

Natura &Co Holding S.A.

Individual and Consolidated
Interim Accounting Information (ITR)
For the six-month period ended
June 30, 2022
Independent Auditors' Report



Report on review of quarterly information

To the Board of Directors and Stockholders
Natura &Co Holding S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Natura &Co Holding S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended 30 June 2022, comprising the statement of financial position at that date and the statements of income and comprehensive income for the quarter and six-month period then ended, and the statements of changes in shareholders' equity and cash flows for the six-month period then ended, and explanatory notes.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB) as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.



Natura &Co Holding S.A.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the six-month period ended 30 June 2022. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the interim accounting information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, 11 de agosto de 2022

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Leandro Mauro Ardito
Contador CRC 1SP188307/O-0

NATURA & CO HOLDING S.A.

STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2022 AND DECEMBER 31, 2021
(In thousands of Brazilian reais - R\$)

ASSETS	Note	Parent		Consolidated		LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent		Consolidated	
		June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021			June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
CURRENT						CURRENT					
Cash and cash equivalents	6	5.592	4.289	3.043.826	4.007.257	Borrowings, financing and debentures	19	-	-	725.988	945.069
Short-term investments	7	120.240	228.694	1.231.814	1.978.740	Lease	18	83	-	890.592	1.005.523
Trade accounts receivable	8	-	-	3.251.659	3.476.359	Trade accounts payable and reverse factoring operator	20	2.989	5.688	5.716.513	6.770.579
Trade accounts receivable - Related parties	32	44.890	190.522	-	-	Trade accounts payable - Related parties	32	7.374	60.171	-	-
Inventories	9	-	-	5.367.406	5.403.526	Dividends and interest on shareholders' equity payable	24	180.772	180.772	180.772	180.772
Recoverable taxes	10	-	-	953.602	973.269	Payroll, profit sharing and social charges		20.574	19.431	961.855	1.255.348
Income tax and social contribution		40.226	118.068	258.338	564.486	Tax liabilities	21	767	654	618.988	766.430
Derivative financial instruments		-	-	87.517	81.159	Income tax and social contribution		-	-	235.859	365.457
Other current assets	14	26.140	6.397	849.635	912.160	Derivative financial instruments		-	89	613.604	458.492
		<u>237.088</u>	<u>547.970</u>	<u>15.043.797</u>	<u>17.396.956</u>	Provision for tax, civil and labor risks	22	-	-	259.403	230.097
Assets held for sale	13	-	-	45.416	52.921	Other current liabilities	23	35.086	509	1.435.293	1.716.110
Total current assets		<u>237.088</u>	<u>547.970</u>	<u>15.089.213</u>	<u>17.449.877</u>	Total current liabilities		<u>247.645</u>	<u>267.314</u>	<u>11.638.867</u>	<u>13.693.877</u>
NON-CURRENT						NON-CURRENT					
Recoverable taxes	10	-	-	1.334.342	1.349.624	Borrowings, financing and debentures	19	-	-	12.313.549	11.771.763
Income tax and social contribution		61.713	-	176.626	84.729	Lease	18	154	-	2.451.335	2.542.339
Deferred income tax and social contribution	11	-	-	3.340.486	2.954.074	Payroll, profit sharing and social charges		13.832	17.544	22.481	53.748
Judicial deposits	12	13	13	588.849	585.284	Tax liabilities	21	-	-	113.550	114.797
Derivative financial instruments		-	-	-	893.970	Deferred income tax and social contribution	11	-	-	906.889	994.041
Short-term investments	7	-	-	50.481	36.921	Derivative financial instruments		-	-	23.100	-
Other non-current assets	14	843	848	1.518.766	1.763.051	Provision for tax, civil and labor risks	22	1.048	-	1.660.608	1.768.744
Total non-current assets		<u>62.569</u>	<u>861</u>	<u>7.009.550</u>	<u>7.667.653</u>	Other non-current liabilities	23	23.025	713	950.993	942.456
						Total non-current liabilities		<u>38.059</u>	<u>18.257</u>	<u>18.442.505</u>	<u>18.187.888</u>
TOTAL ASSETS						TOTAL LIABILITIES					
		<u>24.516.814</u>	<u>28.831.141</u>	<u>54.330.870</u>	<u>60.448.490</u>			<u>285.704</u>	<u>285.571</u>	<u>30.081.372</u>	<u>31.881.765</u>
Investments	15	24.216.148	28.281.178	-	-	SHAREHOLDERS' EQUITY					
Property, plant and equipment	16	-	-	5.025.789	5.377.408	Capital stock	24	12.484.407	12.481.683	12.484.407	12.481.683
Intangible	17	777	1.132	24.179.278	26.857.583	Treasury shares		(263.360)	(151.342)	(263.360)	(151.342)
Right of use	18	232	-	3.027.040	3.095.969	Capital reserves		10.427.568	10.478.804	10.427.568	10.478.804
						Legal profit reserve		865.072	871.223	865.072	871.223
Total non-current assets		<u>24.279.726</u>	<u>28.283.171</u>	<u>39.241.657</u>	<u>42.998.613</u>	Accumulated losses		(1.409.815)	-	(1.409.815)	-
						Other comprehensive income		<u>2.127.238</u>	<u>4.865.202</u>	<u>2.127.238</u>	<u>4.865.202</u>
						Shareholders' equity attributed to the Company's shareholders		<u>24.231.110</u>	<u>28.545.570</u>	<u>24.231.110</u>	<u>28.545.570</u>
						Non-controlling interest in shareholders' equity of subsidiaries		-	-	18.388	21.155
						Total shareholders' equity		<u>24.231.110</u>	<u>28.545.570</u>	<u>24.249.498</u>	<u>28.566.725</u>
TOTAL ASSETS						TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		<u>24.516.814</u>	<u>28.831.141</u>	<u>54.330.870</u>	<u>60.448.490</u>			<u>24.516.814</u>	<u>28.831.141</u>	<u>54.330.870</u>	<u>60.448.490</u>

*The accompanying notes are an integral part of the Interim Accounting Information.

NATURA & CO HOLDING S.A.

STATEMENT OF INCOME
FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
(In thousands of Brazilian reais - R\$, except for earnings per share)

	Note	Parent		Parent		Consolidated		Consolidated	
		April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
NET REVENUE	26	-	-	-	-	8.702.411	9.517.166	16.955.707	18.972.239
Cost of Sales	27	-	-	-	-	(3.216.805)	(3.318.287)	(6.162.413)	(6.640.754)
GROSS PROFIT		-	-	-	-	5.485.606	6.198.879	10.793.294	12.331.485
OPERATING (EXPENSES) INCOME									
Selling, Marketing and Logistics expenses	27	-	-	-	-	(3.706.245)	(4.045.391)	(7.391.699)	(8.052.836)
Administrative, R&D, IT and Project expenses	27	(156.790)	(33.565)	(217.737)	(58.181)	(1.729.442)	(1.816.331)	(3.262.742)	(3.444.017)
Impairment loss on trade receivables	8	-	-	-	-	(150.498)	(210.856)	(314.250)	(450.201)
Share of profits (losses) from subsidiaries	15	(631.368)	267.113	(1.197.476)	141.134	-	-	-	-
Other operating income (expenses), net	30	12.326	-	12.326	-	(38.414)	(179.287)	(97.127)	(304.719)
OPERATING (LOSS) PROFIT BEFORE FINANCIAL RESULT		(775.832)	233.548	(1.402.887)	82.953	(138.993)	(52.986)	(272.524)	79.712
Financial income	29	8.391	5.023	18.326	11.183	1.960.362	1.225.453	3.314.734	2.264.397
Financial expenses	29	(1.271)	(3.727)	(25.254)	(14.461)	(2.387.149)	(1.430.954)	(4.128.088)	(2.697.804)
(LOSS) PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(768.712)	234.844	(1.409.815)	79.675	(565.780)	(258.487)	(1.085.878)	(353.695)
Income tax and social contribution	11	1.989	-	-	-	(135.116)	527.439	(217.604)	437.346
NET (LOSS) INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		(766.723)	234.844	(1.409.815)	79.675	(700.896)	268.952	(1.303.482)	83.651
DISCONTINUED OPERATIONS									
NET LOSS FROM DISCONTINUED OPERATIONS		-	-	-	-	(66.075)	(36.714)	(105.662)	(7.965)
NET (LOSS) INCOME FOR THE PERIOD		(766.723)	234.844	(1.409.815)	79.675	(766.971)	232.238	(1.409.144)	75.686
ATTRIBUTABLE TO									
The Company's shareholders		(766.723)	234.844	(1.409.815)	79.675	(766.723)	234.844	(1.409.815)	79.675
Non-controlling shareholders		-	-	-	-	(248)	(2.606)	671	(3.989)
		(766.723)	234.844	(1.409.815)	79.675	(766.971)	232.238	(1.409.144)	75.686
INCOME (LOSS) PER SHARE IN THE PERIOD -R\$									
Basic	31	(0,5590)	0,1708	(1,0284)	0,0579	(0,5590)	0,1708	(1,0284)	0,0579
Diluted	31	(0,5590)	0,1694	(1,0284)	0,0574	(0,5590)	0,1694	(1,0284)	0,0574

*The accompanying notes are an integral part of the Interim Accounting Information.

NATURA & CO HOLDING S.A.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
(In thousands of Brazilian reais - R\$)**

Note	Parent		Parent		Consolidated		Consolidated		
	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021	
NET (LOSS) INCOME FOR THE PERIOD	(766.723)	234.844	(1.409.815)	79.675	(766.971)	232.238	(1.409.144)	75.686	
Other comprehensive income to be reclassified to income statement in subsequent periods:									
Conversion of financial statements of controlled companies abroad	15	1.156.263	(2.640.255)	(2.485.979)	(1.150.894)	1.156.499	(2.643.033)	(2.489.417)	(1.152.237)
Exchange rate effect on the conversion from hyperinflationary economy	15	51.322	50.553	(14.600)	78.960	51.322	50.553	(14.600)	78.960
Earnings (losses) from cash flow hedge operations	5.3	-	-	89	-	(208.151)	(183.844)	(654.392)	(243.344)
Tax effects on (losses) earnings from cash flow hedge operations	11	30	-	-	-	72.324	63.146	223.746	82.991
Equity in losses from cash flow hedge operation	5.3	(208.151)	(183.844)	(654.481)	(243.344)	-	-	-	-
Equity in tax effects on earnings from cash flow hedge operations	11	72.294	63.146	223.746	82.991	-	-	-	-
Comprehensive income for the period, net of tax effects		<u>305.035</u>	<u>(2.475.556)</u>	<u>(4.341.040)</u>	<u>(1.152.612)</u>	<u>305.023</u>	<u>(2.480.940)</u>	<u>(4.343.807)</u>	<u>(1.157.944)</u>
ATTRIBUTABLE TO									
The Company's shareholders		305.035	(2.475.556)	(4.341.040)	(1.152.612)	305.035	(2.475.556)	(4.341.040)	(1.152.612)
Noncontrolling shareholders		-	-	-	-	(12)	(5.384)	(2.767)	(5.332)
		<u>305.035</u>	<u>(2.475.556)</u>	<u>(4.341.040)</u>	<u>(1.152.612)</u>	<u>305.023</u>	<u>(2.480.940)</u>	<u>(4.343.807)</u>	<u>(1.157.944)</u>

*The accompanying notes are an integral part of the Interim Accounting Information.

NATURA & CO HOLDING S.A.

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
(In thousands of Brazilian reais - R\$)**

Note	Capital Reserves						Legal profit reserve		Retained (losses) earnings	Equity appraisal adjustment	Other comprehensive income	Shareholders' equity attributed to controlling shareholders	Non-Controlling Shareholders	Total shareholders' equity
	Capital stock	Treasury shares	Surplus on issue/sale of shares	Special reserve	Additional paid-in capital	Income from transactions with non-controlling shareholders	Legal profit reserve							
							Tax Incentives	Retained earnings						
BALANCES AS OF JANUARY 1, 2021	12.377.999	(11.667)	10.671.605	362.059	110.537	(92.066)	113.302	6.864	(759.937)	4.585.631	27.364.327	22.781	27.387.108	
Profit loss for the period	-	-	-	-	-	-	-	-	79.675	-	79.675	(3.989)	75.686	
Exchange rate effect on the conversion from hyperinflationary economy	-	-	-	-	-	-	-	-	-	78.960	78.960	-	78.960	
Other comprehensive income	-	-	-	-	-	-	-	-	-	(1.311.247)	(1.311.247)	(1.343)	(1.312.590)	
Total comprehensive income for the period	-	-	-	-	-	-	-	-	79.675	(1.232.287)	(1,152,612)	(5,332)	(1,157,944)	
Share repurchase	-	(32.091)	-	-	-	-	-	-	-	-	(32,091)	-	(32,091)	
Loss absorption	-	-	-	-	(650.196)	-	-	-	650.196	-	-	-	-	
Transactions in stock and restricted shares option plans:														
Provision for stock and restricted shares option plans	24	-	-	-	131.776	-	-	-	-	-	131,776	-	131,776	
Exercise of stock and restricted shares option plans	24	95.616	34.042	-	(114.267)	-	-	(15.813)	-	-	(422)	-	(422)	
BALANCES AS OF JUNE 30, 2021	12.473.615	(9.716)	10.671.605	362.059	(522.150)	(92.066)	113.302	(8.949)	(30.066)	3.353.344	26.310.978	17.449	26.328.427	
BALANCES AS OF JANUARY 1, 2022	12.481.683	(151.342)	10.021.409	362.059	187.402	(92.066)	-	871.223	-	4.865.202	28.545.570	21.155	28.566.725	
Net loss for the period	-	-	-	-	-	-	-	-	(1,409,815)	-	(1,409,815)	671	(1,409,144)	
Exchange rate effect on the conversion from hyperinflationary economy	-	-	-	-	-	-	-	-	-	(14.600)	(14,600)	-	(14,600)	
Other comprehensive income	-	-	-	-	-	-	-	-	-	(2,916,625)	(2,916,625)	(3,438)	(2,920,063)	
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(1,409,815)	(2,931,225)	(4,341,040)	(2,767)	(4,343,807)	
Share repurchase	24	-	(120.300)	-	-	-	-	-	-	-	(120,300)	-	(120,300)	
Transactions in stock and restricted shares option plans:														
Provision for stock and restricted shares option plans	24	-	-	-	183.838	-	-	-	-	-	183,838	-	183,838	
Exercise of stock and restricted shares option plans	24	2.724	8.282	-	(50.107)	-	-	2.143	-	-	(36,958)	-	(36,958)	
Reclassification of hyperinflationary economy adjustment effect	24	-	-	(126.473)	-	(58.494)	-	(8.294)	-	193.261	-	-	-	
BALANCES AS OF JUNE 30, 2022	12.484.407	(263.360)	9.894.936	362.059	262.639	(92.066)	-	865.072	(1.409.815)	2.127.238	24.231.110	18.388	24.249.498	

*The accompanying notes are an integral part of the Interim Accounting Information.

NATURA & CO HOLDING S.A.

**STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
(In thousands of Brazilian reais - R\$)**

	Note	Parent		Consolidated	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
CASH FLOW FROM OPERATING ACTIVITIES					
Net (loss) income for the period		(1.409.815)	79.675	(1.409.144)	75.686
Adjustments to reconcile net (loss) income for the period with net cash (used in) generated by operating activities:					
Depreciation and amortization	16, 17 and 18	388	-	1.278.928	1.395.263
Interest and exchange variation on short-term investments		(10.383)	(16.377)	(179.075)	(86.819)
Earnings (loss) from swap and forward derivative contracts		5.266	-	559.000	(273.468)
Provision for tax, civil and labor risks		1.000	-	117.808	47.737
Inflation adjustment of judicial deposits		-	-	(17.247)	(5.363)
Inflation adjustment of provision for tax, civil and labor risks	22	48	-	23.495	32.731
Income tax and social contribution		-	-	217.604	(437.346)
Income from sale and write-off of property, plant and equipment, lease and non-current assets held for sale	13, 16 and 17	-	-	22.907	44.158
Share of profits (losses) from subsidiaries	15	1.197.476	(141.134)	-	-
Interest and exchange rate variation on leases	18	12	-	95.056	180.693
Interest and exchange rate variation on borrowings, financing and debentures, net of acquisition costs	19	-	7.918	(39.571)	(144.804)
Inflation adjustment and exchange rate variation on other assets and liabilities		(358)	13	1.265	23.381
Provision for losses from property, plant and equipment, intangible and leases	16, 17 and 18	-	-	-	(4.339)
Provision for stock option plans		144.156	46.175	144.156	131.776
Provision for losses with trade accounts receivables, net of reversals	8	-	-	314.250	450.201
Provision for inventory losses, net of reversals	9	-	-	201.828	217.110
Reversal for the provision for carbon credits		-	-	(6.815)	(3.253)
Effect from hyperinflationary economy		-	-	179.442	72.630
Other adjustments to reconcile net (loss) profit		-	-	-	(1.279)
		<u>(72.210)</u>	<u>(23.730)</u>	<u>1.503.887</u>	<u>1.714.695</u>
(INCREASE) DECREASE IN ASSETS					
Trade accounts receivable and related parties		(7.654)	109.197	(101.661)	(180.938)
Inventories		-	-	(191.357)	(1.023.444)
Recoverable taxes		-	-	(1.321)	(383.607)
Other assets		(1.279)	15.274	21.927	(15.671)
Subtotal		<u>(8.933)</u>	<u>124.471</u>	<u>(272.412)</u>	<u>(1.603.660)</u>
(DECREASE) INCREASE IN LIABILITIES					
Domestic and foreign trade accounts payable and related parties		(55.508)	2.085	(641.243)	(259.956)
Payroll, profit sharing and social charges, net		(2.569)	(11.501)	(329.466)	(82.320)
Tax liabilities		113	(12.721)	(153.055)	(235.443)
Other liabilities		(6.872)	(70)	(419.323)	(392.377)
Subtotal		<u>(64.836)</u>	<u>(22.207)</u>	<u>(1.543.087)</u>	<u>(970.096)</u>
CASH (USED IN) GENERATED BY OPERATING ACTIVITIES					
		<u>(145.979)</u>	<u>78.534</u>	<u>(311.612)</u>	<u>(859.061)</u>
OTHER CASH FLOWS FROM OPERATING ACTIVITIES					
Payment of income tax and social contribution		(2.362)	(3.095)	(341.964)	(348.906)
Release of judicial deposits net of withdrawals		-	-	13.779	6.624
Payments related to tax, civil and labor lawsuits	22	-	-	(112.602)	(32.464)
(Payments) proceeds due to settlement of derivative transactions		(934)	-	(256.730)	226.999
Payment of interest on lease	18	(12)	-	(77.705)	(105.735)
Payment of interest on borrowings, financing and debentures	19	-	(26.005)	(362.663)	(426.884)
NET CASH (USED IN) GENERATED BY OPERATING ACTIVITIES		<u>(149.287)</u>	<u>49.434</u>	<u>(1.449.497)</u>	<u>(1.539.427)</u>
CASH FLOW FROM INVESTING ACTIVITIES					
Additions of property, plant and equipment and intangible		33	-	(523.081)	(639.780)
Proceeds from sale of property, plant and equipment, intangible and non-current assets held for sale		-	-	3.707	13.373
Application of short-term investments		(169.300)	(567.811)	(4.753.022)	(5.630.357)
Redemption of short-term investments		288.137	360.401	5.446.657	4.614.436
Redemption of interest on short-term investments		-	15.535	59.888	41.853
Receipt of dividends from subsidiaries	32	153.656	168.612	-	-
NET CASH GENERATED BY (USED IN) INVESTING ACTIVITIES		<u>272.526</u>	<u>(23.263)</u>	<u>234.149</u>	<u>(1.600.475)</u>
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of lease - principal	18	(28)	-	(526.728)	(579.596)
Repayment of borrowings, financing and debentures - principal	19	-	(497.879)	(3.638.701)	(5.511.859)
New borrowings, financing, and debentures	19	-	-	4.727.033	6.335.740
Acquisition of treasury shares, net of receipt of option strike price		(120.300)	(32.513)	(120.300)	(21.014)
(Payment) receipt of funds due to settlement of derivative transactions		(4.332)	-	109.162	1.615.793
Capital Increase		2.724	-	2.724	-
NET CASH (USED IN) GENERATED BY FINANCING ACTIVITIES		<u>(121.936)</u>	<u>(530.392)</u>	<u>553.190</u>	<u>1.839.064</u>
Effect of exchange rate variation on cash and cash equivalents		-	-	(301.273)	(16.042)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>1.303</u>	<u>(504.221)</u>	<u>(963.431)</u>	<u>(1.316.880)</u>
Opening balance of cash and cash equivalents	6	4.289	505.699	4.007.257	5.821.672
Closing balance of cash and cash equivalents	6	5.592	1.478	3.043.826	4.504.792
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>1.303</u>	<u>(504.221)</u>	<u>(963.431)</u>	<u>(1.316.880)</u>

*The accompanying notes are an integral part of the Interim Accounting Information.

NATURA & CO HOLDING S.A.

**STATEMENT OF VALUE ADDED
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
(In thousands of Brazilian reais - R\$)**

	Note	Parent		Consolidated	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
INCOME		12.326	-	21.293.366	23.399.606
Sale of goods, products and services		-	-	21.314.696	23.526.966
Provision for doubtful accounts, net of reversals	8	-	-	23.414	(48.405)
Other operating expenses, net		12.326	-	(44.744)	(78.955)
GOODS ACQUIRED FROM THIRD PARTIES		(201.914)	(11.703)	(13.890.161)	(17.196.498)
Cost of products sold and services rendered		-	-	(7.018.582)	(7.255.822)
Materials, electricity, outsourced services and other		(201.914)	(11.703)	(6.871.579)	(9.940.676)
GROSS VALUE ADDED		(189.588)	(11.703)	7.403.205	6.203.108
RETENTIONS		(388)	-	(1.278.928)	(1.395.263)
Depreciation and amortization	16, 17 and 18	(388)	-	(1.278.928)	(1.395.263)
VALUE ADDED PRODUCED BY THE COMPANY		(189.976)	(11.703)	6.124.277	4.807.845
TRANSFERRED VALUE ADDED		(1.179.150)	152.317	3.314.734	2.264.397
Equity in subsidiaries	15	(1.197.476)	141.134	-	-
Financial income - including inflation adjustments and exchange rate variatio	29	18.326	11.183	3.314.734	2.264.397
TOTAL VALUE ADDED TO DISTRIBUTE		(1.369.126)	140.614	9.439.011	7.072.242
DISTRIBUTION OF VALUE ADDED		(1.369.126)	140.614	9.439.011	7.072.242
Payroll and social charges	28	15.435	46.317	3.571.663	3.970.279
Taxes, fees and contributions		-	-	3.129.809	330.323
Financial expenses and rentals		25.254	14.622	4.146.683	2.695.954
Retained losses		(1.409.815)	-	(1.409.815)	-
Dividends and interest on equity declared and not distributed		-	-	-	(3.989)
Minority holders' share in retained profit		-	-	671	-
Retained earnings		-	79.675	-	79.675

*The accompanying notes are an integral part of the Interim Accounting Information.

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NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

1. GENERAL INFORMATION

Natura &Co Holding S.A. ("Natura &Co") was incorporated on January 21, 2019, with the purpose of holding interests in other companies, whose main business is in the cosmetics, fragrance and personal hygiene segments, through the manufacturing, distribution, and sale of their products. Natura &Co is headquartered in Brazil, in the city of São Paulo, State of São Paulo, at Avenida Alexandre Colares, nº 1,188, Vila Jaguará, CEP 05106-000. Natura &Co and its subsidiaries are hereinafter referred to as the "Company".

Brands managed by the Company include "Natura", "Avon", "The Body Shop" and "Aesop". In addition to using the retail market, e-commerce, business-to-business (B2B) and franchises as sales channels for the products, the subsidiaries highlight the performance of the direct sales channel carried out mainly by the Natura, The Body Shop and Avon Consultant(s).

2. MANAGEMENT STATEMENT AND BASIS OF PRESENTATION OF THE INTERIM ACCOUNTING INFORMATION

The Company's interim accounting information, included in the Quarterly Information Form – "ITR" for the six-month period ended June 30, 2022, includes the individual and consolidated interim accounting information prepared pursuant to Technical Pronouncement CPC 21 (R1) - Interim Statements, approved by the Brazilian Accounting Committee ("CPC") equivalent to International Accounting Standard ("IAS") 34 - Interim Financial Reporting.

The individual and consolidated interim accounting information shows all relevant information specific to the interim accounting information, and only these, which is consistent with that used by Management in its management.

The Company's individual and consolidated interim accounting information was approved by the Board of Directors and authorized for publication at a meeting held on August 10, 2022.

The individual and consolidated interim accounting information was prepared based on historical cost, except for derivative instruments, non-current assets held for sale and short-term investments recognized in other current and non-current assets that were measured at fair value. The individual and consolidated interim accounting information are expressed in thousands of Reais ("R\$"), rounded to the nearest thousand, as well as the disclosure of amounts in other currencies, when necessary, also made in thousands. The items disclosed in other currencies are duly identified, whenever applicable.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied in the preparation of this individual and consolidated interim accounting information are consistent with those applied and disclosed in note 3 to the Company's audited financial statements for the year ended December 31, 2021, issued on March 9, 2022, except for the rules and changes effective as of January 1, 2022, which has not entailed any significant changes in the individual and consolidated interim accounting information of the Company.

Additionally, the Company adopted International Financial Reporting Standard IFRS 9 (CPC 48), Financial Instruments, for hedge accounting from January 1, 2022, replacing IAS 39, Financial Instruments (CPC 38), which the Company had elected to keep in force for hedge accounting from the first-time adoption of IFRS 9 (CPC 48) on January 1, 2018. The transition to IFRS 9 (CPC 48) was carried out prospectively and pre-existing hedging relationships were treated as ongoing hedging relationships, without loss of effectiveness or designation in transition. The adoption of IFRS 9 did not produce significant effects on the financial statements.

This individual and consolidated interim accounting information should be read in conjunction with the latest annual financial statement.

The same accounting policies are applicable for the quarter and six-month comparative period ended June 30, 2021 (except for the above-mentioned rules and amendments, which did not have a significant effect on the Company's individual and consolidated interim accounting information).

a) Hyperinflationary Economy - Turkey

As of June 2022, Turkey is considered a hyperinflationary economy. Thus, according to CPC 42 - Accounting and Evidence in a Highly Inflationary Economy (IAS 29 - Financial Reporting in Hyperinflationary Economies), non-monetary assets and liabilities, equity items and the statement of income of subsidiary Avon Kozmetik Urunleri Sanayi ve Ticaret Anonim Siketi ("Avon Turkey") whose functional currency is the Turkish Lira, are being updated so that their values are stated in the measurement currency unit at the end of the period, which considers the effects measured by the Consumer Price Index ("CPI") of Turkey. As a result, the results of operations of the subsidiary Avon Turkey started to be disclosed as if they were highly inflationary as of January 1, 2022 (beginning of the year when the existence of hyperinflation was identified).

Non-monetary assets and liabilities recorded at historical cost and Avon Turkey's shareholders' equity items have been restated based on the aforementioned index, with the hyperinflation impacts resulting from changes in general purchasing power as of January 1, 2022, are now presented in the income statement. Considering that the Company does not operate in an economy that became hyperinflationary in the period (but its subsidiary mentioned above), the restatement of comparative balances from previous periods is not carried out, in accordance with the provisions of CPC 02 (R2) Effects changes in exchange rates and conversion of financial statements (IAS 21 - The effects of changes in foreign exchange rates).

The income statement is adjusted at the end of each reporting period based on changes in the general price index for the period.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

The net effect of the 2022 inflation update on (i) non-monetary assets and liabilities; (ii) equity items; and (iii) income statement, was presented in a specific account for the purpose of hyperinflation in the financial result (note 29).

For the purpose of converting the accounting balances of subsidiary Avon Turkey into the presentation currency (Reais – R\$) used in the Company's individual and consolidated financial statements, the following procedures required by CPC 02 (R2) (IAS 21):

- the amounts of assets, liabilities and equity items were translated at the exchange rate at the end of the period (3.1876 Turkish Lira per Brazilian Real in June 2022).
- the amounts of income and expenses for the period were translated at the exchange rate at the end of the period (3.1876 Turkish lira per real in June 2022), instead of the average exchange rate for the period, which is used in the conversion non-hyperinflationary economy currency.
- the income statements for the year ended December 31, 2021, as well as the three-month period ended March 31, 2022, and the respective balance sheets of subsidiary Avon Turkey were not represented. In the translate to a non-hyperinflationary economy currency, the comparative amounts should be those that would be presented as current year amounts in the prior year financial statements, not adjusted for subsequent changes in the price level or exchange rates.

Accumulated inflation in the six-month period ended June 30, 2022 was 42.35%, according to the Turkish Consumer Price Index (CPI).

In the six-month period ended June 30, 2022, the application of CPC 42 / IAS 29 to the subsidiary Avon Turkey did not result in material impacts on the Company's interim financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The areas that require a higher level of judgment and have greater complexity, as well as the areas in which assumptions and estimates are significant for the interim accounting information, were presented in note 5 of the Company's financial statements for the year ended December 31, 2021.

The estimates and assumptions used in the preparation of the interim, individual and consolidated accounting information for the six-month period ended June 30, 2022, have not changed significantly related with the as of December 31, 2021.

5. FINANCIAL RISK MANAGEMENT

The information regarding the general considerations and polices of the Company was presented in note 6.1 of the Company's annual financial statements for the year ended December 31, 2021, and there are no changes for the six-month period ended June 30, 2022.

5.1 Risks associated with the conflict between Russia and Ukraine

In February 2022, Russia launched a full-scale military invasion and is now engaged in a wide-ranging military conflict with Ukraine. In response, governments and authorities around the world, including the United States, United Kingdom and the European Union, announced sanctions and export restrictions on certain companies, financial institutions, individuals and economic sectors in Russia and Belarus. In response, Russia announced

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

countermeasures aimed at punishing foreign companies for stopping their activities. Such sanctions and other measures could adversely affect our business.

So far, the conflict resulted in the suspension of the operations of the subsidiaries The Body Shop and Aesop in Russia and of exports from the Russian manufacturing unit to other countries in the region, which are now supplied by our unit in Poland. Avon, however, continues to supply its dealer network in Russia. The administrative operations in Ukraine that were carried out within the Company's facilities have been idle since the beginning of the conflict and it is currently expected that activities can be resumed during the third quarter of 2022. As of the date of this interim accounting information, the Company confirms that the facilities, as well as the goods and stocks held therein, have not been damaged and are in a suitable condition to be operated as activities resume.

As of the date of the interim accounting information, there are no material impacts of the above matter on the Company's consolidated interim accounting information, due to the Company's limited operations in Russia and Ukraine, which together represent less than 2% of consolidated net revenue.

Regarding operations of the subsidiary Avon in Russia, as of the date of this interim accounting information, no significant impacts were identified that affect the business model for managing financial assets or the classification of these assets. Additionally, there are no indications of a significant increase in the expected credit loss associated with operations, considering the maintenance of receivables collection levels and the increase in cash transactions (considering the reduction in credit operations as a result of restrictions imposed locally and of credit card processing companies in the country).

During the six-month period ended June 30, 2022, the Company's Management decided not to continue the operations of subsidiary The Body Shop in Russia and the related impacts are disclosed in note 28.

Considering the maintenance of collection levels and sales operations for the local market in Russia, as well as the inexistence of significant restrictions that affect the Company's ability to carry out the management and cash movement necessary to maintain its operations, there is no significant risk of liquidity related to these events that affect this interim accounting information. Similarly, market risks associated with the transaction, including interest rate, currency and other price risks, including raw materials, did not significantly affect the Company's financial assets, considering the supply of production to the market. from the Russian manufacturing units and the expectation of recoverability of the amounts in the normal course of business.

Regarding the operations in Ukraine, the suspension of sales in March and the reduction in the collection of outstanding receivables resulted in an increase in the provision for losses on accounts receivable on June 30, 2022, this effect, however, not being material for this consolidated interim accounting information. Additionally, considering the absence of restrictions imposed on the movement of cash and cash equivalents, raising funds in the normal course of business and making payments and receipts, at the date of the interim accounting information, there are no significant impacts on the liquidity of the operations in that location.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

As a result of the developments of the conflict in the quarter and in the six-month period ended June 30, 2022, there were still no impacts resulting from possible breaches of covenants or losses related to derecognition and/or modification of financial instruments or reclassification of amounts of cash flow hedge reserve as a result of the loss of effectiveness of derivatives recognized by hedge accounting or the loss of expectation that transactions evaluated as highly probable will actually occur.

The Company's Management is continuously monitoring developments to assess any possible future impacts that may arise as a result of the ongoing crisis, including the impairment of financial and non-financial assets, which the Company's Management assesses based on the best information available.

5.2 COVID-19 impacts

The Company continues to monitor the effects of the Covid-19 pandemic in the markets it operates, especially regarding to the restrictive measures adopted by these jurisdictions. The Crisis Committee continuously analyzes the situation and acts to minimize impacts on the operations and on the equity and financial position of the Company, with the objective of implementing appropriate measures, ensuring the continuity of operations, hedge cash, improve liquidity and promote the health and safety of all. We observed a reduction on the market restrictions during the first semester of 2022, when compared to the end of 2021 and the first semester of 2021. During the first semester of 2022 we did not identify any material impacts on the Company's financial position and will continue to monitor potential future impacts.

5.3 Market risks including foreign exchange risk and interest rate

In order to hedge the current balance sheet positions of the Company against market risks, the following derivative instruments are used and consist of the balances in the following table, as of June 30, 2022, and December 31, 2021:

Description	Consolidated	
	June 30, 2022	December 31, 2021
Financial derivatives	(564,573)	516,386
Operating derivatives	15,386	251
Total	(549,187)	516,637

As of June 30, 2022, and December 31, 2021, the financial derivatives balances are composed as follows:

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

Financial derivatives

Consolidated Description	Fair value		Gains (losses) of fair value adjustment	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Swap agreements^{a)}				
Asset portion:				
Dollar purchased position	5,514,136	6,881,981	235,888	978,350
Liability portion:				
Post-fixed CDI Rate:				
Position sold in CDI	(6,095,523)	(6,348,442)	(742,354)	(823,887)
Forward contracts and NDF:				
Liability position:				
Post-fixed CDI Rate:	6,819	(137)	1,111	(137)
Short position at interbank rate	9,995	(17,016)	(274)	94
Total derivative instruments, net:	(564,573)	516,386	(505,629)	154,420

a) Swap transactions consist of swapping the exchange rate variation for a correction related to a percentage of the fluctuation of the Certificate of bank deposits (post-fixed CDI), in the case of Brazil.

Below are the changes in net derivatives balances for the year ended December 31, 2021, and for the six-month period ended June 30, 2022:

	Consolidated
Balance as of December 31, 2020	1,846,777
Gains from swap and forward derivative contracts in the result of the year	441,554
Receipt of funds due to settlement of derivative transactions – operational activity	(1,570,584)
Payment due to settlements – financing activity	9,040
Losses in cash flow hedge operations (other comprehensive income)	(210,150)
Balance as of December 31, 2021	516,637
Losses from swap and forward derivative contracts in the result of the period	(559,000)
Payment of funds due to settlement of derivative transactions – operational activity	256,730
Receipt due to settlements – financing activity	(109,162)
Losses in cash flow hedge operations (other comprehensive income)	(654,392)
Balance as of June 30, 2022	(549,187)

For derivative financial instruments held by the Company on June 30, 2022, and December 31, 2021, due to the fact that the contracts are executed directly with financial institutions and not through stock exchanges, there are no margins deposited as collateral of these operations.

5.4 Financial derivative instruments designated for hedge accounting (hedge accounting)

The positions of derivative instruments designated as outstanding cash flow hedge on June 30, 2022, are set out below.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

	Consolidated				
	Subject to hedging	Notional currency	Fair value	Accumulated gains (losses)	Gains (losses) for the six-month period
Currency swap – US\$/R\$	Currency	BRL	(574,533)	(632,283)	(665,360)
Forward agreements (Aesop)	Currency	BRL	(234)	(234)	(1,416)
Forward agreements (The Body Shop and Avon)	Currency	BRL	1,684	1,684	1,684
Forward agreements (Natura Indústria)	Currency	BRL	11,186	5,479	5,471
Forward agreements (Natura &Co)	Currency	BRL	-	-	89
Forward agreements and swap (Avon)	Currency	BRL	6,529	6,529	5,140
Total			(555,368)	(618,825)	(654,392)

5.5 Operating derivatives - Consolidated

As of June 30, 2022, and December 31, 2021, the Company maintains forward derivative instruments, with the purpose of hedging the foreign exchange risk of operating cash flows (such as import and export transactions):

Description	Fair value	
	June 30, 2022	December 31, 2021
The Body Shop and Avon position	6,464	(404)
Natura Position	8,922	655
Total of derivative instruments, net	15,386	251

5.6 Capital Management

The Company's objectives in managing its capital are to safeguard the Company's ability to continue to provide returns to shareholders and benefits to other stakeholders, in addition to maintaining an ideal capital structure to reduce this cost.

The Company monitors capital based on the financial leverage ratios. This ratio corresponds to the net debt divided by Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA"). The net debt corresponds to total borrowing and financing (including short and long-term borrowing and financing, as shown in the consolidated balance sheet), deducted from cash and cash equivalents and short-term investments (except for "Crer para Ver" funds and Dynamo Beauty Ventures Ltd. Fund).

5.7 Fair value estimate

The Company's financial assets and liabilities substantially encompass assets and liabilities classified as level 2 in the fair value estimate hierarchy, the assessment of which is based on techniques that use, other than the prices quoted in level 1, other informations adopted by the market in a direct (as prices) or indirect (resulting from prices) manner. To measure the fair value, the carrying amount represents an amount that is reasonably near to the fair value, as described below:

- (i) the balances of cash and cash equivalents, trade accounts receivables, accounts payable to suppliers and other current liabilities are equivalent to their carrying amounts, mainly due to the short-term maturities of these instruments.
- (ii) the balances of the short-term investments (a) measured at amortized cost approximate their fair values as a result of the transactions to be conducted at floating interest rates; and (b) measured at fair value through profit or loss based on the rates agreed with the financial institutions considering the agreed rates among the parties, including market information that allows for such calculation.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

- (iii) the carrying amounts of borrowing, financing and debentures are measured at their amortized cost and disclosed at fair value, which does not differ materially from the carrying amounts as the agreed interest rates are consistent with current market rates; and
- (iv) the fair value of exchange rate derivatives (swap and forwards) is determined based on the future exchange rates at the dates of the balance sheets, with the resulting amount being discounted at present value.

There was no transfer between measurement levels in the fair value hierarchy in the six-month period ended June 30, 2022, for these assets and liabilities. Additionally, there were no material effects in the quarter on the fair value of financial assets and liabilities as a result of the increase in price volatility in markets affected by the conflict between Russia and Ukraine, counterparty risk in financial assets or inactivity of markets considered in the valuation.

6. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Cash and banks	5,592	4,289	2,220,952	3,349,398
Certificate of bank deposits	-	-	19,169	7,639
Repurchase operations ^(a)	-	-	803,705	650,220
	<u>5,592</u>	<u>4,289</u>	<u>3,043,826</u>	<u>4,007,257</u>

- a) Repurchase operations are securities issued by banks with a commitment by the bank to repurchase the securities, and by the client to resell the security, at a defined interest rate and within a predetermined term, which are backed by public or private securities (depending on the financial institution) and are registered within the Central Agency for Custody and Financial Settlement of Securities ("CETIP"). As of June 30, 2022, repurchase operations are remunerated at an average rate of 100.0 % of CDI (100.0% of the CDI as of December 31, 2021).

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

7. SHORT-TERM INVESTMENTS

	Parent		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Exclusive Investment fund ^(a)	120,240	228,694	-	-
Mutual investment funds ^(b)	-	-	829,643	896,212
Treasury bills ^(c)	-	-	393,452	646,586
Government securities (LFT) ^(d)	-	-	8,680	435,898
Dynamo Beauty Ventures Ltd. Fund	-	-	50,481	36,921
Restricted cash	-	-	39	44
	<u>120,240</u>	<u>228,694</u>	<u>1,282,295</u>	<u>2,015,661</u>
Current	120,240	228,694	1,231,814	1,978,740
Non-current	-	-	50,481	36,921

- (a) The Company concentrate most of its investments in an Exclusive Investment Fund, which holds interest in shares of the Essential Investment Fund.

The values of the shares held by the Company are presented under the item "Exclusive Investment Fund" at the Parent Company. The financial statements of the Exclusive Investment Fund, in which the group has exclusive participation (100% of the shares), were consolidated, except for the quotas of the Instituto Natura, and the amounts of its portfolio were segregated by type of investment and classified as cash and short-term investments, based on the accounting practices adopted by the Company. For the purposes of consolidated presentation, the exclusive investment fund balance, as well as the positions of the other subsidiaries are presented according to the financial component.

The balance as of June 30, 2022, related to the "Crer para Ver" line within the exclusive investment fund is R\$91,267 (R\$96,070 as of December 31, 2021).

- (b) Mutual investment funds refer to the investments of some subsidiaries of the Company, which are concentrated in the Natura entities of the Hispanic America mainly in Argentina, Chile, Colombia and Mexico.
- (c) As of June 30, 2022, investments in treasury bills are remunerated at an average rate of 108.8% of the CDI (120.0% as of December 31, 2021).
- (d) As of June 30, 2022, investments in Government securities (LFT) are remunerated at an average rate of 103.1% of the CDI (102.0% of the CDI as of December 31, 2021).

The breakdown of securities constituting the Essential Investment Fund portfolio, regarding which the Company holds 100% interest, on June 30, 2022, and December 31, 2021, is as follows:

	Consolidated	
	June 30, 2022	December 31, 2021
Certificate of bank deposits	5,201	-
Repurchase operations (cash and cash equivalents)	389,969	569,349
Treasury bills	594,113	646,586
Government securities (LFT)	104,163	428,865
	<u>1,093,446</u>	<u>1,644,800</u>

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

8. TRADE ACCOUNTS RECEIVABLE

	Consolidated	
	June 30, 2022	December 31, 2021
Trade accounts receivable	3,682,226	3,930,340
(-) Allowance for expected credit losses	(430,567)	(453,981)
	<u>3,251,659</u>	<u>3,476,359</u>

Maximum exposure to credit risk on the date of the financial statements is the carrying amount of each maturity date range, net of the allowance for expected credit losses. The following table shows trade accounts receivable by exposure to the allowance for expected credit losses as of June 30, 2022 and December 31, 2021:

	Consolidated			
	June 30, 2022		December 31, 2021	
	Trade accounts receivable	Allowance for expected credit losses	Trade accounts receivable	Allowance for expected credit losses
Current	2,600,378	(90,625)	2,488,412	(80,087)
Past due:				
Up to 30 days	608,876	(57,243)	937,227	(68,782)
31 to 60 days	117,910	(49,265)	140,757	(56,784)
61 to 90 days	99,154	(49,901)	97,713	(49,731)
91 to 180 days	255,908	(183,533)	266,231	(198,597)
	<u>3,682,226</u>	<u>(430,567)</u>	<u>3,930,340</u>	<u>(453,981)</u>

The changes in the allowance for expected credit losses for the six-month period ended June 30, 2022, and 2021 are as follows:

	Consolidated
Balance as of December 31, 2020	<u>(432,108)</u>
Additions, net of reversals	(450,201)
Write-offs ^(a)	386,180
Translation adjustment	15,616
Balance as of June 30, 2021	<u>(480,513)</u>
Balance as of December 31, 2021	<u>(453,981)</u>
Additions, net of reversals	(314,250)
Write-offs ^(a)	311,613
Translation adjustment	26,051
Balance as of June 30, 2022	<u>(430,567)</u>

a) Refers to accounts overdue for more than 180 days, which are written off when the Company has no expectation of recovering the trade accounts receivable and sale of customer portfolios.

9. INVENTORIES

	Consolidated	
	June 30, 2022	December 31, 2021
Finished products	4,420,143	4,619,237
Raw materials and packaging	1,306,336	1,166,681
Auxiliary materials	207,253	195,364
Products in progress	49,923	38,189
(-) Allowance for inventory losses	(616,249)	(615,945)
	<u>5,367,406</u>	<u>5,403,526</u>

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

The changes in the allowance for inventory losses for the six-month period ended June 30, 2022, and 2021 are as follows:

	Consolidated
Balance as of December 31, 2020	(602,314)
Additions, net of reversals ^(a)	(217,110)
Write-offs ^(b)	216,366
Translation adjustment	25,862
Balance as of June 30, 2021	(577,196)
Balance as of December 31, 2021	(615,945)
Additions, net of reversals ^(a)	(201,828)
Write-offs ^(b)	149,164
Translation adjustment	52,360
Balance as of June 30, 2022	(616,249)

- a) This refers to the recognition of net allowance for losses due to discontinuation, expiration and quality, to cover expected losses on the realization of inventories, pursuant to the policy of the Company.
- b) This consists of write-offs of products for which there is already an allowance for losses, where the Company has no expectation of sales/realization.

10. RECOVERABLE TAXES

	Consolidated	
	June 30, 2022	December 31, 2021 ^(*)
ICMS on purchase of goods ^(a)	738,932	732,853
Taxes on purchase of goods – foreign subsidiaries	246,014	313,214
ICMS on purchases of property, plant and equipment and purchase of goods	12,449	12,138
PIS and COFINS on purchase of property, plant and equipment and purchase of goods ^(b)	977,846	984,737
Withholding PIS, COFINS and CSLL	1,671	1,673
Tax on Manufactured Goods - IPI ^(c)	143,403	114,179
Other	167,629	164,099
	2,287,944	2,322,893
Current ^(*)	953,602	973,269
Non-current	1,334,342	1,349,624

(*) The income tax balances originally presented on December 31, 2021 in this group were reclassified to the income tax and social contribution group in current assets for better presentation. This reclassification does not affect the total current assets, only reclassification between lines of recoverable taxes and income tax and social contribution.

- a) Tax credits related to the tax on the circulation of goods, interstate and inter-municipal transport and communication services (ICMS) were generated mainly by purchases, whose tax rate is higher than the average of sales. The Company expects to realize these credits during the ordinary course of business through offsetting with sales operations in the domestic market.
- b) The accumulated tax credits of PIS and COFINS basically arise from credits on purchases of raw materials used in the production and from purchase of property, plant and equipment, as well as credits arising out of the exclusion of ICMS from the calculation basis of the PIS/COFINS. The realization of these credits normally occurs through offsetting with sales operations in the domestic market.
- c) The balance will be used to offset IPI (*Taxes over industrialized products*) payable in future operations of the Company.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

11. INCOME TAX AND SOCIAL CONTRIBUTION

The effective rate calculated by the Company for the six-month period ended June 30, 2022, was negative in 20%. This percentage is based on a loss before tax of R\$1,085,878, and an income tax credit of R\$217,604. The main components that cause the effective rate to deviate from the nominal income tax rate of 34% are the tax losses from certain jurisdictions that cannot benefit from the recording of deferred income tax assets, permanent effects related to withholding income tax arising from transactions between group companies that cannot benefit partially offset by favorable net permanent items, including but not limited to investment subsidies and other incentives.

The effective rate calculated by the Company for the six-month period ended June 30, 2021, was 124%. This percentage is based on a loss before tax of R\$ 353,695 and an income tax credit of R\$ 437,346. The main component that causes the effective rate to deviate from the nominal income tax rate of 34% is the recognition of deferred tax assets referring to tax losses from previous years at Avon considering a new scenario of recoverability of the balance, (more information in note 11.1.), also the additional recognition of deferred income tax liability arising from the announcement made by the Government of England that the nominal rate will increase from 19% to 25%.

The changes in deferred income tax and social contribution asset and liability for the six-month period ended June 30, 2022, and 2021, are as follows:

	Consolidated	
	Assets	Liabilities
Balance as of December 31, 2020	1,339,725	(1,288,045)
Effect on income statement	1,287,647	(87,083)
Reserve for grant of options and restricted shares	(11,499)	-
Other comprehensive income impact	82,021	-
Translation adjustment	(75,897)	136,026
Balance as of June 30, 2021	2,621,997	(1,239,102)
Balance as of December 31, 2021	2,954,074	(994,041)
Effect on income statement	323,230	(51,345)
Reserve for grant of options and restricted shares	5,778	-
Other comprehensive income impact	223,746	-
Translation adjustment	(166,342)	138,497
Balance as of June 30, 2022	3,340,486	(906,889)

12. JUDICIAL DEPOSITS

Judicial deposits represent restricted assets of the Company and are related to the amounts deposited and held in court until the resolution of the disputes to which they are related. The judicial deposits held by the Company as of June 30, 2022, and December 31, 2021, are as follows:

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

	Consolidated	
	June 30, 2022	December 31, 2021
Unaccrued tax proceedings ^(a)	283,246	273,295
Accrued tax proceedings ^(b)	263,489	266,828
Unaccrued civil proceedings	6,179	8,212
Accrued civil proceedings	2,346	2,821
Unaccrued labor proceedings	11,746	11,970
Accrued labor proceedings	21,843	22,158
Total Judicial deposits	588,849	585,284

- a) The tax proceedings related to these judicial deposits refer, substantially, to ICMS-ST. These are part of the contingent liabilities - risk of possible loss disclosed in Note 22.
- b) The tax proceedings related to these judicial deposits refer, substantially, to the sum of the amounts highlighted in Note 22, and the amounts provisioned according to Note 21.

Changes in judicial deposits balances for the six-month period ended June 30, 2022, and 2021, are as follows:

	Consolidated
Balance as of December 31, 2020	566,190
New deposits	19,830
Redemptions	(21,320)
Inflation adjustment and interest	5,363
Payments / write-offs for expenses	(5,745)
Translation adjustment	611
Balance as of June 30, 2021	564,929
Balance as of December 31, 2021	585,285
New deposits	10,739
Redemptions	(19,863)
Inflation adjustment and interest	17,247
Payments / write-offs for expenses	(4,656)
Translation adjustment	97
Balance as of June 30, 2022	588,849

In addition to judicial deposits, the Company has contracted insurance policies for certain lawsuits.

13. NON-CURRENT ASSETS HELD FOR SALE

The assets classified as held for sale were acquired in the acquisition process of its subsidiary Avon. The changes in the balance for the six-month period ended June 30, 2022 and 2021 are as follows:

	Consolidated
Balance as of December 31, 2020	181,279
Transfer to property, plant and equipment, other assets and liabilities	(25,779)
Sale	(49)
Translation adjustment	(7,002)
Balance as of June 30, 2021	148,449
Balance as of December 31, 2021	52,921
Transfers from property, plant and equipment, other assets and liabilities	(8,404)
Translation adjustment	899
Balance as of June 30, 2022	45,416

As of June 30, 2022, the assets held for sale included the property of the subsidiary Avon, located in Polonia, Warsaw city and land in United Kingdom in Corby city.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

As of December 31, 2021, the assets held for sale included the property of the subsidiary Avon, located in Brazil and used by the Company for the distribution of products. This property had been classified as a non-current asset held for sale considering the decision and formal approval by management at the time of carrying out the sale of the asset and the identification of a buyer who contractually assumed the obligation to carry out the transaction. However, the completion of the transaction was subject to aspects and circumstances such as those provided for in CPC 31 - Non-Current Assets Held for Sale (IFRS 5) outside the Company's control, which did not affect the Company's commitment to the sale plan and classification as non-current assets held for sale.

In March 2022, in view of these circumstances and with the end of the contractual term, the buyer chose not to renew the term for completion of the transaction, and the respective balances were reclassified to property, plant and equipment. In the reclassification, the Company measured the non-current asset that is no longer classified as held for sale at the lower of its' carrying amount before the asset was classified as held for sale, adjusted for the depreciation that would have been recognized had the asset not been classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell it.

14. OTHER CURRENT AND NON-CURRENT ASSETS

	Parent		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Marketing and advertising advances	-	-	103,836	80,078
Supplier advances	15,812	6,215	335,373	350,830
Employee advances	112	187	38,513	17,402
Rent advances and guarantee deposit ^(a)	-	-	163,295	172,465
Advance insurance expenses	9,546	-	119,559	160,911
Overfunded pension plan ^(b)	-	-	897,948	1,043,799
Customs broker advances - Import taxes	-	-	40,735	60,739
Sublease receivables ^(c)	-	-	294,790	347,174
Carbon credits	-	-	10,781	11,479
Receivables from service providers ^(d)	-	-	142,033	162,268
Other	1,513	843	221,538	268,066
	<u>26,983</u>	<u>7,245</u>	<u>2,368,401</u>	<u>2,675,211</u>
Current	26,140	6,397	849,636	912,160
Non-current	843	848	1,518,765	1,763,051

a) Mainly related to: (i) advances for lease agreements that were not included in the initial measurement of lease liabilities / right-of-use of the subsidiary The Body Shop, in accordance with the exemptions of IFRS 16 / CPC 06(R2); and (ii) security deposits for the rental of certain stores of the subsidiaries The Body Shop and Aesop, which will be returned by the landlord at the end of the lease agreements.

b) Pension plan arising from the acquisition of Avon. The variation in the period is due to the Brazilian real appreciation in the period.

c) Refers to the sublease receivable from the New York office owned by the subsidiary Avon.

d) Refers to receivables mainly arising from damage that occurred with carriers and insurance companies.

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(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

15. INVESTMENTS

	Parent	
	June 30, 2022	December 31, 2021
Investments in subsidiaries, net of losses	24,216,148	28,281,178

Information and changes in the balances for the six-month period ended June 30, 2022, and 2021, are as follows:

	June 30, 2022			
	Natura Cosméticos S.A. (a)	Avon Products, Inc.	Natura &Co International S.à r.l.	Total
Percentage of interest	100.00%	100.00%	100.00%	
Shareholders' equity of the subsidiaries (unsecured liabilities)	5,863,107	(4,884,787)	5,809,203	6,787,523
Shareholders' equity interest (unsecured liabilities)	5,863,107	(4,884,787)	5,809,203	6,787,523
Fair value adjustment of acquired assets and liabilities	-	4,269,499	-	4,269,499
Tax benefit from income tax of subsidiaries ^(b)	-	393,005	-	393,005
Goodwill	-	12,766,121	-	12,766,121
Total	5,863,107	12,543,838	5,809,203	24,216,148
Net income (loss) for the period of subsidiaries	(139,832)	(1,090,599)	32,955	(1,197,476)
Balances as of December 31, 2021	7,816,896	14,034,994	6,429,288	28,281,178
Share of profit (loss) of equity investees	(139,832)	(1,090,599)	32,955	(1,197,476)
Translation adjustment	(1,505,164)	(322,455)	(658,360)	(2,485,979)
Effect of hyperinflationary economy adjustment	77,541	(92,141)	-	(14,600)
Contribution by the controlling company for purchase option plans granted to executive officers of the subsidiaries and other reserves net of tax effects	49,540	14,221	-	63,761
Hedge accounting net of tax effects	(435,875)	(182)	5,322	(430,735)
Other movement	1	-	(2)	(1)
Balance as of June 30, 2022	5,863,107	12,543,838	5,809,203	24,216,148

- a) The investment balance in the direct subsidiary Natura Cosméticos S.A. includes goodwill arising from the acquisitions of the indirect subsidiaries The Body Shop R\$ 1,662,654 (R\$ 1,892,015 as of June 30, 2021) and Aesop R\$128,087 (R\$ 132,734 as of June 30, 2021), according to note 17.
- b) Refers to a tax benefit provided for in the United Kingdom where entities with taxable income can use credits from companies with tax losses as long as they are part of the same economic group and are in the same jurisdiction. This credit originated in the business combination and is expected to be realized from the operations of the subsidiaries Aesop and The Body Shop in the United Kingdom.

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(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

	June 30, 2021			Total
	Natura Cosméticos S.A. ^(a)	Avon Products, Inc.	Natura &Co International S.à r.l.	
Percentage of interest	100.00%	100.00%	100.00%	
Shareholders' equity of the subsidiaries (unsecured liabilities)	6,401,485	(4,252,028)	5,489,548	7,639,005
Shareholders' equity interest (unsecured liabilities)	6,401,485	(4,252,028)	5,489,548	7,639,005
Fair value adjustment of acquired assets and liabilities	-	4,920,105	-	4,920,105
Tax benefit from income tax of subsidiaries ^(b)	-	360,401	-	360,401
Goodwill	-	12,834,792	-	12,834,792
Total	6,401,485	13,863,270	5,489,548	25,754,303
Net Income (loss) for the period of subsidiaries	52,786	10,474	77,874	141,134
Balances as of December 31, 2020	6,929,074	14,373,448	5,641,757	26,944,279
Share of profit (loss) of equity investees	52,786	10,474	77,874	141,134
Translation adjustment	(398,581)	(411,004)	(230,083)	(1,039,668)
Unrealized losses on conversion of intercompany balances in foreign currency	-	(109,648)	-	(109,648)
Effect of hyperinflationary economy adjustment	61,570	-	-	61,570
Contribution by the controlling company for purchase option plans granted to executive officers of the subsidiaries and other reserves net of tax effects	85,601	-	-	85,601
Hedge accounting net of tax effects	(160,353)	-	-	(160,353)
Dividends and interest on own capital	(168,612)	-	-	(168,612)
Balance as of June 30, 2021	6,401,485	13,863,270	5,489,548	25,754,303

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

16. PROPERTY, PLANT AND EQUIPMENT

	Useful life range (in years)	Consolidated				Translation adjustment	June 30, 2022
		December 31, 2021	Additions	Write-offs	Transfers		
Cost:							
Vehicles	2 to 5	38,902	1	(6,281)	13	(5,662)	26,973
Tooling	3	191,840	-	-	1,066	(138)	192,768
Tools and accessories	3 to 20	110,998	9,938	(333)	23,176	(23,091)	120,688
Facilities	3 to 60	303,452	44	(2,106)	2,909	(5,099)	299,200
Machinery and accessories	3 to 15	1,959,943	8,749	(35,773)	55,895	(129,520)	1,859,294
Leasehold improvements	2 to 20	1,128,504	14,611	(29,066)	21,194	(100,940)	1,034,303
Buildings	14 to 60	1,982,245	4,893	(334)	(7,455)	(83,876)	1,895,473
Furniture and fixtures	2 to 25	660,126	32,034	(31,419)	15,643	(59,143)	617,241
Land	-	628,373	-	-	9,607	(43,576)	594,404
IT equipment	3 to 15	634,580	11,409	(57,303)	(53,475)	(63,495)	471,716
Other assets	-	31,636	-	(81)	-	6,944	38,499
Projects in progress	-	561,488	244,432	(3,444)	(199,035)	(47,764)	555,677
Total cost		8,232,087	326,111	(166,140)	(130,462)	(555,360)	7,706,236
Depreciation value:							
Vehicles		(9,457)	(5,745)	5,548	(32)	5,539	(4,147)
Tooling		(174,164)	(3,711)	-	-	94	(177,781)
Tools and accessories		(65,740)	(12,655)	19	(20,933)	20,939	(78,370)
Facilities		(183,420)	(7,768)	1,748	-	(191)	(189,631)
Machinery and accessories		(728,408)	(88,274)	30,893	(2,221)	76,621	(711,389)
Leasehold improvements		(602,622)	(66,289)	26,268	90	55,325	(587,228)
Buildings		(298,327)	(44,458)	186	11,213	51,116	(280,270)
Furniture and fixtures		(369,610)	(44,517)	26,991	1,874	31,232	(354,030)
IT equipment		(392,095)	(42,536)	58,236	60,875	48,966	(266,554)
Other assets		(30,836)	(1,125)	88	-	826	(31,047)
Total depreciation		(2,854,679)	(317,078)	149,977	50,866	290,467	(2,680,447)
Net total		5,377,408	9,033	(16,163)	(79,596)	(264,893)	5,025,789

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(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

	Useful life range (in years)	Consolidated						June 30, 2021
		December 31, 2020	Additions	Write-offs	Write-offs Impairment	Transfers	Translation adjustment	
Cost:								
Vehicles	2 to 5	79,227	4,528	(21,755)	-	6,760	(4,674)	64,086
Tooling	3	187,852	360	-	-	168	(208)	188,172
Tools and accessories	3 to 20	85,678	10,250	(127)	-	3,552	(1,026)	98,327
Facilities	3 to 60	293,471	61	(992)	-	11,259	(2,337)	301,462
Machinery and accessories	3 to 15	1,819,693	13,641	(72,731)	-	46,959	(3,470)	1,804,092
Leasehold improvements	2 to 20	963,957	24,168	(20,474)	1,625	43,093	(39,389)	972,980
Buildings	14 to 60	1,899,176	4,144	(332)	-	12	13,726	1,916,726
Furniture and fixtures	2 to 25	566,548	26,217	(18,149)	2,882	13,679	(33,222)	557,955
Land	-	661,613	-	(1,203)	-	-	(18,791)	641,619
IT equipment	3 to 15	543,772	25,755	(16,904)	-	51,253	(22,451)	581,425
Other assets	-	36,687	-	(1,139)	-	-	(1,315)	34,233
Projects in progress	-	408,385	187,920	(21,119)	-	(182,921)	(11,894)	380,371
Total cost		7,546,059	297,044	(174,925)	4,507	(6,186)	(125,051)	7,541,448
Depreciation value:								
Vehicles		(33,042)	(9,879)	15,864	-	(5,791)	5,223	(27,625)
Tooling		(166,536)	(4,411)	-	-	-	115	(170,832)
Tools and accessories		(39,159)	(18,367)	127	-	-	97	(57,302)
Facilities		(176,726)	(8,280)	979	-	(2,895)	2,299	(184,623)
Machinery and accessories		(578,762)	(101,146)	69,386	-	1,015	4,427	(605,080)
Leasehold improvements		(480,554)	(69,103)	16,022	-	(5,550)	23,234	(515,951)
Buildings		(179,729)	(42,376)	324	-	-	854	(220,927)
Furniture and fixtures		(318,611)	(43,315)	14,369	-	(703)	25,254	(323,006)
IT equipment		(311,856)	(53,705)	15,939	-	(9,195)	14,434	(344,383)
Other assets		(26,027)	(14,161)	330	-	-	11,092	(28,766)
Total depreciation		(2,311,002)	(364,743)	133,340	-	(23,119)	87,029	(2,478,495)
Net total		5,235,057	(67,699)	(41,585)	4,507	(29,305)	(38,022)	5,062,953

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

17. INTANGIBLE ASSETS

	Useful life range (in years)	December 31, 2021	Consolidated			Translation adjustment	June 30, 2022
			Additions	Write-offs	Transfers		
Cost:							
Software	2,5 to 10	2,492,616	54,355	(31,324)	348,471	(227,501)	2,636,617
Trademarks and patents (defined useful life)	20 to 25	889,834	-	-	-	(112,984)	776,850
Trademarks and patents (indefinite useful life)	-	5,888,623	-	-	-	(979,558)	4,909,065
Goodwill Avon	-	13,381,191	-	-	-	(553,555)	12,827,636
Goodwill Emeis Brazil Pty Ltd.	-	143,180	-	-	-	(15,093)	128,087
Goodwill The Body Shop	-	2,063,672	-	-	-	(400,127)	1,663,545
Goodwill acquisition of The Body Shop stores	-	1,456	-	(891)	-	-	565
Relationship with retail clients	10	2,880	-	-	-	(271)	2,609
Key money (indefinite useful life)	-	24,985	-	-	-	(2,402)	22,583
Key money (defined useful life)	3 to 18	14,363	-	(5,596)	-	(1,853)	6,914
Relationship with franchisees and sub franchisees and sales representatives	7 to 15	2,990,558	-	-	-	(223,826)	2,766,732
Technology developed (by acquired subsidiary)	5	1,580,808	-	-	-	(209,271)	1,371,537
Other intangible assets and intangible under development	2 to 10	277,776	83,065	(1)	(202,128)	(13,654)	145,058
Total cost		29,751,942	137,420	(37,812)	146,343	(2,740,095)	27,257,798
Accumulated amortization:							
Software		(1,369,767)	(205,392)	30,779	(58,295)	168,647	(1,434,028)
Trademarks and patents		(143,186)	(18,774)	-	-	22,033	(139,927)
Key money		(16,517)	-	5,486	-	1,973	(9,058)
Relationship with retail clients		(3,218)	(43)	-	-	537	(2,724)
Relationship with franchisees and sub franchisees		(729,049)	(139,037)	-	-	62,843	(805,243)
Technology developed		(632,326)	(139,018)	-	-	85,574	(685,770)
Other intangible assets		(296)	(753)	-	(48)	(673)	(1,770)
Total accrued amortization		(2,894,359)	(503,017)	36,265	(58,343)	340,934	(3,078,520)
Net total		26,857,583	(365,597)	(1,547)	88,000	(2,399,161)	24,179,278

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

During the six-month period ended June 30, 2022, the slower economic recovery observed in the markets resulting from the economic disruptions caused by the Covid-19 pandemic and the developments in the conflict between Russia and Ukraine resulted, in addition to a retraction in the economic perspectives of cosmetics sector, in inflationary pressures and increase in interest rates practiced in several jurisdictions. These events affect significant assumptions used in the impairment test of goodwill for future profitability recognized from business combinations in previous years, especially in determining the discount rate (WACC) and in the projections of future results calculated based on the value methodology in use.

In response to changes in these assumptions, on which the recoverability of goodwill for future profitability is more sensitive, the Company's management recalculated the recoverable amount of the groups of Cash Generating Units (CGUs) for which the goodwill is monitored, involving the operations of Natura & Co Latam, Avon International, The Body Shop International and Aesop International. The recoverable amount of these groups of CGUs was determined based on value in use calculations, consistent with the methods used on December 31, 2021, disclosed in note 18 to the financial statements on that date.

As a result of this assessment, the need to recognize impairment losses on goodwill or other assets belonging to the group of CGUs as of June 30, 2022, was not identified. We will continue to monitor potential indicators of goodwill impairment, as well as factors that impact the significant assumptions used in the goodwill impairment test for future profitability, as changes in such assumptions may have a significant effect on the impairment of goodwill.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

	Useful life range (In years)	December 31, 2020	Consolidated					June 30, 2021
			Additions	Write-offs	Reversal (provision) of impairment	Transfers	Translation adjustment	
Cost:								
Software	2,5 to 10	2,059,150	30,071	(11,455)	-	98,813	(4,903)	2,171,676
Trademarks and patents (defined useful life)	20 to 25	894,578	-	-	-	-	(62,122)	832,456
Trademarks and patents indefinite useful life)	-	5,747,057	-	-	-	-	(280,157)	5,466,900
Goodwill Avon	-	13,299,849	-	-	-	-	(465,057)	12,834,792
Goodwill Emeis Brazil Pty Ltd.	-	142,090	-	-	-	-	(9,356)	132,734
Goodwill The Body Shop	-	1,946,741	1,413	(1,669)	-	-	(54,470)	1,892,015
Goodwill acquisition of The Body Shop stores	-	1,456	-	-	-	-	-	1,456
Relationship with retail clients	10	2,785	-	-	-	-	(154)	2,631
Key money (indefinite useful life)	-	26,769	-	180	-	-	(1,382)	25,567
Key money (defined useful life)	3 to 18	10,860	2,500	9,951	(168)	(5,555)	(1,435)	16,153
Relationship with franchisees and sub franchisees and sales representatives	7 to 15	2,959,519	-	(455)	-	(562)	(97,119)	2,861,383
Technology developed (by acquired subsidiary)	5	1,595,041	-	-	-	-	(112,615)	1,482,426
Other intangible assets and intangible under development	2 to 10	108,275	97,432	(511)	-	(71,204)	(45,015)	88,977
Total cost		28,794,170	131,416	(3,959)	(168)	21,492	(1,133,785)	27,809,166
Accumulated amortization:								
Software		(1,022,498)	(186,840)	10,260	-	3,770	29,928	(1,165,380)
Trademarks and patents		(100,043)	(24,729)	-	-	-	10,564	(114,208)
Key money		(8,871)	(185)	(9,840)	-	1,667	1,223	(16,006)
Relationship with retail clients		(2,839)	(147)	-	-	-	146	(2,840)
Relationship with franchisees and sub franchisees		(419,061)	(157,377)	455	-	-	22,816	(553,167)
Technology developed		(319,009)	(163,302)	-	-	-	37,583	(444,728)
Other intangible assets		(4,721)	(526)	511	-	-	3,995	(741)
Total accrued amortization		(1,877,042)	(533,106)	1,386	-	5,437	106,255	(2,297,070)
Net total		26,917,128	(401,690)	(2,573)	(168)	26,929	(1,027,530)	25,512,096

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

18. RIGHT-OF-USE AND LEASE LIABILITIES

a) Right-of-use

	Useful life in Years ^(a)	December 31, 2021	Consolidated			June 30, 2022
			Additions	Write-offs	Translation adjustment	
Cost:						
Vehicles	3	168,062	15,382	(18,140)	(7,339)	157,965
Machinery and equipment	3 to 10	33,629	4,414	(7,179)	(4,424)	26,440
Buildings	3 to 10	1,543,018	182,634	(72,711)	(60,990)	1,591,951
IT equipment	10	31,803	575	(1,714)	(494)	30,170
Retail stores	3 to 10	3,417,595	407,682	(189,309)	(366,075)	3,269,893
Tools and accessories	3	1,053	-	(384)	(146)	523
Total cost		5,195,160	610,687	(289,437)	(439,468)	5,076,942
Depreciation value:						
Vehicles		(91,509)	(21,360)	17,188	5,518	(90,163)
Machinery and equipment		(17,133)	(4,658)	7,179	2,151	(12,461)
Buildings		(507,045)	(135,667)	66,314	32,604	(543,794)
IT equipment		(24,410)	(3,452)	1,712	2,432	(23,718)
Retail stores		(1,458,512)	(293,566)	186,580	185,984	(1,379,514)
Tools and accessories		(582)	(130)	384	76	(252)
Total accrued depreciation		(2,099,191)	(458,833)	279,357	228,765	(2,049,902)
Net total		3,095,969	151,854	(10,080)	(210,703)	3,027,040

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

	Useful life in Years ^(a)	December 31, 2020	Consolidated			Translation adjustment	June 30, 2021
			Additions	Write-offs	Transfers ^(b)		
Cost:							
Vehicles	3	157,867	23,895	(13,035)	-	(8,802)	159,925
Machinery and equipment	3 to 10	53,048	2,621	(11,100)	-	(9,710)	34,859
Buildings	3 to 10	1,616,833	101,645	(202,885)	-	(120,008)	1,395,585
IT equipment	10	30,000	3,622	(1,234)	-	498	32,886
Retail stores	3 to 10	3,338,104	272,050	(23,368)	3,888	(443,389)	3,147,285
Tools and accessories	3	3,187	258	-	-	(2,340)	1,105
Total cost		5,199,039	404,091	(251,622)	3,888	(583,751)	4,771,645
Depreciation value:							
Vehicles		(63,422)	(28,526)	10,937	-	5,741	(75,270)
Machinery and equipment		(21,045)	(6,262)	2,258	-	9,263	(15,786)
Buildings		(399,765)	(135,468)	62,727	-	16,325	(456,181)
IT equipment		(19,161)	(4,428)	1,194	-	870	(21,525)
Retail stores		(1,291,346)	(322,310)	14,692	-	350,676	(1,248,268)
Tools and accessories		(2,253)	(420)	-	-	2,246	(427)
Total accrued depreciation		(1,796,992)	(497,414)	91,808	-	385,121	(1,817,457)
Net total		3,402,047	(93,323)	(159,814)	3,888	(198,630)	2,954,188

- a) The useful lives applied refer to the term of the contracts in which the Company is sure that it will use the assets underlying the lease contracts according to the contractual terms.
- b) Refers to key money related to store rentals. This amount is transferred from "right of use" to "intangible assets" when a new commercial agreement with the lessor is not yet signed.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

	Consolidated	
	June 30, 2022	June 30, 2021
Amounts recognized in the statement of income for the six-month period ended June 30, 2022, and 2021:		
Financial expense on lease	95,056	106,239
Amortization of right of use	458,833	497,414
Appropriation in the result of variable lease installments not included in the measurement of lease liabilities	16,068	19,787
Sublease revenue	(12,154)	(15,635)
Short-term lease expenses and low-value assets	36,134	37,772
Benefits granted by lessor related to Covid-19	(6,654)	(29,020)
Other lease-related expenses	17,338	26,809
Total	604,621	643,366
Amounts recognized in the financing activities in the cash flow statement:		
Lease payments (principal)	526,728	579,596
Amounts recognized in the operating activities in the cash flow statement:		
Lease payments (interest)	77,705	106,045
Variable lease payments, not included in the measurement of lease liabilities	15,760	25,054
Short-term and low-value assets lease payments	28,185	29,197
Other lease-related payments	24,620	42,838
Total	672,998	782,730

b) Lease liability

	Consolidated	
	June 30, 2022	December 31, 2021
Current	890,592	1,005,523
Non-current	2,451,335	2,542,339
Total	3,341,927	3,547,862

Below are the changes in lease liability balances for the six-month period ended June 30, 2022 and 2021:

	Consolidated
Balance as of December 31, 2020	3,858,455
New contracts and modifications	317,185
Payments – principal	(579,596)
Payments - interest	(105,735)
Appropriation of financial charges	106,045
Write-offs ^(a)	(85,166)
Translation adjustment	(122,420)
Balance as of June 30, 2021	3,388,768
Balance as of December 31, 2021	3,547,862
New agreements and modifications	638,390
Payments - principal	(526,728)
Payments - interest	(77,705)
Appropriation of financial charges	95,056
Write-offs ^(a)	(1,176)
Translation adjustment	(333,772)
Balance as of June 30, 2022	3,341,927

a) Mainly related to termination of agreements related to lease of stores.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

The amount of lease liability payments, including interest payments due to maturity, is as follows:

	Consolidated	
	June 30, 2022	December 31, 2021
Less than a year	1,066,072	1,154,697
One to five years	2,112,556	2,086,269
More than five years	816,886	829,511
Total expected cash flow	3,995,514	4,070,477
Interest to be incurred	(653,587)	(522,615)
Total balance	3,341,927	3,547,862

19. BORROWING, FINANCING AND DEBENTURES

	Ref.	Consolidated	
		June 30, 2022	December 31, 2021
Local currency:			
Financing Agency for Studies and Projects FINEP		29,641	44,193
Debentures	A	1,951,224	1,922,732
Working capital – The Body Shop operation	B	446,135	526,743
Working capital – Avon operation		18,805	164,491
Working capital - Natura &Co Luxembourg operation	E	785,700	-
Notes – Avon ⁽¹⁾	C	1,492,963	4,255,958
Notes – Natura &Co Luxembourg	D	3,129,713	-
Total In local currency		7,854,181	6,914,117
Foreign currency:			
Representative debt securities ("Notes")	F	5,185,356	5,523,287
Resolution n° 4131/62		-	279,428
Total In foreign currency		5,185,356	5,802,715
Grand total		13,039,537	12,716,832
Current		725,988	945,069
Non-current		12,313,549	11,771,763
Debentures			
Current		377,479	350,145
Non-current		1,573,745	1,572,587

⁽¹⁾ Balance recognized at fair value at the time of the business combination with subsidiary Avon and subsequently measured at amortized cost.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

Reference	Currency	Maturity	Charges	Effective interest rate	Guarantees
A	Real	By August 2024	Interest of 112% of the CDI 1.00% + CDI and 1.15% + CDI, with maturity dates in September 2022 and August 2024.	113.0% CDI + 1.15% - CDI + 1.30%	None
B	Pounds	April 2024	Sonia + interest of 2.9% p.a.	Sonia + interest 2.9% of p.a.	"Corporate" guarantee from the subsidiary Natura Cosméticos until December 2021 and "Aval" guarantee from Natura & Co from January 2022.
C	Dollar	March 2023 and March 2043	Interest of 6.45% p.a. and 8.45% p.a.	Interest of 6.45% of p.a. and 8.45% of p.a.	None
D	Dollar	April 2029	Interest of 6.00% p.a.	6.125% p.a	Guarantee from Natura & Co holding and Natura Cosméticos
E	Dollar	By October 2024	Libor + 1.65% p.a.	Libor + 1.65% p.a.	Guarantee from Natura & Co Holding and Natura Cosméticos
F	Dollar	May 2028	Interest of 4.125% p.a.	5.79%	Endorsement of Natura & Co

Changes in the balances of borrowing, financing and debentures for the six-month period ended June 30, 2022, and 2021, are as follows:

	Parent	Consolidated
Balance as of December 31, 2020	515,966	13,822,913
New borrowing and financing ^(a)	-	6,335,740
Repayment ^(b)	(497,879)	(5,511,859)
Appropriation of financial charges and funding costs	7,918	348,622
Financial charges payment	(26,005)	(426,884)
Exchange rate variation	-	(493,426)
Translation adjustment	-	(33,429)
Transfers and reclassifications	-	100,681
Balance as of June 30, 2021	-	14,142,358
Balance as of December 31, 2021	-	12,716,832
New borrowing and financing ^(c)	-	4,727,033
Repayment	-	(3,223,962)
Appropriation of financial charges and funding costs	-	335,638
Financial charges payment	-	(777,402)
Exchange rate variation	-	(375,209)
Translation adjustment	-	(363,393)
Balance as of June 30, 2022	-	13,039,537

- a) The fundraising carried out within the six-month period ended June 30, 2021 basically refer to the offer carried out by subsidiary Natura Cosméticos S.A. of the notes linked to the sustainability goals in the approximate amount of US\$ 1 billion and the new credit facility in the amount of up to £100 million (one hundred million pounds) obtained by subsidiary The Body Shop.

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(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

- b) The amortization carried out in the six-month period ended June 30, 2021 mainly refer to the early redemption of debt securities of subsidiary Natura Cosméticos S.A. ("Notes") in the amount of US\$750,000, carried out in May 2021.
- c) On October 28, 2021, the subsidiary Natura &Co Luxembourg, entered into a revolving credit facility in the principal amount of up to US\$625.0 million. The revolving credit facility has a term of 36 months, subject to extensions. On March 11, 2022, the amount of US\$ 200.0 million (approximately R\$ 1,116 million) was used.
- d) On April 13, 2022, the subsidiary Natura &Co Luxembourg concluded the issuance of debt securities maturing on April 19, 2029, in the aggregate principal amount of US\$600 million (approximately R\$2,809 million), subject to interest of 6.125% per year, which are guaranteed by Natura &Co and the subsidiary Natura Cosméticos. The funds are used to refinance certain short- and medium-term debts of the Company, including the redemption of senior notes due in March 2023 issued by the subsidiary Avon.
- e) The amortizations carried out in the six-month period ended June 30, 2022, refer mainly to the early redemption of debt securities of the subsidiary Avon. ("Notes").

The maturities of non-current portion of borrowing, financing and debentures liabilities are as follows:

	Consolidated	
	June 30, 2022	December 31, 2021
2023	-	2,812,260
2024	1,551,410	2,249,609
2025 onwards	10,762,139	6,709,894
Total	12,313,549	11,771,763

19.1 Covenants

The contractual covenants associated with the debt contracts of the Company establish the maintenance of minimum financial indicators resulting from the ratio of the division of the net treasury debt by the EBITDA of the last 12 months, as well as non-financial indicators according to each contract. As of June 30, 2022, and December 31, 2021, the Company was in compliance with such covenants.

20. TRADE ACCOUNTS PAYABLE AND REVERSE FACTORING OPERATIONS

	Parent		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Domestic trade accounts payable	2,167	3,537	4,540,815	5,248,462
Foreign trade accounts payable ^(a)	822	2,151	868,650	1,104,189
Subtotal	2,989	5,688	5,409,465	6,352,651
Reverse factoring operations ^(b)	-	-	307,048	417,928
Total	2,989	5,688	5,716,513	6,770,579

- a) Refers to imports mainly denominated in US dollars, Euros and British pounds.
- b) The Company has contracts signed with Banco Itaú Unibanco S.A. to directly structure a reverse factoring operation with the Company's main suppliers.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

21. TAX LIABILITIES

	Parent		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
ICMS ordinary	-	-	131,841	150,396
ICMS-ST provision ^(a)	-	-	59,453	58,188
Taxes on invoicing abroad	-	-	238,199	340,648
Withholding tax (IRRF)	-	-	124,575	148,081
Other taxes payable - foreign subsidiaries	-	-	113,750	138,461
Income tax	336	446	6,268	7,062
PIS and COFINS payable	368	144	368	144
INSS and service tax (ISS) payable	63	64	40,240	29,359
Other	-	-	17,844	8,888
Total	767	654	732,538	881,227
Current	767	654	618,988	766,430
Non-current	-	-	113,550	114,797

a) The Company has discussions about the illegality of changes in state laws to charge ICMS-ST. Part of the amount recorded as tax payable but not yet paid is being discussed in court by the Company, and in some cases, the amounts are deposited in court, as mentioned in note 12.

22. PROVISION FOR TAX, CIVIL AND LABOR RISKS

22.1 Contingencies assessed as probable risk of loss

The changes in the provision for tax, civil and labor risks and contingent liabilities are presented below:

	Consolidated									
	Tax		Civil		Labor		Contingent liabilities (business combination)		Total	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Balance as of January 1	862,092	931,771	305,690	219,373	233,474	251,339	597,585	797,693	1,998,841	2,200,176
Additions	50,035	61,687	122,735	32,329	51,889	40,105	-	-	224,659	134,121
Reversals ⁽¹⁾	(31,297)	(35,916)	(9,678)	(29,172)	(8,945)	(16,869)	(56,931)	(12,391)	(106,851)	(94,348)
Payments	(3,183)	(7,103)	(77,947)	(43,471)	(31,472)	(18,579)	-	-	(112,602)	(69,153)
Inflation adjustment	6,255	3,397	2,519	553	2,574	4,075	12,147	24,706	23,495	32,731
Translation adjustment	(59,069)	(27,394)	(9,182)	(1,741)	(19,495)	(3,887)	(7,359)	(18,717)	(95,105)	(51,739)
Transfers ⁽²⁾	(10,245)	1,166	(1,716)	(487)	(465)	(3,027)	-	-	(12,426)	(2,348)
Balance as of June 30	814,588	927,608	332,421	177,384	227,560	253,157	545,442	791,291	1,920,011	2,149,440
Current	32,213	60,660	215,674	97,046	11,516	-	-	-	259,403	157,705
Non-current	782,375	866,948	116,747	80,338	216,044	253,157	545,442	791,291	1,660,608	1,991,735

(1) Reversals of contingent liabilities (business combination) refers mainly to adherence to State tax amnesty programs, and change in estimates for civil and labor lawsuits, which took place in the first quarter of 2022.

(2) The business combination amounts as of June 30, 2022, are segregated between tax (R\$513,506), civil (R\$10,476) and labor (R\$21,460) proceedings.

a) Disputes related to talco

The subsidiary Avon International was named a defendant (along with other manufacturers of cosmetics and other products that, unlike those marketed by Avon, were designed with asbestos) in personal injury lawsuits brought in US courts. As of June 30, 2022, there were

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

178 individual cases pending against Avon International and during the six-month period ended June 30, 2022, 51 new cases were started and 24 were closed or settled. The value of the settlements was not material, individually or in the aggregate, for the operating results of the Company or the subsidiary Avon International.

22.2. Contingencies assessed as possible risk of loss

The Company has administrative and judicial contingencies for which the expectation of loss, avaliated by the Company's Management and supported by its legal advisors, is classified as possible and, therefore, no provision has been recorded. As of June 30, 2022, the contingencies classified as having a possible probability of loss totaled R\$8,406,949 (R\$10,913,858 as of December 31, 2021).

	Consolidated	
	June 30, 2022	December 31, 2021
Tax	8,066,205	9,884,541
Civil	176,265	128,479
Labor	164,479	180,838
Total contingent liabilities	8,406,949	10,193,858

On July 5, 2022, the National Congress overrode veto nº 58 of the President of the Republic, as a result, the law project nº 2110/19 was converted into Law nº 14,395/2022 to interpret that "plaza" corresponds to "municipality" for the purpose of defining the minimum taxable amount for calculating the IPI. Therefore, based on the opinion of the Company's legal advisors, the tax assessment notices issued by the Federal Revenue Service of Brazil that require IPI tax debts, due to the alleged failure to observe the minimum calculation basis, in the case of sales operations aimed at interdependent wholesale establishments, previously classified as possible risk of loss, were reclassified to remote. As of June 30, 2022, the total amount under discussion reclassified as remote loss is R\$2,426,467.

22.3. Recognition of assets previously assessed as contingent

In June 2022, an Avon subsidiary concluded the negotiation of a settlement agreement to resolve a breach of contract dispute in Japan. As a result, Avon received cash compensation in the amount of US\$27.0 million of which US\$3.2 million related to the settlement of historically recognized revenues and the remaining US\$23.7 million recognized as other operating income in the quarter ended June 30, 2022.

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(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

23. OTHER LIABILITIES

	Parent		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Pension and post-employment health care plans ^(a)	-	-	643,161	673,458
Deferred revenue from performance obligations with customers ^(b)	-	-	350,793	393,046
Provisions for incentives to consultants	-	-	209,702	286,791
Provisions for operating expenses (marketing / technology, etc.) ^(c)	-	-	571,366	601,841
Provision for store renovation	-	-	100,093	105,165
Crer Para Ver ^(d)	-	-	87,074	90,655
Provisions for rentals ^(e)	-	-	14,018	55,500
Provision for restructuring ^(f)	57,396	-	147,300	103,760
Long-term incentives ^(g)	-	-	5,281	6,302
Insurance payables	-	-	75,432	127,413
Other liabilities ^(h)	715	1,222	182,066	214,635
Total	58,111	1,222	2,386,286	2,658,566
Current	35,086	509	1,435,293	1,716,110
Non-current	23,025	713	950,993	942,456

- a) As of June 30, 2022, there is R\$406,678 (R\$ 445,804 as of December 31, 2021) referring to pension plans, and R\$35,789 referring to post-employment plans (R\$34,774 as of December 31, 2021) of subsidiary Avon, and R\$130,594 (R\$124,649 as of December 31, 2021) referring to post-employment assistance plans of the subsidiary Natura Cosméticos and R\$70,100 (R\$ 68,230 as of December 31, 2021) referring to post-employment assistance plans of the subsidiary Natura &Co International.
- b) Refers to the deferral of revenue from performance obligations related to loyalty programs based on points, sale of gift cards not yet converted into products and programs and events to honor direct sales consultants, of which R\$ 231,019 (R\$235,308 as of December 31, 2021) is referring to subsidiary Avon, R\$93,872 (R\$ 121,341 as of December 31, 2021) referring to the consolidated subsidiary Natura Cosméticos and R\$25,902 (R\$36,397 as of December 31, 2021) referring to subsidiary Natura &Co International.
- c) Refers to the Company's operating provisions arising mainly from expenses with the provision of technology, marketing and advertising services.
- d) Contribution of the social program to the development of the quality of education.
- e) Refers to the grace period granted by the lessors to start paying the rent of certain retail stores, for the lease agreements that were not included in the initial measurement of the lease liability / right of use of subsidiary The Body Shop, in accordance with the exceptions allowed by CPC 06 (R2) / IFRS 16.
- f) Provision for costs directly related to the integration plan of subsidiary Avon, changes in the Group's organizational structure, as well as the costs related to the discontinued operations at the subsidiary The Body Shop in Russia.
- g) Substantially refers to the variable compensation plans of the subsidiary Avon's executives.
- h) Refers to miscellaneous provisions such as indemnities and long-term contractual obligations.

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(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

24. SHAREHOLDER'S EQUITY

24.1 Treasury shares

On June 30, the item "Treasury shares" has the following composition:

	Number of shares	R\$ (In thousands)	Average price per share - R\$
Balance as of December 31, 2020	316,701	11,667	38.04
Used	(746,502)	(34,042)	46.03
Acquired	631,358	32,091	50.83
Balance as of June 30, 2021	201,557	9,716	46.64
Balance as of December 31, 2021	4,899,540	151,342	30.89
Used	(313,785)	(8,282)	26.39
Acquired	5,391,900	120,300	22.31
Balance as of June 30, 2022	9,977,655	263,360	26.39

The minimum and maximum cost of the balance of treasury shares on June 30, 2022, are R\$21.11 and R\$24.07, respectively.

24.2 Dividends

As of December 30, 2021, dividends were proposed for the year ended December 31, 2021 in the amount of R\$ 180,772, equivalent to the remuneration of R\$0.1315 per share based on earnings in the period. According to the Company's bylaws and the article 197 of law no. 6,604/76 the amount of R\$133,616 referring to the portion of minimum mandatory dividends exceeding the realized net income for the year was submitted for approval in the Annual General Meeting held in April 2022 and was classified as unrealized profit reserve.

24.3 Reclassification of effects between equity accounts

As of January 1, and December 31, 2021, the balances referring to predecessor adjustments presented in goodwill on the issuance/sale of shares in capital reserve in the statement of changes in equity were reclassified to special reserve in capital reserve, also a component of the Company's equity, for a better consolidated presentation of these impacts in this statement. This reclassification in the amount of R\$303,059 does not have any effect on the equity and financial position presented by the Company in these periods.

As of January 1, 2021, the balances referring to the effects of the conversion of balance sheets of subsidiaries in hyperinflationary economies presented in retained earnings in earnings reserve in the statement of changes in equity were reclassified to Other comprehensive income, also a component of the Company's equity, for a better consolidated presentation of these impacts in this statement. This reclassification in the amount of R\$202,677 does not have any effect on the equity and financial position presented by the Company in that period.

During the six-month period ended June 30, 2022, the balance referring to the effects of the conversion of balance sheets of subsidiaries in hyperinflationary economies presented in capital reserves (goodwill reserve on the issuance/sale of shares and additional paid-in capital) and in profit reserves (retained earnings) in the statement of changes in equity was reclassified to other comprehensive income, also a component of the Company's equity, for a better consolidated presentation of these impacts in this statement. This reclassification in the amount of R\$ 193,261 does not have any effect on the equity and financial position presented by the Company in this period.

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(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

25. INFORMATION ON SEGMENTS

There was no change in the composition of the operating segments and information by geographic area in relation to that disclosed in the financial statements for the year ended December 31, 2021.

Net revenue by segment is as follows for the six-month period ended June 30, 2022:

- Natura &Co Latam – 60.8%
- Avon International – 20.6%
- The Body Shop – 11.4%
- Aesop – 7.2 %

The following tables summarize the financial information related to the six-month period ended June 30, 2022, and 2021 and the year ended December 31, 2021:

25.1 Operating segments

	June 30, 2022							Net Income (loss)
	Net Revenue	Performance assessed by the company	Reconciliation to net Income (loss) for the period Depreciation and amortization	Discontinued operations	Financial Income	Financial expense	Income tax	
Natura &Co Latam	10,306,563	898,968	(445,539)	-	2,410,656	(3,004,296)	(110,633)	(250,844)
Avon International ¹	3,485,748	178,300	(346,970)	(105,662)	483,053	(765,182)	(44,412)	(600,873)
The Body Shop ¹	1,926,839	58,904	(342,002)	-	94,240	(130,365)	(15,312)	(334,535)
Aesop International ¹	1,236,557	236,199	(144,377)	-	43,235	(65,497)	(19,578)	49,982
Corporate expenses	-	(365,967)	(40)	-	283,550	(162,748)	(27,669)	(272,874)
Consolidated	16,955,707	1,006,404	(1,278,928)	(105,662)	3,314,734	(4,128,088)	(217,604)	(1,409,144)

	Net Revenue	Performance assessed by the company	Depreciation and amortization	Discontinued operations	Financial Income	Financial expense	Income tax	Net Income (loss)
Natura &Co Latam	10,719,616	1,134,290	(429,148)	-	1,975,340	(2,220,548)	(249,659)	210,275
Avon International ¹	4,567,478	(10,690)	(440,524)	7,965	254,639	(371,712)	875,406	315,084
The Body Shop ¹	2,537,296	352,706	(380,319)	-	25,461	(58,452)	(199,286)	(259,890)
Aesop International ¹	1,147,849	274,300	(145,278)	-	4,083	(26,879)	(32,189)	74,037
Corporate expenses	-	(291,506)	(49)	-	4,874	(20,213)	43,074	(263,820)
Consolidated	18,972,239	1,459,100	(1,395,318)	7,965	2,264,397	(2,697,804)	437,346	75,686

	June 30, 2022				December 31, 2021			
	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Non-current assets	Total assets	Current liabilities	Non-current liabilities
Natura &Co Latam	17,423,316	28,531,839	7,161,595	9,713,743	18,060,879	29,580,551	7,462,550	8,794,843
Avon International ¹	12,426,797	15,069,565	1,567,369	2,192,409	14,286,498	17,512,750	2,783,907	5,100,109
The Body Shop ¹	6,852,928	8,296,129	1,426,391	1,796,261	8,166,363	10,813,064	1,690,622	2,485,200
Aesop International ¹	1,560,969	2,433,337	535,289	704,874	1,520,514	2,542,125	610,451	648,695
Corporate expenses	977,647	-	948,223	4,035,218	964,359	-	1,146,347	1,159,041
Consolidated	39,241,657	54,330,870	11,638,867	18,442,505	42,998,613	60,448,490	13,693,877	18,187,888

¹ The operations of these segments located in Latin American countries (Latam) are presented in the Natura &Co Latam segment.

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(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

25.2 Net revenue and non-current assets by geographic region

	Net revenue		Non-current assets	
	June 30, 2022	June 30, 2021	June 30, 2022	December 31, 2021
Asia	1,671,832	1,822,314	1,135,182	1,216,942
North America	2,694,092	3,040,356	6,264,820	6,459,026
Mexico	1,742,705	1,981,016	3,557,422	3,640,644
Other	951,387	1,059,340	2,707,398	2,818,382
South America	8,099,394	8,190,842	13,528,985	14,250,548
Brazil	5,077,003	4,995,152	11,530,391	11,953,325
Argentina	1,413,247	1,196,450	820,460	1,036,205
Other	1,609,144	1,999,240	1,178,134	1,261,018
Europe, Middle East and Africa (EMEA)	4,078,475	5,565,605	16,679,768	19,276,178
United Kingdom	1,321,095	1,993,899	10,195,813	12,162,597
Other	2,757,380	3,571,706	6,483,955	7,113,581
Oceania	411,915	353,122	1,632,902	1,795,919
Consolidated	16,955,707	18,972,239	39,241,657	42,998,613

No individual or aggregate customer (economic group) represents more than 10% of the Company's net revenue.

26. REVENUE

	Consolidated	
	June 30, 2022	June 30, 2021
Gross revenue:		
Direct Selling	16,699,212	19,249,896
Retail	2,427,254	1,849,051
Online	1,354,677	1,532,998
Other sales	1,432,540	1,660,324
Subtotal	21,913,683	24,292,269
Returns and cancellations	(262,050)	(295,803)
Commercial discounts and rebates	(336,937)	(469,500)
Taxes on sales	(4,358,989)	(4,554,727)
Subtotal	(4,957,976)	(5,320,030)
Total net revenue	16,955,707	18,972,239

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(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

27. OPERATING EXPENSES AND COST OF SALES

Classified by function	Parent		Consolidated	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Cost of sales	-	-	6,162,413	6,640,754
Selling, marketing and logistics expenses	-	-	7,391,699	8,052,836
Administrative, R&D, IT, and project expenses	217,737	58,181	3,262,742	3,444,017
Total	217,737	58,181	16,816,854	18,137,607
Classified by nature				
Cost of sales	-	-	6,162,413	6,640,754
Raw material/packaging material/resale	-	-	5,576,061	5,977,025
Employee benefits expense (note 28)	-	-	276,900	280,895
Depreciation and amortization	-	-	120,052	122,779
Other	-	-	189,400	260,055
Selling, marketing and logistics expenses	-	-	7,391,699	8,052,836
Logistics costs	-	-	1,058,188	1,299,772
Personnel expenses (note 28)	-	-	2,121,197	2,251,100
Marketing, sales force and other selling expenses	-	-	3,572,156	3,821,766
Depreciation and amortization	-	-	640,158	680,198
Administrative, R&D, IT and project expenses	217,737	58,181	3,262,742	3,444,017
Innovation expenses	-	-	98,179	138,284
Personnel expenses (note 28)	22,862	50,720	1,281,388	1,535,735
Restructuring expenses ^(*)	146,557	-	149,617	-
Other administrative expenses	47,930	7,461	1,214,840	1,177,712
Depreciation and amortization	388	-	518,718	592,286
Total	217,737	58,181	16,816,854	18,137,607

(*) Refers to restructuring expenses related to corporate structure review at Natura & Co Holding and includes severance, social charges and benefits expenses.

28. EMPLOYEE BENEFITS

	Parent		Consolidated	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Payroll, profit sharing and bonuses	14,327	24,115	2,695,553	2,983,918
Pension Plan	-	-	126,541	122,227
Share-based payments and charges on restricted shares	(1,178)	20,458	58,811	165,030
Health care, food and other benefits	1,682	984	342,263	321,545
Charges, taxes and social contributions	604	760	348,495	377,559
INSS	7,427	4,403	107,822	97,451
Total	22,862	50,720	3,679,485	4,067,730

28.1 Share-based payments

Information regarding share-based payments was presented in the Company's financial statements for the year ended December 31, 2021, in note 29.

The (revenue) expense related to stock options, restricted shares and performance shares, including social security charges, recognized in the six-month period ended June 30, 2022, was R\$1,178 and R\$58,811 for parent company and consolidated level (R\$ 20,458 and R\$ 165,030 as of June 30, 2021), respectively.

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2022 Grants

In April 2022, share-based awards related to the "Co-Investment Plan" and the "Long-Term Incentive Plan" were granted.

Changes in the number of outstanding stock options, as well as in the number of restricted and performance shares, are presented below:

	Purchase Options and Strategy Acceleration Plan
	Options (thousands)
Balance as of December 31, 2020	17,245
Granted	1,100
Exercised / Forfeited	(3,301)
Balance as of June 30, 2021	15,044

	Purchase Options and Strategy Acceleration Plan
	Options (thousands)
Balance as of December 31, 2021	20,137
Exercised / Forfeited	(425)
Balance as of June 30, 2022	19,712

	Restricted shares (thousands)	Performance shares (thousands)
Balance as of December 31, 2020	6,960	3,808
Granted	3,358	3,365
Canceled	(5)	-
Exercised	(4,636)	-
Balance as of June 30, 2021	5,677	7,173

	Restricted shares (thousands)	Performance shares (thousands)
Balance as of December 31, 2021	5,494	8,045
Granted	2,296	6,485
Exercised / Forfeited	(2,539)	(1,142)
Balance as of June 30, 2022	5,251	13,388

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The number of shares above and throughout this disclosure note:

- do not include the Avon Products Inc. plans that were in place prior to the acquisition by Natura &Co, as covered in note 29.2 of the Company's financial statements for the year ended December 31, 2021;
- are presented using B3 equivalents for awards that are to be exercised / settled in ADRs, to ensure consistency; and
- the number of performance shares is disclosed assuming achievement of performance conditions at target, whereas the expense recognized reflects the latest reassessment of the number of awards expected to vest.

The awards outstanding at the end of the six-month period ended June 30, 2022, have the following maturity dates, fair values and strike prices:

As of June 30, 2022 – Stock options

Grant date	Conditions for acquisition of right as of the grant date	Strike price (R\$)	Fair value (R\$)	Existing options (thousands)	Maximum remaining contractual life (years)	Exercisable options (thousands)
March 16, 2015	2 to 4 years of service	13.47	4.85 to 5.29	104	0.7	104
July 28, 2015 (Strategy acceleration)	4 to 5 years of service	12.77	6.20 to 6.23	495	1.1	495
March 15, 2016	2 to 4 years of service	12.71	7.16 to 7.43	93	1.7	93
July 11, 2016 (Strategy acceleration)	4 to 5 years of service	11.28	6.84 to 6.89	1,540	2.0	1,540
March 10, 2017	2 to 4 years of service	12.46	6.65 to 6.68	378	2.7	378
March 10, 2017 (Strategy acceleration)	4 to 5 years of service	12.46	6.87 to 6.89	1,890	2.7	1,890
March 12, 2018	2 to 4 years of service	16.83	7.96 to 8.21	1,537	3.7	1,537
March 12, 2018 (Strategy acceleration)	3 to 5 years of service	12.04 to 16.83	8.21 to 9.67	3,800	3.7	1,900
April 12, 2019	2 to 4 years of service	23.41	11.71 to 11.82	1,425	4.7	907
April 12, 2019 (Strategy acceleration)	4 to 5 years of service	23.41	11.51 to 11.71	1,900	4.7	-
March 31, 2021	4 to 5 years of service	48.98	29.08 to 29.81	1,100	8.8	-
December 17, 2021	3 to 4 years of service	27.28	17.58 to 18.16	5,450	9.5	-
				19,712		8,844

As of June 30, 2022 – Restricted shares

Grant date	Conditions for acquisition of right as of the grant date	Existing shares (thousands)	Fair value (R\$)	Maximum remaining contractual life (years)
April 12, 2019 – Plan I	2 to 4 years of service	278	21.62 to 22.53	0.7
March 27, 2020 – Co-Investment Plan	1 to 3 years of service	649	29.00	0.8
March 31, 2021	1 to 3 years of service	2,074	48.13	1.8
April 14, 2022	1 to 3 years of service	2,250	24.91 to 24.99	2.8
		5,251		

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As of June 30, 2022 – Performance shares

Grant date	Conditions for acquisition of right as of the grant date	Existing shares (thousands)	Fair value (R\$)	Maximum remaining contractual life (years)	Shares not released (thousand)
September 30, 2020	Achievement of performance conditions, 2.5 years of service plus an additional holding period of 1 year for certain awards.	4,003	48.56 to 73.46	0.8 to 1.8	4,003
March 31, 2021	Achievement of performance conditions, 3 years of service plus an additional holding period of 1 year for certain awards.	3,040	46.57 to 50.98	1.8 to 2.8	3,040
April 14, 2022	Achievement of performance conditions, 3 years of service plus an additional holding period of 1 year for certain awards.	6,345	18.66 to 24.99	2.8 to 3.8	6,345
		13,388			13,388

As of June 30, 2022, the market price was R\$ 13.42 (R\$56.74 as of June 30, 2021) per share.

29. FINANCE (EXPENSES) INCOME

	Parent		Consolidated	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
FINANCE INCOME:				
Interest on short-term investments	10,383	9,065	179,075	97,329
Gains on monetary and exchange rate variations ^(a)	5,653	2,118	1,824,724	1,261,948
Gains on swap and forward transactions ^(c)	-	-	1,206,235	848,351
Gains on swap and forward derivatives mark to market	-	-	34,982	12,307
Reversal for the monetary restatement for tax risks and tax obligations	2,290	-	2,290	-
Hyperinflationary economy adjustment (Argentina and Turkey)	-	-	67,428	44,462
Subtotal	18,326	11,183	3,314,734	2,264,397
FINANCE EXPENSES:				
Interest on financing	-	(7,918)	(326,909)	(348,622)
Interest on leases	(12)	-	(95,056)	(106,045)
Losses from monetary and exchange rate variations ^(b)	(1,638)	(333)	(1,548,844)	(906,019)
Losses on swap and forward transactions ^(c)	(5,266)	-	(1,786,549)	(1,022,156)
Losses on swap and forward derivatives mark to market	-	-	(13,667)	(7,964)
Adjustment of provision for tax, civil and labor risks and tax liabilities	-	-	(25,785)	(25,863)
Appropriation of funding costs (debentures and notes)	-	-	(8,729)	(18,387)
Interest on pension plan	-	-	(2,474)	(6,336)
Hyperinflationary economy adjustment (Argentina)	-	-	(138,256)	(19,282)
Other finance expenses	(18,338)	(6,210)	(181,819)	(237,130)
Subtotal	(25,254)	(14,461)	(4,128,088)	(2,697,804)
Net finance (expenses) Income, net	(6,928)	(3,278)	(813,354)	(433,407)

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The breakdown set forth below is intended to better explain the results of the foreign exchange hedging transactions entered into by the Company as well as its related items recorded in the financial income (expenses) and shown in the previous table:

	Parent		Consolidated	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<u>(a) Gains on monetary and exchange rate variations</u>	5,653	2,118	1,824,724	1,261,948
Gains on exchange rate variation on borrowings, financing and debentures	-	-	1,102,560	815,725
Exchange rate variation on imports	-	-	12,088	24,705
Exchange rate variation on export receivables	5,653	2,118	18,984	52,052
Exchange rate variation on accounts payable from foreign subsidiaries	-	-	383,389	193,072
Exchange variations of bank accounts in foreign currency	-	-	307,703	176,394
<u>(b) Losses from monetary and exchange rate variations</u>	(1,638)	(333)	(1,548,844)	(906,019)
Losses from exchange rate variation on borrowings	-	-	(727,351)	(461,840)
Exchange rate variation on imports	-	-	(31,025)	(17,652)
Exchange rate variation on export receivables	(1,638)	(333)	(85,469)	(68,695)
Exchange rate variation on accounts payable from foreign subsidiaries	-	-	(369,044)	(171,456)
Exchange rate variation on cash and cash equivalent	-	-	(335,955)	(186,376)
<u>(c) Gains on swap and forward transactions</u>	-	-	1,206,235	848,351
Revenue from swap exchange coupons	-	-	475,363	423,622
Gains on exchange variations on swap instruments	-	-	730,872	424,729
<u>(d) Losses on swap and forward transactions</u>	(5,266)	-	(1,786,549)	(1,022,156)
Losses from exchange rate variation on swap instruments	-	-	(1,095,685)	(763,810)
Financial costs of swap instruments	(5,266)	-	(690,864)	(258,346)

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30. OTHER OPERATING EXPENSES, NET

	Consolidated	
	June 30, 2022	June 30, 2021
Other operating income, net		
Result on write-off of property, plant and equipment	-	10,154
Tax credits	34,325	11,024
Tax benefit from amnesty program ^(a)	44,401	-
Revenue with sale of customer portfolio	6,558	-
Royalty income ^(b)	119,438	
Other operating income	19,039	50,263
Total other operating income	223,761	71,441
Other operating expenses, net		
Result on write-off of property, plant and equipment	(8,376)	-
Crer para Ver ^(c)	(23,485)	(21,842)
Expenses with sale of customer portfolio	-	(7,557)
Transformation and integration plan ^(d)	(211,813)	(308,564)
Restructuring expenses	(42,072)	
Other operating expenses	(35,142)	(38,197)
Total other operating expenses	(320,888)	(376,160)
Other operating expenses, net	(97,127)	(304,719)

- a) Refers to tax benefits in Brazil from the inclusion in some states tax amnesty programs by the subsidiary Avon Cosméticos Ltda.
- b) Refers to royalty income received by Avon from its representative in Japan, after a legal dispute as mentioned in note 22.
- c) Allocation of operating profit obtained from sales of the non-cosmetic product line called "Crer Para Ver" to Instituto Natura, specifically intended for social projects aimed at developing the quality of education.
- d) Expenses related to the execution of the transformation plan for the subsidiary The Body Shop and the integration of the subsidiary Avon Products Inc., which is supported by five pillars, namely: (1) rejuvenating the brand; (2) optimize retail and direct sales operations; (3) improve omni-channel; (4) improve operational efficiency; and (5) redesign the organization.
- e) Refers to expenses for closing the operations of subsidiary The Body Shop in Russia, the main expenses referring to indemnities to employees and fines for terminating the lease of stores.

31. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the profit (loss) attributable to the Company's shareholders by the weighted average number of outstanding common shares, excluding common shares purchased by the Company and held as treasury shares.

	Consolidated	
	June 30, 2022	June 30, 2021
(Loss) profit attributable to the Company's controlling shareholders	(1,409,815)	79,675
Weighted average of the number of issued common shares	1,380,568,261	1,376,405,009
Weighted average of the number of outstanding common shares	1,370,936,247	1,375,596,681
Basic (loss) profit per share – R\$	(1.0284)	0.0579

Diluted earning per share is calculated by adjusting the weighted average number of common shares outstanding, assuming the conversion of all potential common shares that would cause dilution. Considering that the Company recorded a loss for the six-month period ended June 30, 2022, any adjustment would have an anti-dilution effect and, therefore, the diluted loss per share is equal to the basic loss per share.

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(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

32. TRANSACTIONS WITH RELATED PARTIES

In the course of the Company's operations, rights and obligations are generated between related parties, arising from administrative expenses and provision of services.

32.1. Receivables and payables with related parties

The Company had transactions with related parties recognized as presented below:

	Parent	
	June 30, 2022	December 31, 2021
Current Assets:		
Natura Cosméticos S.A. ^(b)	-	153,656
Avon Products, Inc ^(a)	24,202	20,223
Natura Cosméticos S.A. – Argentina ^(a)	4,038	4,302
Natura Cosméticos S.A. – Chile ^(a)	-	609
Natura Cosméticos S.A. – Perú ^(a)	503	567
Natura Cosméticos S.A – Colombia ^(a)	354	377
The Body Shop International ^(a)	13,014	7,416
Aesop UK ^(a)	2,722	2,836
Natura Biosphera ^(a)	29	-
The Body Shop Brasil Franquias ^(a)	28	-
Natura Dist de Mexico ^(a)	-	536
Total current assets	44,890	190,522
Current Liabilities:		
Natura Cosméticos S.A. ^{(a) and (c)}	5,790	1,882
Indústria e Comércio de Cosméticos Natura Ltda. ^(a)	1,559	188
Natura Comercial ^(a)	25	-
Avon Products, Inc ^(c)	-	37,784
The Body Shop International ^(c)	-	19,959
Aesop UK ^(c)	-	358
Total current liabilities	7,374	60,171

a) Refers to the allocation of expenses related to the purchase options and restricted shares plans.

b) On December 31, 2021, refers to interest on own equity.

c) Refers to the transfer of shared expenses.

In the periods ended June 30, 2022, and 2021, there were no transactions of the parent company with related parties that passed through the income statement, as the transactions that occurred in the period refer to the transfer of expenses related to the stock option plans and shares restricted.

32.2. Uncontrolled and unconsolidated transactions with related parties

Instituto Natura holds shares in the Essential Investment Fund. As of June 30, 2022, the balance is R\$ 1,178 (R\$ 4,573 as of June 30, 2021).

On June 5, 2012, an agreement was entered between Indústria e Comércio de Cosméticos Natura Ltda., and Bres Itupeva Empreendimentos Imobiliários Ltda., ("Bres Itupeva"), for the construction and leasing of processing center to distribution and warehousing of products (HUB), in Itupeva, State of São Paulo. In 2019, Bres Itupeva granted its credits to BRC Securitizadora S/A, to which Natura makes monthly payments. Messrs. Antônio Luiz da Cunha Seabra, Guilherme Peirão Leal and Pedro Luiz Barreiros Passos, members of the Company's controlling group, indirectly control Bres Itupeva. This agreement was amended on February 10, 2021, with Natura Cosméticos becoming the lessee. The amount involved in the transaction is recorded under item "Right of Use" of "Buildings" netbook value was R\$ 63,665 in the six-month period ended June 30, 2022 (R\$60,998 under "item Buildings" of Property, Plant and Equipment as of December 31, 2021) and in the six-month

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period ended June 30, 2022, the amount paid as lease was R\$7,903 (R\$7,071 for the six-month period ended June 30, 2021).

On January 8, 2021, a related-party transaction was carried out between the Company, as lessee and owner, the subsidiary Indústria e Comércio de Cosméticos Natura Ltda. and Natura &Co Holding S.A., as guarantors, and a special purpose company (Bresco IX) indirectly held by Messrs. Antônio Luiz da Cunha Seabra, Guilherme Peirão Leal and Pedro Luiz Barreiros Passos, as lessor and surface-right owner (Co-Chairmen of the Board of Directors of the Company and shareholders members of the controlling group parent Company). This transaction was entered into with the purpose of expanding the Company's distribution network and increasing its logistical efficiency through the installation of a new distribution hub in the State of Alagoas. This is a build-to-suit lease in which the property has not yet been delivered and, therefore, there was no disbursement during the six-month period ended June 30, 2022, and 2021.

On May 12, 2021, a transaction was entered between the Natura Cosméticos S.A., as lessee, and Bresco Logística Fundo de Investimento Imobiliário, as lessor, indirectly held by Messrs. Antônio Luiz da Cunha Seabra, Guilherme Peirão Leal and Pedro Luiz Barreiros Passos. (Co-Chairmen of the Board of Directors of the Company). This transaction had the purpose of keeping the Company's distribution hub activities in the city of Canoas, State of Rio Grande do Sul. The amount involved in the transaction is recorded under item "Right of Use" of "Buildings" in the amount of R\$ 4,996 and during the six-month period ended June 30, 2022 the total amount paid as rent was R\$ 1,048.

In the six-month period ended June 30, 2022, the Company transferred to Instituto Natura as a donation associated with the net income from sales of the Natura Crer Para Ver product line in the amount of R\$ 23,000 (R\$19,000 for the six-month period ended June 30, 2021).

The Company has a structure of internal controls to support the identification, monitoring and approval of transactions between Related Parties.

32.3. Key management personnel compensation

The total compensation of the key management personnel is as follows:

	June 30, 2022			June 30, 2021		
	Compensation			Compensation		
	Fixed	Variable	Total	Fixed	Variable	Total
Board of Directors	7,432	149,625	157,057	7,436	5,501	12,937
Executive Board	18,406	35,368	53,774	26,730	30,418	57,148
	25,838	184,993	210,831	34,166	35,919	70,085

The totals in the table above include the employer's social security charges.

The amounts include increases and / or reversals of the cumulative expense recognized in the previous years due to reassessments of the number of awards expected to vest and re-estimation of the social security charges expected to be payable by the Company on vesting.

Amounts for the six-month period ended June 30, 2022, include termination benefits for certain key management employees related to the review process of Natura &Co's corporate structure.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

33. COMMITMENTS

33.1 Contracts related to supply

Total minimum supply payments, measured at nominal value, according to the contract, are as follows:

	Consolidated	
	June 30, 2022	December 31, 2021
Less than one year	534,338	929,288
One to five years	210,195	460,081
Above five years	19,758	10,738
Total	764,291	1,400,107

34. INSURANCE

The Company adopted an insurance policy that mainly considers risk concentration and its materiality, considering the nature of their activities and the guidance of their insurance advisors. As of June 30, 2022, and December 31, 2021, insurance coverage is as follows:

Item	Type of coverage	Amount Insured	
		June 30, 2022	December 31, 2021
Industrial complex and administrative sites	Any damages to buildings, facilities, inventories, and machinery and equipment	5,689,929	6,008,031
Vehicles	Fire, theft and collision for the vehicles insured by the Company	224,541	261,953
Loss of profits	No loss of profits due to material damages to facilities buildings and production machinery and equipment	1,962,509	1,962,509
Transport	Damages to products in transit	97,799	103,857
Civil liability	Protection against error or complaints in the exercise of professional activity that affect third parties	2,548,891	2,445,664
Environmental liability	Protection against environmental accidents that may result in environmental lawsuits	30,000	30,000

35. ADDITIONAL INFORMATION RELATING TO THE STATEMENTS OF CASH FLOWS

The following table presents investment and financing transactions which do not involve the use of cash and cash equivalents and, therefore, are presented separately as additional information to the statements of cash flows:

	Parent		Consolidated	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<u>Non-cash items</u>				
Hedge accounting, net of tax effects	89	-	(430,646)	(160,353)
Net effect of acquisition of property, plant and equipment and intangible assets not yet paid	-	-	59,550	211,320

36. SUBSEQUENT EVENTS

a) Issuance of debentures by the subsidiary Natura Cosméticos S.A. (11th issue)

The subsidiary Natura Cosméticos S.A. formalized the Private Deed of the 11th Issue of Simple Debentures, Non-Convertible into Shares, approved by the Board of Directors of Natura Cosméticos S.A. and of the Company on June 21, 2022. Said deed was amended on

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July 21, 2022 to include the total amount of the 11th issue. The 11th issue debentures are guaranteed by the Company.

Within the scope of the 11th issue of its subsidiary Natura Cosméticos S.A., 826,030 simple debentures were issued, not convertible into shares, all nominative and book-entry, without the issuance of certificates or warrants, with unit face value of R\$ 1 (one thousand reais), amounting to R\$ 826,030 with final maturity on July 21, 2027. The debentures earn interest corresponding to 100 % (one hundred percent) of the accumulated variation of the average daily rates of DI - Interbank Deposits of one day, "over extra-group", plus a spread or surcharge equivalent to 1.65% (one integer and sixty-five hundredths' percent) per year.

Pursuant to the terms of the minutes of the meeting of the Board of Directors of the subsidiary Natura Cosméticos held on July 26, 2022, the subsidiary carried out the optional acquisition and respective cancellation of (i) 16,280 debentures of the third series of the 9th (ninth) issue and (ii) 66,323 debentures of the subsidiary's 10th (tenth) issue of simple, non-convertible, unsecured debentures; acquired on July 25 and 26, 2022 at their respective updated nominal values, with all the funds raised by the subsidiary within the scope of its 11th (eleventh) issue of simple debentures, not convertible into shares, in a single series, of the type unsecured with additional personal guarantee provided in the form of a guarantee by the Company.

São Paulo, August 11, 2022

Q2-22: Sales in constant currency stabilized, still affected by macro environment; profitability impacted by cost pressure

*Latam resumes growth, driven by strong performance of Natura; further solid growth at Aēsop
Avon International's performance impacted by Russia, improving trends elsewhere
The Body Shop shows strong decline due to challenging macro and weak retail environment*

- **Q2 consolidated net revenue** of R\$8.7 billion, -8.6% vs Q2-21 in BRL and +0.4% at constant currency ("CC"). Latam posted a 5.6% sales increase in CC vs Q2-21, while Avon International improved performance in most regions (-5.8% in CC excluding Russia and Ukraine). The Body Shop still trending lower vs. 2021 as retail's slow recovery hasn't offset the deceleration at The Body Shop At Home and e-commerce.
- **Q2 adjusted consolidated EBITDA** stood at R\$694.9 million with margin of 8.0% (-50 bps vs Q2-21), as stable performance in Latam and lower corporate expenses were offset by sales deleverage at The Body Shop and Aēsop's investments for growth.
- **Solid quarter-end cash position of R\$4.3 billion and continued liability management.** Net debt/EBITDA of 2.46x in the quarter, vs. 1.43x in Q2-21 and 2.13x Q1-22. Avon's 2023 bonds were fully redeemed with the US\$600 million 2029 bond issued in April and Natura issued R\$826.0 million in debentures maturing in 2027, partially replacing the 2022/2024 issues and further extending our average debt maturity.
- **Net loss of R\$766.7 million in the quarter**, driven mainly by lower EBITDA and higher interest expense this quarter. Last year's net income had benefitted from gains related to the Avon integration. Underlying Net Income was R\$(261.5) million vs. R\$482.2 million in Q2-21.
- **Russia and Ukraine:** In addition to the revenue impacts of the war in Ukraine at Avon International and The Body Shop, the company incurred one-off costs of R\$42.1 million mainly related to The Body Shop's exit from Russia.

Consolidated Financial Results (R\$ million)	Q2-22	Q2-21	Δ	H1-22	H1-21	Δ
Net Revenue	8,702.4	9,517.2	-8.6%	16,955.7	18,972.2	-10.6%
Constant Currency Change			0.4%			-2.0%
Gross Profit	5,485.6	6,200.8	-11.5%	10,793.3	12,331.5	-12.5%
<i>Gross Margin</i>	63.0%	65.2%	-220 bps	63.7%	65.0%	-130 bps
Adjusted EBITDA	694.9	811.2	-14.3%	1,290.5	1,774.4	-27.3%
<i>Adjusted EBITDA Margin</i>	8.0%	8.5%	-50 bps	7.6%	9.4%	-180 bps
Net Income (loss) attributable to controlling shareholders	(766.7)	234.8	-426.5%	(1,409.8)	79.7	-1869.5%
<i>Net Margin</i>	-8.8%	2.5%	-1130 bps	-8.3%	0.4%	-870 bps

Fabio Barbosa, Group CEO of Natura &Co, declared:

"Natura &Co's second quarter results reflect the difficult environment in which we are operating, marked by high inflation that is pressuring consumer spending, supply chain disruption and continuing macro-economic and geopolitical uncertainty. But they also reflect structural issues within our group that we have clearly identified and have started to address.

In my first few weeks as Group CEO, I have focused mainly on two priorities: The first is redesigning Natura &Co's organizational structure to make it lighter and leaner. At this stage, we have mapped significant savings at the holding company level. If the Company had implemented those changes last year the impact would have been an annualized reduction of at least 40% in recurring corporate expenses. Other changes and estimated savings will be announced later. The second is a review of the governance model and ways of working within Natura &Co, with the holding company strongly concentrated on defining key performance indicators, monitoring and tracking the performance of more autonomous brands, leading the allocation of resources within the group and continuing to promote our 2030 Commitment to Life Sustainability Vision. We are confident that a leaner and a more agile structure, built on a strong foundation of accountability for results, will empower the Business Units to respond with agility to their current strategic and market challenges. At the same time, we are strongly focused on improving the fundamentals of our underperforming businesses, which we regard as our principal challenge and main upside driver.

Though we expect our businesses' revenues to trend better in the second half of the year, we believe the challenges in the macro environment will persist and our margins will remain pressured in the short term. In this context, our clear and immediate priority is to focus on margins and operational cash-flow, and the teams at all our brands and businesses are mobilized and incentivized on those clear goals."

Key Financial Results per Business Unit

	Q2-22 vs. Q2-21					H1-22 vs. H1-21				
	Net Revenue (R\$ million)	Δ % Reported Currency	Δ % CC	Adj. EBITDA Margin	Δ Adj. EBITDA	Net Revenue (R\$ million)	Δ % Reported Currency	Δ % CC	Adj. EBITDA Margin	Δ Adj. EBITDA
Consolidated	8,702.4	-8.6%	0.4%	8.0%	-50 bps	16,955.7	-10.6%	-2.0%	7.6%	-180 bps
Natura &Co Latam	5,555.0	0.4%	5.6%	10.8%	0 bps	10,306.6	-3.9%	1.9%	10.0%	-150 bps
Avon International	1,643.8	-25.4%	-11.4%	3.3%	-100 bps	3,485.7	-23.7%	-10.7%	3.7%	-50 bps
The Body Shop	909.4	-25.3%	-11.8%	3.3%	-970 bps	1,926.8	-24.1%	-13.9%	4.9%	-900 bps
Aesop	594.2	5.7%	24.5%	16.2%	-480 bps	1,236.6	7.7%	22.9%	19.1%	-480 bps

• **Natura &Co Latam:** Q2-22 net revenue up by +0.4% in BRL and by 5.6% in CC, driven by double-digit growth at the Natura brand, partially offset by a decline in the Avon brand, although trends have been improving since Q3-21, particularly in beauty.

- **Natura brand in Latam:** Net revenue was up +12.2% in Q2-22 in BRL and +14.8% at CC, with strong momentum in Brazil and further growth in in Hispanic Latam. **In Brazil**, net revenue was +14.3% in Q2-22, supported by an acceleration in consultant productivity, up by +17.5% in Q2. **In Hispanic Latam**, net revenue was up +8.8% in BRL and +15.5% at CC. Growth was mainly driven by Argentina and Colombia, offsetting a decrease in Chile. Excluding Argentina, Hispanic markets' revenue was up in low single digits at CC, on a very strong comparable base in Q2-21 (+65.4% vs Q2-20 at CC, ex-Argentina). The Natura brand was again ranked the strongest cosmetics brand in the world in Brand Finance's brand strength index.
- **Avon brand in Latam:** Net revenue was down -12.8% in Q2-22 in BRL and -5.0% at CC. **In Brazil**, net revenue improved sequentially since Q3-21 but still decreased by -10.7% in Q2-22. This was mainly due to a drop of -31% in Fashion and Home ("F&H") sales. Beauty sales increased nearly +5% in the quarter, with a double-digit gain in productivity (for beauty only). **In Hispanic markets**, net revenue was -13.9% in Q2-22 in BRL and -2.8% at CC, reflecting a very strong comparable base in Q2-21 (+68.0% vs Q2-20 at CC) and lower F&H sales. The new commercial model is showing significant progress in Ecuador and Colombia, with sales growth and a sequential improvement in the number of representatives, activity and productivity.
- **Natura &Co Latam's Q2 adjusted EBITDA margin** was 10.8%, stable vs last year, supported by synergies, revenue management and strict financial discipline, offset by the impact of sales deleverage at Avon, raw material inflation and FX headwinds. Avon was impacted by the continued effects of the transformation plan, higher inflation and logistics expenses.

• Avon International

- **Q2 net revenue** was down -25.4% in BRL and -11.4% at CC, mainly impacted by the war in Ukraine (excluding Russia and Ukraine, sales were down -5.8% at CC), low consumer confidence¹ and eroding household purchasing power in Europe² as well as fewer representatives in Europe. These effects were partially mitigated by an aggressive revenue management plan across all markets. Avon's business fundamentals continued to improve as the new commercial model resulted in higher productivity and activity as well as a stabilizing number of representatives outside Europe.
- **Q2 adjusted EBITDA margin** stood at 3.3%, -100 bps vs Q2-21, due to substantially higher cost pressure, the impact of the war in Ukraine and lower volumes mainly in European markets. These were partially offset by an effective revenue management strategy across markets and cost reduction resulting from strict financial discipline and a leaner operating model.

• The Body Shop

- **Q2 net revenue** declined -25.3% in BRL and -11.8% at CC, mainly impacted by post-lockdown channel rebalancing, as the decrease in sales at The Body Shop At Home ("TBSAH") and e-commerce outpaced the progressive retail recovery. Store revenues were up vs last year and improved vs. Q1-22, with growing footfall, albeit at a slower than expected pace, and are still trading down when compared to Q2-19. Sales to franchisees posted a decline in Q2, but are showing increased retail sales month on month, further reducing inventory as they recover from lockdowns.
- **Q2 adjusted EBITDA margin** was 3.3%, -970 bps vs Q2-21, driven by lower volumes and channel mix, due to the decrease at TBSAH and in e-commerce and lower sell-in to franchisee partners. To address these challenges through H2, management has been focused on actions to drive margin improvement, including leveraging recent investments to drive store productivity, especially in the critical fourth quarter; continued store footprint optimization; margin improvement from focusing on category mix (skincare) and revenue management, as well as a detailed review of SG&A costs.

• Aesop

- **Q2 net revenue** increased +5.7% in BRL and +24.5% at CC on a very high comparable base in Q2-21 (+40.2% vs. Q2-20, at CC). All regions delivered double-digit growth, led by North America and APAC. Aesop continues to consistently post superior sales growth on a like-for-like basis, improving overall store productivity, while continuing to roll out new stores in new cities such as Madrid (Spain) and Cambridge (UK) as well as in existing markets such as Japan, South Korea, Canada and Australia.
- **Q2 adjusted EBITDA margin** was 16.2%, -480 bps compared to Q2-21, mainly due to planned higher investments in digital, categories, geographies (mainly China, as launch is still expected in Q4 of this year) and human resources to continue driving future sustainable growth.

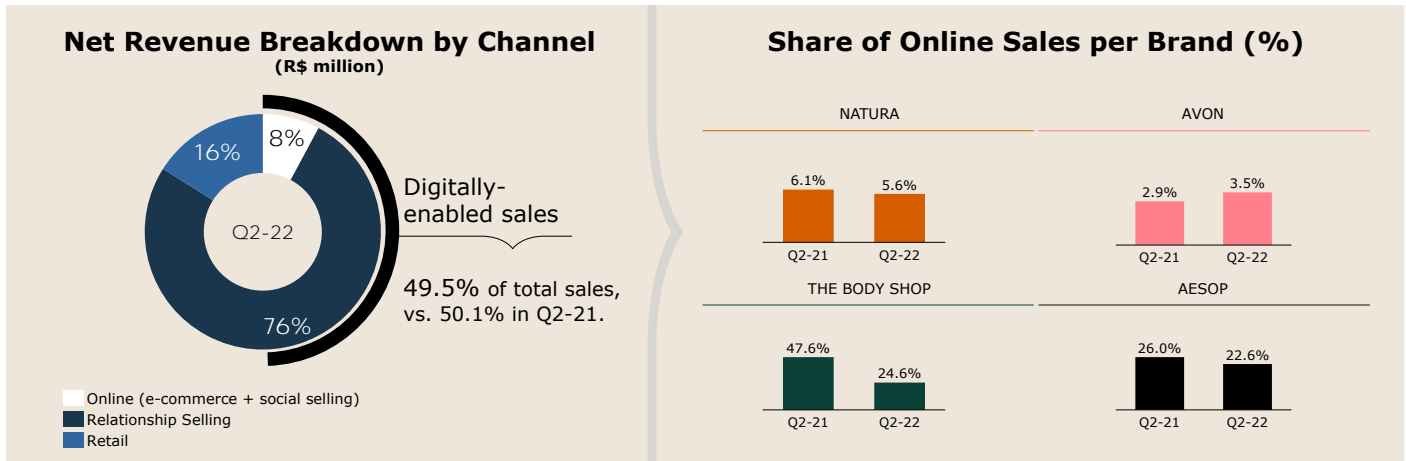
¹ OECD's Consumer Confidence Index in June 2022 is 96.5, compared to 100.4 in June 2021. Source: <https://data.oecd.org/leadind/consumer-confidence-index-cd.htm>

² "Prices soar in 2022, eroding purchasing power". Source: https://economic-research.bnpparibas.com/html/en-US/European-household-account-turbulent-story-6/28/2022_46510

Digital Sales

Digitally-enabled sales, which include online sales (e-commerce + social selling) and relationship selling using our main digital apps reached 49.5% of total revenue, compared to 50.1% in Q2-21, with continued growth at Natura and Avon.

Relationship selling using apps: At Avon International, penetration of the Avon On app (active representatives who logged in at least once in last three campaigns) reached 23% in Q2-22, compared to nearly 16% in Q2-21. At Natura in Latam, the average number of consultants sharing content increased to 28% this quarter, compared to 24% in Q2-21, while orders through the 1.5 million+ consultant online stores increased by 29% in the region.



&Co Pay at Natura posted strong growth both in number of accounts, reaching approximately 460,000, and Total Payment Volume ("TPV"), which reached R\$5.3 billion in the quarter (R\$7.5 billion in H1). All direct selling and e-commerce payments at Natura Brazil are already captured and processed by &Co Pay, and a pilot is currently underway in Brazil as part of the preparations to roll it out to retail operations and Avon representatives in H2. Natura consultants who use the platform generally record higher activity level and lower payment default.

Innovation

- **Natura** launched Chronos Plumping Bio Hydrating serum, a hyaluronic acid booster serum that hydrates all layers of the skin to fill in wrinkles and plump the skin. It includes fevillea, an ingredient from Brazilian biodiversity
- **The Body Shop** launched The Glow Revealing Serum. This skin care product is made with 10% of vitamin C, our highest concentration ever. It became the number 1 bestselling new product development by units
- **Avon International** launched its first ever bespoke fragrance Eve Privé. It is crafted with a customizable musk technology that takes the effects of the skin chemistry one step further, adapts to it and creates a completely unique scent for the person wearing it to smell like themselves, only better
- **Aesop** developed a collaboration with celebrated fashion designer Rick Owens, creating sophisticated travel kits with Owen's favored formulations and an eco-friendly packaging

Update on the war in Ukraine

Our primary concern as a global Group with operations in Ukraine continues to be the protection and safety of our employees and representatives facing violence and loss.

The Body Shop and Aesop have suspended trading in Russia. Avon has suspended exports from Russia and is maintaining local operations in support of Representatives who operate as independent entrepreneurs; we believe restricting their access to products would have an outsized impact on women and children there.

Global sanctions on certain industry sectors and parties in Russia, as well as any potential responses that may be provided by the governments of Russia or other jurisdictions, may adversely affect our business.

As of June 30, 2022 consolidated financial statements, the non-recurring impacts of the suspension of the The Body Shop operations Russia amounted to R\$42.1 million in our consolidated EBITDA (R\$36.3 million at The Body Shop and R\$5.8 million at Avon), disclosed as a non-GAAP adjustment. Management is continuously monitoring developments to assess any potential future impacts that may arise as a result of the ongoing crisis.

1. Results analysis

The Group segmentation is composed of:

- Natura &Co Latam, which includes all the brands in Latin America: Natura, Avon, The Body Shop and Aesop
- Avon international, which includes all markets, excluding Latin America
- The Body Shop ex-Latin America, and
- Aesop ex-Latin America

In addition, the results and analysis for the periods under comparison include the effects of the fair market value assessment as a result of the business combination with Avon as per the Purchase Price Allocation – PPA



R\$ million	Profit and Loss by Business														
	Consolidated ^a			Natura &Co Latam ^b			Avon International			The Body Shop			Aesop		
	Q2-22 ^c	Q2-21 ^c	Ch. %	Q2-22 ^c	Q2-21 ^c	Ch. %	Q2-22 ^c	Q2-21 ^c	Ch. %	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %
Gross Revenue	11,271.7	12,232.6	(7.9)	7,284.4	7,347.9	(0.9)	2,099.7	2,644.7	(20.6)	1,220.7	1,612.4	(24.3)	666.9	628.0	6.2
Net Revenue	8,702.4	9,517.2	(8.6)	5,555.0	5,533.7	0.4	1,643.8	2,204.0	(25.4)	909.4	1,217.6	(25.3)	594.2	561.9	5.7
COGS	(3,216.8)	(3,316.4)	(3.0)	(2,274.0)	(2,177.4)	4.4	(678.2)	(842.3)	(19.5)	(204.6)	(244.0)	(16.2)	(60.0)	(52.6)	14.0
Gross Profit	5,485.6	6,200.8	(11.5)	3,281.0	3,356.2	(2.2)	965.5	1,361.7	(29.1)	704.9	973.5	(27.6)	534.2	509.3	4.9
Selling, Marketing and Logistics Expenses	(3,856.7)	(4,248.1)	(9.2)	(2,167.3)	(2,226.5)	(2.7)	(762.4)	(1,000.9)	(23.8)	(604.1)	(720.7)	(16.2)	(322.9)	(300.0)	7.6
Administrative, R&D, IT and Projects Expenses	(1,491.1)	(1,671.4)	(10.8)	(756.6)	(741.2)	2.1	(315.1)	(489.4)	(35.6)	(232.8)	(266.6)	(12.7)	(187.5)	(165.4)	13.4
Corporate Expenses ^d	(88.7)	(148.4)	(40.2)	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Income/ (Expenses), Net	93.6	(20.6)	(555.0)	18.7	(6.5)	(385.8)	111.1	1.3	8,464.3	(38.5)	(17.3)	122.4	2.2	1.9	17.6
Transformation / Integration / Group Restructuring Costs	(281.6)	(181.3)	55.4	(99.9)	(37.8)	164.1	(25.5)	(127.3)	(79.9)	-	-	-	-	-	-
Depreciation	629.7	630.0	(0.1)	501.8	560.0	(10.4)	142.2	(33.0)	(530.8)	(5.8)	158.6	(103.7)	96.5	117.8	(18.1)
EBITDA	490.7	630.0	(22.1)	501.8	560.0	(10.4)	142.2	(33.0)	(530.8)	(5.8)	158.6	(103.7)	96.5	117.8	(18.1)
Depreciation	(629.7)	(698.9)	(9.9)	-	-	-	-	-	-	-	-	-	-	-	-
Financial Income/(Expenses), Net	(426.8)	(205.5)	107.7	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Before Taxes	(565.8)	(274.4)	106.2	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax and Social Contribution	(135.1)	527.4	(125.6)	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operations ^e	(66.1)	(20.8)	217.9	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated Net Income	(767.0)	232.2	(430.3)	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling Interest	0.2	2.6	(90.5)	-	-	-	-	-	-	-	-	-	-	-	-
Net Income attributable to controlling shareholders	(766.7)	234.8	(426.5)	-	-	-	-	-	-	-	-	-	-	-	-
Gross Margin	63.0%	65.2%	-220 bps	59.1%	60.7%	-160 bps	58.7%	61.8%	-310 bps	77.5%	80.0%	-250 bps	89.9%	90.6%	-70 bps
Selling, Marketing and Logistics Exp./Net Revenue	44.3%	44.6%	-30 bps	39.0%	40.2%	-120 bps	46.4%	45.4%	100 bps	66.4%	59.2%	720 bps	54.4%	53.4%	100 bps
Admin., R&D, IT, and Projects Exp./Net Revenue	17.1%	17.6%	-50 bps	13.6%	13.4%	20 bps	19.2%	22.2%	-300 bps	25.6%	21.9%	370 bps	31.6%	29.4%	220 bps
EBITDA Margin	5.6%	6.6%	-100 bps	9.0%	10.1%	-110 bps	8.6%	(1.5)%	1010 bps	(0.6)%	13.0%	-1360 bps	16.2%	21.0%	-480 bps
Net Margin	(8.3)%	2.4%	-1120 bps	-	-	-	-	-	-	-	-	-	-	-	-

^a Consolidated results include Natura &Co Latam, Avon International, The Body Shop and Aesop, as well as the Natura subsidiaries in the U.S., France and the Netherlands.

^b Natura &Co Latam: includes Natura, Avon, TBS Brazil and Hispanic Latam and Aesop Brazil

^c Includes PPA – Purchase Price Allocation effects

^d Expenses related to the management and integration of the Natura &Co Group

^e Related to business separation at Avon North America

R\$ million	Profit and Loss by Business														
	Consolidated ^a			Natura &Co Latam ^b			Avon International			The Body Shop			Aesop		
	H1-22 ^c	H1-21 ^c	Ch. %	H1-22 ^c	H1-21 ^c	Ch. %	H1-22 ^c	H1-21 ^c	Ch. %	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %
Gross Revenue	21,913.7	24,291.7	(9.8)	13,571.1	14,205.1	(4.5)	4,307.1	5,480.7	(21.4)	2,647.4	3,323.5	(20.3)	1,388.1	1,282.9	8.2
Net Revenue	16,955.7	18,972.2	(10.6)	10,306.6	10,719.6	(3.9)	3,485.7	4,567.5	(23.7)	1,926.8	2,537.3	(24.1)	1,236.6	1,147.8	7.7
COGS	(6,162.4)	(6,640.8)	(7.2)	(4,189.1)	(4,224.5)	(0.8)	(1,422.8)	(1,788.4)	(20.4)	(427.7)	(523.1)	(18.2)	(122.8)	(104.8)	17.2
Gross Profit	10,793.3	12,331.5	(12.5)	6,117.5	6,495.2	(5.8)	2,062.9	2,779.1	(25.8)	1,499.1	2,014.2	(25.6)	1,113.7	1,043.1	6.8
Selling, Marketing and Logistics Expenses	(7,705.9)	(8,503.0)	(9.4)	(4,159.5)	(4,316.3)	(3.6)	(1,610.9)	(2,069.8)	(22.2)	(1,272.2)	(1,519.8)	(16.3)	(663.4)	(597.1)	11.1
Administrative, R&D, IT and Projects Expenses	(2,915.3)	(3,175.8)	(8.2)	(1,425.4)	(1,383.8)	3.0	(665.6)	(959.4)	(30.6)	(463.5)	(501.6)	(7.6)	(362.5)	(320.3)	13.2
Corporate Expenses ^d	(197.8)	(261.2)	(24.3)	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Income/ (Expenses), Net	114.7	(12.3)	(1,034.7)	56.0	4.0	1,295.5	110.7	1.2	8,831.5	(46.5)	(20.4)	127.7	4.0	3.4	18.1
Transformation / Integration / Group Restructuring Costs	(361.4)	(315.4)	14.6	(135.2)	(93.8)	44.1	(65.9)	(202.4)	(67.5)	-	-	-	-	-	-
Depreciation	1,278.9	1,395.3	(8.3)	445.5	429.1	3.8	347.0	440.5	(21.2)	342.0	380.3	(10.1)	144.4	145.3	(0.6)
EBITDA	1,006.4	1,459.1	(31.0)	899.0	1,134.3	(20.7)	178.3	(1,765.9)	(1,077.7)	58.9	352.7	(83.3)	236.2	274.3	(13.9)
Depreciation	(1,278.9)	(1,395.3)	(8.3)	-	-	-	-	-	-	-	-	-	-	-	-
Financial Income/(Expenses), Net	(813.4)	(433.4)	87.7	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Before Taxes	(1,085.9)	(369.6)	193.8	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax and Social Contribution	(217.6)	437.3	(149.8)	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operations ^e	(105.7)	8.0	(1,426.7)	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated Net Income	(1,409.1)	75.7	(1,961.8)	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling Interest	(0.7)	4.0	(116.8)	-	-	-	-	-	-	-	-	-	-	-	-
Net Income attributable to controlling shareholders	(1,409.8)	79.7	(1,869.5)	-	-	-	-	-	-	-	-	-	-	-	-
Gross Margin	63.7%	65.0%	-130 bps	59.4%	60.6%	-120 bps	59.2%	60.8%	-160 bps	77.8%	79.4%	-160 bps	90.1%	90.9%	-80 bps
Selling, Marketing and Logistics Exp./Net Revenue	45.4%	44.8%	60 bps	40.4%	40.3%	10 bps	46.2%	45.3%	90 bps	66.0%	59.9%	610 bps	53.6%	52.0%	160 bps
Admin., R&D, IT, and Projects Exp./Net Revenue	17.2%	16.7%	50 bps	13.8%	12.9%	90 bps	19.1%	21.0%	-190 bps	24.1%	19.8%	430 bps	29.3%	27.9%	140 bps
EBITDA Margin	5.9%	7.7%	-180 bps	8.7%	10.6%	-190 bps	5.1%	(0.2)%	530 bps	3.1%	13.9%	-1080 bps	19.1%	23.9%	-480 bps
Net Margin	(8.3)%	0.4%	-870 bps	-	-	-	-	-	-	-	-	-	-	-	-

^a Consolidated results include Natura &Co Latam, Avon International, The Body Shop and Aesop, as well as the Natura subsidiaries in the U.S., France and the Netherlands.

^b Natura &Co Latam: includes Natura, Avon, TBS Brazil and Hispanic Latam and Aesop Brazil

^c Includes PPA – Purchase Price Allocation effects

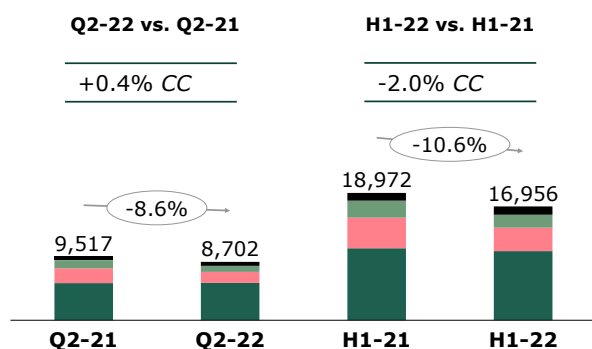
^d Expenses related to the management and integration of the Natura &Co Group

^e Related to business separation at Avon North America

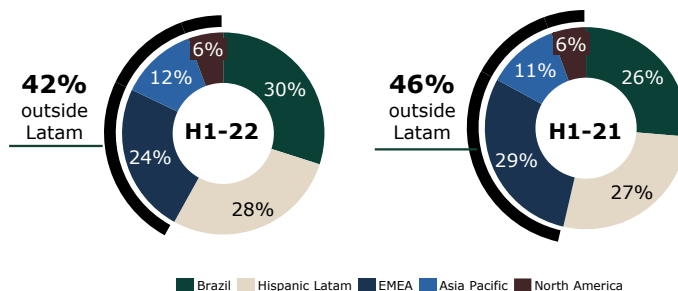
Consolidated net revenue

- Q2-22 consolidated net revenue was down -8.6% in BRL (+0.4% at CC), reflecting growth at Natura &Co Latam and Aesop, offset by declines at Avon International and The Body Shop
- Q2 revenue from G12 market currencies at CC totaled 21.9% in Q2-22 vs 21.3% in Q2-21 (G12 market currencies are: GBP, EUR, USD, AUD, YEN, CAD, SEK and CHF)
- With operations in 100+ countries, 42% of net revenue came from outside Latam in the year-to-date

Consolidated Net Revenue Growth (R\$ million)



Net Revenue by geography (%)



Gross margin

- Consolidated gross margin in Q2-22 stood at 63.0%, -220 bps vs. Q2-21
- Excluding PPA effects on costs of goods sold (COGS), gross margin reached 63.1% in Q2-22, -220 bps vs Q2-21
- Gross margin was mainly impacted by rising commodity and freight costs as well as foreign currency headwinds across all markets, which were partially offset by synergies and revenue management. As an example, in Q2-22 the average commodity prices for palm oil and pulp/paper increased by an additional 45% and 11% respectively vs Q2-21, while freight costs increased by 49%. The Ukraine war also negatively impacted the Group's gross margin, with a bigger effect at Avon International
- Natura &Co's COGS are composed of direct materials (raw ingredients, packaging, third party contract manufacturing, etc.), which account for approximately two-thirds of total COGS, as well as manufacturing and logistics. Direct materials consist of value added-processed goods purchased in contracts with price protection mechanisms, leading to short-term price stability and limited exposure to trade commodities. Furthermore, purchases are diversified through more than 2,600 suppliers

Q2-22: excluding PPA effects at Natura &Co Latam and Avon International

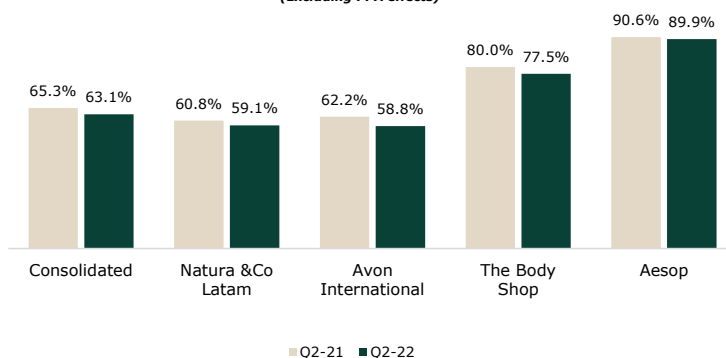
R\$ million	Consolidated			Natura &Co Latam			Avon International			The Body Shop			Aesop		
	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %
Net Revenue	8,702.4	9,517.2	(8.6)	5,555.0	5,533.7	0.4	1,643.8	2,204.0	(25.4)	909.4	1,217.6	(25.3)	594.2	561.9	5.7
COGS	(3,216.8)	(3,316.4)	(3.0)	(2,274.0)	(2,177.4)	4.4	(678.2)	(842.3)	(19.5)	(204.6)	(244.0)	(16.2)	(60.0)	(52.6)	14.0
Gross Profit	5,485.6	6,200.8	(11.5)	3,281.0	3,356.2	(2.2)	965.5	1,361.7	(29.1)	704.9	973.5	(27.6)	534.2	509.3	4.9
Gross Margin	63.0%	65.2%	-220 bps	59.1%	60.7%	-160 bps	58.7%	61.8%	-310 bps	77.5%	80.0%	-250 bps	89.9%	90.6%	-70 bps
PPA effect on COGS	(1.7)	(13.7)	(87.7)	(0.4)	(5.5)	(92.8)	(1.3)	(8.1)	(84.3)	-	-	-	-	-	-
Gross Profit ex-PPA	5,487.3	6,214.5	(11.7)	3,281.4	3,361.8	(2.4)	966.8	1,369.9	(29.4)	704.9	973.5	(27.6)	534.2	509.3	4.9
Gross Margin ex-PPA	63.1%	65.3%	-220 bps	59.1%	60.8%	-170 bps	58.8%	62.2%	-340 bps	77.5%	80.0%	-250 bps	89.9%	90.6%	-70 bps

H1-22: excluding PPA effects at Natura &Co Latam and Avon International

R\$ million	Consolidated			Natura &Co Latam			Avon International			The Body Shop			Aesop		
	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %
Net Revenue	16,955.7	18,972.2	(10.6)	10,306.6	10,719.6	(3.9)	3,485.7	4,567.5	(23.7)	1,926.8	2,537.3	(24.1)	1,236.6	1,147.8	7.7
COGS	(6,162.4)	(6,640.8)	(7.2)	(4,189.1)	(4,224.5)	(0.8)	(1,422.8)	(1,788.4)	(20.4)	(427.7)	(523.1)	(18.2)	(122.8)	(104.8)	17.2
Gross Profit	10,793.3	12,331.5	(12.5)	6,117.5	6,495.2	(5.8)	2,062.9	2,779.1	(25.8)	1,499.1	2,014.2	(25.6)	1,113.7	1,043.1	6.8
Gross Margin	63.7%	65.0%	-130 bps	59.4%	60.6%	-120 bps	59.2%	60.8%	-160 bps	77.8%	79.4%	-160 bps	90.1%	90.9%	-80 bps
PPA effect on COGS	(3.7)	(22.9)	(83.7)	(1.1)	(9.1)	(88.0)	(2.6)	(13.9)	(81.0)	-	-	-	-	-	-
Gross Profit ex-PPA	10,797.0	12,354.4	(12.6)	6,118.5	6,504.2	(5.9)	2,065.6	2,792.9	(26.0)	1,499.1	2,014.2	(25.6)	1,113.7	1,043.1	6.8
Gross Margin ex-PPA	63.7%	65.1%	-140 bps	59.4%	60.7%	-130 bps	59.3%	61.1%	-180 bps	77.8%	79.4%	-160 bps	90.1%	90.9%	-80 bps

- Natura &Co Latam's** Q2-22 gross margin excluding PPA effects was 59.1% (-170 bps), impacted by raw material inflation pressure and foreign currency headwinds in Brazil, partially offset by revenue management and synergies
- Avon International's** Q2-22 gross margin excluding PPA effects declined to 58.8% (-340 bps), due to higher cost pressures, foreign exchange headwinds and the impacts of the war in Ukraine, partially offset by revenue management
- The Body Shop's** Q2-22 gross margin stood at 77.5% (-250 bps), mainly due to raw material inflation pressure and increase in discounting. While discounts were up versus last year, they remain significantly below pre-pandemic levels, consistent with the objectives of the transformation program
- Aesop's** Q2-22 gross margin was 89.9% (-70 bps), mainly due to changes in product and channel mix

Adjusted gross margin (Excluding PPA effects)



Consolidated EBITDA

Q2 Adjusted EBITDA was R\$694.9 million, with an adjusted margin of 8.0% (-50 bps). Q2 margin reflected several impacts related to a challenging operating environment:

- 750 bps from inflationary and foreign currency pressure, partially offset by 550 bps of synergies and revenue management
- Other efficiencies, cost containment and one-offs improved margin by approximately 200 bps, including corporate expense savings of 40.2% in Q2-22, comprising a corporate restructuring announced in June and approximately R\$20 million in cost containment and phasing effect of expenses
- Impacts of the war in Ukraine and others

Q2-22: Adjusted EBITDA

R\$ million	Consolidated EBITDA			Natura &Co Latam			Avon International			The Body Shop			Aesop		
	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %
Consolidated EBITDA	490.7	630.0	(22.1)	501.8	560.0	(10.4)	142.2	(33.0)	(530.8)	(5.8)	158.6	(103.7)	96.5	117.8	(18.1)
Transformation / Integration / Group Restructuring Costs	281.6	181.3	(27.2)	99.9	37.8	164.1	25.5	127.3	(79.9)	-	-	-	-	-	-
(i) Transformation costs	25.5	129.2	(80.2)	-	-	-	25.5	127.3	(79.9)	-	-	-	-	-	-
(ii) Integration costs	106.5	52.0	104.7	99.9	37.8	164.1	-	-	-	-	-	-	-	-	-
(iii) Group Restructuring Costs	149.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net non-recurring other (income)/expenses (1)	(77.4)	-	-	-	-	-	(113.7)	-	-	-	36.3	-	-	-	-
Adjusted EBITDA	694.9	811.2	(14.3)	601.7	597.8	0.6	54.1	94.3	(42.7)	30.5	158.6	(80.8)	96.5	117.8	(18.1)
Adjusted EBITDA Margin	8.0%	8.5%	-50 bps	10.8%	10.8%	0 bps	3.3%	4.3%	-100 bps	3.3%	13.0%	-970 bps	16.2%	21.0%	-480 bps

H1-22: Adjusted EBITDA

R\$ million	Consolidated EBITDA			Natura &Co Latam			Avon International			The Body Shop			Aesop		
	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %
Consolidated EBITDA	1,006.4	1,459.1	(31.0)	899.0	1,134.3	(20.7)	178.3	(10.7)	(1,765.9)	58.9	352.7	(83.3)	236.2	274.3	(13.9)
Transformation / Integration / Group Restructuring Costs	211.8	315.4	(32.8)	135.2	93.8	44.1	65.9	202.4	(67.5)	-	-	-	-	-	-
(i) Transformation costs	65.9	204.8	(67.8)	-	-	-	65.9	202.4	(67.5)	-	-	-	-	-	-
(ii) Integration costs	146.0	110.6	32.0	135.2	93.8	44.1	-	-	-	-	-	-	-	-	-
(iii) Group Restructuring Costs	149.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net non-recurring other (income)/expenses (1)	(77.4)	-	-	-	-	-	(113.7)	-	-	-	36.3	-	-	-	-
Adjusted EBITDA	1,290.5	1,774.4	(27.3)	1,034.1	1,228.1	(15.8)	130.5	191.7	(31.9)	95.2	352.7	(73.0)	236.2	274.3	(13.9)
Adjusted EBITDA Margin	7.6%	9.4%	-180 bps	10.0%	11.5%	-150 bps	3.7%	4.2%	-50 bps	4.9%	13.9%	-900 bps	19.1%	23.9%	-480 bps

(1) Net non-recurring other (income)/expenses: Net effect of gain from the favorable settlement of a legal dispute at Avon International and costs associated with The Body Shop's suspension of operations in Russia.

SG&A expenses

- Excluding PPA effects, consolidated **Selling, Marketing & Logistics** expenses reached 43.6% of net revenue (-20 bps vs. Q2-21)
- Excluding PPA effects, consolidated **Administrative, R&D, IT and Project** expenses reached 16.4% of net revenue, (-20 bps vs Q2-21)
- Excluding PPA effects, **SG&A expenses** (both lines above combined) decreased by -40 bps in Q2-22 compared to Q2-21, mainly driven by financial discipline across all businesses to improve efficiency and the simplification of Avon International's operating model, including:
 - Reduction and standardization of campaign cycles
 - Optimized resource allocation with key markets serving as hubs, and
 - Strategic SKU reduction

The above initiatives are generating a run rate of approximately US\$100 million at Avon International, as included in our long-term guidance. These partially offset the impacts of sales deleverage, inflation, higher freight costs, foreign currency headwinds and higher investments to accelerate growth at Natura &Co Latam and Avon International, as well as higher investments in digital, product categories and geographic expansion to accelerate growth at Aesop.

Q2-22: excluding PPA effects at Natura &Co Latam and Avon International

SG&A Expenses (R\$ million)	Consolidated			Natura &Co Latam			Avon International			The Body Shop			Aesop		
	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %	Q2-22	Q2-21	Ch. %
Selling, Marketing and Logistics Expenses	(3,856.7)	(4,248.1)	(9.2)	(2,167.3)	(2,226.5)	(2.7)	(762.4)	(1,000.9)	(23.8)	(604.1)	(720.7)	(16.2)	(322.9)	(300.0)	7.6
Administrative, R&D, IT and Projects Expenses	(1,491.1)	(1,671.4)	(10.8)	(756.6)	(741.2)	2.1	(315.1)	(489.4)	(35.6)	(232.8)	(266.6)	(12.7)	(187.5)	(165.4)	13.4
SG&A Expenses	(5,347.9)	(5,919.5)	(9.7)	(2,924.0)	(2,967.7)	(1.5)	(1,077.5)	(1,490.3)	(27.7)	(836.8)	(987.3)	(15.2)	(510.5)	(465.5)	9.7
Selling, Marketing and Logistics (% of Net Revenue)	44.3%	44.6%	-30 bps	39.0%	40.2%	-120 bps	46.4%	45.4%	100 bps	66.4%	59.2%	720 bps	54.4%	53.4%	100 bps
Admin., R&D, IT, and Projects Exp. (% of Net Revenue)	17.1%	17.6%	-50 bps	13.6%	13.4%	20 bps	19.2%	22.2%	-300 bps	25.6%	21.9%	370 bps	31.6%	29.4%	220 bps
SG&A Expenses ex-PPA	(5,217.7)	(5,754.8)	(9.3)	(2,893.2)	(2,931.9)	(1.3)	(978.1)	(1,361.4)	(28.2)	(836.8)	(987.3)	(15.2)	(510.5)	(465.5)	9.7
Selling, Marketing and Logistics ex-PPA (% of Net Revenue)	43.6%	43.8%	-20 bps	38.5%	39.6%	-110 bps	44.4%	43.4%	100 bps	66.4%	59.2%	720 bps	54.4%	53.4%	100 bps
Admin., R&D, IT, and Projects Exp. ex-PPA (% of Net Revenue)	16.4%	16.6%	-20 bps	13.6%	13.3%	30 bps	15.1%	18.4%	-330 bps	25.6%	21.9%	370 bps	31.6%	29.4%	220 bps

H1-22: excluding PPA effects at Natura & Co Latam and Avon International

SG&A Expenses (R\$ million)	Consolidated			Natura & Co Latam			Avon International			The Body Shop			Aesop		
	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %	H1-22	H1-21	Ch. %
Selling, Marketing and Logistics Expenses	(7,705.9)	(8,503.0)	(9.4)	(4,159.5)	(4,316.3)	(3.6)	(1,610.9)	(2,069.8)	(22.2)	(1,272.2)	(1,519.8)	(16.3)	(663.4)	(597.1)	11.1
Administrative, R&D, IT and Projects Expenses	(2,915.3)	(3,175.8)	(8.2)	(1,425.4)	(1,383.8)	3.0	(665.6)	(959.4)	(30.6)	(463.5)	(501.6)	(7.6)	(362.5)	(320.3)	13.2
SG&A Expenses	(10,621.3)	(11,678.9)	(9.1)	(5,584.9)	(5,700.2)	(2.0)	(2,276.5)	(3,029.1)	(24.8)	(1,735.7)	(2,021.4)	(14.1)	(1,025.9)	(917.4)	11.8
Selling, Marketing and Logistics (% of Net Revenue)	45.4%	44.8%	60 bps	40.4%	40.3%	10 bps	46.2%	45.3%	90 bps	66.0%	59.9%	610 bps	53.6%	52.0%	160 bps
Admin., R&D, IT, and Projects Exp. (% of Net Revenue)	17.2%	16.7%	50 bps	13.8%	12.9%	90 bps	19.1%	21.0%	-190 bps	24.1%	19.8%	430 bps	29.3%	27.9%	140 bps
SG&A Expenses ex-PPA	(10,491.7)	(11,366.1)	(7.7)	(5,521.8)	(5,636.1)	(2.0)	(2,210.1)	(2,780.5)	(20.5)	(1,735.7)	(2,021.4)	(14.1)	(1,025.9)	(917.4)	11.8
Selling, Marketing and Logistics ex-PPA (% of Net Revenue)	44.7%	44.0%	70 bps	39.7%	39.7%	0 bps	44.3%	43.4%	90 bps	66.0%	59.9%	610 bps	53.6%	52.0%	160 bps
Admin., R&D, IT, and Projects Exp. ex-PPA (% of Net Revenue)	17.2%	15.9%	130 bps	13.8%	12.9%	90 bps	19.1%	17.4%	170 bps	24.1%	19.8%	430 bps	29.3%	27.9%	140 bps

Synergies

In Q2-22, synergies reached US\$ 69 million, notably across procurement, logistics and administrative functions. In the half-year, total synergies reached US\$ 136 million.

Costs to achieve synergies were US\$ 27 million in Q2-22, totaling US\$ 39 million in the half-year.

Financial income and expenses

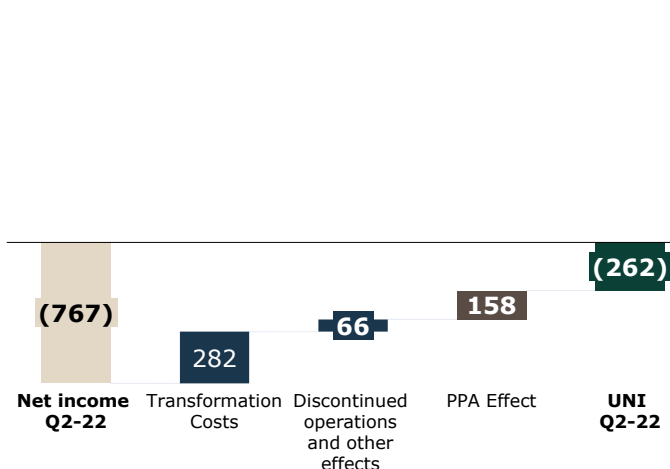
The following table details the main changes in our financial income and expenses:

R\$ million	Q2-22	Q2-21	Ch. %	H1-22	H1-21	Ch. %
1. Financing, Short-Term Investments and Derivatives Gains (Losses)	(189.3)	59.0	(420.8)	(352.9)	(71.2)	395.6
1.1 Financial Expenses	(186.9)	(179.4)	4.2	(326.9)	(348.6)	(6.2)
1.2 Financial Income	92.9	51.8	79.3	179.1	97.3	84.1
1.3 Foreign Exchange Variations from Financing Activities, Net	(496.7)	762.8	(165.1)	375.2	353.9	6.0
1.4 Gains (Losses) on Foreign Exchange Derivatives from Financing Activities, Net	511.1	(734.9)	(169.5)	(364.8)	(339.1)	7.6
1.5 Gains (Losses) on Interest Rate Derivatives and Other Operating Derivatives, Net	(109.7)	158.7	(169.1)	(215.5)	165.3	(230.4)
2. Judicial Contingencies	(12.4)	(15.8)	(21.5)	(23.5)	(25.9)	(9.3)
3. Other Financial Income and (Expenses)	(225.1)	(248.7)	(9.5)	(437.0)	(336.3)	29.9
3.1 Lease Expenses	(47.3)	(51.4)	(8.0)	(95.1)	(106.0)	(10.3)
3.2 Other	(148.5)	(202.2)	(26.6)	(171.7)	(257.5)	(33.3)
3.3 Other Gains (Losses) From Hyperinflation and Foreign Exchange Variations on Operating Activities	(29.3)	4.9	(698.0)	(170.2)	27.2	(725.7)
Financial Income and Expenses, Net	(426.8)	(205.5)	107.7	(813.4)	(433.4)	87.7

- Net financial expenses were R\$426.8 million in Q2-22, up +107.7% vs. Q2-21, due mainly to the following effects:
 - Item 1.5 – Gains and Losses on derivatives related to the interest rate on the 2028 sustainability-linked bond, due to the volatility in the CDI rate
 - Item 3.3 – Higher losses from exchange rate variation, mostly due to the depreciation of the Brazilian Real in Q2-22 (as opposed to an appreciation in this period last year) and to increased inflation in 2021 in Argentina and Turkey
 - Items 1.3 and 1.4 – Variances in these lines are mainly related to the revaluation of debt in foreign currency and corresponding foreign exchange derivatives, therefore they mostly offset each other

Underlying net income (UNI) and net income

Net Income to Underlying Net Income (UNI) Reconciliation



Q2-22 reported net loss was R\$766.7 million, compared to a net income of R\$234.8 million in Q2-21, due mainly to lower EBITDA and higher net interest expense this quarter. Last year's net income benefitted from a significant income tax gain resulting from the Avon integration, related to corporate structure optimization.

Q2-22 Underlying Net Income, which is net income after excluding transformation costs, discontinued operations and PPA effects, was a loss of R\$261.5 million. This compares to a positive R\$482.2 million in Q2-21.

Free cash flow and cash position

R\$ million	Q2-22	Q2-21	Ch. %	H1-22	H1-21	Ch. %
Net income (loss)	(767.0)	232.2	(430.3)	(1,409.1)	75.7	(1,961.8)
Depreciation and amortization	629.7	698.9	(9.9)	1,278.9	1,395.3	(8.3)
Non-cash Adjustments to Net Income	969.3	(240.7)	(502.7)	1,634.1	243.7	570.4
Decrease / (Increase) in Working Capital	(403.3)	(928.1)	(56.5)	(1,815.5)	(2,573.8)	(29.5)
Inventories	(232.2)	(424.0)	(45.2)	(191.4)	(1,023.4)	(81.3)
Accounts receivable	(440.0)	(493.3)	(10.8)	(101.7)	(180.9)	(43.8)
Accounts payable	(61.6)	185.2	(133.2)	(641.2)	(260.0)	146.7
Other assets and liabilities	330.4	(196.0)	(268.5)	(881.2)	(1,109.4)	(20.6)
Income tax and social contribution	(191.7)	(171.8)	11.6	(342.0)	(348.9)	(2.0)
Interest on debt	(151.0)	(102.1)	47.9	(362.7)	(426.9)	(15.0)
Lease payments	(280.2)	(333.1)	(15.9)	(604.4)	(685.3)	(11.8)
Other operating activities	(316.3)	237.9	(233.0)	(355.6)	201.2	(276.8)
Cash from Operations	(510.5)	(606.8)	(15.9)	(1,976.2)	(2,119.0)	(6.7)
Capex	(213.5)	(307.2)	(30.5)	(523.1)	(639.8)	(18.2)
Sale of Assets	3.1	(26.5)	(111.8)	3.7	13.4	(72.3)
Exchange rate variation	134.4	(381.9)	(135.2)	(301.3)	(16.0)	1,778.0
Free Cash Flow	(586.5)	(1,322.3)	(55.6)	(2,796.9)	(2,761.5)	1.3
Other financing and investing activities	591.8	1,500.8	(60.6)	1,833.4	1,444.6	26.9
Cash Balance Variation	5.3	178.4	(97.0)	(963.4)	(1,316.9)	(26.8)

In Q2-22, free cash flow was an outflow of R\$586.5 million. Management is strongly focused on optimizing cash conversion in the short- and medium-term, and while performance is not satisfactory in the second quarter, free cash flow improved R\$735.8 million versus Q2-21, with some early returns on optimization efforts. Free cash flow changes were driven by the effects below:

- Inventory impact on the cash flow statement improved by R\$192 million versus Q2-21 as the businesses focused on more tightly managing inventory levels. This was offset by the corresponding lower accounts payable in the quarter that is expected to improve by year-end
- Corporate working capital (other assets and liabilities) improved significantly year-over-year mainly due to higher non-cash restructuring charges in the P&L in Q2-22 as well as the favorable impact of foreign exchange variation
- Capex and sale of assets improved R\$124 million vs. Q2-21 as we optimize our investments for returns
- Favorable foreign exchange rate variation resulting from the depreciation of the Brazilian Real in the quarter, which was partially offset by higher interest payments and derivative cash impacts (included in other operating activities)

Indebtedness ratios at both Natura &Co Holding and Natura Cosméticos

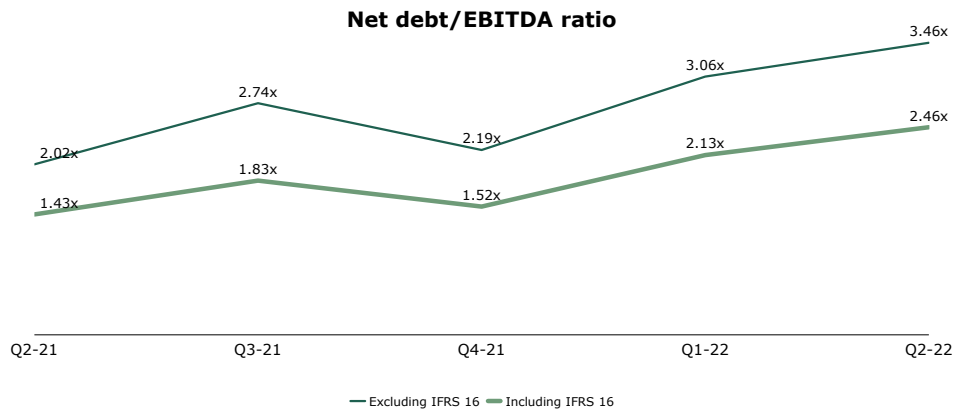
R\$ million	Natura Cosméticos S.A.		Natura &Co Holding S.A.	
	Q2-22	Q2-21	Q2-22	Q2-21
Short-Term	1,045.9	2,699.3	726.0	3,071.8
Long-Term	6,994.7	7,302.5	11,992.8	10,676.0
Gross Debt ^a	8,040.6	10,001.9	12,718.8	13,747.8
Foreign currency hedging (Swaps) ^b	75.5	189.5	54.8	189.5
Total Gross Debt	8,116.1	10,191.3	12,773.6	13,937.3
(-) Cash, Cash Equivalents and Short-Term Investment ^c	(3,041.6)	(6,144.4)	(4,275.6)	(7,989.4)
(=) Net Debt	5,074.5	4,047.0	8,497.9	5,947.8
<i>Indebtedness ratio excluding IFRS 16 effects</i>				
Net Debt/EBITDA	1.83x	1.49x	3.46x	2.02x
Total Debt/EBITDA	2.93x	3.74x	5.20x	4.73x
<i>Indebtedness ratio including IFRS 16 effects</i>				
Net Debt/EBITDA	1.43x	1.10x	2.46x	1.43x
Total Debt/EBITDA	2.28x	2.78x	3.69x	3.34x

^a Gross debt excludes PPA impacts of R\$320.8 million in Q2-22 and R\$394.5 million in Q2-21, and excludes lease agreements

^b Foreign currency debt hedging instruments, excluding mark-to-market effects

^c Short-Term Investments excludes non current balances

The graph below demonstrates the indebtedness trajectory on a quarterly basis, since Q2-21.



New bond issuance and liability management

In line with the Group's liability management plan to improve its capital structure, Natura &Co Luxembourg completed a US\$ 600 million bond issuance on April 13, with a 6.0% coupon maturing in 2029, guaranteed by Natura &Co Holding S.A. and Natura Cosméticos S.A. The funds were used primarily to refinance Avon's 2023 bond. Our average debt maturity improved from 5.0 years in Q1 to 6.3 years in Q2.

In July 2022, Natura Cosméticos issued R\$826 million in debentures maturing in 2027, partially replacing the 2022/2024 issuances, further extending our average debt maturity to 6.5 years.

1. Performance by segment

NATURA &Co LATAM

Natura &Co Latam	Net Revenue change (%)				Operational KPIs change (%)
	Q2-22 vs. Q2-21		H1-22 vs. H1-21		Q2-22 vs. Q2-21
	Reported (R\$)	Constant Currency	Reported (R\$)	Constant Currency	Consultants / Representatives ^b
Natura Latam ^a	12.2%	14.8%	5.6%	10.4%	-0.5%
Natura Brazil	14.3%	14.5%	9.3%	9.4%	-4.4%
Natura Hispanic	8.8%	15.5%	0.0%	11.8%	4.8%
Avon Latam	-12.8%	-5.0%	-14.6%	-8.0%	-11.0%
Avon Brazil	-10.7%	-9.0%	-13.8%	-12.9%	-6.9%
Avon Hispanic	-13.9%	-2.8%	-14.9%	-5.4%	-14.6%

^a Natura Latam includes Natura Brazil, Hispanic and others

^b Considers the Average Available Consultants / Representatives in the quarter

NATURA BRAND IN LATAM

Natura Brand in Brazil

- Consultant productivity was up by a strong +17.5% vs Q2-21 and also improved sequentially
- The average available consultant base reached 1.12 million in Q2, -4.4% vs. Q2-21 and +3.0% vs. Q1-22
- Strong online and retail sales growth
- The number of own stores reached 75 in the quarter (+10 vs Q2-21), while franchise stores increased to 576 (+31)



- The Natura brand was ranked the 7th most valuable in Brazil by Brand Finance and again ranked the strongest cosmetics brand in the world in its brand strength index

- Natura launched Plumping Bio-Hydrating Serum, a hyaluronic acid booster serum with a "water" texture that hydrates all layers of the skin to fill in wrinkles and plump the skin. This fluid serum includes fevillea, an ingredient from Brazilian biodiversity



Natura Brand in Hispanic Latam

- Market share gains in key markets such as Argentina and Colombia, and stable share in Mexico
- Online sales grew in mid-teens in Q2 in BRL
- The average available consultant base reached 0.89 million in Q2 (+4.8% vs. Q2-21), with increased productivity

AVON BRAND IN LATAM

Avon Brand in Brazil

- Q2 net revenue showed the lowest revenue decline since Q3-21, with growth of nearly +5% in the Beauty segment; Fashion and Home sales' contraction of -31% vs. Q2-21 was due to a combination of a deliberate continued portfolio reduction and a post-lockdown change in consumer habits
- The number of average available representatives improved sequentially in Q2-22, up by +3.1% vs Q1-22, returning to Q3-21 levels, underscoring the effective remedy actions implemented since that quarter
- Representative productivity in the beauty segment improved by double-digits, and overall representative activity also improved sequentially again in Q2-22 compared to Q1-22, further closing the gap to 2021 levels
- Representative churn ratio improved in Q2-22 compared to Q2-21

Avon Brand in Hispanic Latam

- Markets featuring the new commercial model, namely Ecuador, Colombia, and Central America, posted continued improvements in core channel-related KPIs
- Total representative productivity (beauty and F&H) was positive across most markets compared to last year, in addition to improving sequentially compared to Q1-22
- Total number of available representatives was stable vs. Q1-22, driven by Ecuador and Colombia
- Churn ratio improved compared to last year in Ecuador, Colombia and Central America

Avon International	Net Revenue change (%)				Operational KPIs change (%)	
	Q2-22 vs. Q2-21		H1-22 vs. H1-21		Q2-22 vs. Q2-21	
	Reported (R\$)	Constant Currency	Reported (R\$)	Constant Currency	Representatives	
Avon International	-25.4%	-11.4%	-23.7%	-10.7%	-18.3%	

- Sequential improvement in net revenue vs Q1-22 (excluding Russia and Ukraine)
- Improvements in the business model transformation and digitization during the quarter, with single-digit growth in productivity and activity and a reduction in churn ratio
- New commercial model implemented in 2 new markets, now totaling 16, representing 90% of all volumes sold
- Social selling penetration (active representatives who used the app in last three campaigns) increased to 23% in Q2-22 vs. 16% in Q2-21 thanks to the relaunch of Avon On
- Online sales reached 6.6% of revenue, compared to 5.1% in Q2-21
- Product launches in the period include Avon’s first ever bespoke fragrance Eve Privé. It is crafted with a customizable musk technology that takes the effects of the skin chemistry one step further, adapts to it and creates a completely unique scent for the person wearing it to smell like themselves, only better
- Net revenue of the Avon brand combined (Avon International + Latam) was -8.0% at CC in Q2-22 vs Q2-21



THE BODY SHOP

The Body Shop	Net Revenue change (%)				Operational KPIs				
	Q2-22 vs. Q2-21		H1-22 vs. H1-21		Q2-22	Q1-22	Q2-21	Change vs. Q1-22	Change vs. Q2-21
	Reported (R\$)	Constant Currency	Reported (R\$)	Constant Currency					
The Body Shop (Total)	-25.3%	-11.8%	-24.1%	-13.9%	2,455	2,497	2,571	(42)	(116)
Own Stores					989	1,001	1,013	(12)	(24)
Franchise Stores					1,466	1,496	1,558	(30)	(92)

- Net revenue in the quarter continued to reflect the impact of falling consumer confidence. The 11.8% decline at CC is mainly due to decrease in TBSAH, e-commerce sales and sales to franchisees. Stores sales increased significantly vs. Q2-21, but were not sufficient to offset the decline in other channels.
- Footfall in stores remains below 2019 pre-pandemic levels, particularly in the UK. Discretionary spending challenges and the longer-term change towards hybrid working continues to impact footfall of traditional high streets and shopping centers
- Sales by franchisees are increasing month on month, further reducing their inventories as they progressively recover from lockdowns.
- EBITDA was impacted by channel mix, with improvement in store sales not yet sufficient to offset declines in e-commerce and TBSAH as well as lower sell-in to head franchisees. In addition, this quarter did not benefit from government aid, which supported business operations in Q2-21



- The new Workshop stores are outperforming the rest of the network by approximately 13%, with 201 stores renovated in H1-22 and more to come in H2
- Steady progress on ESG: In-store refill stations reached 656 (+100 vs Q1-22 and +531 vs Q2-21), including 101 franchisee stores
- Launch of Vitamin C Glow Revealing Serum. This skin care product contains 10% of vitamin C, our highest concentration ever. It became the number 1 bestselling new product development by volume
- The Body Shop continued to be recognized through high profile awards across the world. These included winning The Beauty Brand that is Making a Difference, awarded by The Sunday Times in the UK, the Health and Beauty Retailer of the Year awarded by Retail Asia Awards in India and the Fast Company Brands That Matter in the United States
- The Body Shop recorded an impact of R\$36.3 million related to exit from Russia, including the closing of 26 franchised stores

Aesop	Net Revenue change (%)				Operational KPIs				
	Q2-22 vs. Q2-21		H1-22 vs. H1-21		Q2-22	Q1-22	Q2-21	Change vs. Q1-22	Change vs. Q2-21
	Reported (R\$)	Constant Currency	Reported (R\$)	Constant Currency					
Aesop (Total)	5.7%	24.5%	7.7%	22.9%	376	369	347	7	29
Signature Stores					275	269	253	6	22
Department Stores					101	100	94	1	7

- Retail channels accounted for 69% of sales in the quarter, with signature store revenue up +42% at CC vs. Q2-21
- Online sales accounted for nearly 23% of revenues, down 340 bps vs Q2-21, driven primarily by changes in customer behavior post-Covid-19 restrictions, but remain more than 2x above their Q2-19 level (pre-pandemic)
- China entry plans are underway for launch by end-2022, including investments in digital platforms in the quarter
- Aesop developed a collaboration with celebrated fashion designer Rick Owens, creating sophisticated travel kits with Owen's favored formulations and an eco-friendly packaging
- Signature stores totaled 275 in Q2, including net +6 doors in the quarter



3. Social and environmental performance

(all actions refer to Natura &Co Group, unless stated otherwise)

In June 2022, Natura &Co attended Stockholm+50, a meeting convened by the United Nations General Assembly. In Sweden, we shared three short-term calls to action to ensure that the next 50 years of sustainable development are a success:

- Commit to reform of environmentally harmful subsidies by 2030 and of Fossil Fuel Subsidies by 2025
- Secure the universal human right to a healthy, clean, and sustainable environment
- Enhance transparency and accountability by supporting harmonized ESG standards like International Sustainability Standards Board (ISSB), creating a global baseline for corporate sustainability reporting

Denise Hills, Natura &Co Latin America's Sustainability Director was chosen by the United Nations Global Compact (UNGC) as one of the global #SDG Pioneers 2022. The award recognizes professionals and business leaders who are doing outstanding work to promote the Sustainable Development Goals (SDGs) and the 2030 Agenda.

Natura &Co ranked 3rd in GlobeScan's 2022 Global Sustainability Leaders Survey, and 1st in Latin America, where it is considered as the leader in integrating sustainability into business strategy.

Natura &Co Latin America, Avon International and The Body Shop released their FY21 annual reports with comprehensive sustainability data in line with global reporting frameworks and our Commitment to Life Sustainability Vision.

Updates across the Commitment to Life pillars:

To address the Climate Crisis and protect the Amazon

- **Amazon:** In Q2-2022, Natura expanded the purchase of community inputs by 61% YoY and entered into a new partnership with a Colombian community, expanding operations from Brazil to the wider Pan-Amazon region. PlenaMata (DETER/INPE) reported an increase in deforestation of 0.3M ha in Q2, up 10% vs last year. Through the PlenaMata portal Natura establishes partnerships and engages the public by presenting data and information on Amazon deforestation.
- **Biodiversity:** It was announced that COP15 will now take place in Montreal, Canada in December 2022. In line with Natura &Co's goal to work collaboratively with the wider business community and society as a whole Natura &Co plans on attending in order to influence the adoption of a transformative global agreement that delivers for nature, climate and people.

To defend Human Rights and be Human-Kind

Natura IP&L: Natura launched its Integrated P&L (IP&L). This management tool allows Natura to account for the impact of corporate performance in the environmental, social, and human dimensions, in addition to financial results. According to IP&L, summing up all the positive impacts in the human, social and natural fields, and subtracting the negative impacts, for each US\$ 1 in revenue, the brand generated a net return of US\$1.5 in benefits for society.

- **Investment in key causes:**
 - As part of Sexual Assault Awareness month in April, Avon International partnered with No More to raise awareness of gender-based violence in conflict zones.
 - In May 2022 The Body Shop launched its ambitious global activism campaign, Be Seen Be Heard, in partnership with The United Nations. Over the next three years, The Body Shop will seek to inspire a change in legislation or policy, or support initiatives to promote youth participation in political life in all 75+ countries where The Body Shop operates.
 - In June 2022 to support Pride month, Aesop launched its Queer Libraries initiative for the second year. In select stores globally, Aesop removed product from shelves and replaced them with books by queer authors to help amplify voices

within the LGBTQIA+ community

- In response to the Roe vs. Wade Supreme Court decision, The Body Shop North America donated to Planned Parenthood and spoke out on its social channels around the world., This stand was highlighted by prominent media in the US, including the New York Times, Women’s Wear Daily, Hello Beautiful, Pop Sugar and Cosmetics Business, citing it as an example of a beauty brand taking action. Aesop publicly shared support for reproductive rights in the US, making donations to two reproductive rights organizations

To embrace Circularity and Regeneration

- In Q2 Natura &Co reached 10.3% of recycled plastic content of all plastic used (accumulative January-June 2022).
- In partnership with The Union for Ethical BioTrade, Natura &Co is co-creating a new regenerative certification standard that will highlight the positive impacts our businesses are generating connected to nature

4. Capital Markets and Stock Performance

NTCO3 shares traded at R\$13.42 at the end of Q2-22 on the B3 stock exchange, -48.5% in the quarter. Average Daily Trading Volume (ADTV) for the quarter was R\$241.0 million, -28.9% vs Q2-21. NTCO traded at US\$5.21 at the end of Q2-22 on NYSE, -52.3% in the quarter.

On June 30, 2022, the Company’s market capitalization was R\$18.6 billion, and the Company’s capital was comprised of 1,383,088,200 common shares.

5. Fixed income

Below is a table with details of all public debt instruments outstanding per issuer as of June 30, 2022:

Issuer	Type	Issuance	Maturity	Principal (million)	Nominal Cost (per year)
Natura Cosméticos S.A.	Bond - 2nd issuance (Sustainability Linked Bond)	03/05/2021	03/05/2028	US\$ 1,000.0 ⁽¹⁾	4,125%
Natura Cosméticos S.A.	Debenture - 9th issuance	09/21/2018	09/21/2022	BRL 302.7	112% DI tax
		08/28/2019	08/26/2024	BRL 400.0	DI + 1.00 per year
				BRL 95.7	DI + 1.15 per year
Natura Cosméticos S.A.	Debenture - 10th issuance 1st series	08/29/2019	08/26/2024	BRL 686.2	DI + 1.15 per year
				BRL 394.5	DI + 1.15 per year
Natura &Co International S.à r.l. (Natura Lux)	Bonds	04/19/2022	04/19/2022	US\$ 600.0	6,000%
Avon Products, Inc.	Unsecured Bonds	03/12/2013	03/15/2043	US\$ 216.1	8.450% ⁽²⁾

⁽¹⁾ Principal and interests fully hedged (swapped to BRL). For more information, see the explanatory notes to the Company’s financial statements.

⁽²⁾ Coupon based on current credit ratings, governed by interest rate adjustment clause

Ratings

Below is a table with our current credit ratings:

Natura &Co Holding S.A.			
Agency	Global Scale	National Scale	Outlook
Standard & Poor's	BB	AAA	Stable
Fitch Ratings	BB	AA+	Positive
Moody's	Ba3	-	Stable
Natura Cosméticos S.A.			
Agency	Global Scale	National Scale	Outlook
Standard & Poor's	BB	AAA	Stable
Fitch Ratings	BB	AA+	Positive
Moody's	Ba2	-	Stable
Avon International			
Agency	Global Scale	National Scale	Outlook
Standard & Poor's	BB-	-	Stable
Fitch Ratings	BB	-	Positive
Moody's	Ba3	-	Stable

6. Appendix

FREE CASH FLOW RECONCILIATION

The correspondence between Free Cash Flow and Statements of Cash Flow is shown below:

Statement of Cash Flows	Free Cash Flow Reconciliation	Free Cash Flow	Cash Flow Reconciliation
CASH FLOW FROM OPERATING ACTIVITIES			
Net (loss) income for the period	(a) Net Income (loss)	Net income (loss)	(a)
Adjustments to reconcile net (loss) income for the period with net cash used in operating activities:		Depreciation and amortization	(b)
Depreciation and amortization	(b) Depreciation/amortization	Non-cash Adjustments to Net Income	(c)
Interest and exchange variation on short-term investments	(c)	Adjusted Net income	
Earnings (loss) from swap and forward derivative contracts	(c)	Decrease / (Increase) in Working Capital	(d)
Provision for tax, civil and labor risks	(c)	Inventories	(d1)
Inflation adjustment of judicial deposits	(c)	Accounts receivable	(d2)
Inflation adjustment of provision for tax, civil and labor risks	(c)	Accounts payable	(d3)
Income tax and social contribution	(c)	Other assets and liabilities	(d4)
Income from sale and write-off of property, plant and equipment, lease and non-current assets held for sale	(c)	Income tax and social contribution	(e)
Interest and exchange rate variation on leases	(c)	Interest on debt	(f)
Interest and exchange rate variation on borrowings, financing and debentures, net of acquisition costs	(c)	Lease payments	(g)
Inflation adjustment and exchange rate variation on other assets and liabilities	(c)	Other operating activities	(h)
Reversal of provision for losses from property, plant and equipment, intangible and leases	(c)	Cash from Operations	
Provision for stock option plans	(c)	Capex	(i)
Provision for losses with trade accounts receivables, net of reversals	(c)	Sale of Assets	(j)
Provision for inventory losses, net of reversals	(c)	Exchange rate variation	(k)
Reversal of provision for the provision for carbon credits	(c)	Free Cash Flow	
Effect from hyperinflationary economy	(c)	Other financing and investing activities	(l)
Other adjustments to reconcile net loss	(c)	Cash Balance Variation	
Increase (Decrease) in:			
Trade accounts receivable and related parties	(d2)		
Inventories	(d1)		
Recoverable taxes	(d4)		
Other assets	(d4)		
Domestic and foreign trade accounts payable and related parties	(d3)		
Payroll, profit sharing and social charges, net	(d4)		
Tax liabilities	(d4)		
Other liabilities	(d4)		
OTHER CASH FLOWS FROM OPERATING ACTIVITIES			
Payment of income tax and social contribution	(e) Income Tax and Social Contribution		
Release of judicial deposits	(h) Other Operating Activities		
Payments related to tax, civil and labor lawsuits	(h)		
(Payments) proceeds due to settlement of derivative transactions	(h)		
Payment of interest on lease	(g) Lease Payments		
Payment of interest on borrowings, financing and debentures	(f) Interest on Debt		
NET CASH (USED IN) OPERATING ACTIVITIES			
CASH FLOW FROM INVESTING ACTIVITIES			
Cash from acquisition of subsidiary	(l) Other financing/investing activities		
Additions of property, plant and equipment and intangible	(j) Capex		
Proceeds from sale of property, plant and equipment, intangible and non-current assets held for sale	(i) Sale of Assets		
Acquisition of short-term investments	(l)		
Redemption of short-term investments	(l)		
Redemption of interest on short-term investments	(l)		
NET CASH GENERATED BY (USED IN) INVESTING ACTIVITIES			
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease - principal	(g) Lease Payments		
Repayment of borrowings, financing and debentures - principal	(f)		
New borrowings, financing, and debentures	(l)		
Acquisition of treasury shares, net of receipt of option strike price	(l)		
Receipt of funds due to settlement of derivative transactions	(l)		
Capital Increase	(l)		
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Effect of exchange rate variation on cash and cash equivalents	(k) Exchange Rate Effect		
DECREASE IN CASH AND CASH EQUIVALENTS			
Opening balance of cash and cash equivalents			
Closing balance of cash and cash equivalents			
DECREASE IN CASH AND CASH EQUIVALENTS			

CONSOLIDATED BALANCE SHEET

ASSETS (R\$ million)	Jun-22	Dec-21	LIABILITIES AND SHAREHOLDER'S EQUITY (R\$ million)	Jun-22	Dec-21
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	3,043.8	4,007.3	Borrowings, financing and debentures	726.0	945.1
Short-term investments	1,231.8	1,978.7	Lease	890.6	1,005.5
Trade accounts receivable	3,251.7	3,476.4	Trade accounts payable and reverse factoring operations	5,716.5	6,770.6
Inventories	5,367.4	5,403.5	Dividends and interest on shareholders' equity payable	180.8	180.8
Recoverable taxes	953.6	973.3	Payroll, profit sharing and social charges	961.9	1,255.3
Income tax and social contribution	258.3	564.5		619.0	766.4
Derivative financial instruments	87.5	81.2	Income tax and social contribution	235.9	365.5
Other current assets	849.6	912.2	Derivative financial instruments	613.6	458.5
Assets held for sale	45.4	52.9	Provision for tax, civil and labor risks	259.4	230.1
Total current assets	15,089.2	17,449.9	Other current liabilities	1,435.3	1,716.1
			Total current liabilities	11,638.9	13,693.9
NON CURRENT ASSETS			NON CURRENT LIABILITIES		
Recoverable taxes	1,334.3	1,349.6	Borrowings, financing and debentures	12,313.5	11,771.8
Income tax and social contribution	176.6	84.7	Lease	2,451.3	2,542.3
Deferred income tax and social contribution	3,340.5	2,954.1	Payroll, profit sharing and social charges	22.5	53.7
Judicial deposits	588.8	585.3	Tax liabilities	113.6	114.8
Derivative financial instruments	-	894.0	Deferred income tax and social contribution	906.9	994.0
Short-term investments	50.5	36.9	Derivative financial instruments	23.1	-
Other non-current assets	1,518.8	1,763.1	Provision for tax, civil and labor risks	1,660.6	1,768.7
Total long term assets	7,009.6	7,667.7	Other non-current liabilities	951.0	942.5
			Total non-current liabilities	18,442.5	18,187.9
Property, plant and equipment	5,025.8	5,377.4	SHAREHOLDERS' EQUITY		
Intangible	24,179.3	26,857.6	Capital stock	12,484.4	12,481.7
Right of use	3,027.0	3,096.0	Treasury shares	(263.4)	(151.3)
Total non-current assets	39,241.7	42,998.6	Capital reserves	10,427.6	10,478.8
			Legal profit reserve	865.1	871.2
			Retained (losses) income	(1,409.8)	0.0
			Other comprehensive income	2,127.2	4,865.2
			Equity attributable to owners of the Company	24,231.1	28,545.6
			Non-controlling interest in shareholders' equity of subsidiaries	18.4	21.2
TOTAL ASSETS	54,330.9	60,448.5	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	54,330.9	60,448.5

CONSOLIDATED INCOME STATEMENT- INCLUDING PURCHASE PRICE ALLOCATION (PPA) AMORTIZATION

R\$ million	Q2-22	Q2-21	Ch. %	H1-22	H1-21	Ch. %
NET REVENUE	8,702.4	9,517.2	(8.6)	16,955.7	18,972.2	(10.6)
Cost of Products Sold	(3,216.8)	(3,318.3)	(3.1)	(6,162.4)	(6,640.8)	(7.2)
GROSS PROFIT	5,485.6	6,198.9	(11.5)	10,793.3	12,331.5	(12.5)
OPERATING EXPENSES						
Selling, Marketing and Logistics Expenses	(3,706.2)	(4,045.4)	(8.4)	(7,391.7)	(8,052.8)	(8.2)
Administrative, R&D, IT and Project Expenses	(1,729.4)	(1,816.3)	(4.8)	(3,262.7)	(3,444.0)	(5.3)
Impairment losses on trade receivables	(150.5)	(210.9)	(28.6)	(314.3)	(450.2)	(30.2)
Other Operating Expenses, Net	(38.4)	(179.3)	(78.6)	(97.1)	(304.7)	(68.1)
LOSS FROM OPERATIONS BEFORE FINANCIAL RESULT	(139.0)	(53.0)	162.3	(272.5)	79.7	(441.9)
Financial Income	1,960.4	1,225.5	60.0	3,314.7	2,264.4	46.4
Financial Expenses	(2,387.1)	(1,431.0)	66.8	(4,128.1)	(2,697.8)	53.0
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(565.8)	(258.5)	118.9	(1,085.9)	(353.7)	207.0
Income Tax and Social Contribution	(135.1)	527.4	(125.6)	(217.6)	437.3	(149.8)
(LOSS) INCOME FROM CONTINUED OPERATIONS	(700.9)	269.0	(360.6)	(1,303.5)	83.7	(1,658.2)
Income (Loss) from discontinued operations	(66.1)	(36.7)	80.0	(105.7)	(8.0)	1,226.6
(LOSS) INCOME FOR THE PERIOD	(767.0)	232.2	(430.3)	(1,409.1)	75.7	(1,961.8)
Attributable to controlling shareholders	(766.7)	234.8	(426.5)	(1,409.8)	79.7	(1,869.5)
Attributable to non-controlling shareholders	(0.2)	(2.6)	(90.5)	0.7	(4.0)	(116.8)

PURCHASE PRICE ALLOCATION (PPA) AMORTIZATION

R\$ million	Q2-22	Q2-21	H1-22	H1-21
Net Revenue	-	-	-	-
Cost of Products Sold	(1.7)	(13.7)	(3.7)	(22.9)
Gross Profit	(1.7)	(13.7)	(3.7)	(22.9)
Selling, Marketing and Logistics Expenses	(63.4)	(77.4)	(129.6)	(150.9)
Administrative, R&D, IT and Project Expenses	(66.8)	(87.3)	0	(161.9)
Other Operating Income (Expenses), Net	4.6	5.4	32.6	11.0
Financial Income/(Expenses), net	14.6	9.2	(38.9)	21.2
Income Tax and Social Contribution	(39.7)	117.7	0	162.8
LOSS FROM CONTINUED OPERATIONS	(152.4)	(45.9)	(139.6)	(140.7)
Depreciation impact	(132.6)	(174.9)	(38.9)	(343.3)

CONSOLIDATED STATEMENT OF CASH FLOW

	R\$ million	H1-22	H1-21
CASH FLOW FROM OPERATING ACTIVITIES			
Net (loss) income for the period		(1,409.1)	75.7
Adjustments to reconcile net (loss) income for the period with net cash used in operating activities:			
Depreciation and amortization		1,278.9	1,395.3
Interest and exchange variation on short-term investments		(179.1)	(86.8)
Earnings (loss) from swap and forward derivative contracts		559.0	(273.5)
Provision for tax, civil and labor risks		117.8	47.7
Inflation adjustment of judicial deposits		(17.2)	(5.4)
Inflation adjustment of provision for tax, civil and labor risks		23.5	32.7
Income tax and social contribution		217.6	(437.3)
Income from sale and write-off of property, plant and equipment, lease and non-current assets held for sale		22.9	44.2
Interest and exchange rate variation on leases		95.1	180.7
Interest and exchange rate variation on borrowings, financing and debentures, net of acquisition costs		(39.6)	(144.8)
Inflation adjustment and exchange rate variation on other assets and liabilities		1.3	23.4
Reversal of provision for losses from property, plant and equipment, intangible and leases		0.0	(4.3)
Provision for stock option plans		144.2	131.8
Provision for losses with trade accounts receivables, net of reversals		314.3	450.2
Provision for inventory losses, net of reversals		201.8	217.1
Reversal of provision for the provision for carbon credits		(6.8)	(3.3)
Effect from hyperinflationary economy		179.4	72.6
Other adjustments to reconcile net loss		0.0	(1.3)
Increase (Decrease) in:			
Trade accounts receivable and related parties		(101.7)	(180.9)
Inventories		(191.4)	(1,023.4)
Recoverable taxes		(1.3)	(383.6)
Other assets		21.9	(15.7)
Domestic and foreign trade accounts payable and related parties		(641.2)	(260.0)
Payroll, profit sharing and social charges, net		(329.5)	(82.3)
Tax liabilities		(153.1)	(235.4)
Other liabilities		(419.3)	(392.4)
OTHER CASH FLOWS FROM OPERATING ACTIVITIES			
Payment of income tax and social contribution		(342.0)	(348.9)
Release of judicial deposits		13.8	6.6
Payments related to tax, civil and labor lawsuits		(112.6)	(32.5)
(Payments) proceeds due to settlement of derivative transactions		(256.7)	227.0
Payment of interest on lease		(77.7)	(105.7)
Payment of interest on borrowings, financing and debentures		(362.7)	(426.9)
NET CASH (USED IN) OPERATING ACTIVITIES		(1,449.5)	(1,539.4)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions of property, plant and equipment and intangible		(523.1)	(639.8)
Proceeds from sale of property, plant and equipment, intangible and non-current assets held for sale		3.7	13.4
Acquisition of short-term investments		(4,753.0)	(5,630.4)
Redemption of short-term investments		5,446.7	4,614.4
Redemption of interest on short-term investments		59.9	41.9
NET CASH GENERATED BY (USED IN) INVESTING ACTIVITIES		234.1	(1,600.5)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease - principal		(526.7)	(579.6)
Repayment of borrowings, financing and debentures - principal		(3,638.7)	(5,511.9)
New borrowings, financing, and debentures		4,727.0	6,335.7
Acquisition of treasury shares, net of receipt of option strike price		(120.3)	(21.0)
Receipt of funds due to settlement of derivative transactions		109.2	1,615.8
Capital Increase		2.7	0.0
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		553.2	1,839.1
Effect of exchange rate variation on cash and cash equivalents		(301.3)	(16.0)
DECREASE IN CASH AND CASH EQUIVALENTS		(963.4)	(1,316.9)
Opening balance of cash and cash equivalents		4,007.3	5,821.7
Closing balance of cash and cash equivalents		3,043.8	4,504.8
DECREASE IN CASH AND CASH EQUIVALENTS		(963.4)	(1,316.9)

7. Conference call *and* webcast

Natura &Co (B3: NTCC3 / NYSE: NTCO)
is pleased to invite you to join its Q2-22 Earnings Conference Call:

Friday, August 12th, 2022

09:00 AM NY time
10:00 AM Brasilia Time
14:00 PM London Time

–
The call will be held in English with simultaneous translation into Portuguese

To connect to the conference call:

U.S.: Toll free: +1 844 204-8942 / Dial in: +1 412 717-9627
Brazil: +55 11 3181-8565 / Dial in: +55 11 4090-1621
U.K.: +44 20 3795 9972

–
Conference call ID: Natura
To access the webcast: [click here](#)

Q2-22 Results will be available on August 11th, Thursday, after B3 trading hours at the website: <http://ri.naturaeco.com/en>

In line with the best corporate governance practices, the Company informs that it will be in quiet period from July 13, 2022, until the results are disclosed.

–
Natura &Co IR Team | ir@natura.net

AVON natura THE BODY SHOP Aēsop.

natura&co



8. Glossary

Abihpec: Brazilian Association of the Personal Hygiene, Perfumery and Cosmetics Industry

ADR: An American Depositary Receipt is a negotiable certificate issued by a U.S. depository bank representing a specified number of shares of a non-U.S. company stock.

ADS: The individual issuance of shares in a U.S. stock exchange by a non-U.S. company is referred to as American Depositary Shares (ADS)

Adjusted EBITDA: Excludes effects that are not considered usual, recurring or not-comparable between the periods under analysis

APAC: Asia and Pacific

Avon representatives: Self-employed resellers who do not have a formal labor relationship with Avon

B3: Brazilian Stock Exchange

Benefit Sharing: In accordance with Natura's Policy for the Sustainable Use of Biodiversity and Associated Traditional Knowledge, benefits are shared whenever we perceive various forms of value in the access gained. Therefore, one of the practices that defines the way in which these resources are divided is to associate payments with the number of raw materials produced from each plant as well as the commercial success of the products in which these raw materials are used

BPS: Basis Points; a basis points is equivalent to one percentage point * 100

Brand Power: A methodology used by Natura &Co to measure how its brands are perceived by consumers, based on metrics of significance, differentiation and relevance.

BRL: Brazilian Reais

CDI: The overnight rate for interbank deposits

CEE: Central and Eastern Europe

CFT: Cosmetics, Fragrances and Toiletries Market (CFT = Fragrances, Body Care and Oil Moisture, Make-up (without Nails), Face Care, Hair Care (without Colorants), Soaps, Deodorants, Men's Grooming (without Razors) and Sun Protection

COGS: Costs of Goods Sold

Constant currency ("CC) or constant exchange rates: when exchange rates used to convert financial figures into a reporting currency are the same for the years under comparison, excluding foreign currency fluctuation effects

CO2e: Carbon dioxide equivalent; for any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact.

EBITDA: Earnings Before Interests, Tax, Depreciation and Amortization

EMEA: Europe, Middle East and Africa

EP&L: Environmental Profit & Loss

Foreign currency translation: conversion of figures from a foreign currency into the currency of the reporting entity

G&A: General and administrative expenses

GHG: Greenhouse gases

ICON: Consumer Stock Index of the B3 stock exchange, designed to track changes in the prices of the more actively traded and better representative cyclical and non-cyclical consumer stocks

Innovation Index: Share in the last 12 months of the sale of products launched in the last 24 months

IBOV: Ibovespa Index is the main performance indicator of the stocks traded in B3 and lists major companies in the Brazilian capital market

IFRS – International Financial Reporting Standards

Kantar: Data, insights and consulting company with global presence

Hispanic Latam: Often used to refer to the countries in Latin America, excluding Brazil

LFL: Like-for-Like, applicable to measure comparable growth

Natura Consultant: Self-employed resellers who do not have a formal labor relationship with Natura

Natura Crer Para Ver Program (CPV): Special line of non-cosmetic products whose profits are transferred to the Natura Institute, in Brazil, and invested by Natura in social initiatives in the other countries where we operate. Our consultants promote these sales to benefit society and do not obtain any gains.

Natura Institute: Is a nonprofit organization created in 2010 to strengthen and expand our Private Social Investment initiatives. The institute has enabled us to leverage our efforts and investments in actions that contribute to the quality of public education

NYSE: New York Stock Exchange

P&L: Profit and loss

PP: Percentage point

PPA: Purchase Price Allocation - effects of the fair market value assessment as a result of a business combination

Profit Sharing: The share of profit allocated to employees under the profit-sharing program

SEC: The U.S. Securities and Exchange Commission (SEC) is an independent federal government regulatory agency responsible for protecting investors, maintaining fair and orderly functioning of the securities markets, and facilitating capital formation

SG&A: Selling, general and administrative expenses

SM&L: Selling, marketing and logistics expenses

SLB: Sustainability Linked Bond

SPT: Sustainability Performance Targets

SSS: Same-Store-Sales

Supplier Communities: The communities of people involved in small-scale farming and extraction activities in a variety of locations in Brazil, especially in the Amazon Region, who extract the inputs used in our products from the social and biodiversity. We form production chains with these communities that are based on fair prices, the sharing of benefits gained from access to the genetic heritage and associated traditional knowledge and support for local sustainable development projects. This business model has proven effective in generating social, economic and environmental value for Natura and for the communities.

Synergies: Synergy is the concept that the value and performance of two companies combined will be greater than the sum of the separate individual parts.

TBS: The Body Shop.

TMEA: Turkey, Middle East and Africa

UNI: Underlying Net Income.

WE: Western Europe

9. Disclaimer

EBITDA is not a measure under BR GAAP and does not represent cash flow for the periods presented. EBITDA should not be considered an alternative to net income as an indicator of operating performance or an alternative to cash flow as an indicator of liquidity. EBITDA does not have a standardized meaning and the definition of EBITDA used by Natura may not be comparable with that used by other companies. Although EBITDA does not provide under BR GAAP a measure of cash flow, Management has adopted its use to measure the Company's operating performance. Natura also believes that certain investors and financial analysts use EBITDA as an indicator of performance of its operations and/or its cash flow.

This report contains forward-looking statements. These forward-looking statements are not historical fact, but rather reflect the wishes and expectations of Natura's management. Words such as "anticipate," "wish," "expect," "foresee," "intend," "plan," "predict," "project," "desire" and similar terms identify statements that necessarily involve known and unknown risks. Known risks include uncertainties that are not limited to the impact of price and product competitiveness, the acceptance of products by the market, the transitions of the Company's products and those of its competitors, regulatory approval, currency fluctuations, supply and production difficulties and changes in product sales, among other risks. This report also contains certain pro forma data, which are prepared by the Company exclusively for informational and reference purposes and as such are unaudited. This report is updated up to the present date and Natura does not undertake to update it in the event of new information and/or future events.

Investor Relations Team
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