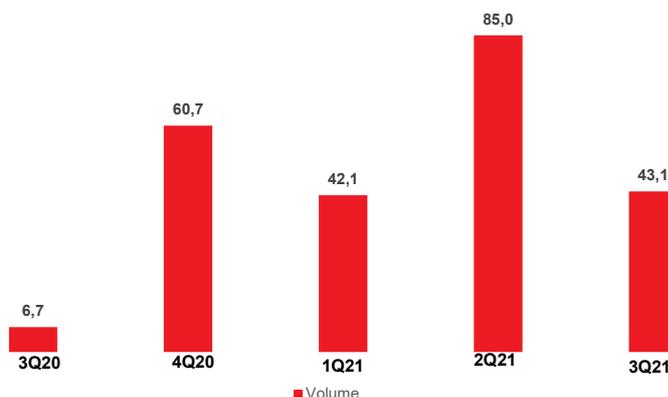
Closing Price ETER3 - R\$



Ownership Structure 9/30/2021



Average Daily Trading ETER3 - R\$ '000



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

Appendices

ETERNIT S.A. - Under Court-Supervised Reorganization

Balance Sheet

R\$ thousand

ASSETS	Parent Company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Total current assets	440,500	238,859	707,065	486,081
Cash and cash equivalents	239	4,145	259,344	81,175
Accounts receivable	82,148	51,872	132,017	89,938
Inventories	88,294	52,136	136,870	73,470
Taxes recoverable	64,039	53,212	120,990	88,986
Related parties	201,223	68,920	-	-
Prepaid expenses	2,456	2,494	30,767	30,266
Other current assets	2,101	5,284	22,232	12,907
Assets held for sale	-	796	4,845	109,339
Total non-current assets	440,218	342,678	269,772	259,187
Judicial deposits	9,044	8,848	12,692	12,202
Taxes recoverable	14,744	25,086	23,591	34,694
Related parties	2,005	3,447	-	-
Other non-current assets	831	814	2,285	2,270
Investments	282,608	192,425	-	-
Right-of-use assets	-	-	8,099	9,149
Fixed assets	130,335	110,951	222,442	199,730
Intangible assets	651	1,107	663	1,142
Total assets	880,718	581,537	976,837	745,268

LIABILITIES AND EQUITY	Parent Company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Total current liabilities	179,788	179,659	185,716	221,245
Suppliers	24,498	31,434	45,318	60,536
Loans and financing	-	-	6,997	-
Related parties	75,144	71,753	-	-
Personnel expenses	21,919	15,746	31,147	19,981
Taxes, charges and contributions payable	26,015	21,235	39,779	31,029
Provision for post-employment benefits	2,582	2,582	7,211	7,211
Lease obligations	-	-	5,968	4,106
Other current liabilities	29,630	36,909	49,296	98,382
Total non-current liabilities	159,960	186,978	250,007	309,012
Loans and financing	-	9,327	31,375	66,388
Related parties	38,687	44,178	-	-
Taxes, charges and contributions payable	11,195	15,938	33,170	42,356
Personnel expenses	6,382	7,230	7,737	9,006
Provisions for tax, civil and labor risks	59,358	62,495	78,105	81,613
Provision for post-employment benefits	32,316	32,378	84,137	84,686
Provision for decommissioning of mine	-	-	7,125	7,125
Provision for investment losses	6,031	3,249	-	-
Lease obligations	-	-	2,158	5,070
Deferred income tax and social contribution	5,991	12,117	6,200	12,702
Other non-current liabilities	-	66	-	66
Total equity	540,970	214,900	540,970	214,900
Share capital	438,082	385,537	438,082	385,537
Profit reserves	70,625	20,601	70,625	20,601
Treasury shares	(174)	(174)	(174)	(174)
Retained losses	61,092	(162,409)	61,092	(162,409)
Other comprehensive income (loss)	(28,655)	(28,655)	(28,655)	(28,655)
Equity attributable to controlling shareholders	540,970	214,900	541,114	215,011
Non-controlling interests			144	111
Total liabilities and equity	880,718	581,537	976,837	745,268

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

Income Statement

R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Net revenue	202,791	150,931	34,4%	198,732	2,0%	595,747	345,347	72,5%
Costs of goods and services sold	(130,241)	(107,119)	21,6%	(124,959)	4,2%	(377,716)	(277,016)	36,4%
Gross profit	72,550	43,812	65,6%	73,773	-1,7%	218,031	68,331	219,1%
Gross margin	36%	29%	7 p.p.	37%	- 1 p.p.	37%	20%	17 p.p.
Operating revenues (expenses)¹	(19,400)	(18,118)	7,1%	(28,036)	-30,8%	(72,416)	15,855	-556,7%
Selling expenses	(13,217)	(10,427)	26,8%	(11,947)	10,6%	(36,940)	(26,159)	41,2%
General and administrative ²	(13,625)	(14,995)	-9,1%	(12,625)	7,9%	(40,151)	(34,941)	14,9%
Other operating revenues (expenses), net	7,442	7,304	1,9%	(3,464)	-314,8%	4,675	76,955	-93,9%
Income (Loss) before equity pick-up (EBIT)	53,150	25,694	206,9%	45,737	16,2%	145,615	84,186	73,0%
EBIT margin	26%	17%	9 p.p.	23%	3 p.p.	24%	24%	-
Equity pick-up	46,391	14,457	220,9%	20,346	128,0%	87,400	(39,543)	-321,0%
Operating income (loss) before financial result	99,541	40,151	147,9%	66,083	50,6%	233,015	44,643	422,0%
Net financial income (loss)	(1,733)	3,300	-152,5%	(264)	556,4%	(1,544)	(3,408)	-54,7%
Income (Loss) before income tax and social contribution	97,808	43,451	125,1%	65,819	48,6%	231,471	41,235	461,3%
Current income tax and social contribution	(5,941)	(3,520)	N/A	(6,174)	-3,8%	(21,528)	(3,520)	N/A
Deferred income tax and social contribution	6,127	-	N/A	-	N/A	6,127	-	N/A
Net income (loss) for the period	97,994	39,931	145%	59,645	64,3%	216,070	37,715	473%
Net margin	48%	26%	22 p.p.	30%	18 p.p.	36%	11%	25 p.p.

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

R\$ thousand	3Q21	3Q20	Chg. %	2Q21	Chg. %	9M21	9M20	Chg. %
Net revenue	275,978	201,139	37,2%	287,317	-3,9%	833,580	453,970	83,6%
Costs of goods and services sold	(157,269)	(124,546)	26,3%	(154,486)	1,8%	(461,746)	(329,333)	40,2%
Gross profit	118,709	76,593	55,0%	132,831	-10,6%	371,834	124,637	198,3%
Gross margin	43%	38%	5 p.p.	46%	- 3 p.p.	45%	27%	18 p.p.
Operating revenues (expenses)	(5,845)	(32,061)	-81,8%	(48,150)	-87,9%	(96,041)	(66,396)	44,6%
Selling expenses	(21,770)	(15,340)	41,9%	(25,189)	-13,6%	(65,576)	(38,490)	70,4%
General and administrative ¹	(24,119)	(23,416)	3,0%	(21,202)	13,8%	(66,406)	(57,470)	15,5%
Other operating revenues (expenses), net	40,044	6,695	498,1%	(1,759)	-2376,5%	35,941	29,564	21,6%
Income (Loss) before equity pick-up (EBIT)	112,864	44,532	153,4%	84,681	33,3%	275,793	58,241	373,5%
EBIT margin	41%	22%	19 p.p.	29%	12 p.p.	33%	13%	20 p.p.
Net financial income (loss)	4,859	2,986	62,7%	(9,091)	-153,4%	(1,698)	(7,675)	-77,9%
Income (Loss) before income and social contribution taxes	117,723	47,518	147,7%	75,590	55,7%	274,095	50,566	442,1%
Current income tax and social contribution	(25,785)	(7,559)	241,1%	(16,366)	57,6%	(64,495)	(12,496)	416,1%
Deferred income tax and social contribution	6,076	(4)	-152000,0%	431	N/A	6,503	(414)	-1670,8%
Net income (loss) for the period	98,014	39,955	145%	59,655	64,3%	216,103	37,656	474%
Net margin	36%	20%	16 p.p.	21%	15 p.p.	26%	8%	18 p.p.

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

R\$ thousand - Accrued	Parent Company		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Cash flows from operating activities				
Income (Loss) before income and social contribution taxes	231,471	41,234	274,095	50,565
Reconciliation of earnings before income tax and social contribution to net cash provided by operations:	-	-	-	-
Equity pick-up	(87,400)	39,543	-	-
Depreciation and amortization	8,131	5,663	12,371	14,528
Gain (Loss) on write-off of fixed and intangible assets	-	(864)	2,529	(774)
Allowance for doubtful accounts	254	663	245	1,271
Allowance for inventory write down to net realizable value	(539)	(1,134)	(2,378)	1,441
Estimated impairment losses	-	(71,636)	(2,193)	(26,563)
Provisions for tax, civil and labor risks	(3,137)	1,817	(3,508)	1,158
Provision for post-employment benefits	(62)	-	(549)	-
Financial charges and monetary and exchange variations	1,720	1,373	1,346	1,347
Right-of-use amortization	-	-	-	837
	150,438	16,659	281,958	43,810
Decrease (increase) in operating assets:				
Accounts receivable	(30,529)	(22,760)	(39,702)	(37,914)
Related parties	(132,175)	(56,444)	-	-
Inventories	(35,619)	35,159	(61,022)	46,256
Taxes recoverable	3,464	(1,777)	(17,651)	(7,381)
Judicial deposits	(196)	(95)	(490)	(686)
Other assets	3,202	(3,391)	(9,841)	(10,771)
Assets held for sale	796	-	104,494	-
Increase (decrease) in operating liabilities:				
Suppliers	(7,401)	3,734	(15,669)	5,452
Related parties	(3,380)	(9,802)	-	-
Taxes, charges and contributions payable	(3,565)	8,982	(7,512)	6,173
Personnel expenses	5,325	6,086	9,897	6,361
Post-employment benefits	-	(458)	-	672
Other liabilities	(7,346)	15,157	(49,117)	16,772
Cash provided by (used in) operating activities	(56,987)	(8,950)	195,345	68,744
Interest paid	-	(327)	(1,517)	(502)
Income tax and social contribution paid	(21,870)	(1,026)	(60,703)	(8,166)
Net cash provided by (used in) operating activities	(78,856)	(10,303)	133,125	60,076
Cash flows from investing activities				
Related-party loan receivables	1,336	-	-	-
Additions to PP&E and intangible assets	(27,060)	(2,402)	(33,890)	(6,816)
Net cash used in investing activities	(25,724)	(2,402)	(33,890)	(6,816)
Cash flow from financing activities				
Loans and financing raised	569	29,452	1,594	48,365
Amortization of loans and financings	(9,895)	(66,291)	(30,679)	(97,866)
Lease obligations	-	-	(1,981)	(810)
Increase in share capital	110,000	46,570	110,000	46,570
Net cash generated by financing activities	100,674	9,731	78,934	(3,741)
Increase (Reduction) in cash and cash equivalents	(3,906)	(2,974)	178,169	49,519
At the beginning of the period	4,145	3,871	81,175	9,358
At the end of the period	239	897	259,344	58,877
Increase (Reduction) in cash and cash equivalents	(3,906)	(2,974)	178,169	49,519