ETERNIT S.A. - UNDER COURT-SUPERVISED REORGANIZATION

Corporate Taxpayer ID (CNPJ): 61.092.037/0001-81

Company Registry (NIRE): 35.300.013.344

NOTICE TO SHAREHOLDERS

Approval of Capital Increase

Eternit S.A. – under Court-Supervised Reorganization (B3: ETER3, "Company" or "Eternit") hereby informs its shareholders and the market that, pursuant to Instructions 358 (ICVM 358) and 480 (ICVM 480), as amended, of the Securities and Exchange Commission of Brazil ("CVM"), the Board of Directors Meeting held on 03/19/2021 ("Board Meeting") approved increasing the capital stock of the Company, within the authorized capital, for private subscription of new shares ("Capital Increase"), as established in paragraph 1, article 5 of the Bylaws.

Pursuant to article 30, item XXXII of ICVM 480, the Company is providing in Attachment 30-XXXII, information and details regarding the Capital Increase and the procedure for exercising the preemptive rights and subscribing to the common shares subsequently issued:

1 – Capital increase through subscription to new shares.

The Capital Increase amount will be one hundred ten million, one hundred seven reais and eighty centavos (R$ 110,000,107.80), through the private issue of ten million, one hundred one thousand, twenty (10,101,020) registered common shares with no par value, at the issue price of R$ 10.89 per share. If all the shares issued as part of the Capital Increase are subscribed to, the capital stock of the Company will increase from R$ 385,536,684.52, represented by 51,675,555 registered, book-entry, common shares with no par value, to R$ 495,536,792.32, represented by 61,776,575 registered, book-entry, common shares with no par value.

If the subscription by the shareholders of the Company, in the exercise of their preemptive rights, does not reach the minimum increase of eighty-two million, five hundred thousand, eighty reais and eighty-five centavos (R$ 82,500,080.85), which is equivalent to 75% of all the shares ("Minimum Subscription"), the Company clarifies that the Capital Increase through Subscription of Shares will be canceled and the amounts received from shareholders will be refunded, without interest or inflation adjustment, within five (5) days after due notice of cancellation.

If the subscription by shareholders of the Company, in the exercise of their preemptive rights, exceeds the Minimum Subscription but is lower than the total number of shares that are the object of the Capital Increase, the balance of unsubscribed shares will be subscribed to by converting the credits arising solely from the acquisition, by the Company, of the producer of fiber-cement roofing panels, with the aim of sector consolidation.

I – Reasons for Capital Increase and its legal and economic consequences.

Through this capital increase, Eternit intends to raise the funds necessary to acquire operating industrial assets to produce fiber-cement roofing panels, which will result in sector consolidation through an immediate increase in the Company's installed capacity but without creating production surplus in the sector and the consequent reflection in the margins.

The Company will disclose the asset being acquired and other conditions of the operation in due course.

II - Audit Board Report

At a meeting held on 03/19/2021, the Audit Board submitted a favorable opinion on the issue of shares related to the Capital Increase, noting that such opinion does not represent a statement by the Audit Board on the merits of the framework adopted. The minutes of the Audit Board meeting are available on the IPE system of the Securities and Exchange Commission of Brazil (CVM) and the Company's Investor Relations website www.eternit.com.br/ri

III – Allocation of Proceeds.

Through this capital increase, Eternit intends to raise the funds necessary to acquire operating industrial assets to produce fiber-cement roofing panels, which will result in sector consolidation through an immediate increase in the Company's installed capacity but without creating production surplus in the sector and the consequent reflection in the margins.

IV - Number of shares issued of each type and class.

Ten million, one hundred one, twenty (10,101,020) registered, book-entry common shares with no par value will be issued as part of the Capital Increase.

V - Rights, benefits and restrictions attributed to the shares to be issued.

The new shares issued will be given the same rights as given to the existing shares of the Company. The shares issued will be equally entitled to all benefits, dividends and any capital remuneration that may be declared by the Company from the date of the respective partial or full approval of the Capital Increase.

VI –Inform whether related parties, as defined by the accounting rules on the subject, will subscribe to the shares in the capital increase, specifying the respective amounts, if these are already known.

Not applicable.

VII - Issue price of the new shares.

The new shares will be issued at the price of R$ 10.89 per share.

VIII – Inform the par value of the shares issued or, in case of shares with no par value, the portion of the issue price that will be allocated to capital reserve.

The shares issued by the Company have no par value and there will be no allocation to the capital reserve.

IX - Management's opinion on the effects of the capital increase, especially with regard to the dilution caused by the increase.

The Capital Increase, which is guaranteed to all the shareholders of the Company through the exercise of preemptive rights, pursuant to article 171, paragraph 2 of the Brazilian Corporations Law and which is determined based on criteria established by applicable laws, will not result in any dilution for shareholders that subscribe to all the shares that they are entitled to. Only shareholders who do not exercise their preemptive rights or partially exercise them will have their shareholding diluted.

X - Criterion for calculating the issue price and economic aspects that determined its choice:

The issue price of the new shares ("Issue Price") was fixed in accordance with paragraph 1 of article 170 of the Brazilian Corporations Law and CVM Guidance Report 1 of September 27, 1978, as amended, that is, jointly from the perspective of the Company's profitability ("Economic Value"); the equity value of the shares ("Equity Value"); and the price of the shares on B3 ("Market Value").

The Economic Value was determined through a report prepared by a specialized firm selected by the management of Eternit, with the firm defining the criteria and methodology for measuring the economic value.

The Book Value was defined based on the balance sheet (Financial Statements) for the fiscal year ended December 31, 2020 (standardized financial statements) disclosed to the market by Eternit, that is, the base date of 12/31/2020.

The Market Value was defined based on the closing price of the thirty (30) trading sessions on the B3 stock exchange prior to the Board Meeting, from 02/03/2021 to 03/18/2021.

To determine the Issue Price, the lowest Issue Price indicated by the Economic Value, Equity Value and Market Value was disregarded, that is, the Equity Value was disregarded. The arithmetic average of Economic Value and Market Value results in the value of R$ 12.81 per share.

The Issue Price per share was fixed at R$ 10.89, representing a discount of 15% from the arithmetic average of Economic Value and Market Value.

XI - If the issue price was fixed at a premium or discount in relation to the market value, identify the reason for the premium or discount and explain how it was determined.

The Issue Price per share was fixed at R$ 10.89, with a discount of 15% in relation to the arithmetic average of Economic Value and Market Value, due to the high volatility in the stock markets on account of the current uncertain scenario in the world economy as a result of the COVID-19 pandemic, the volatility of the ETER3 stock itself and the expectation that the issue amount reach the minimum Capital Increase amount ("Minimum Subscription"). Note that the price of R$ 10.89 represents a discount of 44% from the closing price on 03/18/2021, the eve of the Board Meeting that deliberated on the subject.

XII - Copy of all the reports and studies based on which the issue price was fixed.

A copy of the report on economic value was uploaded to the ENET system.

XIII - Price of each type and class of shares of the issuer in the markets where they are traded, identifying

a) minimum, average and maximum price each year in the last three (3) years:

Common Shares:

Year	Minimum	Average	Maximum
2018	R$ 2.08	R$ 3.76	R$ 5.89
2019	R$ 1.79	R$ 2.49	R$ 4.07
2020	R$ 2.19	R$ 6.18	R$ 18.00

b) minimum, average and maximum price each quarter in the last two (2) years:

Common Shares:

Year	Period	Minimum	Average	Maximum
2019	**1Q19**	R$ 1.93	R$ 2.67	R$ 3.22
	2Q19	R$ 1.79	R$ 2.04	R$ 2.71
	3Q19	R$ 1.96	R$ 2.44	R$ 3.38
	4Q19	R$ 2.44	R$ 2.81	R$ 4.07
2020	**1Q20**	R$ 2.40	R$ 5.08	R$ 6.85
	2Q20	R$ 2.19	R$ 2.84	R$ 3.76
	3Q20	R$ 3.61	R$ 5.02	R$ 6.55
	4Q20	R$ 6.00	R$ 11.87	R$ 18.00

c) minimum, average and maximum price each month in the last six (6) months:

Common Shares:

Year	Month	Minimum	Average	Maximum
2020	September	R$ 4.69	R$ 5.61	R$ 6.55
2020	October	R$ 6.00	R$ 8.42	R$ 10.90
2020	November	R$ 10.99	R$ 12.43	R$ 15.15
2020	December	R$ 12.65	R$ 14.93	R$ 18.00
2021	January	R$ 11.60	R$ 12.76	R$ 14.10
2021	February	R$ 11.21	R$ 12.58	R$ 13.32

d) average price in the last ninety (90) days;

Common Shares:

Period	Average
11/04/2020 to 03/18/2020	R$ 13.49

XIV - Issue prices of shares in capital increases in the last three (3) years.

2018: There was no capital increase.

2019: Issue price per share was R$ 2.43.

2020: Issue price per share was R$ 2.34.

XV - Percentage of potential dilution resulting from the issue.

Since the shareholders will have preemptive rights to subscribe to the new registered, book-entry common shares with no par value, if they fully exercise their preemptive rights, there will be no dilution of shareholding interest.

However, if shareholders do not exercise their preemptive rights to subscribe to the new registered, book-entry common shares with no par value, the percentage of potential dilution, if the shares of the Capital Increase are fully subscribed to, will be 16.35%

DILUTION

Number of shares to be issued (A)	10,101,020
Number of shares currently issued (B)	51,675,555
Number of shares after capital increase (C =A+B)	61,776,575
Maximum dilution percentage (A/C)	16.35%

XVI - Periods, conditions and form of subscription and payment of the shares issued.

Shareholders of record in the Company on March 25, 2021, will be entitled to preemptive rights for proportional subscription to the new shares. The period for exercising preemptive rights begins on 03/26/2021, inclusive, and ends on 04/26/2021, inclusive, as well as for expressing the interest in reserving the unsubscribed shares ("Term for Exercising of Preemptive Rights"). Shareholders will exercise their preemptive rights in proportion to the number of shares held by them. The proportion will be 0.1955070172 (number of new shares / (current shares-treasury shares)) new shares for each share held by them, pursuant to the head paragraph of article 171 of Federal Law 6,404/76. Fractions of the Company's shares during the subscription to the Capital Increase will be disregarded for the purpose of exercising the preemptive rights.

The shares subscribed to by exercising preemptive rights must be paid for in local currency at sight upon subscription.

Shareholders of the Company in the records held by Banco Itaú-Unibanco SA ("Stock Transfer Agent") who wish to assign their preemptive rights (which include the right to subscribe to unsubscribed shares) may do so through at any branch of Banco Itaú-Unibanco and/or by calling 3003 9285 (for state capitals and metropolitan regions) or 0800 720 9285 (for other regions) for additional information. Subscribers who have already exercised their preemptive rights cannot assign the subscription right to unsubscribed shares. Shareholders whose shares are held in custody at the Central Securities Depository of B3 ("Central Depository") must contact their custody agents. Those who wish to trade their preemptive rights may do so within the subscription period, and must do so sufficiently in advance to enable the assigned subscription rights be exercised within said period.

Shareholders of the Company whose shares are registered at the Stock Transfer Agent and who wish to exercise their preemptive rights to subscribe to the new shares must, within the subscription period mentioned above, visit any branch of Banco Itaú-Unibanco to subscribe to the new shares by signing the subscription order and paying the corresponding price. Shareholders whose shares are deposited at the Central Depository must exercise their respective rights through their custody agents and in accordance with the rules of the Central Depository itself, complying with the terms and conditions of this notice. Signing the subscription form will represent an irrevocable and irreversible expression of interest by the respective shareholder.

Shareholders must express their interest in reserving any unsubscribed shares in the subscription order they signed in accordance with the previous paragraph. For more information, see item XVIII.

Shares acquired on or after March 26, 2021, will not be entitled to the preemptive rights to subscribe to the Capital Increase starting from that date (inclusive) and will be traded ex-subscription rights.

XVII - Preemptive rights of current shareholders to subscribe to the new shares issued and the terms and conditions that these rights are subject to.

Shareholders of the Company will be guaranteed preemptive rights to proportionally subscribe to the new shares, as detailed in item XVI. The subscribed shares must be made paid for in local currency at sight upon subscription.

XVIII - Management proposal for the treatment of unsubscribed shares.

If preemptive rights related to the Capital Increase are not exercised by all the shareholders of the Company, the Company will apportion the unsubscribed shares among the shareholders who had expressed an interest in reserving the unsubscribed shares in the respective subscription orders. Note that for the purposes of this increase, shares not subscribed to by the shareholders of the Company will be considered unsubscribed shares due to the non-exercise of the preemptive rights established in law.

Shareholders (or third parties who participated in the capital increase through the assignment of preemptive rights) who had expressed interest in reserving the unsubscribed shares in their subscription order will be entitled to the apportionment of unsubscribed shares during a period five (5) business days, which will be informed by a Notice to Shareholders disclosed by the Company, informing the number of unsubscribed shares ("First Apportionment").

After the First Apportionment, if there are still any unsubscribed shares left, this procedure of apportioning the unsubscribed shares will be repeated one last time, for a new term of five (5) business days starting from the disclosure of the Notice to Shareholders informing the number of unsubscribed shares not subscribed to in the First Apportionment ("Second Apportionment"). The Second Apportionment is open to all the subscribers who express in the Subscription Order of the First Apportionment their interest in reserving the new remaining unsubscribed shares in the Second Apportionment, which will be apportioned among them in proportion to the shares subscribed to in the preference period and in the First Apportionment.

To subscribe to the apportioned unsubscribed shares, a new subscription order must be signed.

XIX - Procedures that will be adopted if partial approval of the capital increase is allowed.

If the subscription by shareholders of the Company, in the exercise of their preemptive rights, exceeds the Minimum Subscription but is lower than the total number of shares that are the object of the Capital Increase, the balance of unsubscribed shares will be subscribed to by converting the credits arising solely from the acquisition, by the Company, of the producer of fiber-cement roofing panels.

As such, once the Minimum Subscription amount is exceeded, all the shares issued will be subscribed to either by the shareholders, in the exercise of the preemptive rights, or by converting the credits arising solely from the acquisition by the Company of the producer of fiber-cement roofing panels.

XX – If the issue price of the shares can be realized in assets fully or partially: a) provide a complete description of the assets that will be accepted; b) clarify the relationship between the assets and their corporate purpose; and c) provide a copy of the valuation report of the assets, if available.

Not applicable.

2 - If the capital increase is through the capitalization of profits or reserves, the issuer must: I – inform whether it will imply a change in the par value of the shares, if any, or the distribution of new shares among shareholders; II – inform whether the capitalization of profits or reserves will be carried out with or without changing the number of shares, in companies with shares with no par value; III – in case of distribution of new shares: a) inform the number of shares issued of each type and class; b) inform the percentage that shareholders will receive in shares; c) describe the rights, benefits and restrictions attributed to the shares to be issued; d) inform the acquisition cost, in reais per share, to be attributed so that shareholders can comply with article 10 of Federal Law 9,249, of December 26, 1995; and e) inform the treatment of fractions, if applicable; IV - inform the timeframe established in paragraph 3 of article 169 of Federal Law 6,404, of 1976; and V - inform and provide the information and documents established in item 2 above, when applicable

Not applicable.

3 - In case of capital increase through the conversion of debentures or other debt securities into shares or the exercise of stock warrants, the issuer must: I - inform the number of shares issued of each type and class; and II –describe the rights, benefits and restrictions attributed to the shares to be issued.

Not applicable.

4 - The provisions of items 1 to 4 of this Notice do not apply to capital increases resulting from an stock option plan, in which case the issuer must inform: I - date of the annual shareholders meeting in which the stock option plan was approved; II – capital increase amount and the new capital stock; III - number of shares issued of each type and class; IV - issue price of the new shares; V - price of each type and class of shares of the issuer in the markets where they are traded, identifying: the minimum, average and maximum price each year in the last three (3) years: the minimum, average and maximum price each quarter in the last two (2) years: the minimum, average and maximum price each month in the last six (6) months: and the average price in the last ninety (90) days; VI –percentage of potential dilution resulting from the issue.

Not applicable.

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Questions or requests for clarifications on the procedures can be sent to ri@eternit.com.br.

São Paulo, March 19, 2021.

Vítor Mallmann
Investor Relations Officer